March 2024

APPENDIX C: OPTIONS APPRAISAL

Stantec

SYSTRA

STRATHCLYDE REGIONAL BUS STRATEGY

APPENDIX C: OPTIONS APPRAISAL

IDENTIFICATION TABLE	
Client/Project owner	Strathclyde Partnership for Transport
Project	Strathclyde Regional Bus Strategy
Study	Appendix C: Options Appraisal
Type of document	Final Report
Date	March 2024
File name	Strathclyde Regional Bus Strategy Options Appraisal FINAL v1.2.docx
Reference number	GB01T23C77
Number of pages	192

APPROVAL					
Version	**Name**		**Position**	**Date**	**Modifications**
1	Author	NB RA LV	Director; Associate; Principal	05/02/2024	First Draft
	Checked by	NB	Director	05/02/2024	
	Approved by	NB	Director	05/02/2024	
2	Author	NB RA LV	Director; Associate; Principal	March 2024	Final Report
	Checked by	NB	Director	March 2024	
	Approved by	NB	Director	March 2024	

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

1. INTRODUCTION

1.1 Background

1.1.1 This Options Appraisal Report forms part of the development of the Strathclyde Regional Bus Strategy (SRBS). In 2023, Strathclyde Partnership for Transport (SPT) published A Call to Action: The Regional Transport Strategy for the west of Scotland 2023-38 (RTS), which set out the following vision for transport in the region:

> The west of Scotland will be an attractive, resilient and well-connected place with active, liveable communities and accessible, vibrant centres facilitated by high quality, sustainable and low carbon transport shaped by the needs of all.

1.1.2 Of the five objectives of the RTS, objective 4 is:

> To make public transport a desirable and convenient travel choice for everyone.

1.1.3 To achieve this, one of the key policy themes is enhancing the quality and integration of public transport, with enabling policies related to bus such as:

- An integrated public transport system
- Ticketing and information
- Mobility as a Service
- Bus quality and integration
- The integration of public transport with other sustainable modes

1.1.4 The RTS concludes that the vision of the strategy will not be achieved without improving the quality and integration of the bus network and setting out a policy aiming for a world class passenger focused public transport system. The development of the SRBS considers the powers and opportunities available under the Transport (Scotland) Act 2019.

1.2 Case for Change

1.2.1 This Options Appraisal Report follows the Case for Change Report, which established the baseline for the SRBS by identifying the evidenced transport problems and opportunities in the study area, a set of Transport Planning Objectives (TPOs) and some core policy areas that allow the TPOs to be met.

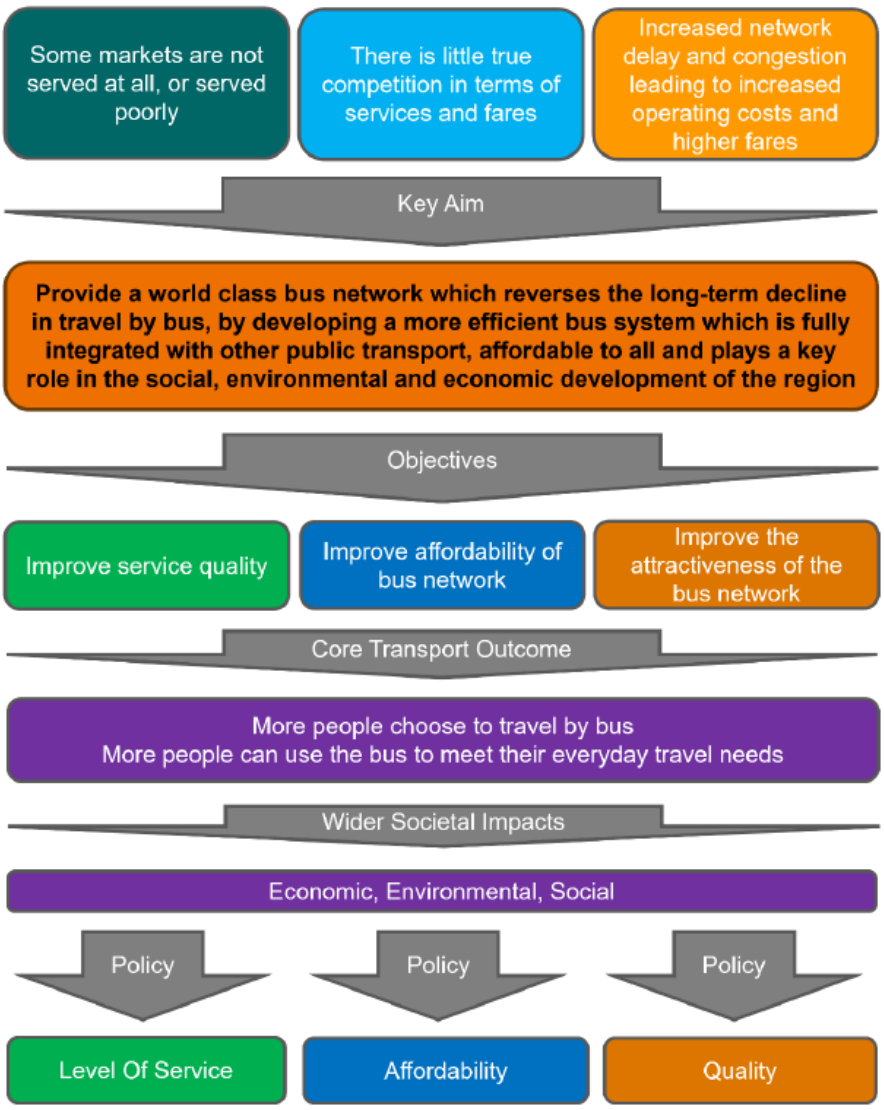
1.2.2 Following the analysis undertaken during the Case for Change, the following key aim for the SRBS was developed:

> To provide a world class bus network which reverses the long-term decline in travel by bus, by developing a more efficient bus system which is fully integrated with other public transport, affordable to all and plays a key role in the social, environmental and economic development of the region.

1.3 Appraisal of the Options

1.3.1 This appraisal considers options for enhancements to how bus services can be delivered in the west of Scotland using the existing legislation in Scotland (as set out in section 2), in relation to the outcomes of the Case for Change (WP1) and the core policy areas that were developed to respond to the objectives and desired outcomes of the SRBS, as summarised in Figure 1 below.

Figure 1. Problems to Policies, from the SRBS Case for Change Report



1.3.2 This appraisal of the alternative options (WP2) will identify the recommended delivery and funding model for bus services in the region. The development and finalisation of the SRBS, which follows this appraisal stage, will build that preferred delivery and funding model into a strategy for delivery, including responding to consultation feedback. A Strategic Business Case for the preferred option, which will follow approval of the SRBS, will build on the work undertaken during this options appraisal stage.

2. OPTIONS TO BE APPRAISED

2.1 Introduction

2.1.1 This section sets out the background and broad overview of the options that will be considered in this Options Appraisal Report. The options represent varying delivery models for bus services in the Strathclyde region. These include partnership options on a voluntary and statutory basis, as well as options for local transport authorities (including SPT) to take greater control of bus service operations through franchising or establishing a municipally owned bus company.

2.1.2 All options considered are in the context of the Transport (Scotland) Act 2019, which provided the ability to develop a Bus Service Improvement Partnership (BSIP), a revised Bus Franchising Scheme, and a municipally owned operator that would have the ability to compete for bus service contracts. The 2019 Act represented a potential step change in powers for local transport authorities in how they run bus services, and was the most significant change in the regulatory environment in Scotland since bus services were deregulated in Great Britain in 1986.

2.1.3 It is important to note that, for the purposes of this appraisal, the options have been considered on a regional basis in the first instance, and the likely benefits and deliverability of each option on a regional basis is discussed in later sections. An important element of these options is that they are, to an extent, dependent on the geographic scale and the number of operators that they cover. Partnership agreements, either voluntary or statutory, may not be deliverable for the entire Strathclyde region and may be more likely to be focused on urban areas or key corridors. Similarly, and as discussed below, a municipal operator may not be able to acquire all existing commercial services in the region, at least in the short term, and may be more likely to start at a smaller scale, perhaps by operating subsidised services or filling gaps in the network. A franchise agreement may be more likely to cover the entire region (save perhaps for some very rural areas that may warrant more bespoke solutions) and there the benefits may be more likely to apply region-wide as a result.

2.1.4 Whilst this section sets out some of the broad costs and benefits of each option, and the potential delivery methods to implement them, greater detail on these aspects and an assessment of their costs and benefits is set out in the options appraisal chapters.

2.1.5 A matrix of the options and what would be delivered under each policy area is set out in section 2.7.

2.2 Business as usual

2.2.1 The current bus operations in the SPT region reflect the provisions of the 1985 Transport Act. The majority of bus services are provided on a commercial basis by privately owned bus companies who recover the cost of operating their services through a mixture of farebox revenues and government payments. A minority of services are considered to be socially necessary and are provided through tendered contracts let by SPT – in some rural

areas these tendered services can form a significant proportion of the bus services available.

2.2.2 In the City of Glasgow and larger towns in the region, many bus services operate frequently using modern buses equipped with good quality seating, on-board real-time information plus on-board wi-fi and charging facilities. In smaller towns and in rural areas services are typically less frequent – although there are some notable exceptions – and are operated by vehicles that may be a little older but still provide a comfortable passenger environment. In total bus operators in the Glasgow & Strathclyde region employ over 4,700 staff and operate around 1,350 buses. Of this fleet, a growing proportion are zero emissions battery electric buses while approximately 50% comply with the latest Euro 6 emissions standards.

2.2.3 Given the commercial nature of operations, operators tend to focus on the corridors and towns where bus ridership, and the potential for growth in ridership, is higher. This means that some communities, or links between relatively nearby communities, can receive a poor bus service or, in extreme cases, no timetabled conventional bus service at all. SPT had a budget of £13.7m in 2023/24 to contract with operators to fill these gaps in the commercial networks and provide socially necessary bus services. These can take the form of:

- entire services using conventional buses or door-to-door dial-a-ride operations;
- early morning, evening and Sunday services where the communities are served by commercial services during the rest of the week; and
- extensions and diversions to commercial services that would otherwise not serve certain communities.
- Community Transport services

2.2.4 The bus network in the SPT region operates alongside a comprehensive suburban passenger rail network and the Glasgow Subway that provides connections in the urban core of the city. The commercial nature of bus operations dictates that some bus services integrate with rail services at key hubs, while other bus services compete with rail for end-to-end journeys, albeit often serving different markets along the way.

2.2.5 Most bus fares are determined commercially by bus operators (though SPT sets fares on supported services). While the Scottish Government's National Concessionary Travel Scheme (NCTS) offers free travel by public bus to young people, older people and people with disabilities, there remain sections of society not eligible for free travel who find buses unaffordable. Over the last 30 years, bus fares have increased considerably in real terms, largely as a result of the growing cost of operating bus services. This has coincided with a declining trend in bus patronage.

2.3 Voluntary Partnership

2.3.1 A voluntary partnership (VP) provides a formal written framework within which bus operators, local transport authorities, local highway authorities and other relevant actors will work together to achieve stated objectives and deliver agreed measures and facilities. Because the agreement is made in the context of an open and competitive market for bus services, it must be demonstrably delivering wider Government bus improvement objectives in order to be permissible.

2.3.2 A VP is typically entered into to provide a structure for agreeing enhanced operating and highways standards when a major investment in infrastructure or services is secured. There is no formally required process for establishing a VP, however the process is typically that:

- Partners will come together to conduct a collective discussion about the outcomes of a potential partnership and what commitments would be required to achieve those outcomes;
- Agreement is made collectively on the content of the partnership and a written agreement is drawn up that sets out the actions to be taken by each party to achieve the desired outcomes;
- This agreement is usually the subject of a legal review by all parties, as well as the competition review mentioned in paragraph 6.3.1; and
- The agreement commences with a stated end-date and review process. The term of a VP is typically five years, but this can vary.

2.3.3 Other than the competition check, the absence of a statutory framework means that entering into a VP can be achieved relatively quickly once there is a desire to do so. There is also potentially less risk and less cost placed upon the public sector, with responsibility for operations and revenue ownership remaining with the operators.

2.3.4 However, as it is a non-statutory process, it is often limited in what it can achieve in terms of enforcing minimum quality, delivery and service standards. There are no formal obligations on parties to deliver bus service improvements, infrastructure or service standards, and it is dependent on the will of the individual parties involved to commit to deliver changes that are incentivised by changes made by others.

2.3.5 Currently, the only formal VP in the region is the Glasgow City Region Bus Partnership, which covers eight local transport authority areas in the region and brings together SPT, the local transport authorities and bus operators (under the Glasgow Bus Alliance banner) to achieve a series of aims:

- Raising the priority needs of bus services in city planning;
- Improving the utility of real time information; and
- Seeking to introduce integrated ticketing systems.

2.3.6 In other local transport authority areas, there are more informal close working relationships between operators and local transport authorities. Previous more formal VPs have now lapsed, and the Glasgow City Region Bus Partnership is the only agreement currently in place.

2.3.7 During the engagement process of this phase of the study, during which sessions were held with both local transport authorities and the commercial bus operators, the operators expressed the desire to establish a more ambitious and transformational VP. It is understood that this enhanced version of a partnership could include:

- A single network identity, including a region-wide app, website and branding;
- A joint management group made up of SPT and operator representatives to consider areas such as network strategy and operational reviews;
- Enhanced data sharing and KPI targets;
- Reinvestment of savings from bus priority measures into service enhancements;

- A review fares and ticketing to provide simpler and consolidated products; and
- Customer service improvements on-street and through other channels.

2.3.8 The agreement of any of the above would ultimately be subject to a discussion between all parties and the commitments required from all sides to deliver on the agreed outcomes. Overall, the roles and responsibilities for a VP could be summarised in the diagram in Figure 2.

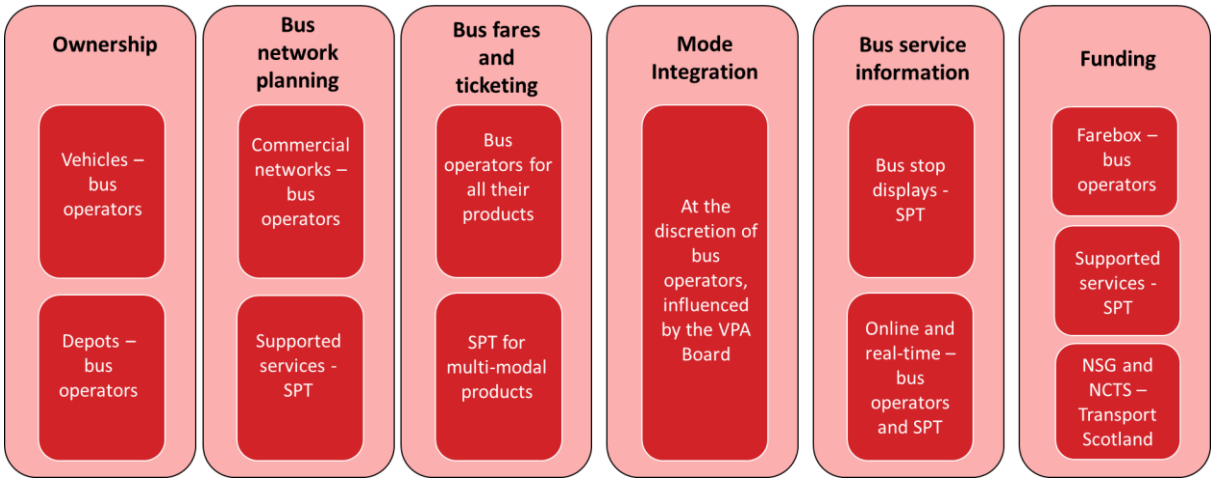


Figure 2. Overall Responsibilities for VPs

2.4 Bus Service Improvement Partnership

2.4.1 A Bus Service Improvement Partnership is a new form of statutory quality partnership enabled by the Transport (Scotland) Act 2019. Transport Scotland noted "a disappointing level of uptake"[1] for the formation of statutory quality partnerships using the previous legislation, although five were established in the Strathclyde region. The five previously established under the Transport (Scotland) Act 2001 were:

- Paisley Town Centre (2011)
- Glasgow Streamline Quality Bus Routes (2012)
- Ayr-Prestwick (2013)
- Inverclyde (2015)
- Fastlink (2015)

2.4.2 A BSIP enables partners to come together and agree binding commitments that will be delivered during the term of the partnership. If measures and facilities agreed in the BSIP are not delivered then the relevant partner can be at risk of sanctions – as an example, an operator who fails to meet the agreed standards of operation for a service (a vehicle quality standard or the acceptance of multi-operator tickets, for instance) could see its services deregistered by the Traffic Commissioner.

[1] Transport Scotland, Local Bus Services in Scotland – Improving the Framework for Delivery: A Consultation, paragraph 4.8.

2.4.3 It is therefore crucial that the content of the BSIP is subject to full consultation and agreement by a majority of operators before the Partnership agreement is completed, so that partners can be confident they can comply with obligations placed upon them.

2.4.4 The process to establish a BSIP is well defined in the 2019 Act and begins with a process of informal discussion between local transport authorities, bus operators and other relevant parties to establish an initial view on the content of the BSIP plan and scheme(s). This is followed by notification of intent to create a BSIP and drafting of the BSIP by the local transport authorities involved. Operators and stakeholders then have an opportunity to engage before an agreement is reached to adopt the BSIP and put all the necessary governance and review processes in place. At this point, the local transport authorities, operators and other signatories are legally obliged to deliver each component of the scheme. An overview of the process is provided in Figure 3.

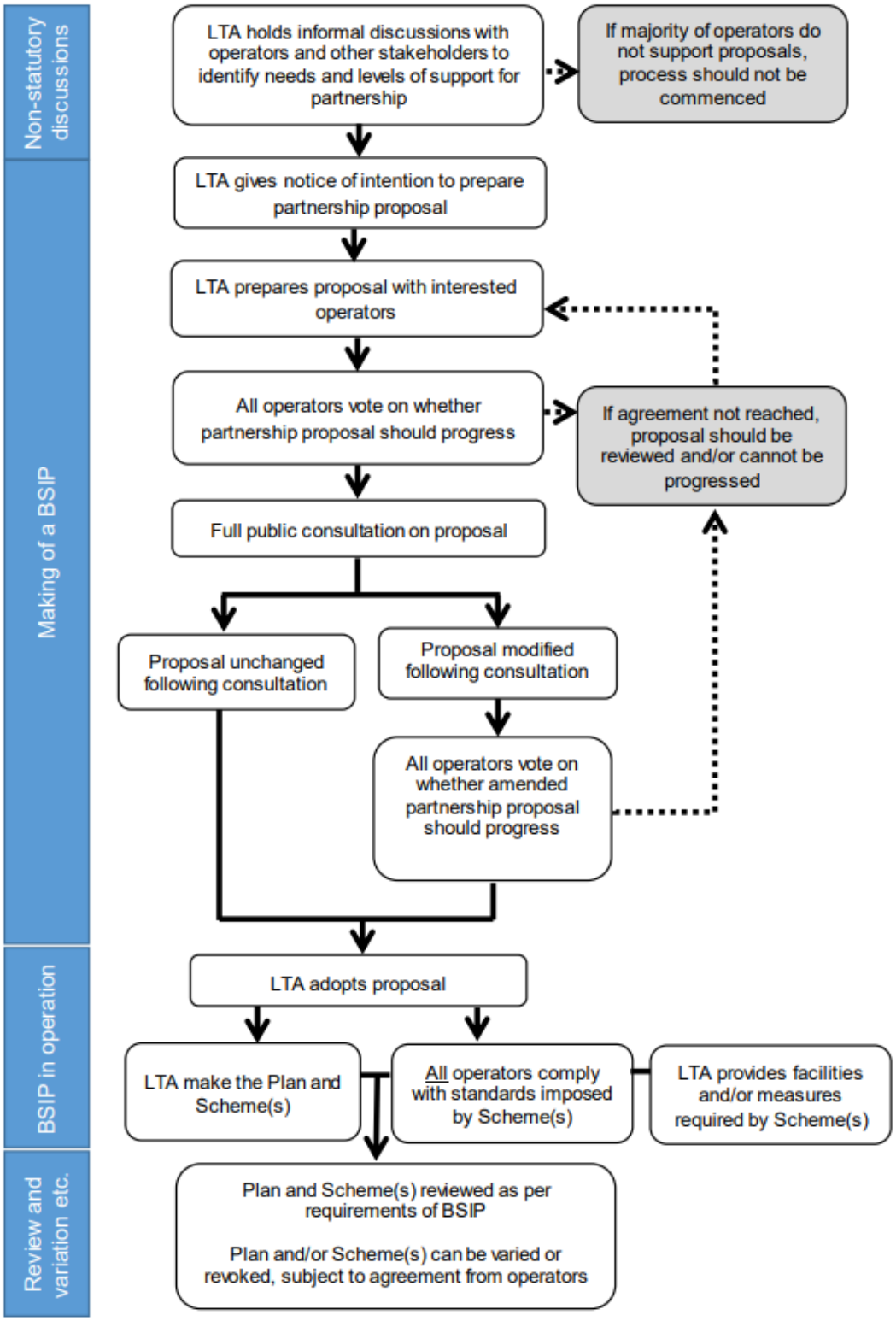


Figure 3. BSIP Outline Process[2]

[2] Transport Scotland, Bus Service Improvement Partnerships (BSIPs) Note

2.4.5 The cost of establishing a BSIP is dependent on the scheme area and the level of commitments proposed. There is also considerable demand in terms of management and oversight of the BSIP that would fall upon the relevant local transport authority, which can create issues in terms of limited resources in the public sector.

2.4.6 The benefits of a BSIP are that it provides a formal statutory set of commitments that the local transport authorities and all parties to the agreement are required to deliver, following an objection period and consultation. Based on previous examples, this statutory footing allows the BSIP to deliver greater confidence that the proposed outcomes will be delivered. A BSIP previously also helped to unlock access to capital funding through the Bus Partnership Fund (BPF) to deliver highway infrastructure improvements to reduce delays to services. However, the Scottish Government's recent announcement that there will be no funds available through the BPF in 2024/25 has scaled back this considerable benefit of the BSIP, at least in the short term. A BSIP could also be an appropriate vehicle for delivering an enhanced bus service network should additional revenue funding be sourced.

2.4.7 Overall, the potential roles and responsibilities under a BSIP could be summarised in the diagram in Figure 4.

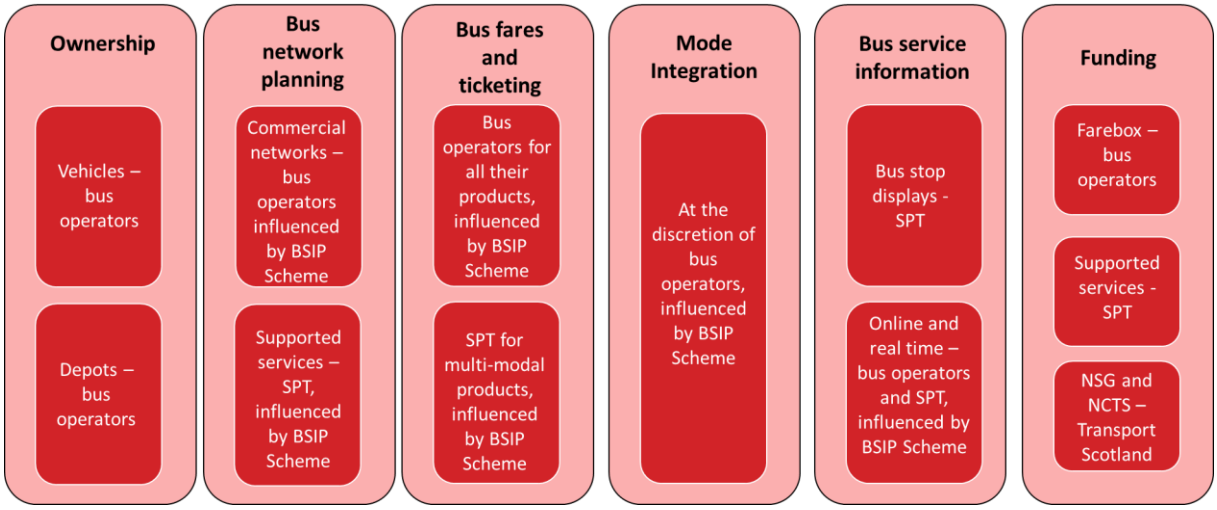


Figure 4. Potential Roles and Responsibilities under a BSIP

2.5 Bus Franchising

2.5.1 A bus franchising scheme replaces on-road competition between commercial operators with a competition for operating contracts. The contracts are specified and tendered by the local transport authority, placing a higher degree of control over service specifications and fares in the hands of the local transport authority. The contracts the local transport authority procures would specify the levels of service it considers to be required to meet the needs of its communities, integrate with other transport modes and services, and be affordable within the finances available to it. As the local transport authority would most likely be setting fares, it would also take on the risk that changes to fares or bus patronage would have an impact on farebox revenue.

2.5.2 A franchising scheme would therefore represent a significant step-change in how bus services are delivered in Strathclyde. Major decisions regarding service level changes, fares and routes would fall to the local transport authority, who have a responsibility to the communities they serve and the wider transport network that they operate or are partly responsible for. Currently, services that are no longer commercially viable are at the risk of service level reductions or fare rises to ensure the operator can continue to run them without making a loss (notwithstanding any funding support that may be available).

2.5.3 The process for creating a Bus Franchising Scheme is based on statutory requirements set out in the Transport (Scotland) Act 2019 legislation, as follows:

- Prepare a framework for bus franchising, outlining the case for a proposed scheme.
- Prepare an assessment of the framework, following a typical five-case transport business case model and assessing against other bus reform options.
- Commission an independent audit of the framework assessment.
- Undertake a consultation on the proposed framework and its assessment.
- Place the proposed framework and assessment in front of an Independent Panel convened by the Traffic Commissioners, which will consider the case for franchising and determine whether it can approve the creation of a Bus Franchising Scheme.
- Make the bus franchising framework and enact it on the ground.

2.5.4 The development of a franchising scheme is an extremely complex and resource-intensive task, with significant risks around funding of the set-up and preparatory tasks outlined above, potential legal challenge from commercial operators, and the addition of an Independent Panel stage that Mayoral Combined Authorities pursuing a franchising scheme in England are not required to follow. Given that no local transport authority in Scotland has yet completed the process, the timescales for developing a franchising framework are somewhat unknown. However, experience in England from the process Greater Manchester have followed suggests a period of around seven years from the start of the process in 2016 to the first stages of implementation in late 2023. Furthermore, Greater Manchester (a region similar in size and complexity to Strathclyde) will have spent approximately £135m in total on achieving a franchised network by 2025. These experiences therefore indicate that pursuing a franchising scheme is neither a quick nor inexpensive solution.

2.5.5 Contracting with operators to provide the specified bus services is governed by The Public Service Obligations in Transport Regulations 2023 (SI 1369), and the application of these regulations is explored later in this section.

2.5.6 Overall, the potential roles and responsibilities under a franchising scheme in Strathclyde could be summarised in the diagram in Figure 5.

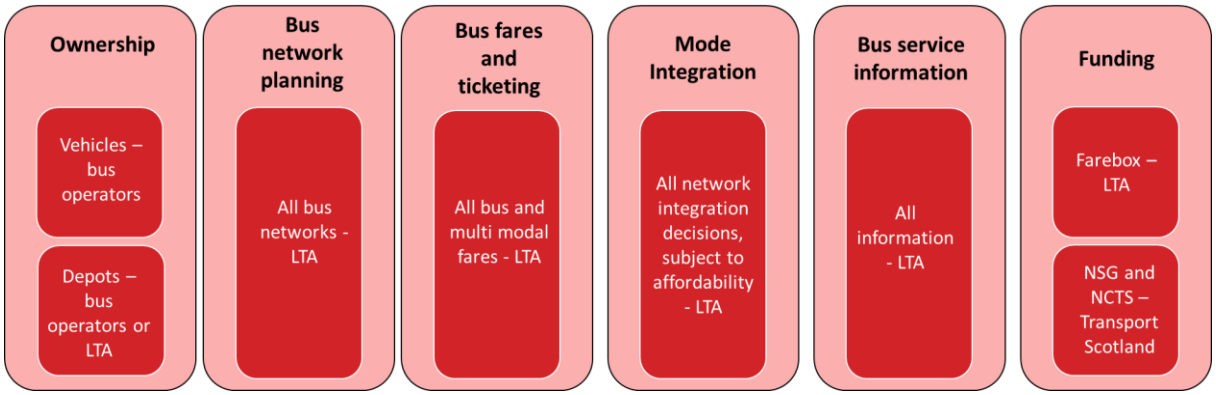


Figure 5. Potential Roles and Responsibilities under a Franchising Scheme

Types of Contract under a Franchising Delivery Model

2.5.7 The precise model for Franchise delivery would be defined following decisions to proceed at each gateway review and as the Business Case evolves. It could range from a comprehensive form (e.g. covering all/most of the region) to a more localised form (e.g. covering a single local transport authority or even just part of an authority), with many permutations between; and its ambition could vary from comprehensive specification of every facet of bus service operation through to more flexible arrangements with a range of risk-sharing between the public and private sectors.

2.5.8 At the heart of any such model, however, is a public sector transport authority specifying the bus services it wishes to see delivered and a Public Service Contract (PSC) with one or more bus operators to deliver those services, in return for an agreed contract sum (with or without financial incentives).

2.5.9 The 2019 Act does not specify the form of such contracts. Similarly, equivalent legislation in England, used to deliver franchising in Greater Manchester, does not specify the form of contracts to be adopted).

2.5.10 There has been a general presumption towards PSCs being let through a process of competitive tendering (CT): this is the model adopted by Transport for Greater Manchester; and is well-established in London, the only other part of Great Britain in which the deregulated model does not apply. CT is usually seen as helping to harness the skills of the private sector in delivering services cost-effectively and with potential economies of scale from larger groups with operations spread throughout Great Britain. CT allows for frequent “refreshes” of the market, with new entrants potentially keeping bid prices sharp, thereby delivering the authority’s desired operations for the lowest possible cost. CT is frequently adopted by local transport authorities for many different forms of procurement, and is recognised as offering a transparent way of demonstrating best value for money.

2.5.11 However, other forms of contracting are possible. In both Northern Ireland and the Republic of Ireland the relevant government department or agency contracts directly with publicly-owned transport operators to provide services agreed in the form of a Public Service Obligation (PSO) designed to ensure the delivery of public transport services which fulfils the relevant government’s aspirations (e.g. regarding levels of service, fares, etc).

It should be noted that in both jurisdictions the resultant PSC is with a publicly-owned transport operator, although there are examples in other countries where PSCs are agreed with private-sector providers or with a mixture of public and private. Where such a Direct Award (DA) is made, it is a requirement that the financial arrangements are regularly benchmarked to ensure that the public sector is achieving good value without recourse to CT.

2.5.12 Procurement of contracts between transport authorities and operators was previously governed by EU Regulation 1370 and since translated into UK law by The Public Service Obligations in Transport Regulations 2023 (SI 1369)[3], including a requirement which restricts operators to:

"… a level of profit that is within a normal range for the sector, or … where a level of profit that is within a normal range for the sector cannot be determined, the level of profit that would be required by a typical, well-run undertaking adequately equipped with the means to provide the service, and active in the same sector considering whether or not to provide the service in question." (SI1369, section 5(c)).

2.5.13 CT must be adopted (SI1369 section 14(1)) unless an alternative is specifically provided in the Regulations or the authority is contracting to *"provide public passenger transport services itself, or … award a public service contract directly to an internal operator"* subject to certain restrictions specified in section 13 of SI1369. As the alternatives are related either to rail or certain emergency situations, it would appear that DA contracts for bus services under SI1369 are only permitted if they are made to a publicly-owned operator which itself meets the requirements of SI1369 section 13. The only exception is under the so-called de minimis exception:

(a) where [the contract's] average annual value is estimated at less than £875,000 … or

(b) where it concerns the annual provision of less than 300,000 kilometres of public passenger transport services or, in the case of a public service contract including public passenger transport services by rail, less than 500,000 kilometres.

In the case of a public service contract [for bus services] … directly awarded to a small or medium-sized enterprise operating not more than 23 road vehicles, those thresholds may be increased to either an average annual value estimated at less than £1,750,000 or to an annual provision of less than 600,000 kilometres of public passenger transport services. (SI1369 section 15)

2.5.14 DA contracts are governed by section 10 of the Regulations, and specifically any bus services must be provided via a *"services concession contract [meaning] a contract in writing for the supply, for pecuniary interest, of public passenger transport services to a competent authority where (a) at least part of the consideration for that supply is a right for the supplier to exploit the services, and (b) under the contract the public service operator is exposed to a real operating risk." (SI1369, section 12(4)).*

2.5.15 In practice, the limits described above would preclude DA to private sector operators of contracts involving anything larger than a handful of buses, and SI1369 section 10 imposes

[3] SI1369 explicitly applies to the whole of Great Britain, there is no Scotland-only variant.

strict accounting conditions to ensure that the financial performance of each contract can be adequately identified, and in particular that *"no variable costs, contribution to fixed costs or profit connected with any other activity of the public service operator may be charged to the public service in question". (SI1369 section 10(4)(b))*

2.5.16 In summary, franchising involves the articulation of a PSO and its translation into one or more PSC(s), which would generally be awarded following CT but which can (in limited circumstances) be a DA – therefore, for the purposes of our assessment process, "franchising" describes the outcome not the precise means by which that outcome is achieved.

Can DAs accelerate transition to franchising?

2.5.17 DAs are only possible in compliance with SI1369, and this generally means DA only to a compliant publicly-owned operator, or via multiple small contracts complying with the de minimis exception. They will still require the articulation of the PSO and the creation of a compliant services concession contract in the form of a PSC. It is not an alternative to franchising, DA is simply one method of achieving franchising – the general presumption remaining in favour of CT. If the principal criterion for DA is the existence of a suitable, compliant municipal bus operator, then clearly this is not currently the case in Strathclyde and it would take time to establish such an operator; meantime, the process for transitioning to franchising would still need to comply with the 2019 Act, but once agreed franchising could be implemented more rapidly using DA than CT. The implication of this DA route is that the private sector could be eliminated from bus service delivery in the area covered by the PSC, which may well pose problems of acceptability and delays resulting from legal challenges.

Note: This does not constitute legal advice regarding the contract options

2.6 Municipal ownership

2.6.1 The Transport (Scotland) Act 2019 permits local transport authorities to establish a municipally owned public bus operator(s) that can compete for contracts and operate registered bus services, reversing the provisions of the Transport Act 1985 that prevented the creation of such an operator. The municipal operator would likely be an arms-length company wholly owned by the local transport authority, providing suitable separation when competing for tendered bus service contracts (as is the case around Edinburgh with publicly-owned Lothian Buses).

2.6.2 There is likely to be two paths towards replacing the current commercial operators' businesses: either by winning contracts in a franchise scheme (as discussed above), or by acquisition of bus operator assets and businesses. Although possible, a municipal operator competing on-the-road with the existing operators to achieve market dominance is not considered feasible.

2.6.3 Therefore, it is possible that this option would work in conjunction with the franchise scheme option, with all the costs, benefits and risks that go with it. The municipal operator's ability to compete with the commercial operators in a franchised environment is largely unknown and its success would have to be realised through a proper and fair procurement process for franchising contracts, complying with the processes set out in

The Public Service Obligations in Transport Regulations 2023 (SI 1369), and the application of these regulations explored in the sections below.

2.6.4 Acquisition of existing operator assets and businesses is also reliant on a number of unknowns, largely the ability of the municipal operator to fund such acquisitions and the willingness or necessity of commercial operators to sell. It is considered unlikely that a municipal operator could rapidly take over all operations in a part or all of the region, and that therefore this would be done as a gradual process as the municipal operator grows in the market.

2.6.5 In either scenario, the timescales to establish a municipal operator for all services are likely to be significant and over several years. Acquiring commercial operator businesses and assets would also require significant upfront investment that would presumably be paid back by the municipal operator's profit margins.

2.6.6 Overall, the potential roles and responsibilities of a municipal operator would depend on the environment it is operating in. In a franchised scheme, this would reflect the roles and responsibilities summarised in that option. If a municipal operator was initially set up to compete for supported bus service contracts and provide commercial services to fill network gaps, the roles and responsibilities could be summarised in the diagram in Figure 6.

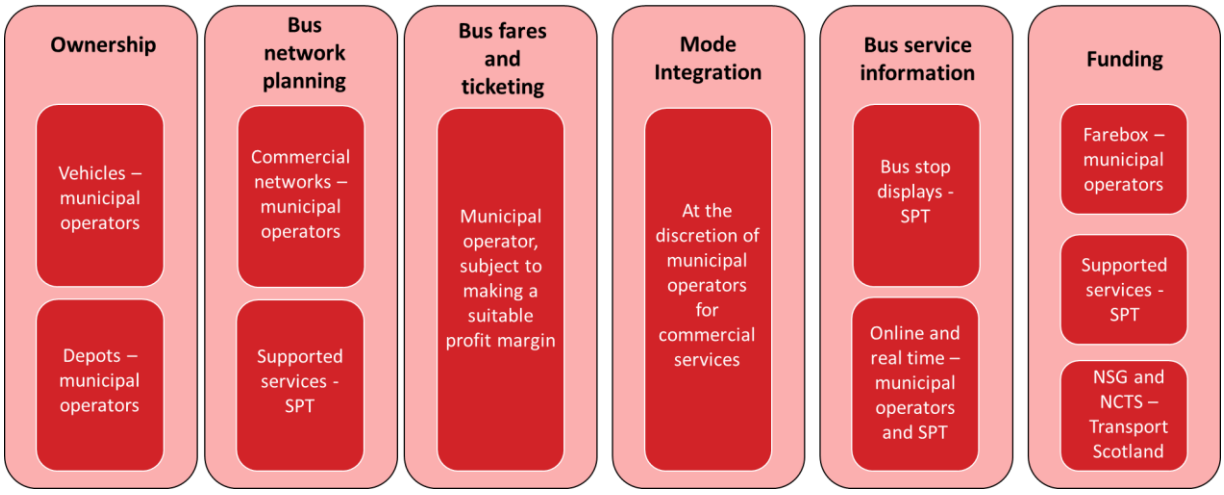


Figure 6. Potential Roles and Responsibilities under Municipal Operations – Initial Phase

2.6.7 In the longer term option where a municipally owned bus operator has been able to acquire the operation of the whole bus network through the acquisition of commercial businesses, the roles and responsibilities for a municipal operator could be summarised in the diagram in Figure 7.

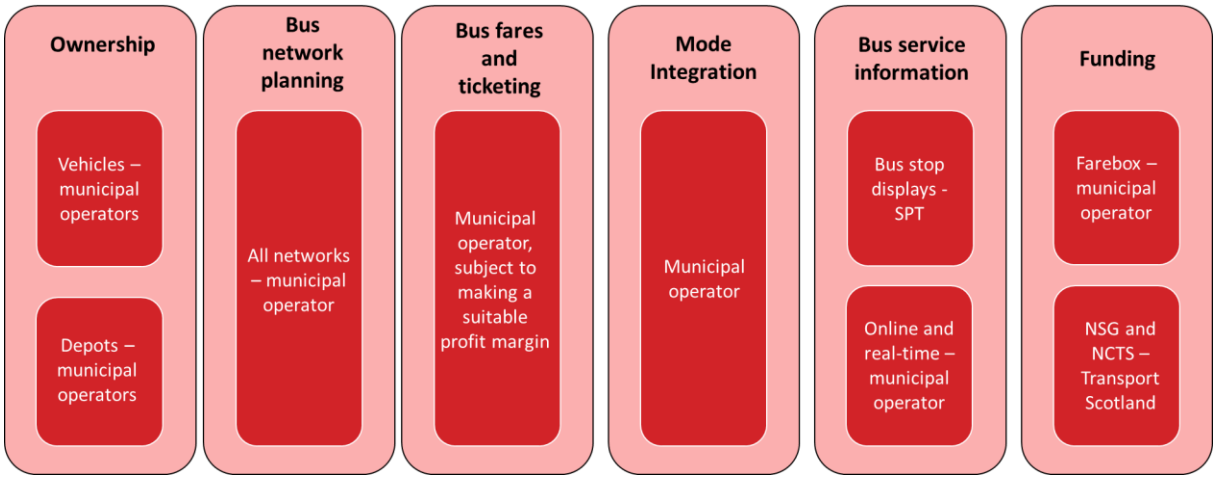


Figure 7. Potential Roles and Responsibilities under Municipal Operations – Longer-term Development

Contracting with a Municipal Bus Company

2.6.8 In the current situation, a newly-established municipal bus company could compete for public service contracts as set out above. They could also participate in voluntary partnerships and BSIPs, and benefit from associated contracts but – again – only in the same context as private sector operators. They could competitively tender for contracts under a franchising arrangement, again in competition with private sector operators. As mentioned above, it may be possible to directly award public service contracts to a municipal bus company in compliance with SI1369, but in turn this places certain restrictions on the activities of the municipal bus company, generally[4]:

An internal operator that has been awarded a public service contract ….(a) must perform their public passenger transport services within the geographical area of the competent local transport authority, notwithstanding any ancillary elements of that activity which enter the geographical area of neighbouring competent local transport authorities, and (b) must not take part in competitive tenders concerning the provision of public passenger transport services organised outside the geographical area of the competent local transport authority or authorities that control it. (SI1369, section 13(3))

2.6.9 If direct awards are to be considered, then the operations of any municipal bus company will need to reflect the regulations within SI1369.

2.7 Options Matrix

2.7.1 Considering all of the above, Table 1 sets out how each option would deliver under the three core policy areas that were developed to support the TPOs as developed in the Case for Change. These policy areas are:

- Improve level of service
- Improve affordability
- Improve service quality

[4] Note that there are certain limited exceptions to this generality.

2.7.2 These core policy areas and the measures under each option are set out in more detail in Section 4.

Table 1. Policy Areas and Options Summary

POLICY AREA		OPTIONS				
		BUSINESS AS USUAL	VOLUNTARY PARTNERSHIPS	BSIPS	FRANCHISING	MUNICIPAL BUS OPERATORS
Improve level of service		Status quo *(Glasgow City Region Bus Partnership)*	Status quo	'Minimum' level of service principles (outlined in section 4)	'Ambitious' level of service principles (outlined in section 4)	*(Dependent on the wider operating context)*
Improve affordability		Status quo *(Glasgow City Region Bus Partnership)*	Status quo *(Glasgow City Region VP)*	Value for money multi-operator tickets	Auto fare and best value capping Lower fares for all with targeted zero fares	*(Dependent on the wider operating context)* Auto fare and best value capping Lower fares for all with targeted zero fares
Improve service quality	**Reliability and punctuality**	Status quo *(Glasgow City Region Bus Partnership)*	Status quo *(Glasgow City Region VP)*	Reinvestment of reliability benefits into network or service improvements	Targets built into franchising agreement Standards applied across the franchised area Operational decision-making to improve performance	*(Dependent on the wider operating context)* Targets built into franchising agreement Standards applied across the franchised area Operational decision-making to improve performance
	Network identity		Area-wide network brand/identity, with sub-brands linked to operators or corridors	Area-wide network brand/identity, with sub-brands linked to operators or corridors	Single network identity across all services	*(Dependent on the wider operating context)* Single identity across all operated services or franchised area Could operate under a partnership-based area-wide brand
	Ticketing		Status quo *(Glasgow City Region VP)*	Area-wide ticketing and smart cards	Network-wide tickets Smart cards	*(Dependent on the wider operating context)* Network-wide tickets Smart cards
	Interchanges and bus stops		Area-wide branding of stops and interchanges	Area-wide branding of stops and interchanges	Area-wide branding of stops and interchanges Oversight over bus stop provision and facilities Working with highway authorities to deliver improvements	*(Dependent on the wider operating context)* Area-wide branding of stops and interchanges Oversight over bus stop provision and facilities

						Infrastructure responsibility in same organisation as operations
	Information		Area-wide app, website and information hub More comprehensive data sharing agreements	Area-wide app, website and information hub More comprehensive data sharing agreements Minimum standards for smaller operators to meet	Area-wide app, website and information hub Control/oversight over data use and publication	*(Dependent on the wider operating context)* Area-wide app, website and information hub Control/oversight over data use and publication
	Changes to services		Voluntary agreement to restrict service changes to a set timetable, frequency and scale with appropriate notice period	Statutory agreement to restrict service changes to a set timetable, frequency and scale with appropriate notice period	Changes to services determined by franchise agreement and made by authority with oversight of both community welfare and operational need	*(Dependent on the wider operating context)* Changes to services determined by franchise agreement (if in franchise scheme) and made by authority with oversight of both community welfare and operational need
	Vehicles and depots		Status quo	Statutory agreement of fleet renewal, maintenance schedules and bringing of smaller operators up to a minimum standard	Development of standards as part of franchise agreement Consistency of approach across the region	*(Dependent on the wider operating context)* Management of depots and services under one municipal operator
	Drivers		Status quo	Delivery of driver training and recruitment standards improvements under statutory agreement Uplifting of areas with poor standards	Region-wide consistency of specification over training and standards in franchise agreement	*(Dependent on the wider operating context)* Improved working conditions/benefits for drivers working for municipal operator Region-wide consistency of specification over training and standards in franchise agreement
	Safety and security		Status quo	Statutory agreement of improved standards for CCTV and other security measures	Specification of standards for CCTV and other security measures under franchise agreement	*(Dependent on the wider operating context)* Specification of standards under franchise agreement Improved standards for CCTV and other security measures under municipal operator
	Customer support and feedback		Status quo		Specification of customer service improvements under franchise agreement Single customer service contact	*(Dependent on the wider operating context)*

						Specification of customer service improvements under franchise agreement Single customer service contact
	Data and monitoring		Transparent data sharing and KPI monitoring process	Transparent data sharing and KPI monitoring process	Ownership of network-wide data to inform improvements and integrate with other modes Sharing of KPIs agreed centrally	*(Dependent on the wider operating context)* Ownership of network-wide data to inform improvements and integrate with other modes Sharing of KPIs agreed centrally
	Customer charter		Development of region-wide customer charter in conjunction with operators	Development of region-wide customer charter in conjunction with operators	Development of region-wide customer charter specified in franchise agreement	*(Dependent on the wider operating context)* Development of region-wide customer charter specified in franchise agreement or as part of municipal operations

3. APPRAISAL METHODOLOGY

3.1 Scottish Transport Appraisal Guidance (STAG)

3.1.1 This study is being undertaken in accordance with the STAG process which provides a framework to assess the performance of transport options to address identified problems and present the results in a consistent manner to inform decision makers. The STAG process[5] comprises the stages as outlined below:

- **Case for Change:** the problems, opportunities, issues and constraints are identified and scoped. Study-specific Transport Planning Objectives (TPOs) are then identified.
- **Option Generation and Development:** Before the completion of the Preliminary Options Appraisal an 'optioneering' exercise is undertaken to identify a list of possible options to address the problems;
- **Preliminary Options Appraisal:** the potential options are appraised against the TPOs, five STAG criteria, Established Policy Directives and factors concerning feasibility, affordability and public acceptability, to ensure that they are likely to fulfil the study's requirements;
- **Detailed Options Appraisal:** a more detailed consideration of potential options taken forward following the Initial Appraisal, and where the outcomes to inform investment decision makers are presented.
- **Monitoring and Evaluation Plan:** a plan is developed for post-appraisal activities.

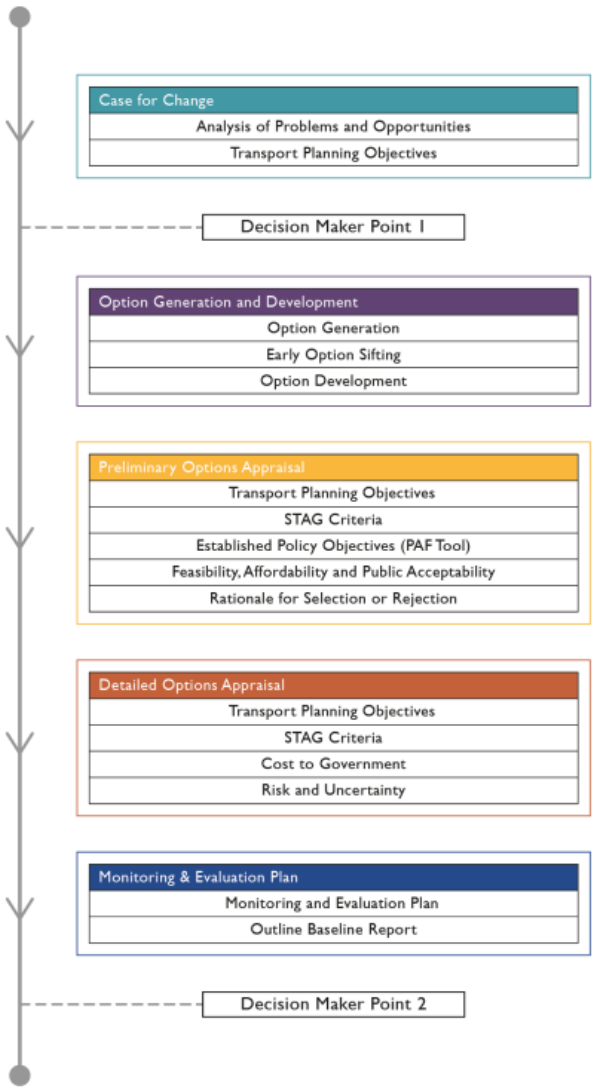


Figure 8. STAG process stages

[5] STAG Managers Guide (Transport Scotland, 2022)

3.1.2 In line with STAG, the appraisal has been completed on both a quantitative and qualitative basis. The appraisal has been undertaken drawing upon on the quantitative data collected as part of the Case for Change, previous studies where appropriate, relevant strategy and policy documents and design guidance, and their knowledge and experience of planning, appraising and delivering transport options similar to those considered here.

3.1.3 Given the nature of what is being appraised, and that this appraisal is to inform the development of a strategy, elements of both the Preliminary and Detailed Options Appraisal stages have been undertaken. All elements of the Preliminary stage have been undertaken, with more detailed quantitative analysis of the potential options undertaken where possible, as well as an assessment of costs, risk and uncertainty, which are elements which fall under the Detailed stage.

3.1.4 A number of appraisal tools have also been utilised to inform the quantitative analysis which forms part of this appraisal. These tools are:

- **Podaris** – an interactive transport planning tool, used to map existing and potential bus networks.
- **Costing tool** – a bespoke spreadsheet tool that utilises data from Podaris and TransXchange files to calculate a cost for the operated bus network.
- **Demand and revenue tool** – a bespoke spreadsheet tool that incorporates data from Podaris with data from Transport Scotland's Transport Integrations in Scotland (LATIS) service.

3.2 Scoring of the options

3.2.1 The performance of an option against each of these criteria follows the seven-point scale of assessment as recommended in STAG:

- **Major benefit (✓✓✓):** these are benefits or positive impacts which, depending on the scale of benefit or severity of impact, the practitioner feels should be a principal consideration when assessing an option's eligibility for funding;
- **Moderate benefit (✓✓):** the option is anticipated to have only a moderate benefit or positive impact. Moderate benefits and impacts are those which taken in isolation may not determine an option's eligibility for funding, but taken together do so;
- **Minor benefit (✓):** the option is anticipated to have only a small benefit or positive impact. Small benefits or impacts are those which are worth noting, but the practitioner believes are not likely to contribute materially to determining whether an option is funded or otherwise.
- **No benefit or impact (-):** the option is anticipated to have no or negligible benefit or negative impact.
- **Small minor cost or negative impact (×):** the option is anticipated to have only a minor cost or negative impact. Minor costs/negative impacts are those which are worth noting, but the practitioner believes are not likely to contribute materially to determining whether an option is funded or otherwise.
- **Moderate cost or negative impact (××):** the option is anticipated to have only a moderate cost or negative impact. Moderate costs/negative impacts are those which taken in isolation may not determine an option's eligibility for funding, but taken together could do so; and

- **Major cost or negative impact (×××):** these are costs or negative impact which, depending on the scale of cost or severity of impact, the practitioner should take into consideration when assessing an option's eligibility for funding.

3.3 STAG criteria

3.3.1 The options packages were also appraised against the updated STAG criteria of Environment; Climate Change; Health, Safety and Wellbeing; Economy; Equality and Accessibility; as well as a number of sub-criteria, as follows:

- Environment:
  - Biodiversity and Habitats;
  - Geology and Soils;
  - Land Use (including Agriculture and Forestry);
  - Water, Drainage and Flooding;
  - Air Quality;
  - Historic Environment;
  - Landscape; and
  - Noise and Vibration.
- Climate Change:
  - Greenhouse Gas Emissions;
  - Vulnerability to the Effects of Climate Change; and
  - Potential to Adapt to the Effects of Climate Change.
- Health, Safety and Wellbeing:
  - Accidents;
  - Security;
  - Health Outcomes;
  - Access to Health and Wellbeing Infrastructure; and
  - Visual Amenity.
- Economy:
  - Transport Economic Efficiency (TEE) covers the benefits ordinarily captured by standard cost-benefit analysis – including traffic volumes, journey times, user frustration or travel time reliability; and
  - Wider Economic Impacts (WEIs) refer to any economic impacts which are additional to transport user benefits, e.g. how might the option help attract new jobs, help existing businesses, open up appropriate land for development?
- Equality and Accessibility:
  - Public Transport Network Coverage;
  - Active Travel Network Coverage;
  - Comparative Access by People Group;
  - Comparative Access by Geographic Location; and
  - Affordability.

3.3.2 It should be noted that STAG guidance is in the process of being updated and, as such, some of the criteria above are not covered in detail within the Technical Database.

Therefore, where detailed guidance is not available, professional experience of the study team has been employed to consider the appropriate appraisal methods for these criteria. At the date of issue of this Options Appraisal Report (February 2024), there is no specific coverage of the following STAG criteria in the Technical Database:

- Climate Change sub-criteria for Vulnerability to the Effects of Climate Change and Potential to Adapt to the Effects of Climate Change;
- Health, Safety and Wellbeing sub-criteria for Health Outcomes and Access to Health and Wellbeing Infrastructure; and
- Equality and Accessibility sub-criterion for Affordability.

3.4 Transport Planning Objectives and Strategy Policies

3.4.1 The Transport Planning Objectives (TPOs) for this study, as developed in the Case for Change, are:

- **TPO1:** Improve service quality.
- **TPO2:** Increase affordability of the bus network.
- **TPO3:** Increase the attractiveness of the bus network.

3.4.2 In the support of these, three core policy areas were developed:

- **Improve Level of Service** – this policy area considers how, where and when the bus network operates. For example, it sets out ambitions for the hours of operation of bus services, how frequently buses run, and the connectivity of the bus network in terms of providing more people with access to bus services. Additionally, it sets out the types of bus services to be operated and how they are deployed within the Strathclyde context, e.g. express, inter-urban, or demand responsive services.
- **Improve Affordability** – the policy sets out ambitions related to the affordability of travel by bus across the region, including factors such as the structure, legibility, and integration of fares.
- **Improve Service Quality** – the policy focused on the other important aspects that allow the delivery of a world-class bus service. This includes topic areas, such as interchanges and bus stops, information, ticketing, vehicle and driver standards, and service reliability and punctuality.

3.4.3 Each core policy area has a number of more detailed policy statements, which are included in the appraisal Section 4.

3.4.4 In support of the appraisal of TPO3, guidance in the Department for Transport's TAG[6] provides valuations for bus quality factors[7] in order to demonstrate the value that passengers place on these interventions. Values are presented in generalised minutes, and therefore can be modelled as a reduction in generalised journey time (even though they do not represent a time saving as such). This reduction in generalised journey time would generate additional trips and therefore associated additional revenue.

[6] TAG Unit M3.2.1: Segmented values of bus quality interventions

[7] Often referred to as "soft measures", incorporating values for comfort, security, information provision, ease of interchange etc, into the costs of using public transport. For example, where a bus service that is particularly comfortable with good facilities, information and easy-to-use ticketing, passengers may elect to use this service as opposed to a quicker service of lower quality.

3.4.5 TAG guidance suggests that existing provision for each quality factor and the application to infrequent services should be taken into account when applying the quality values. Therefore, a judgement has been under each option regarding both of these and the likely geographical application of the option, and the quality values have been applied to varying proportions of passengers. The proportions of total TAG values used in the appraisal are relatively conservative given the uncertainty regarding the scale of deliverability of these measures under each option and the guidance in TAG suggesting that the quality of existing measures should be taken into account when applying the values.

3.4.6 Furthermore, an additional appraisal has been undertaken under network identity using a value for bus branding in the TRL593 study[8]. The value is based on the results of stated preference surveys undertaken by Steer Davies Gleave and is presented in 1996 values for pence per trip. This has been factored up to 2024 values.

3.4.7 It should be noted that for some of the categories appraised under TPO3, the quality improvements that have been monetised do not represent all the potential or proposed improvements that are possible under each option. There are also benefits that are not possible to monetise currently, and these have been appraised qualitatively only.

3.4.8 It should also be noted that any demand and revenue impacts that are estimated would not be delivered immediately under any of the options. Demand and revenue benefits would be realised on a gradual basis as improvements under the options are delivered and passengers respond to the improvements.

3.5 Feasibility, Affordability and Public Acceptability

3.5.1 The implementation potential of the options has been appraised in terms of feasibility, affordability and public acceptability as follows:

- **Feasibility** – a preliminary assessment of the feasibility of construction or implementation and operation (if relevant) of an option and the status of its technology (e.g. proven, prototype, in development, etc.) as well as any cost, timescale or deliverability risks associated with the construction or operation of the option, including consideration of the need for any departure from design standards that may be required;
- **Affordability** – the scale of the financing burden on the promoting authority and other possible funding organisations and the risks associated with these should be considered together with the level of risk associated with an option's ongoing operating or maintenance costs and its likely operating revenues (if applicable); and
- **Public acceptability** – the likely public response at this initial appraisal phase.

3.5.2 For this appraisal, we have assessed these criteria over three levels: *minor*, *moderate* or *major* considerations. By 'consideration' it is meant that there may be potential negative or problematic issues which will require a certain level of investigation.

3.5.3 As this analysis highlights 'potential' issues, the scorings of *major* in this section of the appraisal does not lead to an outright rejection of these options. The scoring has been

[8] The demand for public transport: a practical guide (Balcombe et al, 2004), Bus service characteristics, Table 8.4, bus branding value.

considered in the overall context of the appraisal and further analysis of these issues will need to be explored if the option is taken forward.

3.5.4 Further analysis in the development of a Strategic Business Case would allow more detailed scoring (i.e. in relation to a seven-point scale for example); however, at present it is felt that doing this would be mis-representative, creating an unfairly negative score where details of considerations are unconfirmed.

3.6 Risk and Uncertainty

3.6.1 Additional guidance on Risk and Uncertainty will be included in the upcoming update to the STAG Technical Database, which is not yet available. We have therefore adopted the Deliverability and Risks approach set out in the Scottish Government's Policy Assessment Framework (PAF) tool, but extended it to include other significant risks and uncertainties identified throughout the appraisal.

4. OPTIONS APPRAISAL – TPOS AND STRATEGY POLICIES

4.1.1 This section appraises the options for the potential to achieve the three main TPOs identified in the Case for Change:

- **TPO1:** Improve service quality.
- **TPO2:** Increase affordability of the bus network.
- **TPO3:** Increase the attractiveness of the bus network.

4.1.2 These are appraised by considering the potential of the options to deliver these TPOs through the high-level guiding policies that have been developed to inform the SRBS development. The development and finalisation of the SRBS, which will follow this appraisal stage, will build the preferred delivery and funding model to come out of this appraisal into a strategy for delivery. A Strategic Business Case for the preferred option, which will follow approval of the SRBS, will build on the work undertaken during this options appraisal stage.

4.2 TPO1: Improve Service Quality

4.2.1 The core policy for this TPO is to 'Improve Level of Service', including the following high-level guiding policies:

- 1a. Improve the **coverage** and **periods of operation** of the bus network, helping to ensure that people have access to bus services when and where they are needed, supporting socially and economically important trips, and reducing the reliance on private modes of transport, such as car.
- 1b. Improve the **frequency** of bus services, in order to improve the attractiveness of services, support better integration of services and modes, and enhance the resilience of the bus network.
- 1c. Improve the **operational effectiveness** and **efficiency** of the bus network, delivering an attractive bus network that creates a virtuous cycle of growth and improvement for sustainable travel.

Service Quality & Options for Change

4.2.2 The Case for Change clearly identified a shrinking bus network in terms of both geographical coverage and the periods during which an attractive bus service is being provided. It also highlighted that whilst some parts of the region enjoy high frequency bus services, two-thirds of households have access to only 4 buses per hour at best, and that in many parts of the region (e.g. North and South Lanarkshire, East Dunbartonshire, East Renfrewshire, Argyll & Bute and all three Ayrshire authorities) access to high frequency bus services is limited – see Figure 8 below[9].

[9] Strathclyde Regional Bus Strategy – Case for Change, pages 13-18

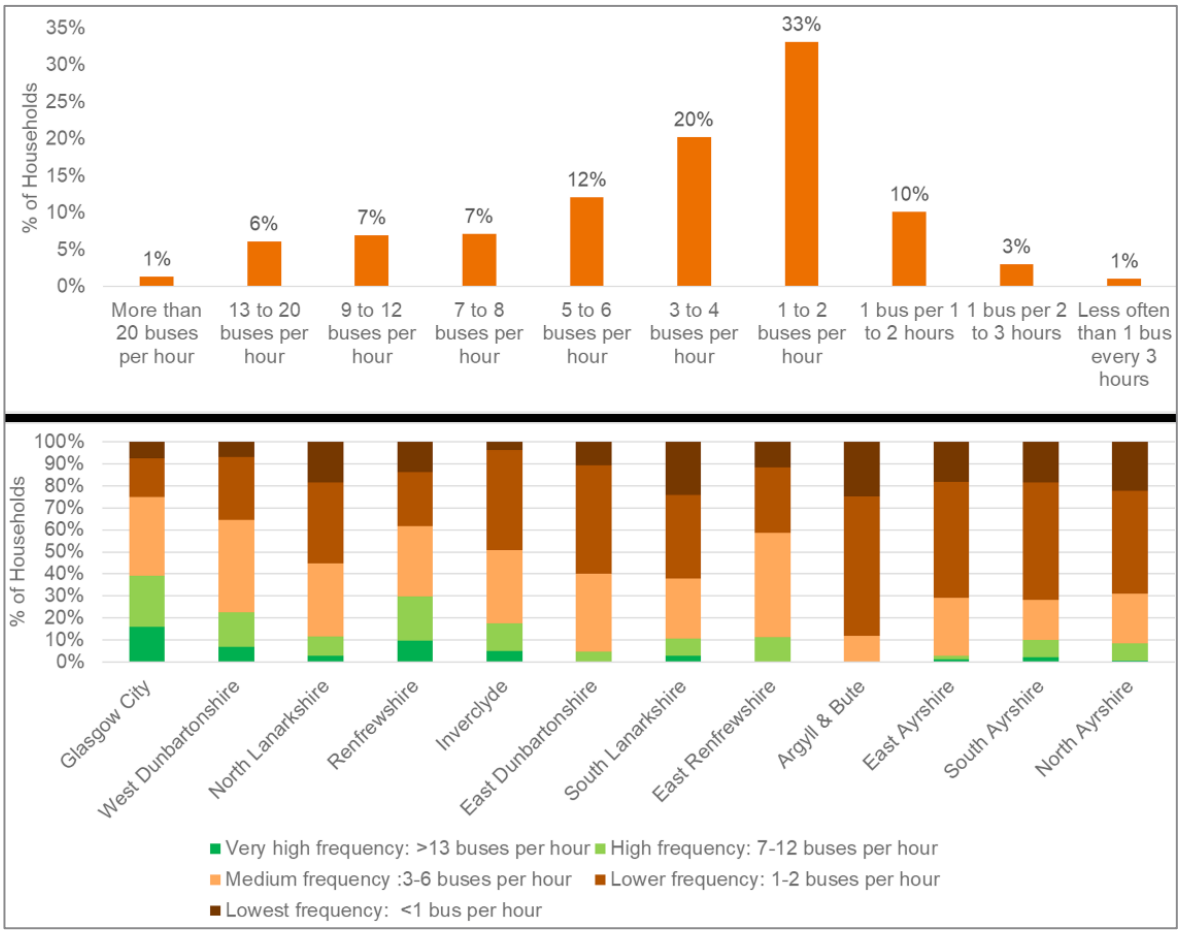


Figure 9. Percentage of Households with Access to Frequent Bus Services

4.2.3 Access to evening and Sunday services is also extremely patchy: the Case for Change highlighted of those with access to a bus stop[10]:

- 12% of households have no service after 1900. This rises to as much as 19% without evening access in South Lanarkshire, and in general, highlights the poor evening bus connectivity across parts of the region … [with] many services outside of Glasgow operating with frequencies less than one or two buses an hour in the evening.; and
- 12% do not have a Sunday service, and at the local transport authority level, the absence of Sunday services is most stark in North Ayrshire and South Lanarkshire where 20% and 17% of households with convenient access to a bus stop respectively see no service on a Sunday.

4.2.4 Post-COVID travel patterns appear to have changed, for example with ScotRail reporting increased demand at weekends and introducing initiatives with additional trains services to support growth on Sundays. To date, we have observed no similar initiatives associated with local bus services.

4.2.5 At present, under all except a Franchising delivery model the starting point for delivering a level of service is the free market: commercial bus operators decide what routes and frequencies they can afford to operate, and at what times of day. Gaps that are left

[10] Ibid, pages 22-23

following the application of market forces may be filled by SPT using its supported services budget. Opportunities for cross-subsidy (where a loss-making service is financially supported by profits made on other services) is very limited.

4.2.6 To guide our assessment of the alternative delivery models, we undertook analysis of the existing network using Podaris software and developed a hierarchy of optimised bus services which would guide potential interventions designed to fulfil the policy aspirations set out in the RTS and for the RBS. These are described below.

4.2.7 Categories of bus services include:

- Regional Express - Limited Stop Service between main urban centres;
- Inter-urban - Service between main urban centres;
- Core – Simplified urban routes on high volume corridors;
- Principal – Typical routes in urban areas, regional towns and villages, which may be less direct than core services;
- Rural Connectors – Provides accessibility from rural areas to local urban centre or hub;
- DRT – demand responsive services, connecting to local urban centres or transport hubs, which may be provided as an alternative to fixed routes, in particular where providing appropriate coverage by fixed routes isn't feasible.
- Community Transport – Service provision for community organisations in both urban and rural settings. Eligibility can sometimes be restricted by eligibility criteria.

4.2.8 Table 2 and Table 3 combine to set out 'ambitious' ***Service Category Principles*** to determine the how these services would be deployed to best achieve the policies. These are related to the policies above, and include capacity, service frequency for full and reduced operation periods, and which periods operate full or reduced frequencies for each service category. The hours of each period vary by the day of the week, and it is assumed that night services and very early services would be bespoke.

4.2.9 Table 4 and Table 5 provide similar principles for minimum ***Service Category Principles*** which reflect a set of minimum standards that all services in the region should meet.

Table 2. 'Ambitious' Service Category Principles – Frequency and Capacity

SERVICE CATEGORY	CAPACITY	ASPIRATIONAL FREQUENCY	MINIMUM FREQUENCY	ASPIRATIONAL OR MINIMUM FREQUENCY IN EACH PERIOD
1. Regional Express	High	~30 min	~60 min	Early Morning – Reduced Peaks – Full Daytime Interpeak – Full Evening (Early) – Full Evening (Late) – Reduced
2. Inter-urban	High	15 - 30 min	30 - 60 min	Early Morning – Reduced Peaks – Full Daytime Interpeak – Full Evening (Early) – Reduced (Full on Fridays and Saturdays) Evening (Late) – Reduced
3. Core	High	10 min or better	~20 min	Early Morning – Reduced Peaks – Full Daytime Interpeak – Full Evening (Early) – Full Evening (Late) – Reduced Night - Hourly
4. Principal	Medium	15 - 30 min	30 - 60 min	Early Morning – Reduced Peaks – Full Daytime Interpeak – Full Evening (Early) – Reduced (Full on Fridays and Saturdays) Evening (Late) – Reduced
5. Rural Connectors	Medium and Low	30 - 60 min	60 - 120 min	Early Morning – Reduced Peaks – Full Daytime Interpeak – Reduced Evening (Early) – Reduced Evening (Late) – Reduced
6. DRT	Low	-	-	On demand – varying operational requirements
7. Community Transport	Low	-	-	On demand – varying operational requirements

Table 3. ‘Ambitious’ Service Category Principles – Hours of operation in each period by Day of Week

	MONDAY- FRIDAY	SATURDAY	SUNDAY
Early Morning	5:30am to 7:30am	5:30am to 9:30am	7:30am to 12:00pm
AM Peak	7:30am to 9:30am	n/a	n/a
Daytime Interpeak	9:30am to 3:30pm	9:30am to 6:30pm	12:00pm to 6:30pm
PM Peak	3:30pm to 6:30pm	4:30pm to 6:30pm	n/a
Early Evenings	6:30pm to 9:00pm	6:30pm to 9:00pm	6:30pm to 9:00pm
Late Evenings	9:00pm to 11:00pm	9:00pm to 11:00pm	Demand dependent
Night services	11:00pm to 3:00am (Thursday and Friday only)	11:00pm to 3:00am	n/a

Table 4. 'Minimum' Service Category Principles – Frequency and Capacity

SERVICE CATEGORY	CAPACITY	FULL FREQUENCY	REDUCED FREQUENCY	FULL OR REDUCED FREQUENCY IN EACH PERIOD
1. Regional Express	High	~30 min	~60 min	Early Morning – Reduced Peaks – Full Daytime Interpeak – Reduced Evening (Early) – Reduced Evening (Late) – Reduced
2. Inter-urban	High	30 min	60 min	Early Morning – Reduced Peaks – Full Daytime Interpeak – Reduced Evening (Early) – Reduced Evening (Late) – Reduced
3. Core	High	15 min	30 min	Early Morning – Reduced Peaks – Full Daytime Interpeak – Reduced Evening (Early) – Reduced Evening (Late) – Reduced
4. Principal	Medium	30 min	60 min	Early Morning – Reduced Peaks – Full Daytime Interpeak – Reduced Evening (Early) – Reduced Evening (Late) – Reduced
5. Rural Connectors	Medium and Low	30 - 60 min	60 - 120 min	Early Morning – Reduced Peaks – Full Daytime Interpeak – Reduced Evening (Early) – Reduced Evening (Late) – Reduced
6. DRT	Low	-	-	On demand – varying operational requirements
7. Community Transport	Low	-	-	On demand – varying operational requirements

Table 5. 'Minimum' Service Category Principles – Hours of operation in each period by Day of Week

	MONDAY- FRIDAY	SATURDAY	SUNDAY
Early Morning	5:30am to 7:30am	5:30am to 9:30am	7:30am to 12:00pm
AM Peak	7:30am to 9:30am	n/a	n/a
Daytime Interpeak	9:30am to 3:30pm	9:30am to 6:30pm	12:00pm to 6:30pm
PM Peak	3:30pm to 6:30pm	4:30pm to 6:30pm	n/a
Early Evenings	6:30pm to 9:00pm	6:30pm to 9:00pm	6:30pm to 9:00pm
Late Evenings	9:00pm to 11:00pm	9:00pm to 11:00pm	Demand dependent

4.2.10 The development of the service principles has built upon the approach of the work presented in the Glasgow and Strathclyde Strategic Bus Network Plan (GSSBNP) – as presented in Table 5-3 of the *GSSBNP Task C: Spatial Network Plan & Approach to Service Delivery* report produced by Jacobs. Work undertaken in this study to establish future levels of service was undertaken following a review of the existing provision of services across the network (in terms of levels of service and network quality), together with an understanding of the hierarchy or types of bus services which exist in similarly sized bus networks elsewhere, and to ensure that key components can be accounted for and delivered. This work included:

- Review of key strategic documents, including:
  - Regional Transport Strategy vision: *"The west of Scotland will be an attractive, resilient and well-connected place with active, liveable communities and accessible, vibrant centres facilitated by high quality, sustainable and low carbon transport shaped by the needs of all";*
  - Glasgow Transport Strategy vision: *"A sustainable transport system for people and for goods, which is affordable and inclusive, accessible and easy to use, clean and safe, integrated and reliable";*
  - Glasgow City Region Bus Partnership vision: *"A City and City Region where bus services form part of a network of connectivity, enhancing the opportunities and wellbeing of those who live or visit here; providing safe, affordable, enjoyable connections; and reducing road congestion, noise and air pollution".*
- Case study examples used to compare service levels, networks and service hierarchies against the existing Strathclyde network:
  - Edinburgh
  - Birmingham
  - Leeds
  - Manchester
  - London ("world class" example)
  - Paris ("world class" example)
  - Lyon ("world class" example)

4.2.11 Further detail is available in Appendix B of the *GSSBNP Task C: Spatial Network Plan & Approach to Service Delivery* report produced by Jacobs.

4.2.12 The development of the service principles has been done while aiming to rationalise the number of the network components proposed and accommodate identified situations of over or under provision, which we identified as an issue in the GSSBNP study due to the different scope of that study, by providing ranges for the frequency service principle. The result of this is that our indicative Level of Service principles are lower than in GSSBNP, albeit subject to continued iterative refining in later stages of our work. Additionally, network quality factors are not defined in the Level of Service principles below. Quality factors are set out under the 'Improve Service Quality' core policy area in Section 4.2 and are not, in this study, considered to necessarily be tied to bus service categories.

4.2.13 Network coverage and connectivity are defined separately, as these relate more to geographical, demographic and land-use considerations than the types of bus services defined in the bus service categories. These are defined together under a set of ***Level of Connectivity Principles*****,** as set out in Table 6 and Table 7**.** As for the service category principles, these are presented as 'ambitious' and 'minimum', dependent on funding, level of ambition and deliverability.

4.2.14 The Level of Connectivity principles define the minimum level of daytime (7:30am to 6:30pm) service that different types of area will have to key services and destinations. These types of area are based on urban-rural classifications, as described later in this section, and applied to settlements/localities in each local transport authority area. It is intended that these would represent direct connections between the area type and destination. However, depending on the area type and destination, and the affordability and feasibility of achieving direct connections, some may require an interchange.

4.2.15 This approach encompasses, at a spatial level, both level of bus service, as set out in Table 2 and Table 4, and walk distance or onward connections. Coverage may be delivered by fixed route services and/or demand responsive services.

Table 6. 'Ambitious' Level of Connectivity Principles – maximum daytime headways to/from key services

URBAN-RURAL CLASSIFICATION	EMPLOYMENT CENTRES	TERTIARY EDUCATION	REGIONAL HOSPITAL	TOWN OR CITY CENTRE	PUBLIC TRANSPORT INTERCHANGE/HUB	GLASGOW AIRPORT
Large urban	20 minutes ***Core services***	20 minutes ***Core services***	20 minutes ***Core services***	20 minutes ***Core services***	20 minutes ***Core services***	30 minutes ***Core, inter-urban or regional express services***
Other urban	30 minutes ***Core, inter-urban or regional express services***	30 minutes ***Core, inter-urban or regional express services***	30 minutes ***Core, inter-urban or regional express services***	30 minutes ***Core, inter-urban or regional express services***	30 minutes ***Core services***	30 minutes ***Core, inter-urban or regional express services***
Accessible small town	30 minutes ***Inter-urban or principal services***	30 minutes ***Inter-urban or principal services***	30 minutes ***Inter-urban or principal services***	30 minutes ***Inter-urban or principal services***	30 minutes ***Inter-urban or principal services***	30 minutes ***Inter-urban or principal services (may require interchange)***
Remote small town	60 minutes ***Principal or rural connector services***	60 minutes ***Principal or rural connector services***	60 minutes ***Principal or rural connector services***	60 minutes ***Principal or rural connector services***	60 minutes ***Principal or rural connector services***	60 minutes ***Principal or rural connector services (may require interchange***
Accessible rural area	30 minutes ***Principal or rural connector services***	30 minutes ***Principal or rural connector services***	30 minutes ***Principal or rural connector services***	30 minutes ***Principal or rural connector services***	30 minutes ***Principal or rural connector services***	30 minutes ***Principal or rural connector services (may require interchange)***
Remote rural area	60 minutes, or on-demand ***Rural connector or DRT services***	60 minutes, or on-demand ***Rural connector or DRT services***	60 minutes, or on-demand ***Rural connector or DRT services***	60 minutes, or on-demand ***Rural connector or DRT services***	60 minutes, or on-demand ***Rural connector or DRT services***	60 minutes, or on-demand ***Rural connector or DRT services (may require interchange)***

Table 7. 'Minimum' Level of Connectivity Principles – maximum daytime headways to/from key services

URBAN-RURAL CLASSIFICATION	EMPLOYMENT CENTRES	TERTIARY EDUCATION	REGIONAL HOSPITAL	TOWN OR CITY CENTRE	PUBLIC TRANSPORT INTERCHANGE/HUB	GLASGOW AIRPORT
Large urban	30 minutes ***Core services***	30 minutes ***Core services***	30 minutes ***Core services***	30 minutes ***Core services***	30 minutes ***Core services***	60 minutes ***Core, inter-urban or regional express services***
Other urban	60 minutes ***Core, inter-urban or regional express services***	60 minutes ***Core, inter-urban or regional express services***	60 minutes ***Core, inter-urban or regional express services***	60 minutes ***Core, inter-urban or regional express services***	60 minutes ***Core services***	60 minutes ***Core, inter-urban or regional express services***
Accessible small town	60 minutes ***Inter-urban or principal services***	60 minutes ***Inter-urban or principal services***	60 minutes ***Inter-urban or principal services***	60 minutes ***Inter-urban or principal services***	60 minutes ***Inter-urban or principal services***	60 minutes ***Inter-urban or principal services (may require interchange)***
Remote small town	60 minutes ***Principal or rural connector services***	60 minutes ***Principal or rural connector services***	60 minutes ***Principal or rural connector services***	60 minutes ***Principal or rural connector services***	60 minutes ***Principal or rural connector services***	60 minutes ***Principal or rural connector services (may require interchange***
Accessible rural area	60 minutes ***Principal or rural connector services***	60 minutes ***Principal or rural connector services***	60 minutes ***Principal or rural connector services***	60 minutes ***Principal or rural connector services***	60 minutes ***Principal or rural connector services***	60 minutes ***Principal or rural connector services (may require interchange)***
Remote rural area	60 – 120 minutes, or on-demand ***Rural connector or DRT services***	60 – 120 minutes, or on-demand ***Rural connector or DRT services***	60 – 120 minutes, or on-demand ***Rural connector or DRT services***	60 – 120 minutes, or on-demand ***Rural connector or DRT services***	60 – 120 minutes, or on-demand ***Rural connector or DRT services***	60 – 120 minutes, or on-demand ***Rural connector or DRT services (may require interchange)***

4.2.16 Together the *Service Category Principles* and *Level of Connectivity Principles* have been developed to enable the bus network to work towards becoming a world-class system, while recognising that there are different operating contexts across the Strathclyde region that require flexibility for bus operations planning. They aim to deliver an attractive bus network, while ensuring that it remains effective and efficient, and that there is some realism regarding the operational viability of ambitions.

4.2.17 At this point, it is important to note that while these level of service principles and the guiding level of service policies have been developed in order to provide a basis for this appraisal, supported by the evidence of previous studies and the review of key strategic documents, these principles and policies may be refined as the SRBS develops and should not be considered 'final' at this stage of the process.

4.2.18 These principles also aim to support delivery of the Regional Transport Strategy (RTS), which states the following in relation to Network Coverage:

- ***RTS Policy 3. Availability and Coverage of Transport:*** *Ensure active travel and public transport networks meet the needs of all for access to key locations, particularly town/city centres, employment centres, colleges and universities, hospitals and key sustainable transport hubs/interchanges. Ensure transport networks reflect the needs of all communities, particularly groups and communities who are more likely to depend upon active travel or public transport for everyday travel. Improve the availability and stability of public transport services in rural, remote and island communities and socio-economically disadvantaged communities. Develop the role of local bus, Community Transport, taxis and other Demand Responsive Transport services, shared transport and shared mobility to ensure public transport is available to all communities.*

4.2.19 The principles also aim to contribute towards the delivery of the Connecting Places policies in the RTS, which relate to the connectivity of neighbourhoods and local areas to services, town centres and transport hubs:

- ***RTS Policy 46. International connections***
- ***RTS Policy 47. Connections between Strathclyde and other Scottish regions***
- ***RTS Policy 48. Connections within Strathclyde***
- ***RTS Policy 49. Connections to town centres***
- ***RTS Policy 50. Connections for rural, remote and island communities***
- ***RTS Policy 51. Connections to regional hospitals and tertiary education***
- ***RTS Policy 52. Connections to housing development locations***

Urban – Rural Classifications

4.2.20 The Scottish Government's Urban Rural Classification provides a consistent way of defining types of area across Scotland. The classification aids policy development and the understanding of issues facing urban, rural and remote communities.[1] It is based upon two main criteria:

- Population as defined by National Records of Scotland; and
- Accessibility based on drive time analysis to differentiate between accessible and remote areas in Scotland.

4.2.21 The six classifications considered include:

- Large Urban Areas - Settlements of 125,000 people or more;
- Other Urban Areas - Settlements of 10,000 to 124,999 people;
- Accessible Small Towns - Settlements of 3,000 to 9,999 people, and within a 30-minute drive time of a Settlement of 10,000 or more;
- Remote Small Towns - Settlements of 3,000 to 9,999 people, and with a drive time of over 30 minutes to a Settlement of 10,000 or more;
- Accessible Rural Areas – Areas with a population of less than 3,000 people, and within a 30-minute drive time of a Settlement of 10,000 or more; and
- Remote Rural Areas - Areas with a population of less than 3,000 people, and with a drive time of over 30 minutes to a Settlement of 10,000 or more.

4.2.22 By utilising these classifications, approximate levels of connectivity from these settlements to key services can take into account the size and wider accessibility of the settlement, including for car.

4.2.23 These principles have been applied to the available delivery models by adjusting the base network in Podaris as follows:

- Business as Usual & voluntary partnership – no change;
- Bus Service Improvement Partnership – services enhanced to meet the minimum appropriate frequency;
- Franchising - services enhanced to meet the appropriate aspirational frequency; and
- Municipal bus company – service levels as appropriate to the delivery model in which the company is operating.

4.2.24 It should be noted that, due to the complexity of modelling the principles around night services in Podaris, the modelled networks assume that night services remain as existing. However, the increase in night services in the overall principles have been accounted for in the qualitative assessment and scoring of the options against TPO1.

4.2.25 The minimum and aspirational levels of service all imply an increase in resources, particularly against the backdrop of shrinking resource commitments since COVID. The consequence of this is that we will require:

Table 8. Indicative Resource, Passenger and Subsidy for Minimum and Aspirational Level of Service

	BUS SERVICE IMPROVEMENT PARTNERSHIP	FRANCHISING
Total	+200 peak vehicles +8-10m bus kms +20-25m passengers +£40-60m subsidy	+260 peak vehicles +20-25m bus kms +35-40m passengers +£45-85m subsidy

4.2.26 Whilst generating additional passengers helps to reverse the decline in volumes which was set out in the Case for Change, it will be critical to ensure that this trajectory can be sustained. This means not only taking initiatives to enhance levels of service, improve quality and make fares more affordable, it will also mean using buses as part of a wider policy tool kit which underpins economic growth across the region, tackles social inequality by improving mobility, supports new land use development, etc – in the same way as buses are part of wider public sector planning initiatives in cities such as London. In turn this means being able to convert those wider benefits to economy and society into financial support for a significantly enhanced bus network in Strathclyde.

4.2.27 A spreadsheet demand model provides the estimated impact in terms of future passenger volumes and revenue, which can be compared against the cost of providing additional resources to provide an indication of the ongoing level of subsidy required to achieve these aspirations. It should be noted that demand will take some time to grow to these levels – we anticipate at least an initial 12 months where demand will be significantly lower and thus subsidy significantly higher (by up to 100% of the figures shown).

Cost of Proposed Level of Service Enhancements

Cost Model

4.2.28 Our Podaris model allows us to calculate the impact on key resource units as a result of applying the proposed level of service principles set out earlier. The principal units of resource which influence total operating cost are:

- Peak vehicle requirement – the maximum number of buses which are required in service each day to fulfil the timetable; clearly operating more journeys is likely to require more buses in service. The number of buses required influences such costs as maintenance, depot capacity, and insurance;
- Vehicle hours – the total amount of time which buses operating the scheduled timetable spend in service; this is a key cost driver as it directly impacts the number of drivers required to fulfil the timetable, and drivers' costs constitute the majority of operating costs; and
- Vehicle kilometres – the total amount of kilometres operated by buses to fulfil the timetable requirements. This influences such costs as fuel, oil and spare parts.

4.2.29 Podaris provides data on these cost units for each service, and our cost model uses industry standard costs per unit to estimate a total operating cost for each service, which we have also summarised by service category to illustrate the overall impact of the proposed interventions. The cost model differentiates the cost units by vehicle type (single- or double-deck, minibus, diesel- or electric-powered, etc) to provide the most accurate representation of likely future costs, which can then be compared with the potential future demand and revenue generated by the proposals. This allows us to estimate any impact on future public sector funding requirements to provide the enhanced services.

Results

4.2.30 Figure 10 shows the additional peak vehicle requirement under the base (i.e. existing) situation, as well as the impact of applying the minimum level of service standards and the more ambitious standards.

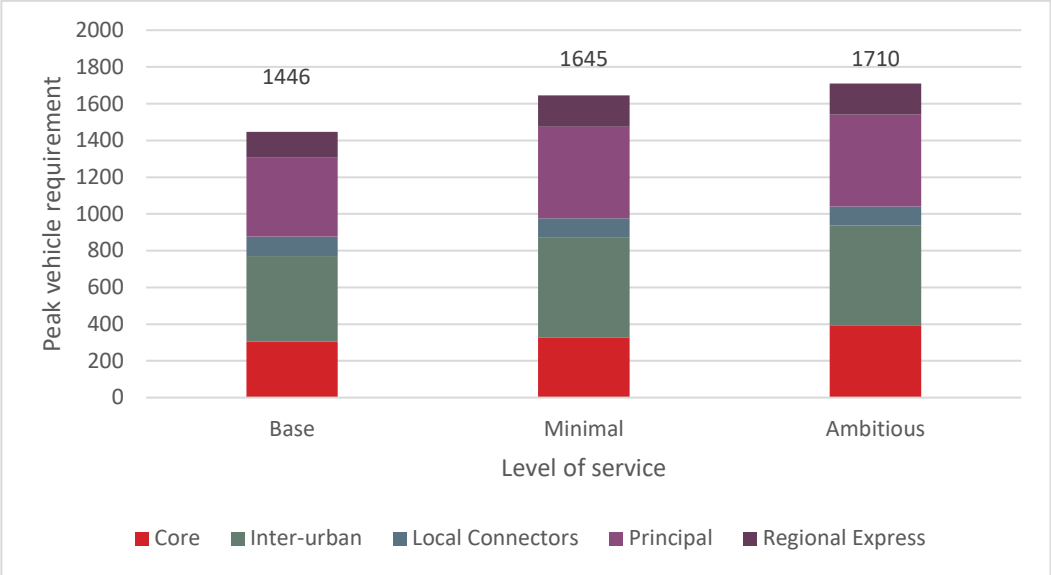


Figure 10. Peak Vehicle Requirement – Baseline and Proposed

4.2.31 Applying the minimum level of service standard increases peak vehicle requirement by circa 16%, predominantly by expanding provision of Local Connectors, Regional Express, and Inter-urban services. Applying the ambitious ("maximum") level of service standard increases peak vehicle requirement by circa 18%, building on the minimum standard by expanding provision of Core and Principal services.

4.2.32 The level of service standards have a particular emphasis on expanding services at times of day and on days of the week which we consider to have become under-provided. This is illustrated in Figure 11 which shows how the proportion of vehicle hours provided on a Saturday and Sunday is expanded by applying the minimum and ambitious service level standards.

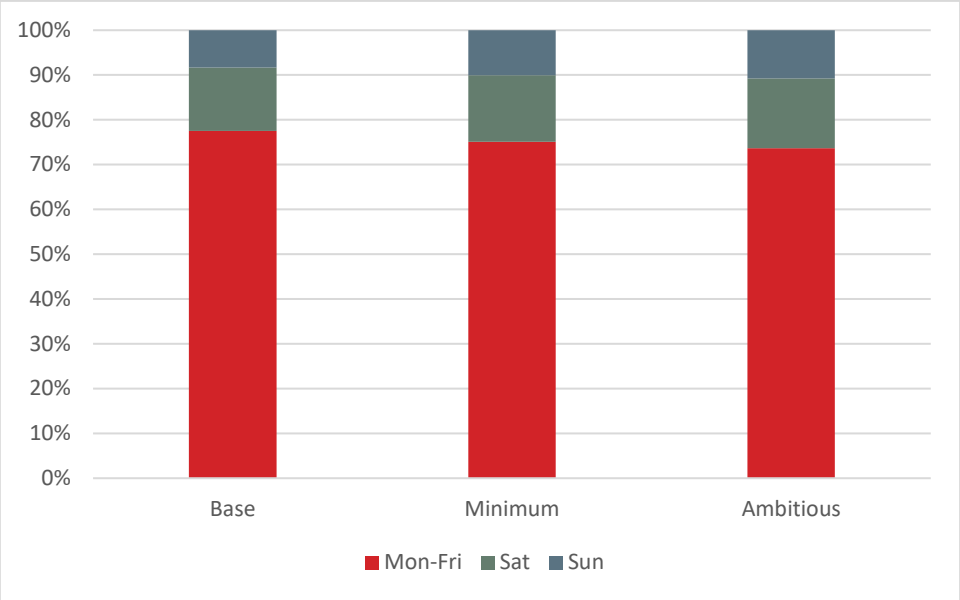


Figure 11. Proportions of Vehicle Hours by Day of Week

4.2.33 We have used the cost model to estimate current operating cost of the base network, as well as the likely future costs of applying the minimum and ambitious level of service standards. This is illustrated by Figure 12 which shows that applying the minimum service standards increases estimated operating costs by circa 11%, whilst the ambitious level of service standards results in a 21% increase in estimated operating costs compared to the base.

4.2.34 It is important to note that these estimated operating costs are dependent on a range of factors, including the eventual level of service delivered and the costs of the different resources that make up the total operating cost, which are partly subject to external factors. Therefore, these costs should be considered indicative and will be subject to refinement at later stages of our work.

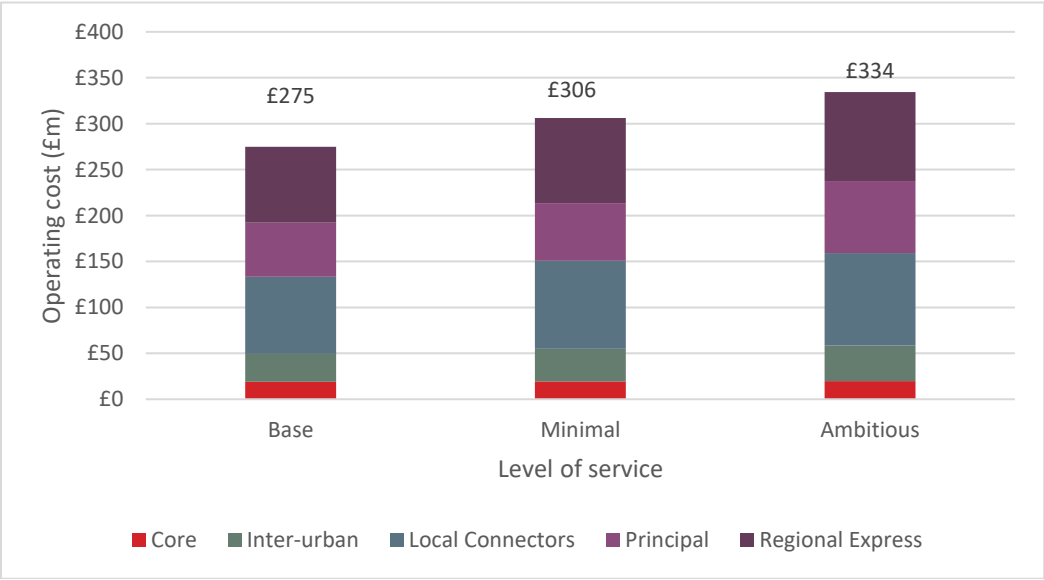


Figure 12. Projected Annual Operating Costs (£m in 2023 costs)

Subsidy

4.2.35 To provide the additional levels of service as well as maintaining existing secured bus services, we estimate the annual cost of the proposals in the form of additional subsidy required:

- BSIP with minimum level of service – £40-60 million per annum (2023 prices)
- Franchising with ambitious level of service – £45-85 million per annum (2023 prices)

4.2.36 The impact of each delivery model in delivering the Level of Service policies is as follows.

Table 9. Appraisal Scoring – Level of Service Policies

OPTION	PERFORMANCE	SCORE
Business as Usual	The situation outlined in the Case for Change has persisted for many years, with a gradually declining bus network and falling passenger volumes. Under a Business as Usual situation, we would therefore anticipate continued retraction in the commercially-provided bus network particularly that operating after 1900 and on Sundays.	✗
Voluntary Partnership	Voluntary partnerships exist in some parts of the region, but they do not appear to have significantly influenced levels of service provided. Under a voluntary partnership, we would therefore anticipate continued retraction in the commercially-provided bus network particularly that operating after 1900 and on Sundays.	✗
BSIP	BSIP(s) should allow a more ambitious working relationship between the partners, which could support targeted expansion to the network and enhancements to levels of service. For example, research shows that a 10% decrease in operating speeds leads to an 8% increase in operating costs;[11] which could be reinvested elsewhere, if reversed. We have assumed that the greater certainty associated with a BSIP would encourage the partners to deliver an improved minimum level of service to support a virtuous cycle of growth and improvement for sustainable travel.	✓✓
Franchising	Franchising allows the authority to specify service standards, which we assume will result in aspirational levels of service (subject to sufficient funding) – levels of service will not only be dependent on passenger demand (as now) but can also support wider public sector policies such as offering sustainable travel alternatives, tackling social deprivation, or supporting local economies.	✓✓✓
Municipal Bus	A municipal bus company would operate within the constraints of the applicable delivery model. However, it is possible that if profits permit the company could offer a better level of service than a private sector operator (covering more geographical areas, or operating at quieter times of day) – but subject to always maintaining overall financial viability.	- to ✓✓✓

[11] The impacts of congestion on Bus Passengers, Greener Journeys.

4.3 TPO2: Increase Affordability of the Bus Network

4.3.1 The core policy for this TPO is to 'Improve Affordability', including the following high-level guiding policies:

- 2a. Improve the affordability of fares, especially for those that need it the most;
- 2b. Improve the competitiveness of bus fares with those of other modes and parking charges;
- 2c. Ensure that fares are easy to understand, provide flexibility, and help to ensure users can access the best value fare for their journey.

Fares Options

4.3.2 The Case for Change explored the affordability of fares in Strathclyde and identified that for many on low incomes fares in the region are a significant barrier in accessing employment, education and services, particularly when taking into account that affordable housing is often located on the periphery of urban centres resulting in above average travel distances. Although travel by car is often the cheapest mode at present, people and families living on lower incomes cannot afford the upfront costs associated with motoring and thus have low car ownership and a greater dependency on public transport.

4.3.3 Furthermore, there are many people and families who are not able to drive or who choose not to own or drive a car. These groups also have a greater dependency on public transport as a result, and therefore are disproportionately impacted by the affordability of bus fares.

4.3.4 SYSTRA previously explored the situation in Strathclyde for SPT (Affordability of Public Transport, 2022), concluding:

Selected age groups (and a small number of people in other eligibility groups) in Scotland have access to discounted concessionary travel (in the case of buses, travel is free). Although the UK has experimented with targeted discounts for wider categories, such as job-seekers, with apparently positive results, these have always been as part of a short-term pilot and they have been discontinued once targeted funding ran out. In contrast, interventions in other countries have been more sustained as part of a policy to address affordability for low income individuals; and a number of cities are now rolling out fare-free public transport. Although these latter initiatives are generally quite recent, they appear to have led to significant increases in public transport use; however, sustained support for fare-free public transport appears to be most likely where public subsidy for fares is already quite high, which is not the case in the SPT area.[12]

4.3.5 In the context of this current assessment, the report went on:

[12] Glasgow & Strathclyde Transport Act Scoping Study – Affordability of Public Transport (SYSTRA, 2022), Section 7, p.52.

Case studies from other countries showed that radical fares initiatives can be introduced most readily where public transport delivery is within the direct control of the relevant transport authority – there are examples at local, regional and even national level. In no case is there a significant commercial element to the transport delivery model, as we have in Scotland, which means that reducing fares becomes entirely a matter for transport authority decision-makers and their ability to fund the resulting deficit. By comparison, under existing legislation in Scotland, introduction of a low/free fares policy would be much more challenging ….

In the short-term, the most likely route to delivering fares initiatives that make public transport more affordable is via a further extension to existing concessionary travel arrangements, similar to the recently launched free fares for Under 22s in Scotland.[12]

4.3.6 The analysis undertaken for the earlier report will help to inform the assessment of the following options in terms of their impact on affordable fares:

- Bus Service Improvement Partnerships (BSIPs)
- Franchising
- Municipal bus operators

4.3.7 As we also stated in the Affordable Fares report:

"… the travel behaviour of passengers in receipt of free travel concessions is unaffected by the actual fare – it only influences decision-making by those who currently pay fares. Strictly speaking, the concessionary fare reimbursement paid to operators for the fares foregone is related to the fare which would have been paid, but for the purposes of this illustration we have assumed that concessionary fare reimbursement would be maintained at previous levels even if the actual base fares were reduced.

[However] because we have no disaggregated fares data for Strathclyde, we cannot simulate responses to changes to a specific fare or product within the basket of fares which is represented by the average; nor can our simulation target specific fares (e.g. by capping fares at a certain maximum, or targeting the most common fares purchased). Of particular relevance given changes in travel behaviours post-COVID is that we cannot segment the market between commuters/business travellers (who historically tend to have low price-elasticity – i.e. are less sensitive to changes in fares) and other passenger groups (high price-elasticity – their decision whether to travel or not is highly influenced by the affordability of the fare)."[13]

Business as Usual and Voluntary Partnership

4.3.8 The Case for Change identified the scale of the problem[14]:

"Between 2005 and 2020, while passenger journeys across Scotland fell by 24%, fares increased by 30% in real terms[15]*. This is not to suggest that fares increases were entirely*

[13] Glasgow & Strathclyde Transport Act Scoping Study – Affordability of Public Transport (SYSTRA, 2022), Section 6, p.47.
[14] Strathclyde Regional Bus Strategy – Case for Change, page 30
[15] Glasgow & Strathclyde Transport Act Scoping Study, Options Assessment Study, Final Report, SYSTRA

responsible for the decline in passenger journeys, but rather to evidence the circle of bus decline discussed above and its impacts.

In terms of the affordability of fares in the region, for people and households with lower incomes, the cost of public transport represents a very significant proportion of their income, especially when it is recognised that affordable housing is often located in peripheral locations generating a need to travel significant distances to access services and employment. This is compounded by the fact that low-income individuals and households cannot access the cheapest form of transport (car) because they are often unable to meet the upfront purchase costs[16].

4.3.9 It concluded: *The relative cost of travel by bus has risen more than other modes, with a lack of fares integration, and ticketing complexity.*

4.3.10 This situation has existed for many years, and – indeed – is an inherent feature of the free market philosophy enshrined in the deregulated bus market from the 1980s – only limited cooperation between operators is permitted, and the application of competition law to the sector means that (for example) harmonised, integrated ticketing is challenging to deliver and coordinated pricing largely proscribed.

4.3.11 Therefore, whilst theoretically possible for the free market to deliver more affordable fares, the evidence base since deregulation of the sector in 1986 suggests that it is unlikely to deliver the radical changes envisaged through policies 2a – 2c:

Voluntary partnerships operate across the region, bringing together local transport authorities, SPT, bus operators and bus passengers to address challenges and improve the passenger experience.

The Glasgow City Region Bus Partnership covers the eight Glasgow City Region local transport authorities, SPT, bus operators (through the Glasgow Bus Alliance) and bus passenger representative groups to address current challenges to bus travel and to improve the passenger experience for communities across the region. The Partnership has three main aims:

- *Improving bus priority mechanisms and reducing congestion to improve bus journey times and reliability*
- *Ensuring buses are given higher priority in any future city planning*
- *Improving the accuracy of real time passenger information and exploring options to introduce an integrated ticketing system*[17].

4.3.12 It should be noted that tackling affordability of fares is not explicitly part of the Partnership aims, and introduction of an integrated ticketing system is simply an option to be explored – an integrated ticketing system will not, in itself, make fares more affordable although it could contribute to simplifying the ticket purchasing experience.

4.3.13 Given existing voluntary partnership arrangements and no evidence of progress or aspirations to improve the affordability of bus fares in the region, this suggests that

[16] Glasgow & Strathclyde Transport Act Scoping Study, Affordability of Public Transport, SYSTRA
[17] Strathclyde Regional Bus Strategy – Case for Change, page 40

voluntary partnership is also unlikely to deliver the radical changes envisaged through policies 2a – 2c.

Bus Service Improvement Partnership (BSIP)

4.3.14 With closer and more robust partnership via a BSIP, we would anticipate that the partners could work together to deliver area-wide ticketing and smart cards through a statutory agreement, helping to introduce value for money multi-operator tickets, probably by adjusting ZoneCard pricing and/or offering a bus-only multi-operator product.

4.3.15 At this early level of maturity, it is not possible to develop specific, geographically-targeted product proposals, so we have simulated the impact by assuming a 20% Reduction in Average Fare.

4.3.16 In the previous Affordable Fares study, a 20% reduction in average fare paid by those passengers paying for travel – from £1.80 to £1.44 – was projected to increase the estimated number of annual fare-paying passengers from 80m to 89m but reduce estimated total farebox revenue from £122m to £106m.[18] The 20% reduction was previously chosen as an example of a "modest fares reduction", with 50% and 100% reductions also tested in the previous study. Previous research on universal fares reductions and their effects, including research from the Campaign for Better Transport on Fleetbuzz and Reading buses, tested fares reductions around the 20% mark.[19]

4.3.17 Updated projections for this appraisal exercise suggest that such an approach to universal fare reductions would increase passengers by circa 11% (13m per annum) at a net reduction to farebox revenue of £24m. We therefore estimate that reimbursement of circa £24m per annum would be required to ensure that the operators were no worse off under this initiative.

4.3.18 The average fare paid is a key input in calculating operator reimbursement for providing free concessionary travel. If the Scottish Government was not prepared to maintain concessionary fare reimbursement at current aggregate amounts in Strathclyde despite a reduction in average fare, then an additional subsidy of circa £21m per annum would be required to restore operators to a "no better/no worse" situation as they would receive lower reimbursement for concessionary passengers carried.

Impact on Other Modes

4.3.19 Reducing bus fares would also impact on other parallel public transport modes (rail and Subway) – some of the generated demand for bus services would result in reduced revenue for ScotRail and Subway and consequently increase their annual subsidy requirements. The Affordable Fares study reported that:

"The [international] Case Studies also highlighted that fares interventions for selected modes have adverse impacts on other sustainable modes. In Luxembourg, although tram ridership has increased, rail passengers have fallen by a similar proportion (albeit on a

[18] Glasgow & Strathclyde Transport Act Scoping Study – Affordability of Public Transport (SYSTRA, 2022), Section 6, p.47.
[19] Glasgow & Strathclyde Transport Act Scoping Study – Affordability of Public Transport (SYSTRA, 2022), Section 5, p.39.

smaller volume of users, so there is a net increase across the two modes); and in Tallinn there is evidence of growth in bus use by those who previously walked short distances (although Dunkirk has reported no apparent impact on cyclists).

The potential for adverse impacts on the Glasgow Subway and the heavy rail network around Strathclyde would need to be carefully assessed –… rail fares are typically more expensive than bus fares in Strathclyde; increasing that differential will certainly result in abstraction of demand from rail and a consequent reduction in revenue which would also need to be compensated under any radical fares policy for the SPT area. As such, it may be more viable to consider fare initiatives which preserve existing modal differentials (or even reduce them) rather than targeting only one mode such as the bus.

The introduction of a new mode in the Greater Glasgow area (Clyde Metro – potentially some form of light rail and/or bus rapid transit facility) would further impact the existing modal balance, and probably introduce a fourth set of public transport fares/products (alongside bus, ScotRail and Subway) – this would also need to be carefully considered in any plans to adjust fare levels in Glasgow and immediately contiguous authorities. There is also evidence that very low/free fare initiatives can have adverse impacts on so-called "slow modes" such as walking and cycling, reducing the positive impacts of the most sustainable modes. Finally, reducing fares would tend to diminish the current competitive advantage of taxis for small groups travelling together, and adverse impacts on the taxi trade would need to be considered."[20]

Franchising

4.3.20 Franchising could give the transport authority the capability to completely influence fares and associated products (although "lighter-touch" franchising could have less rigid structures, including the possibility of revenue-sharing with contracted bus operators). For now, we have assumed that the Franchising option would be as ambitious as feasible, including a full suite of ticketing improvements: network-wide tickets, smart cards, auto fare capping; lower fares for all with targeted zero fares; and best-value capping.

4.3.21 We have simulated the impact by the same 20% reduction in average bus fare as delivered by a BSIP ("lower fares for all"), plus "targeted zero fares" for lowest income groups. Targeting passengers on low incomes was considered in the previous fares study:

"There are challenges associated with restricting low fares to low income groups…. Unless the fares are restricted to easily defined groups (such as those in receipt of Universal Credit) then it could be difficult to identify those who genuinely qualify without the need for complex and expensive administrative arrangements, or intrusive investigations of eligibility which could result in a reluctance to take advantage of the initiative.

One potential approach …. would be to relate ticketing products with a defined geographical scope to the average earnings or household incomes in specific council areas, against a target maximum percentage of income. For example, average income for residents of Inverclyde is almost £2/hour below that of Glasgow residents, and employees working in Inverclyde earn almost £4/hour less than employees working in Glasgow.

[20] Glasgow & Strathclyde Transport Act Scoping Study – Affordability of Public Transport (SYSTRA, 2022), Section 6, p.51

Equitable fare pricing could reflect these discrepancies, for example by offering geographically-differentiated pricing for ZoneCard exploiting the existing zoning system (Inverclyde zones are prefixed Y, so a targeted discount could be offered for those zones); similar approaches could be applied to other low-income council areas…. [This] would avoid the administrative burden of checking eligibility, although the "benefit" would accrue to all passengers not just those on low incomes."[21]

4.3.22 At this stage, using more detailed simulation of fares initiatives in our demand model, we have estimated that in addition to the universal 20% reduction in average fares, measures would target bus passengers in the most deprived quintile in Scotland, meaning that 29% of bus users in the SPT area would be offered free fares as that is the proportion of total bus users that fall into this deprivation quintile[22]. The latter measure in isolation could cost in the order of £42m per annum, but there is an element of double-counting with the universal 20% reduction in average fares, so we estimate that the total cost of the two measures in combination would be circa £39m per annum.

4.3.23 If the Scottish Government was not prepared to maintain concessionary fare reimbursement at current aggregate amounts in Strathclyde despite a reduction in average fare, then an additional subsidy of £21m per annum would be required to restore operators to a "no better/no worse" situation as they would receive lower reimbursement for concessionary passengers carried.

4.3.24 However, as we noted in the fares study:

"This is a complex area to simulate in the absence of detailed data – we should note the likelihood that the national data under-represents bus use by these categories in the SPT area, but also that some users will already be in receipt of concessionary travel due to their age or other eligibility criteria. Targeted measures may be less likely to trigger reductions in the national funding for existing concessionary travel, as they will not impact the base fare used in such calculations, making this a more equitable and lower-cost way of delivering affordable travel for key groups.

As expected (given the generally higher level of rail fares compared to buses), use of rail is lower in the most deprived/lower-income groups, so the effect of targeted initiatives will be less on Subway and ScotRail."[23]

4.3.25 Nevertheless, reducing bus fares would still impact on other parallel public transport modes (rail and Subway) – some of the generated demand for bus services would result in reduced revenue for ScotRail and Subway and consequently increase their annual subsidy requirements.

[21] Glasgow & Strathclyde Transport Act Scoping Study – Affordability of Public Transport (SYSTRA, 2022), Section 6, p.50

[22] Scottish Travel Statistics: Table 28: Adults use of local bus and train services, in the past month, 2019, and Scottish Index of Multiple Deprivation data.

[23] Glasgow & Strathclyde Transport Act Scoping Study – Affordability of Public Transport (SYSTRA, 2022), Section 6, p.50

Municipal bus operators

4.3.26 Municipal ownership gives complete freedom regarding fares, but only for those services delivered by the municipal bus company. It is critical, therefore, to define the context within which any municipal bus company is operating. For example, if the municipal bus company is simply a "challenger operation" within the existing deregulated model, then regardless of the fares policy of the municipal bus company there will be a need to negotiate partnership arrangements to deliver universal fares initiatives (e.g. as described previously for BSIPs); if the municipal bus company is focused predominantly on the secured services market, then its fares policy will inevitably impact only a small proportion of bus users as most travel on commercial bus services.

4.3.27 Whatever the operating context, a municipal bus operator would need a sustainable business model: costs could not persistently exceed income, and financial support from its shareholder(s) would need to be explicit and transparent. Subsidies would need to be explicitly targeted and provided in compliance with state aid rules; private sector operators would need to have access to similar subsidies.

4.3.28 For the purposes of this appraisal, we have assumed that optimum municipal bus operations would be part of a comprehensive reform option which delivered greater control over bus service delivery, including fares. As such it would be part of an ambitious strategy which delivered the same benefits as Franchising - a full suite of ticketing improvements: network-wide tickets, smart cards, auto fare capping; lower fares for all with targeted zero fares; and best-value capping. We have therefore simulated the impact by the same 20% reduction in average bus fare as delivered by a BSIP ("lower fares for all"), plus "targeted zero fares" for lowest income groups as in the Franchising option.

4.3.29 We would anticipate the same financial impacts as Franchising: that the total cost of the two measures in combination would be circa £50m per annum, and if the Scottish Government was not prepared to maintain concessionary fare reimbursement at current aggregate amounts in Strathclyde despite a reduction in average fare, then an additional subsidy of £21m per annum would be required to restore operators to a "no better/no worse" situation as they would receive lower reimbursement for concessionary passengers carried. Reducing bus fares would also impact on other parallel public transport modes (rail and Subway) – some of the generated demand for bus services would result in reduced revenue for ScotRail and Subway and consequently increase their annual subsidy requirements.

Table 10. Appraisal Scoring – Affordability Policies

OPTION	PERFORMANCE	SCORE
Business as Usual	Business as Usual is the situation articulated in the Case for Change which concluded that: The relative cost of travel by bus has risen more than other modes, with a lack of fares integration, and ticketing complexity; with a particularly adverse impact on low-income households. Therefore, Business as Usual will not help to break the cycle of declining patronage and therefore will not deliver the guiding policies 2a- 2c for affordability. Given long-term trends for real terms fares increases, it is likely that fares will continue to become less affordable under a Business as Usual option.	×
Voluntary Partnership	Some parts of Strathclyde are covered by voluntary partnerships, including the eight Glasgow City Region local transport authorities. Making fares affordable is not an explicit aim, and there is no track record of voluntary partnerships contributing to the principles set out for future affordability. Therefore, voluntary partnerships will not help to break the cycle of declining patronage and therefore will not deliver the guiding policies 2a- 2c for affordability. Given long-term trends for real terms fares increases, it is likely that fares will continue to become less affordable under a voluntary partnership option.	×
BSIP	With closer and more robust partnership via a BSIP, we would anticipate that the partners could work together to deliver area-wide ticketing and smart cards through a statutory agreement, helping to introduce value for money multi-operator tickets. Although agreement and cooperation between public and private sectors are still fundamental features of a BSIP, it becomes simpler to deliver some of the aspirations set out in guiding policies 2a-2c and we anticipate specific, geographically-targeted product proposals helping to deliver some growth in bus passengers.	✓✓
Franchising	Franchising could give the transport authority the capability to completely influence fares and associated products (although "lighter-touch" franchising could have less rigid structures, including the possibility of revenue-sharing with contracted bus operators). We have assumed that the Franchising option would be as ambitious as feasible, including a full suite of ticketing improvements: network-wide tickets, smart cards, auto fare capping; lower fares for all with targeted zero fares; and best-value capping. This would deliver significant growth in bus passengers.	✓✓✓

OPTION	PERFORMANCE	SCORE
Municipal Bus	Municipal ownership gives complete freedom regarding fares, but only for those services delivered by the municipal bus company. Therefore, the contribution of a municipal bus company to supporting guiding policies 2a-2c depends entirely on the wider operating context: ▪ Business as Usual/Voluntary Partnership – municipal bus company one of the partners, and could set its own fares policy helping to make fares more affordable or simpler (subject to a sustainable business model) ▪ BSIP – municipal bus company as partner, achieving same outcomes as set out above for BSIP ▪ Franchising - municipal bus company as contractor, achieving same outcomes as set out above for Franchising ▪ Existence of a municipal bus company may facilitate direct award of public service contracts under The Public Service Obligations in Transport Regulations 2023	✓ to ✓✓✓

4.4 TPO3: Increase the attractiveness of the bus network

4.4.1 The core policy for this TPO is to 'Improve Quality of Service', including the high-level guiding policy categories, presented in Figure 13.

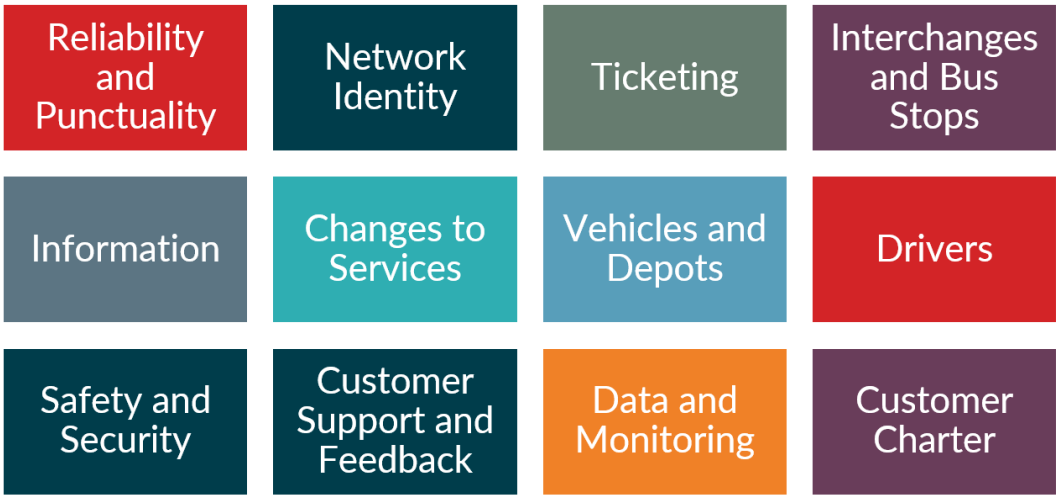


Figure 13. Key Quality Categories

4.4.2 The appraisal of the options in relation to each category is considered below.

Reliability and Punctuality

The following policy has been developed under the **Improve Service Quality** core policy area, for **reliability** and **punctuality**:

- 3a. Improve the performance of bus services in meeting standards related to reliability and punctuality in order to improve the quality of travel in terms of attractiveness, safety, security, and equity of service across the populations and areas served. This will be achieved by enhancing vehicle reliability, vehicle and driver availability, improving the resilience of the bus network, and by prioritising consistent bus journey times alongside other sustainable modes.
- 3b. Improve the performance and attractiveness of bus journey times and service reliability compared to car journeys in order to achieve mode shift.

4.4.3 Reliability and punctuality are fundamental performance elements of any bus network. If bus services regularly fail to operate as timetabled, customer confidence can soon be lost, and people find other means by which to travel or decide not to travel. There can also be impacts in relation to safety and equality for those that are at greater risk when travelling or are reliant on bus for important journeys.

4.4.4 Problems related to the reliability and punctuality of services have been set out in the Case for Change and are also evidenced in the RTS. In particular, the increasing erosion of passenger confidence in the bus network demonstrates the need to improve the existing situation.

4.4.5 Reliability and punctuality problems can typically be addressed through the following actions:

- **Improve vehicle reliability** – helped through a robust preventative maintenance schedule to ensure vehicles are maintained to the highest standards and defects are rectified quickly and effectively.
- **Improve vehicle availability** – ensuring that there are enough vehicles available to meet the peak vehicle requirement (PVR) of a route with enough spare vehicles (normally around 10% of PVR) to allow for maintenance and other issues such as breakdowns.
- **Improve driver availability** – it is the operators' responsibility to ensure that they have enough drivers to provide their scheduled services and to cover for eventualities such as sickness, lateness etc.
- **Reduce traffic & prioritise / provide more predictable journey times for buses** – delay to bus movements, caused by other traffic, can result in services being delayed, cancelled or not operating to their timetable. This situation requires a review of timetables (which can negatively affect journey times) and measures to reduce the impact of congestion on bus running, such as bus priority measures, removal of pinch points caused by parking etc. Preventative measures, such as policies to support modal shift and reduce overall traffic volumes, are also key. Inconsistency in journey times can also cause buses to run early, where time has

been built in to deal with congestion that has not occurred on that occasion. Running early can be as much of a problem from a user perspective as running late.

- **Incidents and road regulation infringements** – incidents such as breakdowns of other vehicles can cause traffic problems and blockages, as can illegally parked vehicles in bus lanes, bus boxes, on double yellow lines, etc. Where possible contingency plans should be put in place e.g. there should be the ability to monitor and affect service delivery through the use of operator control rooms and active monitoring and enforcement of road regulations on key routes.
- **Improving network resilience** – more frequent and better integration of services can help to manage issues from the passenger perspective by ensuring alternative travel options are available. A further element that can improve the impact of reliability issues is a last bus guarantee to users which ensures that last bus cancellations do not leave users unable to travel.

4.4.6 As such, the delivery of these policy areas could be driven by measures (and where the responsibility lies in the current operating model) related to:

- Traffic reduction and the mitigation of congestion impacts on bus services, through bus priority measures, incident response planning/actions, traffic infringement enforcement, and wider modal shift and demand management measures (local transport authorities, in partnership with SPT);
- Improved vehicle maintenance standards and maintenance staffing (bus operators);
- Robust and ambitious fleet renewal plans and reducing the average age of the fleet (bus operators, in partnership with SPT);
- Improved driver recruitment, retention and level of standby drivers (bus operators); and
- Monitoring and mitigation of failures to meet reliability and punctuality targets (bus operators, in partnership with SPT).

Table 11. Appraisal Scoring – Reliability and Punctuality Policy

OPTION	PERFORMANCE	SCORE
Business as Usual	Whilst local transport authorities can discuss and agree interventions which help improve reliability and punctuality, the absence of any commitment or certainty tends to mitigate against anything more than very trivial improvements and without formalised partnership agreements it is unlikely to deliver sustained performance. Current experience is that reliability and punctuality has been deteriorating, and therefore Business as Usual is likely to result in continued deterioration.	✗
Voluntary Partnership	Voluntary partnerships offer the potential to agree standards for fleet renewal, vehicle maintenance and staffing levels of services at various geographical levels – most commonly from corridor to local transport authority level. Typically, this agreement would be most achievable where changes include actions for both operators (vehicles, drivers)	✓

OPTION	PERFORMANCE	SCORE
	and government authorities (network efficiency and resilience actions related to bus priority, enforcement, etc). A voluntary partnership can, therefore, be a useful mechanism for tackling issues where there is agreement between operators' and authorities on a required course of action. However, application of this mechanism is likely to be limited in scope and unlikely to deliver transformational improvements across the region. The ability of all operators to conform to these enhanced standards can also be inconsistent. Monitoring and mitigation of failures to meet reliability and punctuality targets would be voluntary. While some operators may agree to these, consistency across the area cannot be guaranteed. The voluntary nature of the arrangement also includes an inherent risk that the benefits of measures may not be fully realised should one party back out of the arrangement. For example, the benefits related to typically costly improvements, such as bus priority measures, can be limited should operators reduce their service levels using the measure. Equally, if priority measures are delayed or do not bring proposed benefits to journey time reliability, bus operators may be at risk.	
BSIP	As with a voluntary partnership, a BSIP arrangement can be used to agree standards to be put in place, and works best where operators and authorities can agree mutual improvements. The additional benefit from a BSIP arrangement is that access to government funding can be made contingent on the establishment of a BSIP and typically BSIPs are set out to cover a wider range of measures, are more suited to a larger geographical context such as the GCC, surrounding local transport authorities, or regionally. Additionally, reinvestment or 'recycling' of reliability and punctuality benefits, including any associated journey time savings, is a common factor in BSIP arrangements; for example, time savings on bus routes can reduce PVR needs and can see vehicles reinvested elsewhere on the network or financial savings invested in other ways, such as fares reductions. A BSIP can incorporate performance targets for elements such as reliability and punctuality; however, existing targets are already in place for both punctuality (e.g. 95% of services to arrive no more than 5 minutes late) and reliability (lost mileage), as set by the Scottish Traffic Commissioner. As the existing targets are relatively stringent, tightening these without tackling the causes of non-compliance is unlikely to greatly benefit the situation. Additional enforcement of adherence to standards could be introduced through a BSIP but could be difficult to agree between BSIP partners.	✓✓

OPTION	PERFORMANCE	SCORE
	While more robust than voluntary partnerships, the commitments made in the formation of BSIPs is reliant on operator agreement up front. Furthermore, where agreed council interventions are targeted/geographically based, such as bus priority measures, this could mean that those operators not gaining benefit to those measures will see little value in signing up to additional standards related to fleet renewal, maintenance, standby driver levels, etc.	
Franchising	A franchising scheme allows a transport authority to determine the standards for services operated and could include those targeted at improving reliability and punctuality. Performance targets for punctuality and reliability could also be set, and the proportionate enforcement of these built into the franchising agreement. Standards could be applied across the franchised area to promote a consistent quality of service, with further enhanced standards for key corridors or areas if this is required to tackle particular problems. Additional scope to make decisions related to bus operations would be within authorities' control, e.g. encourage modal shift and reduce car dependence with improved levels of service. However, limitations exist in the extent to which franchising alone could affect delivery of policy 3a. As with the other options, measures to tackle some of the main causes of reliability and punctuality issues, such as congestion, incident response actions, traffic infringement enforcement, etc. would require additional action from local government stakeholders. This potentially includes actions related to parking demand, management and development planning. By creating a direct, financial link between successful bus priority initiatives and the bus services they support, Franchising is most likely to incentivise councils in the region to adopt best practice for tackling Reliability and Punctuality – failure to improve reliability, punctuality and bus speeds will ultimately result in declining passengers triggering a requirement for additional subsidy to maintain levels of service and/or affordable fares.	✓✓✓
Municipal Bus	For those services under municipal ownership, they could operate at a standard set up to improve reliability and punctuality based on some of the measures discussed above. However, the extent of improvement would be dependent on the scale of municipal operations as a proportion of the overall network and the existence of any other relevant delivery model within which the municipal bus company was operating.	✗ to ✓✓

Network Identity

The following policies have been developed under the **Improve Service Quality** core policy area, for **Network Identity**:

- 3b. Develop a positive, recognisable and trusted bus network identity across the region, delivering consistency across information, ticketing, interchanges and stops, vehicles, and other key network assets.
- 3c. Explore opportunities to strengthen this network identity with other sustainable transport modes.

4.4.7 The delivery of these policy areas could be driven by measures to:

- Enhance the network identity, including branding and consistency for the following elements:
  - Information (journey planning, timetabling, website and apps etc);
  - Ticketing (e.g. enhancing/expanding ZoneCard);
  - Interchanges and stops;
  - Vehicles; and
  - Other key network assets.
- Deliver awareness raising related to wider service quality elements etc, that foster a positive, recognisable and trusted identity.
- Strengthen network identity with other modes, such as aligning elements such as the proposed Clyde Metro, the subway and related assets (e.g. stations).

4.4.8 The successful achievement of the policies will rely on a number of factors around the delivery of these types of measures, such as:

- The availability of sufficient funding is fundamental to what can be achieved, including if and how resources are pooled to deliver agreed measures, such as through a partnership arrangement, or whether funding is available to deliver a specification set through a franchising scheme.
- The scale of branding unification achievable, along with the geographical and operational scope for the rollout of changes (e.g. which operators/routes):
  - For vehicles, operator or corridor specific branding requirements would need to be considered. For situations where ticketing and payment relies on operator or area specific products, the validity of tickets must be easily identifiable by looking at buses and timetable information. Therefore, if individual operator products are in place within an area, then this can limit the scale of unified branding that is possible, i.e. standard liveries on all vehicles across the regional network or sub-brands covering parts of the network, such as high frequency and express routes. While part-branded liveries are possible, this can limit the perception of a consistent network identity for users and solidify the perception that parts of the network operate and perform differently from others.

- Similarly, for customer support and feedback, and for customer charters – unless these are centrally managed and there are consistent standards/conditions of carriage in place for all services, users will need to be able to identify the bus operator running each service.
- Potential ticketing improvements are discussed in further detail under the 'ticketing' category below; however, as noted above – the scope for uniformly branding ticketing options relates to the actual interoperability of tickets, the existence of single-operator limited area tickets, and the need to ensure users are fully aware of any validity restrictions.
- Consistent branding across all customer facing infrastructure, such as interchanges, bus shelters, stop post and flags, and other wayfinding and signage would be dependent, in part, on SPT and local transport authority co-operation. Co-operation with operators would also be required for the production of consistently branded at-stop printed timetables, again noting caveats related to needing to make users aware of any restrictions around ticketing product validity, differing conditions of carriage, etc.
- Information is discussed in further detail under the 'information' category below; however, similar points exist in relation to agreeing the scope of information unification (website, timetables, apps, marketing channels etc.) and whether individual operator information remains for services, e.g. as an alternative source that does not cover competing operators' service options.

- Fostering a positive, recognisable and trusted network identity, in part comes down to awareness raising of strong attributes, and in part down to the genuine delivery of a high-quality bus network. The consistency of users' perceptions relies on all operators and services pulling in the same direction. There is a risk that poor performance of some services (e.g. by some operators or on particular routes) could damage the overall network identity. The same is true for other elements of the network, such as quality of stops, shelters and information, etc.
- Addressing other implementation challenges, e.g. managing vehicle repaint schedules and agreeing treatment of cross-boundary services.

4.4.9 The appraisal scoring for this quality category is, therefore, largely based around the potential for the options to successfully navigate the points above and deliver the potential measures to their fullest.

4.4.10 An appraisal using the TRL593 value for bus branding has been undertaken based on the discussion above, with the results presented in Table 12. Given the uncertainty regarding the impact on passengers of a single network identity, and the fact that most local transport authorities are primarily served by a dominant operator anyway, the TRL593 value has been factored down. It is assumed that in local transport authorities where there is primarily a single operator, the benefits of a region-wide network identity will be marginal as these passengers primarily only use services and access information branded in a consistent way already. Only the demand in East Renfrewshire and Argyll & Bute has received the full benefit in any of the options, which is informed by the findings in the Case for Change which were that these were the only local transport authorities in the

region that have genuinely multi-operator environments[24]. These assumptions are also set out below.

Table 12. Segmented Bus Quality Factors Appraisal – Network Identity

OPTION	% OF TOTAL VALUE OF BENEFIT APPLIED	ADDITIONAL TRIPS PER ANNUM	ADDITIONAL REVENUE PER ANNUM
Business as usual	0%	-	-
Voluntary partnership	5% region-wide, 50% in East Renfrewshire and Argyll & Bute	0.05m	£0.1m
BSIP	5% region-wide, 50% in East Renfrewshire and Argyll & Bute	0.05m	£0.1m
Franchising	10% region-wide, 100% in East Renfrewshire and Argyll & Bute	0.1m	£0.1m
Municipal operations	5% region-wide, 50% in East Renfrewshire and Argyll & Bute	0.05m	£0.1m

Table 13. Appraisal Scoring – Network Identity Policies

OPTION	PERFORMANCE	SCORE
Business as Usual	As highlighted in the Case for Change some parts of the bus network in the SPT area operate under a single operator or a small number of operators. For those areas, a recognisable identifiable network may already exist, but only at a local, operator specific level. However, there are areas where the network is more complex, with multiple operators, ticketing options, information and branding running alongside each other, meaning that there is little cohesion in an identity as a whole. Some efforts to integrate identity are in place though, in particular around information around available services. Actions, commitments and engagement with operators does suggest	✓

[24] "Most local transport authorities have a dominant operator, with First predominantly operating services in Glasgow and Lanarkshire, Stagecoach covering Ayrshire (North, East and South) and McGills operating the majority of services across Inverclyde and Renfrewshire. The only local transport authority area without a dominant operator is East Renfrewshire where services are operated by all three of the major operators." Strathclyde Regional Bus Strategy – Case for Change, p.32. Further research also identified East and West Dunbartonshire to be served by dominant operators, whilst the areas of Argyll & Bute that are within the SPT region, Helensburgh and Lomond, have a multi-operator environment.

OPTION	PERFORMANCE	SCORE
	that efforts will continue to be made to improve on the current position under a BAU situation.	
Voluntary Partnership	Voluntary partnerships do offer the potential to achieve significant steps towards creating a more positive, recognisable and trusted network identity, as per policy 3a. However, as improvements would be voluntary, it is likely that there would be some limitations and inconsistencies related to the rollout of improvements. For example, some operators could still maintain their own branding for vehicle liveries, especially where individual ticketing options remain in place. For information, a strong integrated source of information could be delivered through partnership working, however some operators may also choose to maintain their own sources of information alongside this. It is therefore likely that there will be some remaining conflict of information and potential confusion for users, and some erosion of a single network identity. In terms of creating a positive and trusted identity, improvements delivered through a voluntary partnership could support this, e.g. by monitoring and responding to KPIs that foster this. There may be a role for SPT or Transport Scotland in delivering a multi-modal identity by ensuring other modes are appropriately branded as part of the partnership.	✓✓
BSIP	With closer and more robust partnership via a BSIP, it is anticipated that the partners could work together to deliver actions that promote a more positive, recognisable and trusted network identity through a statutory agreement to deliver policy 3a. This would be particularly aided where supportive information and ticketing agreements are also put in place, e.g. to remove single operator products and conflicting data sources. A BSIP could also help to link the branding aspects of promoting a recognisable network with those of promoting a positive and trusted network identity, i.e. genuine performance improvements. There would still be an element of choice for operators and authorities with this option, meaning that they would need to agree to the standards set for the establishment of the BSIP. Therefore, risks related to inconsistency by area and operator still exist dependent on the scale, area, and buy in to the standards for network identity. There may be a role for SPT or Transport Scotland in delivering a multi-modal identity by ensuring other modes are appropriately branded as part of the BSIP.	✓✓ to ✓✓✓
Franchising	Similar measures to the voluntary and BSIP arrangements could be put in place to support Policy 3a. However, franchising would give certainty around measures applying to all services operating under this network identity. Supportive activities around ticketing and	✓✓✓

OPTION	PERFORMANCE	SCORE
	information could also be easier to deliver in a form that promotes consistency of branding. Fostering a positive and trusted identity would still be reliant on actual performance improvements, but factors related to this, such as service levels, would be under the control of the authority setting out the agreement. For the multi-modal aspect (Policy 3b) franchising could support this. For the SPT area, this would be most achievable for future Clyde Metro proposals and subway proposals, as well as other initiatives under SPT's control.	
Municipal Bus	A municipal operator could make efforts to foster a positive, recognisable, and trusted identity for its own bus services, as commercial operators can do currently. A municipal operator could also work as part of a partnership with other operators and authorities to further enhance network identity, as with the voluntary partnership and BSIP options above. However, it is unlikely that a municipal operator will exist in a form in the SPT area that could independently progress the types of measures needed to fully deliver the policies 3b and 3c.	✓ to ✓✓

Ticketing

The following policies have been developed under the **Improve Service Quality** core policy area, for **Ticketing**:

- 3d. Ensure ticketing is easy to understand and use, provides flexibility, and helps to guarantee that users can access the best ticketing product for their needs.
- 3e. *To be consistent with the MaaS policy in the RTS:* Develop and facilitate Mobility as a Service in the region, building upon existing opportunities including ZoneCard where appropriate. Ensure MaaS platforms are inter-operable, incorporate regional bus services as part of a multi-modal offer, with cross-regional and national MaaS solutions where appropriate.

4.4.11 The Case for Change concluded[25]:

With approximately 40 operators providing services across the region, the structure of fare products is complex with users needing to select from single and multi-operator products covering a range of different zones as defined by individual operators. It is recognised that whilst the wide range of tickets available will in many cases be beneficial to regular bus users who may as a result be able to get a near-bespoke ticket which meets their needs, the level of complexity within and across different operators is likely to be a deterrent to infrequent bus users or visitors to the area.

[25] Strathclyde Regional Bus Strategy – Case for Change, page 31

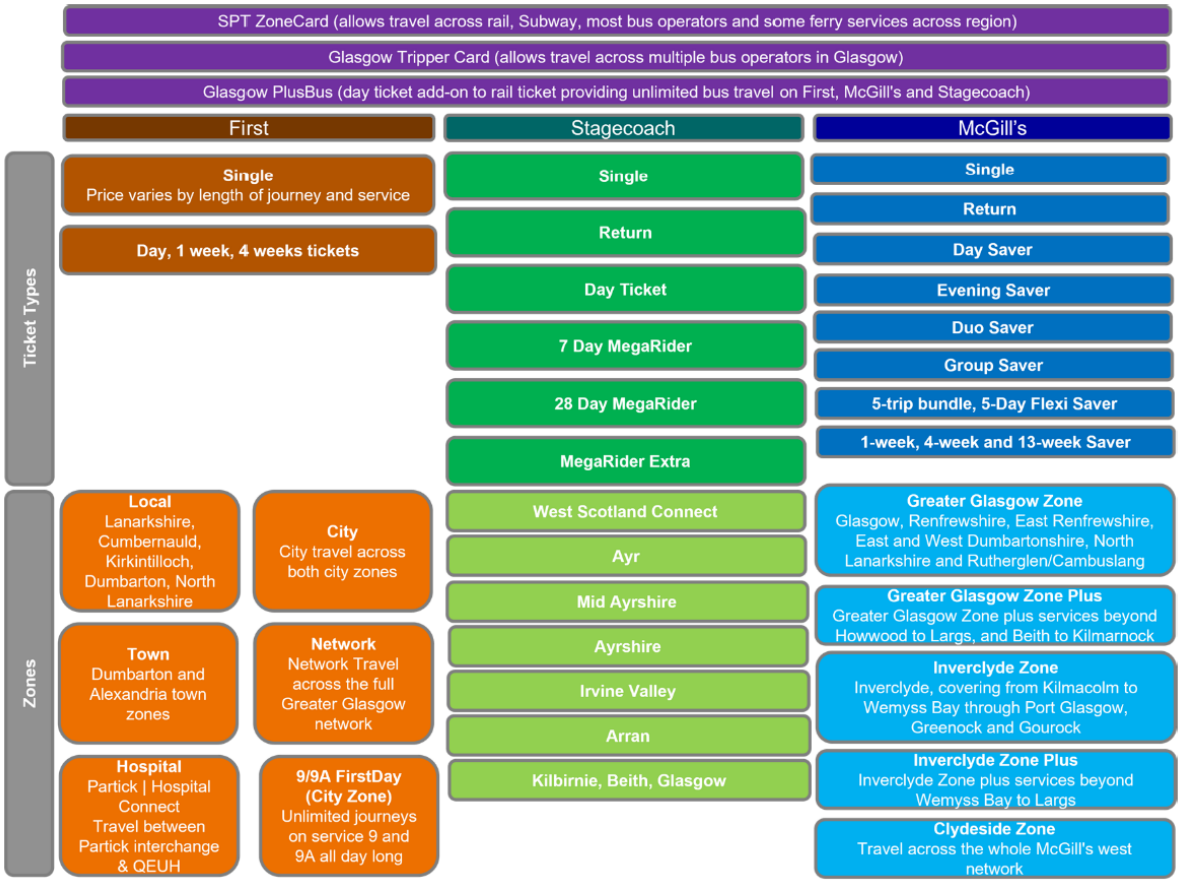


Figure 14. Illustration of Complex Ticketing across the Region (for the three main operators)

To illustrate this, the tickets offered by the three main operators providing services in the region are shown in [Figure 14]. The three main multi-operator tickets are shown at the top, with the differing ticket types, ticket lengths, and varying geographical areas within which the tickets are valid noted below. As suggested previously, this array of ticketing and their varying geographical coverage creates a highly complex structure for the bus user to navigate, adding difficulty to determining the best value for money for their trip. The separate retailing of tickets (e.g. different operator-own digital platforms for ticket purchasing), the different availability in terms of what ticket types can be purchased as on-board sales, the different payment methods used across the operators (i.e. some give on-board change, some not), and the different pricing for electronic and on-board tickets all add to the complexity of ticket purchasing for passengers across the region.

4.4.12 Under current legislation, in the absence of a franchising delivery model, no transport authority can enforce fare levels or simplification of ticketing products – although multi-operator products and prices can be negotiated using specific exemptions from competition law which otherwise precludes collusion on fare levels, operators must remain free to establish their own single-operator products and set their fares at whatever commercial level they choose. In addition, Transport Scotland has the power to deliver concessionary fares to selected categories of bus user:

The Scottish National Concessionary Travel bus scheme was introduced in April 2006 and is administered by Transport Scotland. The Scottish National Entitlement card provides

free bus travel for those over 60 and people under 22. The scheme can be extended to additional groups at the discretion of Scottish Ministers. The concession is extended at SPT's discretion to the Glasgow Subway and to some ferry crossings. The annual cost of the national concession is £105m and local concessions cost £4m.

Bus operators in the Glasgow and Strathclyde area must participate in the National Concessionary Travel scheme which is available to the elderly (aged over 60), disabled residents and people under the age of 22 (Young Persons) of Scotland. The NEC card gives holders free bus travel in Scotland. In addition to the national scheme, NEC pass holders resident in the Glasgow and Strathclyde area are entitled to reduced fares on the Glasgow Subway and trains in the Strathclyde area. Free or reduced fare ferry travel is also available to residents who live on an island or peninsula within Strathclyde area[26]*.*

4.4.13 The options available under the various delivery models were also set out in our Affordability of Public Transport study, reproduced below in summary form[27].

[26] Glasgow & Strathclyde Transport Act Scoping Study: Affordability of Public Transport, section 4.3 (SYSTRA)
[27] ibid

Table 14. Responsibility for setting fares in the SPT area

MODE	DELIVERY MODEL	RESPONSIBILITY FOR FARE SETTING	REVENUE RISK
Bus	Commercially operated services, including through voluntary partnership	Bus operator	Bus operator
	Socially necessary services operated under contract to SPT	SPT – subject to certain restrictions[28]	SPT
	Bus Service Improvement Partnership (BSIP)	Bus operators in partnership with transport authority	Bus operator
	Franchise	Franchising authority	Franchising authority or bus operator
	Municipally owned operator	Bus operator	Bus operator (and ultimately the council(s) as shareholders)
Subway	Direct operation by SPT	SPT	SPT
Rail	Franchise[29]	All fares in the Strathclyde area are ScotRail regulated fares	ScotRail
Ferry	Commercial operation	Ferry operator (sometimes in consultation with local transport authorities)	Ferry operator
	Socially necessary services operated under contract to SPT	SPT	SPT
	Transport Scotland Contract ("lifeline" services)	Transport Scotland[30] (Road Equivalent Tariff)	Transport Scotland

[28] Where a transport authority subsidises certain journeys or parts of journeys, the fare structure of the incumbent commercial operator is commonly adopted even if the incumbent's multi-journey tickets are not accepted. Under the current powers, therefore, a transport authority cannot directly or indirectly influence fares per se, although SPT stipulate a maximum fare scale applicable on subsidised services. If SPT was to take revenue risk on subsidised services (unlike the present situation where revenue risk lies with the contractor) then it could stipulate fares, so long as they were not abstractive from commercial operations.

[29] Currently the ScotRail franchise is being directly operated by the Scottish Government

[30] https://www.audit-scotland.gov.uk/uploads/docs/report/2017/nr_171019_ferry_services.rtf

Table 15. Ticketing requirements that can be imposed on operators in various regulatory regimes

CAN A REQUIREMENT BE IMPOSED ON BUS OPERATORS TO:	TICKETING SCHEMES, INCLUDING VIA PARTNERSHIPS	FRANCHISING	MUNICIPAL OPERATOR
Sell and accept a multi-operator or multi-modal ticket (including in a specific format, such as a smart card)?	✓	✓	✓
Market particular tickets in a certain way (including promoting multi operator tickets not just their own tickets)?	×	✓	✓
Sell their tickets and fares on a standard set of 'zones' that apply to all operators?	×	✓	×
Follow common ticket rules for their own tickets such as standard length of. tickets or age to qualify for youth concession if offered?	×	✓	✓
Sell or accept any ticket on a particular technology (such as a smart card)?	✓	✓	✓
Charge a set price for a multi operator ticket?	×	✓	×
Charge a set price for their own single operator tickets?	×	✓	✓

4.4.14 Clearly the best way forward to deliver enhancements to the ticketing products will be heavily influenced by the legislative regime under which bus services are being delivered. In some cases, it will also be influenced by affordability – such as expanding concessionary travel (e.g. to low-income families) or targeted fares subsidies (e.g. setting a blanket maximum fare) – and will require the public sector to secure sufficient funding to recompense operators for revenue foregone. There is more discussion regarding affordable fares in Section 4.3.

4.4.15 Care would need to be taken about increasing complexity versus the objective simplification. Although gaps in the range of ticketing products may exist, adding further products to the already complex ticketing environment may simply create more confusion. Similarly, adding more complex qualifying criteria for concessionary travel may complicate the range still further, as may targeted discounts, whilst a fares cap may create a complex interaction with other ticketing products making it challenging for passengers to identify the best value product for their needs.

4.4.16 As made clear by Table 15, only under franchising can a transport authority impose a standardised approach to fares and products, eliminating multi-operator ticketing if desired.

4.4.17 There is evidence of positive impacts from simplification of fares, but the evidence base is complex and often intertwined with integration of fare products and/or reductions in fare levels. For example:

While many examples of the benefits of integrated fare products have been identified, the most commonly reported benefit was associated with increased patronage. While positive benefits were reported across all areas, the case studies reviewed only provide robust evidence to support increased patronage from integrated ticketing. Simplified and integrating ticketing schemes is supported by the following key findings:

- *Substantial increases in patronage, in the range of 6% to 20%, with some transport modes experiencing increases to the order of 40%;*
- *Limited evidence to support increased revenues, with the reported increase varying widely from a 1% to a 12.6% increase in total revenue;*
- *Limited quantitative evidence to support a link between modal shift and fare integration, with some case studies suggesting an overall increase in public transport usage;*
- *There is some evidence to suggest improved satisfaction from fare integration primary due to increased convenience and fare savings;*
- *There is limited evidence of faster boarding times as a result of integrating ticketing, with some transport modes experiencing in order of a 10% reduction in passenger in-vehicle time;*
- *There is limited evidence to suggest that integrating ticketing in isolation has reduced fare evasion. Rather the reduction in fraud has usually been associated with integrated fares as well as a change in fare medium; There is only anecdotal evidence to support a reduction in transaction and administration costs from simplified and integrated ticketing.*[31]

4.4.18 In the context of BSIPs, research into the application of the English equivalent (Enhanced Partnership) as part of the DfT's Bus Back Better initiative is also enlightening:

- ***Simpler payment:*** *Experience shows that a larger customer base is achieved if payment can be made in advance at a variety of outlets (pre-purchase online, through apps, at selected shops, etc.) as well as on the bus. Smart card technology is largely being superseded by debit/credit card and mobile phone transactions because potential users already carry the means to make payments. This has been a significant benefit to bus users (simplicity) and operators (quicker transactions) with the added benefit of providing data for diagnostics about journeys made and the people making them. Improving the means of payment is a key part of the overall requirement and most operators currently accept multimedia transactions. While smart cards have been 'leap-frogged' in favour of other means of payment, they may retain a role for concessionary, home-to-school and other types of payment.*
- ***Simpler fares:*** *Simplified fares can be marketed successfully, particularly if the cheapest fare option is automated and daily fares are capped. The technology is available to achieve the back office working but the fares themselves need to be simpler to offer a more manageable number of ticket type options. This is closely*

[31] The Benefits of Simplified and Integrated Ticketing in Public Transport Passenger Transport Executive Group United Kingdom, October 2009 (Booz & Co), section 9

linked to marketing – for example, £1 evening fares, group prices, a day price cap, etc.

- ***Ticketing technology:*** *All operators should have compatible ticketing systems. The back-office function can be complex and may represent a barrier to progress given the start-up cost and ongoing maintenance liability. However, the advantage of an LTA-managed system is the data feed and coordination. An alternative is to use a system established elsewhere, whereby all functionality is contracted to another provider with the payment of a handling fee.* [32]

4.4.19 TAG provides a value that passengers place on simplified ticketing, which has been used for this element of the appraisal. Similarly to the appraisal on network identity, the fact that most local transport authorities (apart from East Renfrewshire, as set out in the Case for Change) are primarily served by a dominant operator[33] means that only proportions of the full TAG value benefit have been applied. It is assumed that in local transport authorities where there is primarily a dominant operator, the benefits of a region-wide ticketing structure will be marginal as these passengers do not have to make significant multi-operator journeys. The results and these assumptions used to apply these TAG values are presented in Table 16.

Table 16. Segmented Bus Quality Factors Appraisal – Ticketing

OPTION	% OF TOTAL VALUE OF BENEFIT APPLIED	ADDITIONAL TRIPS PER ANNUM	ADDITIONAL REVENUE PER ANNUM
Business as usual	0%	-	-
Voluntary partnership	5% region-wide, 50% in East Renfrewshire and Argyll & Bute	0.1m	£0.1m
BSIP	5% region-wide, 50% in East Renfrewshire and Argyll & Bute	0.1m	£0.1m
Franchising	10% region-wide, 100% in East Renfrewshire and Argyll & Bute	0.3m	£0.3m
Municipal operations	5% region-wide, 50% in East Renfrewshire and Argyll & Bute	0.1m	£0.1m

[32] Bus Back Better Support Programme Support Package 1: Fares and Ticketing March 2023 (Mott Macdonald & Ove Arup for DfT), section 7.1

[33] Strathclyde Regional Bus Strategy – Case for Change, p.45

Table 17. Appraisal Scoring – Ticketing Policies

OPTION	PERFORMANCE	SCORE
Business as Usual	Simplified and integrated ticketing will continue to be difficult to deliver, with each operator responsible for its own product range and pricing, as well as (potentially) participating in multi-operator schemes if they desire. The overall product range will therefore remain complex and potentially confusing for users, and holistic marketing of public transport will be challenging. Integrating technologies will be dependent on operators' choices about technology and the ability of different systems to integrate effectively in back offices. As the public have expressed a desire to see simpler and more cost-effective ticketing products, it is unlikely that this can be delivered under Business as Usual. Research has shown that ticketing integration and simplification can have a positive impact on passenger volumes and the ongoing cycle of declining demand is likely to be perpetuated under the Business as Usual delivery model.	✗✗
Voluntary Partnership	Better integrated ticketing and better multi-operator products may be deliverable through a voluntary partnership with the agreement of the partners, but initiatives may not be universal (unless all operators agree to participate); and it may result in a proliferation of additional; products, compounding the existing complexity and potentially confusing users. Holistic marketing of public transport will remain challenging. Integrating technologies will be dependent on operators' choices about technology and the ability of different systems to integrate effectively in back offices. As the public have expressed a desire to see simpler and more cost-effective ticketing products, it is unlikely that this can be delivered under a voluntary partnership. Research has shown that ticketing integration and simplification can have a positive impact on passenger volumes and the ongoing cycle of declining demand is likely to be perpetuated under a voluntary partnership delivery model.	✓
BSIP	Better integrated ticketing and better multi-operator products can be delivered through a voluntary partnership with the agreement of the partners and once a scheme is formally made its provisions apply to all operators in the agreed area. We have assumed that a BSIP should be capable of delivering targeted reductions to bus fares, probably through some new additional fare products. However, it will therefore result in a proliferation of additional; products, compounding the existing complexity and potentially confusing users. Holistic marketing of public transport will remain challenging. Integrating technologies will be dependent on operators'	✓✓

OPTION	PERFORMANCE	SCORE
	choices about technology and the ability of different systems to integrate effectively in back offices. As the public have expressed a desire to see simpler and more cost-effective ticketing products, it is unlikely that this can be fully delivered under a BSIP. Research has shown that ticketing integration and simplification can have a positive impact on passenger volumes: carefully designed BSIP initiatives should help to increase demand, although the complex product range will still exist. The appraisal using TAG values indicates an estimated demand increase of 0.1m trips per annum and an additional revenue of £0.1m per annum.	
Franchising	Simplified and integrated ticketing are likely to be a fundamental component of a franchising scheme, and we have assumed an ambitious programme of fares initiatives. If the transport authority is taking revenue risk, then it can impose a single product range of simple ticketing without needing to seek agreement with operators. Holistic marketing of public transport will be readily deliverable. Integrating technologies will not be dependent on operators' choices about technology and compatibility can be specified as part of the contract requirements or even supplied directly by the authority. The public have expressed a desire to see simpler and more cost-effective ticketing products. Research has shown that ticketing integration and simplification can have a positive impact on passenger volumes: carefully designed fares products and initiatives through a franchising delivery model will contribute to increasing demand. The appraisal using TAG values indicates an estimated demand increase of 0.3m trips per annum and an additional revenue of £0.3m per annum.	✓✓✓
Municipal Bus	A municipal bus company will operate within the delivery model applying to all operators, and as set out above for Business as Usual, voluntary partnership, BSIP or Franchising as appropriate. The public sector shareholder will still have the power to establish its own fares and ticketing products which may contribute to achieving some aspirations of the RBS; and it could specify compatible back-office systems which integrate with other operators. However, any such additional products will be on top of the existing complex product range and will not contribute to simplification.	✗✗ to ✓✓✓

OPTION	PERFORMANCE	SCORE
	Given that the public have expressed a desire to see simpler and more cost-effective ticketing products and research has shown that ticketing integration and simplification can have a positive impact on passenger volumes then it is unlikely that establishing a municipal bus company by itself would better achieve the desired RBS outcomes. The appraisal using TAG values indicates an estimated demand increase of 0.1m trips per annum and an additional revenue of £0.1m per annum.	

Interchanges and Bus Stops

The following policies have been developed under the **Improve Service Quality** core policy area, for **Interchanges and Bus Stops**:

- 3f. Enhance the quality and consistency of interchanges and bus stop facilities to increase the attractiveness of travel by bus and ensure that bus services are accessible to all.
- 3g. Explore new and improved locations for interchange and mobility hubs alongside bus stop rationalisation, to enhance interchange options while ensuring the delivery of a bus network that is efficient, and easy to understand and use.

4.4.20 Operationally, effectively designed stops and interchanges can improve factors such as journey time, punctuality, commercial efficiency, and the ability to provide connectivity with other services. This includes larger interchanges such as bus stations, Park & Rides and multi-modal hubs.

4.4.21 The Case for Change highlighted that a total of the 11,441 bus stops in the region:

- 46% have a shelter;
- 39% have seating;
- 21% have shelter lighting; and
- 7% have Real Time Information.

4.4.22 It also outlined investment from SPT on across the region to upgrade facilities, e.g. in East Renfrewshire, £250k has recently been invested in bus infrastructure in local areas like Barrhead, Giffnock, Thornliebank and Newton Mearns for upgraded bus shelters, high access curbs for those with mobility issues and new real-time passenger information displays; and in Renfrewshire £1.4m has been spent on improving ageing infrastructure. However, there are still inconsistencies in the standard, quality and age of infrastructure across the region. Interchanges must also help reduce network inefficiencies and support potential network enhancements.

4.4.23 Furthermore, SPT's capital grant funding from the Scottish Government has been cut for 2024/25, which highlights the challenges in delivering infrastructure improvements in what is a constrained funding environment. As such, the policies outlined above are important for improving the situation across the SPT area.

4.4.24 The delivery of these policy areas could be driven by measures to:

- Develop and implement a design hierarchy methodology across the region to enable the targeting of appropriate bus stop facilities and design standards; and
- Increase the provision of shelters, seating, shelter and stop lighting, and real time information;
- Develop an improved interchange and mobility hub offering, including at new locations and with other modes to enhance network integration; and
- Explore the rationalisation and siting of bus stops to enhance bus network efficiency[34] and improve the legibility of the bus network. [35]

4.4.25 TAG guidance on bus quality factors provides valuations for CCTV, new bus shelters and real-time passenger information (RTPI) at bus stops. For CCTV, it has been assumed that most bus stops in urban areas are covered by a form of CCTV (either at the bus stop or elsewhere in the surrounding area), and there may only be a few bus stops in rural areas where it would be proportionate to install CCTV. Therefore, the improvements are likely to be mostly gap-filling measures and, as a result, 5% of the TAG value has been assumed across the region for all options.

4.4.26 For new bus shelters, the variation between standards is likely to be greater than for CCTV, and therefore there may be a more comprehensive improvement programme that can be delivered. As set out in the Case for Change, around £17m of improvements, funded by SPT capital grant funding, were made to bus stops and routes to bus stops between 2018/19 and 2022/23. However, only 21% of bus stops in the region have lighting and less than half have a shelter or seating. Therefore, a range between the options of 5-15% of the TAG value has been assumed, reflecting that BSIP and franchising options would potentially allow greater scope to deliver improvements, potentially as part of a rebranding exercise.

4.4.27 For RTPI, it has also been assumed that there may be more locations that lack the facility that would benefit from it, and that a more comprehensive improvement programme may be required, particularly outside of the main urban centres. As set out in the Case for Change, SPT's updated regional RTPI system commenced operation in 2016, and there are a total of 850 electronic signs in the region, representing approximately 7% of the total number of bus stops. It has been assumed that these improvements would be more significant under the BSIP and franchising options given the greater control of the transport authority, and therefore greater proportions have been applied in these options.

4.4.28 The results when applying these TAG values are presented in Table 18.

[34] Fewer stops for some services while maintaining overall coverage.
[35] i.e. remove stop confusion

Table 18. Segmented bus quality factors appraisal – interchanges and bus stops

OPTION	% OF TOTAL VALUE OF BENEFIT APPLIED	ADDITIONAL TRIPS PER ANNUM	ADDITIONAL REVENUE PER ANNUM
Business as usual	0%	-	-
Voluntary partnership	CCTV – 5% region-wide New bus shelters – 5% region-wide RTPI – 5% region-wide	0.8m	£0.8m
BSIP	CCTV – 5% region-wide New bus shelters – 10% region-wide RTPI – 10% region-wide	1.1m	£1.1m
Franchising	CCTV – 5% region-wide New bus shelters – 15% region-wide RTPI – 15% region-wide	1.4m	£1.5m
Municipal operations	CCTV – 5% region-wide New bus shelters – 10% region-wide RTPI – 10% region-wide	1.1m	£1.1m

Table 19. Appraisal Scoring – Interchanges and Bus Stops Policies

OPTION	PERFORMANCE	SCORE
Business as Usual	Upgrading interchanges and bus stops is a core activity of SPT and across the SPT region; however, inconsistencies still exist across the network and more action would be required to deliver the scale of improvement suggested in the policies and the types of measures to deliver these. Informal arrangements with operators could help to deliver bus stop rationalisation; however, other options offer a more formal mechanism for delivering this type of intervention.	✓
Voluntary Partnership	A voluntary partnership can assist in the co-operation required to identify quality issues and inefficiencies in the network related to interchanges and bus stops. Partners can work together to better prioritise improvements and deliver elements such as stop rationalisation. The appraisal using TAG values indicates an estimated demand increase of 0.8m trips per annum and an additional revenue of £0.8m per annum.	✓✓
BSIP	As with the voluntary partnership, identification and prioritisation of needed improvements can be improved by as BSIP. A formal commitment can be set up between by partners that is more suited to	✓✓

OPTION	PERFORMANCE	SCORE
	substantial improvements, for example those linked to wider infrastructure or service level enhancements, and any associated funding streams for these. For example, the implementation of a new interchange, such as a mobility hub, can be tied to a specific level of service improvement to ensure that buses operate at a suitable level to serve the new infrastructure. However, this relies on operator agreement to this level of service as part of the statutory partnership. Operators may be reluctant to commit to the agreement due to commercial pressures. The appraisal using TAG values indicates an estimated demand increase of 1.1m trips per annum and an additional revenue of £1.1m per annum.	
Franchising	Franchising introduces the opportunity to specify the level of service enhancements for bus services linked to improvements to interchanges and bus stops. This could de-risk a potential situation where funding is used to upgrade infrastructure at which services are later withdrawn from or are not provided at an attractive level. The appraisal using TAG values indicates an estimated demand increase of 1.4m trips per annum and an additional revenue of £1.5m per annum.	✓✓✓
Municipal Bus	Municipal bus services could be operated to work effectively with interchange and bus stop requirements. However, the scale of benefit would be constrained based on the ability of the municipal operations to operate these services effectively and affordably, in competition with other operators or not. It would also depend on the existence of any other relevant delivery model within which the municipal bus company was operating. The appraisal using TAG values indicates an estimated demand increase of 1.1m trips per annum and an additional revenue of £1.1m per annum.	✓ to ✓✓

Information

The following policies have been developed under the **Improve Service Quality** core policy area, for **Information**:

- 3h. Deliver consistently high-quality, accurate and accessible information to bus users across the region, before during and after travel.
- 3i. Ensure that all users have access to the information they need to confidently and safely travel on the bus network.
- 3j. Integrate information across region on the bus network, between operators, and with other modes, to provide users with a one-stop-shop experience.

4.4.29 As well as the other elements presented in this chapter, such as building network identity and having legible fares and ticketing options, the provision of information to potential users is key to attractive and encourage more people to travel by bus.

4.4.30 For some, being unable to access useful information about bus services will be an inconvenience; however, for others it could mean the difference between making a journey by bus, making the journey by another mode, or not making that journey at all, for example:

- For those where affordability is an issue, not being able to access information on fares could have a similarly negative effect; or
- For time critical travellers or those in areas without frequent services, information about whether a service is disrupted (late or not running) will be key.

4.4.31 "De-mystifying" the bus is also important for attracting more non-users and increasing passenger numbers, e.g. replicating the certainty provided by clear signage at railway stations or tram stops.

4.4.32 Typical challenges and opportunities for improvement for the provision of information include:

- Providing accurate content and managing changes to information. While for some channels, such as online data, information can be updated relatively easily, for other sources, such as paper timetables and maps at bus stops or bus stations, this can be more difficult or resource intensive to control;
- Ensuring information content is consistent across all channels and sources – including through different information providers:
  - Where content is distributed directly, such as through operators and local/regional authorities, this can include strict processes for reviewing and updating content;
  - For third party providers, this may be through agreement for authorities and operators to issue update notices to these parties, or through the development of suitable APIs (Application Programming Interfaces) for digital content or information widgets which can be used on external websites;

- Providing consistent presentation, or identity and branding, of content can also be a challenge, as noted in the section above on Network Identity. This includes gaining agreement on areas of common identity/branding;
- Moving to a single-source or 'one-stop-shop' for information has major benefits from the user perspective but requires significant integration, partnership working and/or enforcement of standards, e.g.:
  - The removal or streamlining of alternative content channels, such as bus operators' own mobile applications, can be difficult to agree on; and
  - Similarly, the relationship between operators' own customer management systems, call centres and marketing channels etc. can be hard to manage and resource intensive.

4.4.33 Members of ethnic minority groups can sometimes face challenges in terms of language. Such barriers can occasionally make navigation of a public transport system extremely difficult, with timetables, signage, notifications, origin and destination information and fares hard to understand. DfT studies have revealed that small sections of different ethnic minority groups also experience problems understanding and being understood by the driver, related both to language barriers, but also to local dialects and pronunciation difficulties.

4.4.34 Information should be easy to understand, using simple language and visual representation of changes where possible. This will help with language barriers and general understanding across a broad spectrum of users. Information should also be available in accessible formats, for example included in audio and visual announcements. Considering the most appropriate channels and locations of information is also key to building in inclusivity.

4.4.35 Considering the above, the delivery of the policies for information could be driven by measures to:

- Develop consistent quality standards for information across the region, operators, and areas. Work with other modes to determine points where information can be shared in particular to make journey by sustainable modes more attractive and safer.
- Consider information alongside the network identity quality measures to provide users with clear understanding of service usage, fares, ticketing and payment options etc.

Table 20. Appraisal Scoring – Information Policies

OPTION	PERFORMANCE	SCORE
Business as Usual	It is noted that the existing Glasgow Bus Alliance (as part of the Glasgow City Region Bus Partnership) have outlined a Pledge to deliver reliable, up to date and consistent information and working with local transport authorities, SPT and Transport Scotland on elements such as a multi-operator branded app, audio-visual next stop announcements, upgrading information at busy stops, and providing better timetables, maps and fares information. The scale of these improvements is unconfirmed but shows that this is a topic which is seen as important by this operator alliance. The Glasgow City Region Bus Partnership is also looking to improve real time passenger information.	✓
Voluntary Partnership	Voluntary partnerships offer the potential to agree standards for information and work towards these, e.g. single sources of information. As, per the status quo discussion above, it is noted that Glasgow Bus Alliance has a pledge related to this that could be enhanced through a VP. However, the ability of all operators to conform to these enhanced standards may be inconsistent (e.g. depending on resources) and, as the partnership is voluntary, operators and authorities are not bound to sign up to these standards. Shared resourcing/funding of information improvements would be key to ensure all operators and areas are able to join the partnership. Particular issues relate to this around data processing, consistency and accuracy of data, integration of different sources of information, e.g. live AVL data, crowding level monitors. It is also likely that the underlying products that need to be covered by the information available would be less coherent and standardised, e.g. individual operator tickets, and information would inherently be more complex. Alternate, individual operator, sources of information are likely to remain under a voluntary partnership unless operators agree that the alternative is fit for purpose and agree to remove their own sources. This can cause confusion for users and mean that those sources of information only offer fragments of that available through a combined source.	✓
BSIP	A statutory partnership through a BSIP could be set up to agree and deliver standards for information. However, the ability of all operators to conform to these enhanced standards may be inconsistent (e.g. depending on resources) and, as these standards would need to be	✓✓

OPTION	PERFORMANCE	SCORE
	agreed to by the majority of operators up front, it is unlikely that very strict standards would be agreed. Similar challenges would exist for a BSIP as for a voluntary partnership in relation to: ▪ data processing, consistency and accuracy of data, integration of different sources of information; ▪ inherently complex information needs due to underlying products, e.g. single operator tickets; ▪ remaining individual operator sources of information fragmenting information for users.	
Franchising	A franchising scheme could specify the information standards across the SPT region. An appropriate mechanism for delivering these services would need to be considered, for example, whether operators would use a central information system directly or whether they would be expected to collate information sources themselves and then integrate these with a central system, e.g. AVL data. These considerations would have resource implications for the scheme. A franchising scheme is also more likely to deliver a transport network that is less complex in relation to information requirements, e.g. simplified ticketing options and consistent standards across multiple quality areas, as discussed throughout this appraisal.	✓✓✓
Municipal Bus	Information standards can be defined for the municipal operator. The scale of benefit would depend on the scale/share of municipal operations and the existence of any of the other agreements above. Greater benefits would be achieved for arrangements that make information more consistent for the user, such as a single customer source across the SPT region.	✓ to ✓✓✓

Customer Support and Feedback

The following policy has been developed under the **Improve Service Quality** core policy area, for **Customer Support and Feedback**:

- 3v. Develop a common customer support and feedback process for users across the region, delivering a consistent, accessible and inclusive level of service to bus users.

4.4.36 Similarly to information, customer support can benefit from a centralised 'network level' approach, to help improve ease of understanding and use by customers. This can also benefit operations by bringing together feedback from right across the bus/transport

network and helping to understand common areas of 'pain and gain' for users, and the measures that might address these.

Customer Support

4.4.37 Customer support services need to be readily accessible to all customers and have a process in place which allows it to respond accurately and quickly to customer needs across a large range of topics, such as:

- Information about services;
- Fares and ticketing queries and issues;
- Information about accessibility options, support and assistance;
- Safety and security;
- Technology assistance for any systems in place; and
- Practical elements, such as lost property.

Feedback and Complaints

4.4.38 This process also needs to be readily accessible to all users and must be seen to be well promoted and not 'hidden' or giving the impression that negative feedback or complaints are being avoided. Customers will expect to know how their feedback is being dealt with, including timescales within which they can expect a response, and what recourse they have if they are not satisfied with this initial response.

4.4.39 This allows customers to have a level of expectation for the response, set within a framework that is deliverable by the operator/authority dealing with this.

4.4.40 It is also common for operators or authorities to proactively seek feedback, rather than waiting for the customer to contact them. This generally takes the form of a customer satisfaction survey, which would be carried out periodically (usually annually/biannually). If the results of these are publicised alongside a notification of actions which are being taken in response to issues raised, it can help to show customers that their input is valued.

4.4.41 Typical challenges in setting out consistent processes and standards for customer support and feedback include:

- Coordinating processes between operators and with local transport authority procedures;
- Ensuring that the customer knows what to expect across their whole journey, that they are presented with a consistent commitment and are offered a quick, easy and accessible point of contact. Delivering this becomes more complex for multi-leg, potentially multi-operator and multi-modal journeys, unless a single point-of-contact is provided;
- Managing complex transport networks and systems, e.g. fares and ticketing, timetables, variation in fleets, changes to services, etc. This becomes less complex when effective quality standards are in place across all operators, modes and areas.

Table 21. Appraisal Scoring – Customer Support and Feedback Policies

OPTION	PERFORMANCE	SCORE
Business as Usual	Customer support and feedback policies and processes currently vary between operators and areas, although the ultimate complaints body, should it be needed, is Bus Users UK for all operators. It is noted that the Glasgow Bus Alliance includes the following points made in its Pledge around customer service: ▪ Excellent customer service delivered by all operators with friendly and responsive customer service teams. ▪ Accurate and up to date timetable information across all platforms. Responsive, accurate and reliable social media. ▪ A commitment to regular engagement with local communities to seek feedback to help maintain a world class bus service. ▪ SPT and operators providing "bus ambassadors" at busy bus spots to provide useful advice and information. ▪ Creating a welcome pack for new residents to the city region.	✓
Voluntary Partnership	Voluntary partnerships offer the potential to agree standards for customer support and feedback and work towards these. As per the status quo discussion above, it is noted that Glasgow Bus Alliance has a pledge related to this that could be enhanced through a voluntary partnership. However, the ability of all operators to conform to these enhanced standards may be inconsistent (e.g. depending on resources) and, as the partnership is voluntary, operators and authorities are not bound to sign up to these standards. Agreeing and resources to deliver this could prove challenging, and if individual operator processes remain in place alongside the combined front, this could be confusing for users.	✓
BSIP	Service standards around customer support and feedback could be set out in a statutory partnership under a BSIP. This could bring operator standards in line with each other and monitor adherence to this. The establishment of single customer front for customer support and feedback could be delivered through a BSIP arrangement. As with a voluntary partnership, agreeing this arrangement and resources to deliver this could prove challenging, and if individual operator processes remain in place alongside the combined front, this could be confusing for users.	✓✓

OPTION	PERFORMANCE	SCORE
Franchising	A franchising scheme could specify the customer services and feedback for operations across the SPT region. An appropriate mechanism for delivering these services would need to be considered, for example, whether operators would use a central customer support and feedback system/process or whether they would be expected to provide these services themselves but to a specific set of standards and under a specific network identity. These considerations would have resource implications for the scheme.	✓✓
Municipal Bus	Customer support and feedback standards can be defined for the municipal operator. The scale of benefit would depend on the scale/share of municipal operations and the existence of any of the other agreements above. Greater benefits would be achieved for arrangements that make the process easier for the customer and support a strong network identity, such as a single customer front across the SPT region.	✓ to ✓✓

Changes to Services

The following policy has been developed under the **Improve Service Quality** core policy area, for **Changes to Services**:

- 3k. Improve the stability of the bus network by establishing minimum standards and protocols relating to scale, communication and frequency for any changes to bus services, to reduce impact on users, and to ensure users and key stakeholders are suitably informed.

4.4.42 The changing context of transport demand, along with other operational requirements such as road network changes and temporary road closures, means that the need to change bus services is inevitable. However, from a customer perspective, there needs to be some level of stability in the bus network. Existing customers with established travel patterns are often reluctant to see timetable changes, while those who do not use the bus may see ever-changing routes and networks as an additional layer of complexity and a barrier to using the bus.

4.4.43 Changes to bus services often mean reductions in service, but improvements to services have the same issues in terms of network stability, customer confidence and the communication of changes – if a current non-user does not know the service has improved, or is unsure of the permanence of the change, they may be less likely to change their behaviour and start using the service.

4.4.44 To some extent, changes to services can be realised through long-term network strategies and plans. These are often objective-led and will typically consider forecasts for transport demand, often derived from operators' own internal systems and from surveys, but also

through planning data available to transport authorities, such as overarching transport plans, land use plans, traffic demand forecasts, and economic forecasts.

4.4.45 However, alongside long-term planning of the overall 'shape of the network', changes can arise for the following reasons:

- Routes can be changed to deliver journey time efficiencies;
- Service levels can be updated in relation to change in demand, or to make services more attractive;
- Routes are reviewed regularly by operators and authorities for supported services to assess commercial viability; and
- Short term emergency changes to timetables can result from issues such as roadworks and road closures.

4.4.46 Improving the situation for users generally comes down to trying to minimise the scale and frequency of changes (in particular how by limiting changes to set points in a year), and by ensuring that users are communicated with effectively. Guidance released in 2020, as part of a Government support package for bus operators through the COVID-19 Bus Operators Support Grant, was provided for the communication of service changes to users. This includes useful advice beyond the pandemic, including: [36]

- Targeting the relevant audience;
- Recognising the different impacts on different users;
- Using appropriate communication channels for target audience, including accessible content as standard, real-time screens, apps and audio-visual notifications where possible;
- Providing clear information on the change, including:
  - Changes to route/stopping patterns
  - Changes to timetables, including first/last buses;
  - Changes to journey times;
  - Impacts on connections to other modes
  - Why changes have taken place;
  - Alternatives and journey planner options;
  - Options for checking live travel status information;
  - Season ticket refund options if applicable.
- Timing communication well and set out the next review date;
- Share data with other parties to ensure consistency of information – e.g. TransXchange to Traveline.

4.4.47 The above communication is particularly important for those who are most reliant on buses, as they are most vulnerable to service changes, particularly those who are without access to a private vehicle, or disabled passengers. Information related to the changes should be easy to understand, using simple language and visual representation of changes where possible. This will help with language barriers and general understanding across a broad spectrum of users. Information should also be available in accessible formats, for example included in audio-visual announcements.

[36] Transport Focus, Guidance: communicating changes to local bus services COVID-19 Bus Services Support Grant (CBSSG), 2020

4.4.48 In consideration of the above, the delivery of these policy areas could be driven by measures to:

- Establish set dates for service changes;
- Establish protocols for communicating changes to authorities and users, including for planned and emergency roadworks, and other disruptors such as events; and
- Set caps on the number and scale of changes to the network throughout the year.

4.4.49 The appraisal scoring for this policy is therefore largely based around the potential for the options to deliver on these types of action/impacts.

Table 22. Appraisal Scoring – Changes to Services Policy

OPTION	PERFORMANCE	SCORE
Business as Usual	At present services changes are generally limited to changes at two points in the year, Winter and Summer, although over recent years some changes outwith this have been required. Consultation with local transport authorities noted that they were often unaware of changes far enough in advance to be able to consider impacts of changes and that they have limited ability to put in place alternative solutions. In Scotland, notice periods are in place for informing local transport authorities of cancellations of services (28 days) or changes to services (42 days) before notifying the traffic commissioner. SPT can support socially necessary bus services where there is no provision by commercial bus operators. However, the ability to do so is limited based on funding and the absence of alternative public transport options, and the need to avoid abstraction from commercial services.	-
Voluntary Partnership	Agreements can be set up through a voluntary partnership in relation to enhanced standards for the dates, frequency and scale of services changes, along with communication protocols for communicating changes to authorities and users. This could include pooled resources for enhancements such as dissemination of information. This can be set up for the benefit of operators (e.g. notification of disruptions that may impact services), authorities and users. This agreement could be on a voluntary basis and not all authorities and operators may choose to sign up to such an agreement.	✓
BSIP	As with voluntary partnerships, agreements can be set up to support measures to deliver the policies. These could be set up through a statutory partnership through a BSIP. Operators and authorities would need to agree to the establishment of the partnership and the standards set.	✓✓
Franchising	The franchising scheme could specify the standards around the dates, frequency and scale of services changes, along with communication protocols for communicating changes to authorities and users. There	✓✓✓

OPTION	PERFORMANCE	SCORE
	may be cost implications for the scheme, depending on the standards set.	
Municipal Bus	Municipal bus services could be operated to work with enhanced standards. However, the level of benefit in achieving the policies would relate to the scale and share of operations of the municipal bus company in relation to the overall network and the existence of any other relevant delivery model within which the municipal bus company was operating.	✓ to ✓✓✓

Vehicles and Depots

The following policies have been developed under the **Improve Service Quality** core policy area, for **Vehicles and Depots**:

- 3l. Drive the decarbonisation of the bus fleet, to support ambitions for the region to reduce emissions, improve air quality and minimise climate change impacts.
- 3m. Develop a consistent minimum standard of engine and age of vehicle to deliver decarbonisation, air quality and reliability benefits across the network.
- 3n. Ensure the number and capacity of vehicles is managed across the network, to ensure demand can met for both fixed-route and on-demand forms of passenger transport and that there is resilience to deliver services. This includes to delivery an improved level of service for the network.
- 3o. Ensure consistently high-quality vehicles are operating in the region, to deliver attractive and accessible services for users.
- 3p. Ensure that vehicles are well maintained, to minimise reliability issues for the delivery of services.
- 3q. Make best use of existing assets and consider delivery models that facilitate making best use of vehicles across areas such as healthcare, education and community transport.
- 3r. Ensure the scale, facilities and management of depots support ambitions for the vehicle fleet in the region, including decarbonisation needs, and the effective and efficient provision of bus services across the network.

4.4.50 A good onboard experience for passengers is fundamental to the decision to choose the bus as the mode of travel. Uncomfortable, cramped or dirty vehicles will make the journey a less pleasant experience and lead customers to consider other alternatives. It is therefore important that a certain quality standard is maintained and provided consistently across the network.

4.4.51 Similarly, the customer will also consider whether the bus will meet their needs on more practical terms. Being easily accessible for those with impaired mobility, having space for pushchairs or wheelchairs, or having sufficient luggage storage, are all important factors. Being able to guarantee a minimum standard of these factors can encourage customers to choose the bus as their mode of transport and make the quality of their experience more comparable to that on rail and be more competitive with the car.

4.4.52 From an operational perspective, vehicles and suitable depots are required to support the delivery of services and service improvements possible under the various options considered. Without reliable vehicles and efficient depot management and operations, the network customers expect would start to fall down.

4.4.53 The policies for vehicles and depots set out above can be delivered under a range of measures, the success and implementation of some of which are dependent on the operational environment. These measures include:

- Consider the vehicle and depot requirements for a world-class bus network, including quality, accessibly, decarbonisation and emissions aspects;
- Set out ambitious targets to deliver this fleet across the region, along with the depot and staffing requirements to support this;
- Consider funding and delivery models to deliver on these targets for a high-quality and low-and zero-carbon bus fleet; and
- Explore concepts such as total transport, which consider the sharing of vehicles across different purposes for community benefit, e.g. education, health and social care, community transport.

4.4.54 In terms of vehicles and depots, one of the key distinctions to be made between the options is where the ownership, responsibility and risk of the vehicle and depot assets lies. Under the VP, BSIP and Franchise options, these assets are likely to continue to sit with the commercial operators, as they do now. In a franchised arrangement, specifications around fleet renewal, standards and vehicle types could be written into the agreement, delivering a consistent standard for customers according to the priorities of the region across the breadth of the network. Fleet investment could theoretically be delivered faster as operators would need to invest perhaps earlier than they would normally in order to be eligible for contracts.

4.4.55 However, the franchise agreement would need to be realistic in terms of what the market would be able to deliver in terms of transformational changes to vehicles or depots – setting ambitions and standards too high may deter the market from competing for contracts or cause operators to over-reach and introduce risk to the sustainability of operations.

4.4.56 These standards and improvements could in theory be delivered under partnership arrangements, however the significant upfront investment in vehicle and depot assets makes transformational changes in this area (short of the usual end-of-life fleet renewal) unlikely without significant capital investment on both sides of the partnership. Furthermore, any standards that were written into a partnership agreement would only apply to the areas where the partnership was in operation, potentially creating (or even worsening) an inconsistent environment for passengers with varying levels of vehicle standards across the region.

4.4.57 An alternative under franchising would be for the authority to procure some/all of the required operating assets (e.g. buses and/or depots) and then lease them to the successful bidders for contracts. This provides certainty for future specifications; however, this is likely to require significant upfront investment by the authority in subject areas where they will likely have very limited prior experience.

4.4.58 Regardless of the ownership of the assets, any transition to standardised vehicle specifications would take time and would not happen overnight.

4.4.59 In a municipal operator environment, the necessary assets would be under the control of the local transport authority and therefore decisions on improvements could be made in conjunction with strategic and local priorities. Furthermore, and noted as a measure above, the sharing of vehicles across different purposes for community benefit could be made seamless in a municipally run operation, generating far-reach benefits that would be challenging to access or reach agreement on in a commercial environment.

4.4.60 However, the municipal operator's remit over vehicles and depots would only extend to the routes and services it runs, meaning this option would potentially not address (and may even exacerbate) the inconsistency of vehicle standards and depot management that the region currently experiences. In a franchised environment, or where the municipal operator is able, in time, to acquire most or all of the region's bus services, the benefits could be similar to that of the franchise option.

4.4.61 TAG provides a value that passengers place on various improvements to vehicles. The values applied here relate to audio announcements, CCTV on buses, climate control and on-screen displays. Although TAG provides a value for new buses with low floor accessibility, it has been assumed given the Public Service Vehicles Accessibility Regulations (PSVAR), which applies to all new buses or coaches capable of carrying more than 22 passengers that are providing a local or scheduled service and were introduced since 31st December 2000, that the vast majority of buses in the region are low floor compliant. Therefore, no benefit has been assumed for this improvement.

4.4.62 Given the uncertainty regarding existing fleets and the amenities they offer, as well as the uncertain differences between operators and local transport authorities, a region-wide application of values has been assumed, with a range applied between the different options. Given that a significant proportion of the existing fleet will have CCTV, climate control and on-screen displays, the TAG values have been reduced to account for this.

Table 23. Segmented Bus Quality Factors – Vehicles

OPTION	% OF TOTAL VALUE OF BENEFIT APPLIED	ADDITIONAL TRIPS PER ANNUM	ADDITIONAL REVENUE PER ANNUM
Business as usual	0%	-	-
Voluntary partnership	5% of all values	0.8m	£0.8m
BSIP	10% of all values	1.5m	£1.6m
Franchising	15% of all values	2.3m	£2.3m
Municipal operations	10% of all values	1.5m	£1.6m

Table 24. Appraisal Scoring – Vehicles and Depots Policies

OPTION	PERFORMANCE	SCORE
Business as Usual	The picture across the region is mixed and primarily dependent on the operators that are running the services. Many of the larger operators use vehicles with tracking technology, CCTV and driver aids to encourage more efficient fuel consumption. A significant proportion of buses in Glasgow and Ayrshire are fully electric. However, the fragmented system currently means there is a lack of consistency in terms of what customers can expect between local transport authorities, services and corridors. The existing Glasgow Bus Alliance (as part of the Glasgow City Region Bus Partnership) sets out pledges related to commitments to upgrade fleets in order to meet the Scottish Government net-zero pledge of 2045 and complying with the Glasgow City low emission zone. However, this would be dependent on government support and/or access to funding opportunities. The fragmented operator environment means that the sharing of assets and depot operations is limited to within an operator's own fleet or network.	✓
Voluntary Partnership	It is considered unlikely that significant fleet renewal commitments over and above what is already set out would form part of a new voluntary partnership. Significant funding commitments would be needed on both sides to deliver new vehicles and/or standards. The Glasgow City low emission zone and national net-zero pledge is already influencing fleet renewal decisions to an extent and this would not be expected to be accelerated in this option. There would be expected to be zero or minimal depot management or fleet sharing benefits under a voluntary partnership given the small geographical scale and commercial environment it would operate in.	✓

OPTION	PERFORMANCE	SCORE
BSIP	As with the voluntary partnership option, significant fleet benefits over and above BAU are considered unlikely under a BSIP, despite its statutory basis, given existing commitments, the funding required and the geographical scales it is likely to apply to. Operators and authorities would need to agree to the establishment of the partnership and the standards set for the fleet, but the nature of a BSIP would deliver slightly greater commitment and certainty than under lighter touch options.	✓✓
Franchising	A franchise agreement would have the ability to specify consistent vehicle standards, fleet specifications and depot management systems into its contracts, thereby mandating operators to comply in order to be eligible for the contracts. Given this would be more likely to be applied region-wide, the benefits after a suitable transition period could be far reaching and would in particular raise the standards in areas that are served by smaller operators or do not benefit from the Glasgow City low emission zone.	✓✓✓
Municipal Bus	Very much dependent on the scale that the municipal company would operate in. In a scenario where it only runs the existing subsidised services and/or perceived gaps in the network, the benefits would be minimal and would only apply to the areas these services operate who have been improved. However, it should be noted that subsidised services may currently be operated by older vehicles or smaller operators, therefore the marginal improvement may be greater than on a more heavily used, profitable service. For entirely new services, clearly the benefits for these passengers and areas would be significant. Were a municipal operator able to acquire a greater proportion of the commercial network, higher fleet standards and consolidation of depot resources could be applied at a greater geographical scale. Furthermore, a municipal operator would be able to make decisions over fleet sharing for community purposes.	✓ to ✓✓✓

Drivers

The following policy has been developed under the **Improve Service Quality** core policy area, for **drivers**:

- 3s. Improve and standardise driver training regimes and the quality standards of existing drivers to ensure a more positive customer interaction experience.
- 3t. Review policies related to wider driver responsibilities, to ensure the bus service and network as a whole is being suitably represented.

4.4.63 The delivery of these policy areas could be driven by measures to:

- Develop measures to encourage high quality training for bus drivers; and
- Develop measures to encourage driver recruitment and retention.

4.4.64 All drivers operating commercial bus services will require a PCV licence, including its provision for Continuous Professional Development (CPD); however, operators also carry out additional training with their own drivers, for example related to their own policies, technology, ticketing, etc. Stagecoach offers a training academy and drivers complete a 'Safe, Skilled and Fuel-Efficient Driver' programme as part of their training. As such, although there are some high levels of driver training in existence across the region, there is currently inconsistency across the area.

4.4.65 Additionally, a better performing existing network and an enhanced network in the future rely on there being sufficient numbers of drivers available within the SPT region. Recruitment and retention are key to this.

4.4.66 TAG provides a value that passengers place on driver training. However, there is a level of uncertainty regarding how this should be applied and how to define and quantify additional training, given drivers already undergo a level of pre- and on-the-role training. It is also unclear how training regimes or improvements would differ between the options. Therefore, to reflect this uncertainty, only 10% of the TAG value has been applied across all options.

Table 25. Segmented Bus Quality Factors Appraisal – Drivers

OPTION	% OF TOTAL VALUE OF BENEFIT APPLIED	ADDITIONAL TRIPS PER ANNUM	ADDITIONAL REVENUE PER ANNUM
Business as usual	0%	-	-
Voluntary partnership	10% region-wide	0.6m	£0.6m
BSIP	10% region-wide	0.6m	£0.6m
Franchising	10% region-wide	0.6m	£0.6m
Municipal operations	10% region-wide	0.6m	£0.6m

Table 26. Appraisal Scoring – Drivers Policies

OPTION	PERFORMANCE	SCORE
Business as Usual	Issues have existed within the SPT region in relation to the availability of drivers to operate the network. In recent years, this has led to some disruptions to the delivery of some services on the network.	✗
Voluntary Partnership	A voluntary partnership could review existing training (including CPD) across operators and agree a set of standards for delivery across a regional network. There is also the potential to pool resources or develop some other form of supporting arrangement between operators and with authorities to ensure all drivers are trained to this standard, contributing to CPD requirements. In terms of improving the availability of drivers and ensuring there are enough drivers to operate an enhanced network, the partnership could work together to ensure that training resources, recruitment and retention policies are in place that make the SPT region an attractive place to work as a bus driver. This partnership would be voluntary across operators and authorities and so consistency cannot be guaranteed.	✓
BSIP	As with the voluntary partnership, training standards, training resources and recruitment and retention policies could be enhanced as part of a standardised CPD package which could form part of a statutory partnership arrangement. Operators and authorities would need to agree to the establishment of the partnership.	✓✓
Franchising	A franchising scheme could specify the training standards, training resources and recruitment and retention policies to be in place for services and operations in the SPT region.	✓✓✓
Municipal Bus	Training standards, training resources and recruitment and retention policies, can be defined for the municipal operator. The scale of	✓ to ✓✓✓

OPTION	PERFORMANCE	SCORE
	benefit will depend on the scale/share of municipal operations and the existence of any of the other agreements above. Greater benefits would be achieved for creating a supportive environment for a strong driver employment pool if standards and employment conditions are high across the SPT region as a whole.	

Safety and Security

The following policy has been developed under the **Improve Service Quality** core policy area, for **safety and security**:

- 3u. To improve the perceptions of personal safety and security related to using buses:
  - Ensure that safety by design is promoted at all stages of the development, maintenance or improvement of new and existing bus services, networks and facilities.
  - Ensure that consultation with equality and welfare groups is made at all stages of the design and operational process and is maintained at regular intervals.

4.4.67 Ensuring that the bus network is safe and secure for all is a key tenet of the RTS and national to local level transport policy, in particular ensuring everyone is able to travel free from fear of harassment and discrimination based upon ethnicity, disability, sex, sexual orientation, gender identity or age.

4.4.68 Safety and security issues on public transport affect all passengers to an extent, and is particularly acute for women, young people, members of the LGBTQ+ community, and people from ethnic minority groups. Evidence from the Case for Change indicates that one of the key factors affecting the ability of children and young people to access public transport is its perceived and actual safety. Therefore, delivering safety and security improvements is crucial in ensuring public transport is accessible and equitable for all groups of people.

4.4.69 Many security measures are already being delivered on the existing network, including widespread CCTV on vehicles and at interchanges and bus stops. Furthermore, measures introduced in Glasgow include in-vehicle audio recording and body worn cameras to capture, record and monitor onboard incidents to provide a safe environment for employees and passengers.

4.4.70 Therefore, the proposed options would primarily be about raising the consistency of standards across the network and in all areas of the region to avoid a “postcode lottery” of safety standards dependent on an area a passenger lives or the operator they are required to use to make their journey.

4.4.71 While partnership options have the potential to deliver improvements in safety and security, and previous and existing partnerships have proven this to an extent in terms of vehicle improvements, partnerships are more likely to be limited to single areas or corridors, as opposed to a region-wide solution. Therefore, partnership options may not be able to resolve the geographical inconsistency in standards that a region-wide franchise agreement could.

4.4.72 In a franchise arrangement, the region would be able to easily specify improved safety and security standards as part of the agreement, and would also be able to more easily integrate any improvements required by operators in terms of vehicles, drivers and customer processes with a package of measures on the bus stop and interchange network, creating a joined up approach to improving the safety and security environment for passengers.

Table 27. Appraisal Scoring – Safety and Security Policies

OPTION	PERFORMANCE	SCORE
Business as Usual	The picture across the region is mixed and primarily dependent on the operators that are running the services. Most vehicles are fitted with CCTV and monitoring systems, but their quality and beneficial features vary. Any safety and security measures implemented through the Glasgow City Region Bus Partnership are expected to primarily relate to vehicle improvements and would not be expected to improve waiting facilities or introduce bespoke measures or schemes related to safety.	-
Voluntary Partnership	Given what has been delivered under existing and previous partnerships, significant improvements related to safety and security would not be expected to be delivered. Furthermore, any new partnership would be limited to particular areas or corridors and would not deliver a region-wide improvement of standards.	-
BSIP	The potential for a BSIP to theoretically unlock more funding and to apply to a wider area – if the will is there and an agreement can be reached – may allow any safety and security measures that can be delivered to benefit a wider area, affecting more services and passengers, and delivering greater benefits. Anything that can be agreed would be under a statutory basis, providing greater certainty that the improvements would be delivered. However, this improvement over a voluntary partnership or the business as usual is expected to be marginal.	✓
Franchising	Franchising allows bespoke safety and security standards to be agreed and written into any agreement, ensuring all operators on the network meet a certain standard in terms of technology, processes and training. Furthermore, the franchising authority would be able to be responsible for region-wide schemes, information material and infrastructure at waiting facilities, ensuring all aspects of the journey (in-vehicle and before/between/after vehicle) are improved.	✓✓

OPTION	PERFORMANCE	SCORE
	However, it should be recognised that safety measures in-vehicle are reasonably widespread currently, and there may only be marginal improvements in areas covered by smaller operators or with fewer services.	
Municipal Bus	Very much dependent on the scale that the municipal company would operate in. If the company only operates the existing subsidised services and/or perceived gaps in the network, the uplift in safety and security measures could only apply to these areas or corridors. However, it should be noted that subsidised services may currently be operated by older vehicles or smaller operators, therefore the marginal improvement in terms of security measures in-vehicle may be greater than on a more heavily used, profitable service. For entirely new services, clearly the benefits for these passengers and areas would be significant. Were a municipal operator able to acquire a greater proportion of the commercial network, and/or implement changes at interchange facilities or roll-out security measures and schemes nationwide, the benefits would be greater, particularly for more rural areas and less profitable routes.	- to ✓✓

Customer Charter

The following policy has been developed under the **Improve Service Quality** core policy area, for **Customer Charter**:

- 3x. Develop a region-wide Customer Charter, outlining the quality that can be expected by users of the bus network.

4.4.73 A common theme across many of the quality areas discussed in the sections above is that of presenting potential users with a consistent, deliverable and attractive offer for bus travel. While setting out effective quality improvements can enhance bus network performance and the experience for users, it is important to make users aware of these improvements.

4.4.74 A Customer Charter is one way of setting out these benefits and articulating these as a 'customer offer' in a clear and concise way. It allows customers to know what to expect from their use of bus services which fall under the charter. Additionally, and critically, it holds those signed up to the charter, i.e. operators and authorities, accountable to the standard set out to customers in the charter.

4.4.75 A Customer Charter for bus services sets out the quality of service standards a customer can expect, often including:

- Purpose of the charter, passenger rights, and who/where the charter covers;
- Commitments to the customers around:

- Safety and security measures, e.g. CCTV;
- Information – where, when updated, accuracy, available formats (e.g. accessible, audio-visual), what is covered in terms of timetables, fares, tickets etc;
- Fare and ticketing – sometimes including caps on price rises and providing offers to specific groups of users;
- Reliability, punctuality and contingency measures for issues with services and breakdowns, such as a replacement or last bus guarantee;
- Vehicle, stop and interchange standards – including topics such as facilities, mobility and access, and cleaning; and
- Staff and Driver standards – training, appearance and support available for customers, e.g. boarding assistance.

- Conditions of carriage / policies around:
  - Passenger conduct;
  - Health, environment, e.g. smoking, alcohol and drugs
  - Bicycle carriage, luggage, carriage of dogs and other animals; and
  - Photography and CCTV.
- Complaints, refunds, mediation and appeals channels and procedures;
- Customer support and feedback contact details and commitments, e.g. response times;
- Lost property contacts and procedures information;
- Performance targets and a commitment to review/publish these; and
- A user guide for travel in the region.

4.4.76 The items above are typical, but any commitment that is of importance to customers can be included within the Customer Charter. Typically, these documents identify specific offers to users with additional needs, such as disabled users.

4.4.77 The customer charter covers a large number of the quality criteria set out in the section above and their related policies. As such, how strong the charter is will depend on the delivery of these other quality categories. However, as those other elements have already been appraised above, the appraisal scoring for the customer charter policies has been undertaken specifically in relation to the ability of the options to overcome the challenges related to delivering a consistent region wide customer charter itself, as set out below:

- Agreement amongst partners signed up to the Customer Charter, on what commitments can be included – this is a particular issue where there is large variation between partners in elements of quality of service, or in the ability to commit resources to delivering commitments;
- Putting the standards in place which uphold the commitments set out in the Customer Charter and complying with these. Commitments need to be achievable but ambitious in order to deliver benefit to customers while also building trust;
- Where commitments go above and beyond a universal (minimum) standard for some elements of service (e.g. core corridors), these need to be articulated in a clear way that leaves no room for interpretation and does not raise expectations of customers across the whole network in error. Often it is wise to avoid offering different levels of service within the Customer Charter altogether; and

- Monitoring, evaluation and enforcement of quality standards underpinning the Customer Charter commitments and embedding accountability of partners into this process.

Table 28. Appraisal Scoring – Customer Charter Policies

OPTION	PERFORMANCE	SCORE
Business as Usual	It is noted that the Glasgow Bus Alliance (as part of the Glasgow City Region Bus Partnership) has a Pledge and related manifesto setting out ambitions for some of these topic areas and other quality and network improvements. SPT and individual operators also have their own charters, although some of these are focused on complaints services or conditions of carriage only.	-
Voluntary Partnership	Agreements can be set up through a voluntary partnership to help support development of a regional customer charter. This could include pooled resources for production and for elements such as monitoring and reporting on KPIs. This agreement could be on a voluntary basis and not all authorities and operators may choose to sign up to such an agreement. The challenge of agreeing consistent standards could be significant, where operators have varying approaches to some elements of the charter. The charter may therefore end up being non-specific in many of its parts, which is of lesser benefit to users than very specific and clear commitments.	✓
BSIP	As with voluntary partnerships, agreements can be set up to deliver a regional customer charter. These could be set up as a more formal agreement through a BSIP for those authorities and operators that choose to sign up to such an agreement. In particular, specific conditions and achievement of KPIs could be made binding. Agreement on consistent standards could still remain a notable hurdle.	✓✓
Franchising	The franchising scheme could specify the adherence to specific standards for elements of a customer charter and, therefore, directly tackle the consistency challenge around its delivery. Accountability to specific standards and KPI would also be built into the scheme and therefore could also form part of the charter commitment to users.	✓✓✓
Municipal Bus	Municipal bus services could be operated to work within standards set out in an agreed customer charter. However, the level of benefit in achieving the policies would relate to the scale/share of operations and the existence of any agreements under the other delivery models.	- to ✓✓✓

Data and Monitoring

The following policy has been developed under the **Improve Service Quality** core policy area, for **data and monitoring**:

- 3w. Work with key stakeholders to identify the key areas of benefit related to data, collection, sharing, analysis, and monitoring, in order to improve the performance of the bus network and the quality of the sustainable transport offering to users in the region.

4.4.78 The collection, monitoring and analysis of data can be key to achieving improvements in quality across many aspects of a bus network. From punctuality and reliability, to travel patterns and customer satisfaction, effective data gathering, and analysis can:

- Be used to identify where problems are arising;
- Consider how to improve the service to better meet user needs and to grow bus patronage; and
- Help monitor performance to ensure that agreed targets are being met.

4.4.79 Key types of data, collected by operators and transport authorities, include, among others: Automatic Vehicle Location (AVL) Data; Ticketing Data Survey Data; website and app data, e.g. journey planning requests, FAQs; other operator data, e.g. maintenance and driver training records.

4.4.80 Improving collection, management, and use of data and monitoring can include the following areas:

- Have agreements in place to facilitate data sharing, allowing an authority, such as SPT, to collate and analyse data from numerous operators to achieve better insights related to network performance and potential improvements;[37]
- Setting standards around data collection, formats and sharing to aid this process and make the most of the data which is available through modern transport systems; and
- Especially where data relates to quality targets, it may be desirable for an authority, such as SPT, to ask the operators to share these records (either in full, or as a summary report) with the authority in order to ensure these targets are being met.

4.4.81 Looking at cities with world-class bus networks, some authorities publish reports to the public containing the data they collect from operators. TfL, for example, publishes an annual report[38] detailing passenger numbers, network capacity, key performance measures of lost kilometres (i.e. reliability), and estimated wait time and on-time percentages (i.e. punctuality for high and low frequency services respectively). Opening up these performance measures to public scrutiny can be an incentive to operators and authorities to maintain a specific level of performance.

[37] Such agreements are more commonly in place in England, with some data being shared as standard nationally, and other data sharing agreements forming part of BSIPs and other Partnership arrangements.
[38] Transport for London, Travel in London – Report 13, 2020

4.4.82 Based on this, the following measures have the potential to help deliver the policies:

- Explore data needs and potential benefits related to the bus network, and integration with other modes;
- Develop ways to collect, share, analyse, and monitor data to the benefit of the bus network and users, including integration with other modes, where relevant; and
- Develop a method for actioning improvements based on this information, including considering the potential for making some metrics around performance public.

Table 29. Appraisal Scoring – Data and Monitoring Policies

OPTION	PERFORMANCE	SCORE
Business as Usual	Ad hoc data sharing agreements are in place between operators and local transport authorities. Typically, these are in place where there is partnership working towards improvements, such as in the preparation of recent Bus Partnership Fund studies in the SPT region. Timetable data for all registered services is required for Traveline and assists in the delivery of information to users. Reporting of additional data, such as patronage, is required for services subsidised by SPT. Information related to concessionary travel is also required to be submitted by operators to Transport Scotland for reimbursement processes and monitoring of the National Concessionary Travel scheme. Typically, detailed data on bus operations and certain performance aspects, such as patronage, farebox revenues, operational costs, etc, are not forthcoming from bus operators, largely due to commercial sensitivities around this type of data. This means that it is difficult for authorities to gain a detailed, reliable and accurate view of the performance of bus network operations and related travel patterns. This does limit the extent to which authorities can consider measures to improve the performance of the bus network and the quality of the sustainable transport offering to users in the region.	-
Voluntary Partnership	Voluntary partnerships could act as a mechanism to help identify the key areas of benefit related to data collection, sharing, analysis, and monitoring. Some performance metrics could be agreed and made public. To date, only limited data related to operations has been made available by operators to authorities such as SPT, through voluntary partnerships. Should this continue, the potential for voluntary partnerships to deliver this policy remain minor to moderate, depending on the willingness of operators to share information.	✓ to ✓✓
BSIP	Benefits could be realised for data collection, sharing, analysis, and monitoring through a BSIP under a statutory partnership arrangement. Similarly, performance metrics could be agreed and made public. However, as with voluntary partnerships, in Scotland limitations related to willingness to share information mean that the scope of this benefit is still likely to be minor to moderate unless there	✓ to ✓✓

OPTION	PERFORMANCE	SCORE
	is a significant shift from recent trends, moving closer to recent experience under similar Enhanced Partnerships in England.	
Franchising	Data collection, sharing, analysis, and monitoring could be specified as part of a franchising scheme, along with public transparency for performance metrics. The potential benefits of this to the delivery of these transport policies and the transport network and transport planning processes are significant.	✓✓✓
Municipal Bus	Data collection, sharing, analysis, and monitoring could be set out for municipal bus companies, along with public performance metrics. This would relate to municipal operations alone, and any other agreements existing under the other delivery models.	- to ✓✓✓

4.5 Summary of TPO and Strategy Policies Appraisal

	BUSINESS AS USUAL	VOLUNTARY PARTNERSHIP	BSIP	FRANCHISING SCHEME	MUNICIPAL BUS
TPO 1 – Improve Service Quality					
Improve Level of Service	✗	✗	✓✓	✓✓✓	— to ✓✓✓
TPO 2 – Increase Affordability of the Bus Network					
Improve Affordability	✗	✗	✓✓	✓✓✓	✓ to ✓✓✓
TPO 3 – Increase the attractiveness of the bus network					
Reliability and Punctuality	✗	✓	✓✓	✓✓✓	✗ to ✓✓✓
Network Identity	✓	✓✓	✓✓ to ✓✓✓	✓✓✓	✓ to ✓✓
Ticketing	✗✗	✓	✓✓	✓✓✓	✗✗ to ✓✓✓
Interchanges and Bus Stops	✓	✓✓	✓✓	✓✓✓	✓ to ✓✓✓
Information	✓	✓	✓✓	✓✓✓	✓ to ✓✓✓
Changes to Services	—	✓	✓✓	✓✓✓	✓ to ✓✓✓
Vehicles and Depots	✓	✓	✓✓	✓✓✓	✓ to ✓✓✓
Drivers	✗	✓	✓✓	✓✓✓	✗ to ✓✓✓
Safety and Security	—	—	✓	✓✓	— to ✓✓
Customer Support and Feedback	✓	✓	✓✓	✓✓	✓ to ✓✓
Customer Charter	—	✓	✓✓	✓✓✓	— to ✓✓✓
Data and Monitoring	—	✓ to ✓✓	✓ to ✓✓	✓✓✓	— to ✓✓✓

5. OPTIONS APPRAISAL – STAG CRITERIA

5.1 Introduction

5.1.1 This section considers the options in relation to the STAG criteria.

5.2 Environment

5.2.1 The key sub-criteria for environment are:

- Biodiversity and Habitats;
- Geology and Soils;
- Land Use (including Agriculture and Forestry);
- Water, Drainage and Flooding;
- Air Quality;
- Historic Environment;
- Landscape; and
- Noise and Vibration.

5.2.2 An overall appraisal has been undertaken at this stage, drawing upon these criteria where relevant; however, is anticipated that the options (which are related to models of delivery and funding) would have no *direct* or negligible benefit or negative impact on the following sub-criteria: *Biodiversity and Habitats*; *Geology and Soils*; *Land Use (including Agriculture and Forestry)*; *Water, Drainage and Flooding*; *Historic Environment*; and *Landscape*.

5.2.3 However, the options could impact on the types and scale of delivery of future physical infrastructure measures – such as bus priority, transport interchanges or bus depots – which can impact on these sub-criteria. At this stage of study, there is not enough information available about the difference that the options would have on the scale of delivery or the locations of physical measures to be able to adequately appraise these impacts. In general, though, voluntary partnerships are less likely to be used for direct delivery of transport infrastructure measures (but could be), while BSIPs and franchising may facilitate/require the delivery of more or larger-scale measures. For the municipal bus option, impacts would depend on the scale of municipal operations and any requirements related to these, e.g. additional/larger bus depots. The municipal option is less likely to directly involve infrastructure schemes such as bus priority, for example, as it isn't specifically a mechanism for quid pro quo arrangements. These would likely be formed as part of another arrangement, e.g. a partnership.

5.2.4 Therefore, for the purposes of this study, it is noted that transport infrastructure development can have a negative impact on environmental sub-criteria, for example negative biodiversity or habitat impacts due to a new transport interchange being built on undeveloped land. However, these impacts will be appraised when additional details are known regarding these potential measures.

5.2.5 As impacts on *air quality* and *noise and vibration*, are more directly relatable to the delivery and funding options, these have been discussed at a high level in the scoring

below, e.g. in terms of the change in bus patronage levels, the number of buses operating, and standards related to fleet decarbonisation,

5.2.6 Delivery of measures to support the SRBS could impact:

- Modal shift – reducing car use in favour of bus can improve air quality and reduce noise and vibration.
- Bus priority measures and service rationalisations – increasing bus average speeds and reducing idling times at junctions and in congestion can reduce emissions.
- Enhanced ticketing – faster boarding times through electronic and "tap and go" ticketing can reduce idling at bus stops and therefore reduce emissions.
- The number of buses operating – an increase in bus operations can cause some direct negative noise and vibration impacts and air quality impacts from the buses themselves, although this tends to be offset by reductions in emissions generated by private vehicles (as per the point on modal shift above).
- The deployment of low- and zero- emission vehicles and the retirement of the most polluting fleet – expediting a shift to a cleaner fleet could reduce emissions (in particular NOx) and noise and vibration from buses in the existing fleet and limit the impact from additional vehicles/bus km operated on the network in the future. However, it should be noted that debate remains around the scale of impact on overall particular matter (PM) production of electric buses, which do not produce PM emissions from exhaust but do produce PM related to tyre wear and tear and from braking.
- Where cleaner buses are deployed – low- and zero- emission vehicles could be being prioritised for the Air Quality Management Areas (AQMA) that are in place within Strathclyde. These are more sensitive locations to air quality impacts, where even small changes in emissions can lead to material air quality changes and affect exceedances of limits. Care does need to be taken to consider whether issues can be created in other areas, if higher-emission vehicles are redeployed.

5.2.7 A high-level estimate of the marginal external cost (MEC) benefits of additional bus journeys has also been undertaken using guidance in TAG[39]. Additional bus journeys will generate environmental benefits through the reduction of car journeys, with the calculation of MECs quantifying the change in external costs of local air quality and noise.

5.2.8 Bus diversion factors have been applied using recommended values in TAG[40], which quantify the estimated number of new bus users who previously travelled by car. An average car trip length[41] has then been applied to quantify the total car vehicle kilometres saved per annum.

5.2.9 It should be noted that, due to the uncertainty regarding fleet size and fuel mix under each option, this appraisal of MEC benefits (and in the subsequent appraisals of Climate Change, Health, Safety and Wellbeing, and Economy) does not quantify the impact of increased bus vehicle kilometres due to increased bus passenger trips. It would be expected that increased bus vehicle kilometres would generate some environmental,

[39] TAG Unit A5.4 Marginal External Costs
[40] Bus diversion factors, TAG Table A5.4.6
[41] Scottish Transport Statistics 2021 – Personal and cross-modal travel

decongestion and safety disbenefits that would offset some of the benefits presented here.

5.2.10 The results of this analysis are presented in Table 30.

Table 30. Marginal external cost benefits – Environment

OPTION	ESTIMATED ADDITIONAL BUS JOURNEYS PER ANNUM	ESTIMATED AVERAGE CAR KMS SAVED PER ANNUM	ESTIMATED MEC ENVIRONMENTAL BENEFIT PER ANNUM (2024 PRICES)
Business as usual	-	-	-
Voluntary partnership	0-5m	0-8m	£0-£0.01m
BSIP	20-25m	31-39m	£0.05m-£0.06m
Franchising	35-40m	54-62m	£0.09m-£0.1m
Municipal bus operations	20-25m	31-39m	£0.05m-£0.06m

Table 31. Appraisal Scoring – Environment

OPTION	PERFORMANCE	SCORE
Business as Usual	A number of routes in the SPT region are now operating with zero emission fleets, directly helping to reduce tailpipe emissions from the fleet. For example, 200 buses operated in Glasgow by First are zero emission (as of July 2023). McGills has invested £55m in total in electric buses and has the largest share of electric buses in its fleet compared to any other Scottish bus company. Electric buses are also in use across East, North and South Ayrshire. The LEZ in place for Glasgow is expected to help ensure that bus fleets entering the LEZ improve their environmental credentials. There is a risk, however, that without a coordinated plan this can result in the more polluting vehicles in operators' fleets being redeployed to areas outwith the LEZ. Therefore, a regional approach would be of benefit. Environmental impact improvements related to modal shift away from car to bus are expected to be limited under business as usual, as the recent trend of bus network provision and bus use in the SPT region is that of decline overall, as highlighted in the Case for Change. This could continue in a BAU situation. The Scottish Zero Emission Bus Challenge Fund (ScotZEB) is currently closed for future bids since the deadline for applications to Phase 2	-

OPTION	PERFORMANCE	SCORE
	closed in September 2023, constraining the ability to deliver zero emission vehicles in the current model and potentially disproportionately impacting the less commercially attractive routes and services.	
Voluntary Partnership	A voluntary partnership has the potential to enhance the delivery of low- and zero- emission vehicles and co-ordination of their deployment. Similarly, improvements to the bus network to encourage modal shift from car to bus are also possible. However, based on the current voluntary partnership arrangements in the area, initiatives delivered under this arrangement are unlikely to generate significant or sustained growth in passenger demand. Should arrangements be enhanced, however, then there may be more scope for this but likely at a lesser scale than BSIP or franchising options which would be more likely to set and deliver more ambitious targets.	✓
BSIP	A statutory partnership arrangement through a BSIP may be more likely to deliver improvements which could deliver modal shift from car to bus as it can underpin more ambitious investment. Especially as growing patronage is of benefit to operators, and BSIP arrangements can be a good avenue to deliver measures such as bus priority. BSIP arrangements may also be more likely to deliver expedited low- and zero-emission fleet improvements as part of quid pro quo arrangements.	✓✓
Franchising	A franchising scheme could set out level of service, affordability and quality measures (as per the policies appraised in Section 4) which deliver modal shift from car to bus. This could help to improve air quality overall although, as mentioned above, growing bus operations will create more emissions from buses, which need to be offset by reductions in car use. When in place, a franchising scheme could help to ensure improvements to bus fleets and aid delivery of a more consistent approach to rolling out cleaner buses effectively across the region. However, due to the length of time that it could take to implement a franchising scheme, it is not a valid short-term fleet improvement mechanism.	✓✓
Municipal Bus	Municipal bus operations could be used to encourage modal shift from car to bus, potentially benefitting air quality. Fleets for operations could also be aligned with environmental improvement ambitions of the government, subject to funding being available. As with other appraisal scorings, the scale of benefit achieved would relate to the scale and share of operations of the municipal bus company in relation to the overall network and the existence of any	✓ to ✓✓

OPTION	PERFORMANCE	SCORE
	other relevant delivery model within which the municipal bus company was operating. However, municipal operations could be specifically targeted at areas that are most likely to deliver modal shift from car to bus and improve air quality and reduce noise and vibration impacts from transport.	

5.3 Climate Change

5.3.1 The key sub-criteria for Climate Change are:

- Greenhouse Gas Emissions;
- Vulnerability to the Effects of Climate Change; and
- Potential to Adapt to the Effects of Climate Change.

5.3.2 An overall appraisal has been undertaken at this stage, drawing upon these sub-criteria where relevant. For climate change, this appraisal relates mostly to the Greenhouse Gas Emissions sub-criteria. The other sub-criteria are defined as follows:

- Vulnerability is defined by the International Panel on Climate Change (IPCC) in 2001 as 'Vulnerability: the degree to which a system is susceptible to, or unable to cope with, adverse effects of climate change, including climate vulnerability and extremes'. As such, appraisal of vulnerability is the degree to which a system is impacted, depending on the sensitivity of the system and its ability to cope with a significant event e.g. flood, heatwave, storm.
- Adaptation Scotland[42] defines adaptation as working to address impacts of climate change *'through design, management and use of land, buildings, services and infrastructure'.* Transport measures can be impacted by extremes of temperature, flooding and increased storm intensity.

5.3.3 Based on these definitions, although there are actions that can be taken to reduce the vulnerability of the bus network to climate change and to make it more adaptable to climate change, it is considered that the options for delivery and funding appraised here are unlikely to have a notable impact on the potential to deliver these actions. Should specific measures be brought forward in the SRBS related to this, then these sub-criteria could be revisited.

5.3.4 Similar factors are important for the greenhouse gas emissions sub-criteria as for the environment criteria, appraised above, principally:

- Modal shift – reducing car use in favour of bus can reduce emissions of CO_2, the main greenhouse gas associated with combustion engines.
- Bus priority measures and service rationalisations – increasing bus average speeds and reducing idling times at junctions and in congestion can reduce emissions.
- Enhanced ticketing – faster boarding times through electronic and "tap and go" ticketing can reduce idling at bus stops and therefore reduce emissions.

[42] https://www.adaptationscotland.org.uk/what-adaptation/concept-adaptation

- The number of buses operating – an increase in bus operations can cause an increase in CO_2 emissions from the buses themselves, although this tends to be offset, or more, by reductions in emissions generated by private vehicles (as per the point on modal shift above).
- The deployment of low- and zero- emission vehicles and the retirement of the most polluting fleet – expediting a shift to a cleaner fleet could reduce the CO_2 emissions from the existing fleet and limit the increase in CO_2 emitted from additional vehicles/bus km operated on the network in the future.
- Driver training for fuel efficient driving and on-vehicle feedback systems can also assist drivers to reduce fuel consumption and reduce carbon emissions, e.g. all Stagecoach buses use the Ecodriver behaviour system.

5.3.5 A high-level estimate of the marginal external cost (MEC) benefits of additional bus journeys has also been undertaken using guidance in TAG. Additional bus journeys will generate decongestion benefits, with the calculation of MECs quantifying the change in external costs of greenhouse gas emissions.

5.3.6 Bus diversion factors have been applied using recommended values in TAG, which quantify the estimated number of new bus users who previously travelled by car. An average car trip length has then been applied to quantify the total car vehicle kilometres saved per annum.

5.3.7 The results of this analysis are presented in Table 32.

Table 32. Marginal external cost benefits – Climate Change

OPTION	ESTIMATED ADDITIONAL BUS JOURNEYS PER ANNUM	ESTIMATED AVERAGE CAR KMS SAVED PER ANNUM	ESTIMATED MEC CLIMATE CHANGE BENEFIT PER ANNUM (2024 PRICES)
Business as usual	-	-	-
Voluntary partnership	0-5m	0-8m	£0-£0.05m
BSIP	20-25m	31-39m	£0.2m-£0.3m
Franchising	35-40m	54-62m	£0.38m-£0.44m
Municipal bus operations	20-25m	31-39m	£0.2m-£0.3m

Table 33. Appraisal Scoring – Climate Change

OPTION	PERFORMANCE	SCORE
Business as Usual	A number of routes in the SPT region are now operating with zero emission fleets, directly helping to reduce tailpipe emissions from the fleet. For example, 200 buses operated in Glasgow by First are zero emission (as of July 2023). McGills has invested £55m in total in electric buses and has the largest share of electric buses in its fleet compared to any other Scottish bus company. Electric buses are also in use across East, North and South Ayrshire. The LEZ in place for Glasgow is expected to help ensure that bus fleets entering the LEZ improve their environmental credentials. However, other fleets across the region may take longer to decarbonise, in the absence of the LEZ push factor. The Scottish Zero Emission Bus Challenge Fund (ScotZEB) is currently closed for future bids since the deadline for applications to Phase 2 closed in September 2023, constraining the ability to deliver zero emission vehicles in the current model and potentially disproportionately impacting the less commercially attractive routes and services. CO_2 reduction related to modal shift away from car to bus are expected to be limited under business as usual, as the recent trend of bus network provision and bus use in the SPT region is that of decline overall, as highlighted in the Case for Change. This could continue in a BAU situation.	✓
Voluntary Partnership	A voluntary partnership has the potential to enhance the delivery of low- and zero- emission vehicles and co-ordination of their deployment. Similarly, improvements to the bus network to encourage modal shift from car to bus are also possible. Driver training for fuel efficient driving and on-vehicle feedback systems could also be encouraged through a voluntary partnership. However, based on the current voluntary partnership arrangements in the area, initiatives delivered under this arrangement are unlikely to generate significant or sustained growth in passenger demand. Should arrangements be enhanced, however, then there may be more scope for this but likely at a lesser scale than BSIP or franchising options which would be more likely to set and enforce more ambitious targets.	✓
BSIP	A statutory partnership arrangement through a BSIP may be more likely to deliver improvements which could deliver modal shift from car to bus. Especially as growing patronage is of benefit to operators, and BSIP arrangements can be a good avenue to deliver measures such as bus priority. BSIP arrangements may also be more likely to deliver expedited low- and zero-emission fleet improvements as part of quid	✓✓

OPTION	PERFORMANCE	SCORE
	pro quo arrangements. Driver training for fuel efficient driving and on-vehicle feedback systems could also be encouraged through a BSIP.	
Franchising	A franchising scheme could set out level of service, affordability and quality measures (as per the policies appraised in Section 4) which deliver modal shift from car to bus. This could help to reduce CO_2 emissions from transport overall although, as mentioned above, growing bus operations will create more CO_2 emissions from buses themselves, which need to be offset by reductions in car use. Driver training for fuel efficient driving and on-vehicle feedback systems could also be specified in the scheme. When in place, a franchising scheme could help to ensure improvements to bus fleets and aid delivery of a more consistent approach to rolling out cleaner buses effectively across the region. However, due to the length of time that it could take to implement a franchising scheme, it is not a valid short-term fleet improvement mechanism.	✓✓
Municipal Bus	Municipal bus operations could be used to encourage modal shift from car to bus, potentially reducing CO_2 emissions. Fleets for operations could also be aligned with environmental improvement ambitions of the government, subject to funding being available. As with other appraisal scorings, the scale of benefit achieved would relate to the scale and share of operations of the municipal bus company in relation to the overall network and the existence of any other relevant delivery model within which the municipal bus company was operating. However, municipal operations could be specifically targeted at areas that are most likely to deliver modal shift from car to bus and reduce CO_2 impacts from transport.	✓ to ✓✓

5.4 Health, Safety and Wellbeing

5.4.1 The key sub-criteria for Health, Safety and Wellbeing are:

- Accidents – road accidents relating to those taking place on all modes;
- Security – relates to how safe the transport system is for users, and takes into account the impact of such initiatives as CCTV, help points, lighting, etc;
- Health Outcomes – relates to the impact transport options can have on the health of the general population;
- Access to Health and Wellbeing Infrastructure – relates to access to hospitals and other healthcare and wellbeing facilities; and
- Visual Amenity – relates to the impact options can have on the quality of panoramas, specific views and the visual environment of sensitive receptors.

5.4.2 An overall appraisal has been undertaken at this stage, drawing upon these criteria where relevant. Some of the potential impacts could be:

- Accidents – improving bus services in the area could produce modal shift away from private vehicles to public transport, resulting in a reduction in car vehicle-km operating on the road network. A reduction in vehicle-km on road network is typically associated with reductions in road accidents[43]. It is not anticipated that increases in road accidents from additional bus vehicle-km operating on the road network, to deliver improve services, would offset the positive impact of reduced car vehicle-km.
- Security – for bus this would typically relate to the personal security of travellers and drivers on-bus, from measures such as CCTV, driver boxes etc., and at-stop measures such as formal surveillance and lighting, and initiatives such as a safe spaces scheme or last bus guarantee. Anecdotally, more frequent service may mean less waiting time at stops and more people using buses generally equates to increased levels of informal surveillance.
- Health Outcomes – Improvements in air quality can have notable positive impacts on the health of the general population. In 2018, Health Protection Scotland (HPS) provided an estimate of approximately 1,700 attributable (premature) deaths in Scotland annually in relation to air pollution.[44] Additionally, modal shift away from car to public transport has the potential to increase physical activity, as passengers have to walk to and from bus stops. Increased physical activity can reduce premature mortality and have other general health benefits, including for mental health. Overall, increased physical activity benefits are likely to be minor, as improved bus services may also encourage some modal shift from active modes to public transport, especially for shorter trips.

[43] The appraisal of accident benefits in TAG is based on "established parameters for the number of accidents per million vehicle-kilometres on different types of road. As the number of vehicle-kms on the network change as a result of the introduction of an intervention, so the number of accidents will also alter. Thus, if the impact of an intervention is to reduce the number of vehicle-kms travelled, then this will tend to reduce the number of accidents on the network." TAG Unit A4.1 Social Impact Appraisal, Use of Accident and Casualty Values for Appraisal.

[44] Health Protection Scotland, Air pollution and health briefing note: mortality associated with exposure to fine particulate matter (PM2.5 attributable mortality) in Scotland, June 2018

- Access to health and wellbeing infrastructure – has the potential to be enhanced through the delivery of level of service improvements in relation to coverage, periods of operation, and frequency of services.
- Visual Amenity – is not considered to be relevant for the appraisal of these options for delivery and funding. Appraisal of any impacts would be undertaken on a case-by-case basis in relation to infrastructure that could affect this sub-criterion, e.g. a new depot or interchange. At this stage, such infrastructure needs and the potential locations for these have not been identified.

5.4.3 A high-level estimate of the marginal external cost (MEC) benefits of additional bus journeys has also been undertaken using guidance in TAG. Additional bus journeys will generate decongestion benefits, with the calculation of MECs quantifying the change in external costs of accidents.

5.4.4 Bus diversion factors have been applied using recommended values in TAG, which quantify the estimated number of new bus users who previously travelled by car. An average car trip length has then been applied to quantify the total car vehicle kilometres saved per annum.

5.4.5 The results of this analysis are presented in Table 34.

Table 34. Marginal external cost benefits – Health, Safety and Wellbeing

OPTION	ESTIMATED ADDITIONAL BUS JOURNEYS PER ANNUM	ESTIMATED AVERAGE CAR KMS SAVED PER ANNUM	ESTIMATED MEC HEALTH, SAFETY AND WELLBEING BENEFIT PER ANNUM (2024 PRICES)
Business as usual	-	-	
Voluntary partnership	0-5m	0-8m	£0-£0.2m
BSIP	20-25m	31-39m	£0.6m-£0.8m
Franchising	35-40m	54-62m	£1.1m-£1.3m
Municipal bus operations	20-25m	31-39m	£0.6m-£0.8m

Table 35. Appraisal Scoring – Health, Safety and Wellbeing

OPTION	PERFORMANCE	SCORE
Business as Usual	Under the business as usual arrangements, some minor improvements to security might be expected as bus fleets are renewed and upgraded, generally with CCTV as standard on most new vehicles. Improving air quality from the LEZ may also have some positive impacts on health outcomes. However, accidents may get worse due to declining bus use and increasing car use across the SPT region and access to health and wellbeing infrastructure may get worse due to the ongoing trend of declining bus service provision.	-
Voluntary Partnership	A voluntary partnership has the potential to improve the delivery of security initiatives and also measures to encourage modal shift from car to bus. Levels of service provision could be set for access to health and wellbeing infrastructure. However, reductions in the bus network under existing arrangements suggest this wouldn't be widespread, and the initiatives delivered under this arrangement are unlikely to generate significant or sustained reductions in car use to reduce the number or severity of accidents. Should arrangements be enhanced, there may be more scope for this but likely at a lesser scale than BSIP or franchising options which would be more likely to set and enforce more ambitious targets.	✓
BSIP	A statutory partnership arrangement through a BSIP may be more likely to deliver improvements which could provide modal shift from car to bus (to benefit the accidents and health outcomes sub-criteria), improve air quality through fleet improvements and driver training (health outcomes sub-criteria), deliver on-bus measures to enhance security, and improve access to health and wellbeing infrastructure. Quid pro quo arrangements for enhanced bus stop security and wider safety initiatives area also more likely.	✓✓
Franchising	A franchising scheme could set out level of service, affordability and quality measures (as per the policies appraised in Section 4) which deliver modal shift from car to bus (to benefit the accidents and health outcomes sub-criteria), enhanced on-bus security, and improve access to health and wellbeing infrastructure.	✓✓✓
Municipal Bus	A municipal bus scheme could set out level of service, affordability and quality measures (as per the policies appraised in Section 4) which deliver modal shift from car to bus (to benefit the accidents and health outcomes sub-criteria), enhanced on-bus security, and improve access to health and wellbeing infrastructure. As with other appraisal scorings, the scale of benefit achieved would relate to the scale and share of operations of the municipal bus	✓ to ✓✓✓

OPTION	PERFORMANCE	SCORE
	company in relation to the overall network and the existence of any other relevant delivery model within which the municipal bus company was operating.	

5.5 Economy

5.5.1 The key sub-criteria for Economy are:

- Transport Economic Efficiency (TEE) covers the benefits ordinarily captured by standard cost-benefit analysis – including journey time benefits, vehicle operating costs, user charges, private sector provider impacts, user frustration and travel time reliability; and
- Wider Economic Impacts (WEIs) refer to any economic impacts which are additional to transport user benefits, e.g. how might the option help attract new jobs, help existing businesses, open up appropriate land for development?

5.5.2 An overall appraisal has been undertaken at this stage, drawing upon these criteria.

5.5.3 In terms of TEE, the main impacts would be driven by:

- The level of modal shift away from car to public transport or active modes which can be achieved. This can lead to reductions in traffic volumes, which reduce journey time delays due to congestion, improve overall journey times and enhance the reliability and punctuality of services. Modal shift, by attracting users to bus use, is central to the core policy areas set out for the SRBS – *improve level of service*, *improve affordability*, and *improve quality of service*;
- Direct journey time benefits and improved reliability and punctuality benefits from the delivery of measures such as bus priority, enhanced standards related to vehicles, operations and network resilience;
- Generalised journey time benefits from reduced wait times for bus services (both boarding and interchanging), delivered through improved service frequencies, and enhanced and smart ticketing delivering faster and more efficient boarding;
- Vehicle Operating Cost (VOC) changes across all modes (fuel and non-fuel) – including both benefits and disbenefits. This would include decreases in cost by reducing delays to bus services and also reducing PVR to operate an equivalent bus network. Reduced overall road network congestion, largely from modal shift, is also a VOC benefit. Increases in service levels and network coverage would come at a cost (counted as a disbenefit in appraisal terms). While efficiency savings from reduced journey times could be reinvested into the network, these would not offset the levels of change the SRBS would seek to deliver.
- Reductions in user charges – delivery of measures related to the *improve affordability* core policy area, is aimed at reducing the cost of public transport for users and so would benefit this. Additionally, improved access/ability for people to use affordable public transport services provides alternative for users to reduce their transport costs;
- Private sector provider impacts (revenue, operating costs) – Under Business Usual or any form of partnership then the private sector should benefit from initiatives

which increase passenger volumes provided the cost of providing any additional services is not disproportionate. Substantive adjustment to fares levels would require public sector financial support to leave operators no worse off in terms of overall revenue. Under Franchising, the revenue risk would most likely transfer to the public sector, leaving operators to control costs within their agreed contracts prices and with certainty of revenue as specified within those contracts. Under all delivery models, the shareholders in a municipal bus company would be explicitly accepting revenue and operating cost risks, albeit with the former likely to be underpinned by contracts to operate local bus services on behalf of SPT.

5.5.4 The appraisal scoring for TEE is therefore largely based around the potential for the options to deliver on these types of action/impact.

5.5.5 A qualitative assessment of the WEIs of the options has been undertaken. This has been based studies which have evidenced the extent of WEIs of bus related schemes including:

- Research undertaken by KPMG estimates that for every £1 of capital expenditure invested in local bus services and infrastructure generates up to £8 in wider social, economic and environmental benefits[45].
- Economic evaluation of local bus schemes has found that wider social and economic benefits can enhance a scheme's benefit-cost ratio (BCR)[46] as evidenced through several case studies including:
  - Fastway in West Sussex (a series of bus priority measures along two core routes): £29m estimated wider social and economic benefits increasing the BCR from 4.6 to 6.0.
  - South East Hampshire Bus Rapid Transit: £49m in wider social and economic benefits increasing the BCR from 1.9 to 8.1.

5.5.6 The delivery of the policies set out in the SRBS would likely generate WEIs in addition to standard user and non-user benefits. This would be as a result of impacts on productivity, levels of employment and access to labour markets, and facilitating the unlocking of development. The achievement of WEIs benefits is therefore based upon the ability for the options to deliver on the policies supporting these impacts.

5.5.7 A high-level estimate of the marginal external cost (MEC) benefits of additional bus journeys has also been undertaken using guidance in TAG. Additional bus journeys will generate decongestion benefits, with the calculation of MECs quantifying the change in external costs of decongestion, infrastructure maintenance and indirect taxation.

5.5.8 Bus diversion factors have been applied using recommended values in TAG, which quantify the estimated number of new bus users who previously travelled by car. An average car trip length has then been applied to quantify the total car vehicle kilometres saved per annum.

5.5.9 The results of this analysis are presented in Table 36.

[45] Trends in Scottish Bus Patronage, KPMG, 2017
[46] An economic evaluation of local bus infrastructure schemes: A report for Greener Journeys, KPMG, 2015

Table 36. Marginal external cost benefits – Economy

OPTION	ESTIMATED ADDITIONAL BUS JOURNEYS PER ANNUM	ESTIMATED AVERAGE CAR KMS SAVED PER ANNUM	ESTIMATED MEC ECONOMY BENEFIT PER ANNUM (2024 PRICES)
Business as usual	-	-	-
Voluntary partnership	0-5m	0-8m	£0-£1.1m
BSIP	20-25m	31-39m	£4.4m-£5.5m
Franchising	35-40m	54-62m	£7.7m-£8.8m
Municipal bus operations	20-25m	31-39m	£4.4m-£5.5m

Table 37. Appraisal Scoring – Economy

OPTION	PERFORMANCE	SCORE
Business as Usual	Under business as usual arrangements, modal shift may continue away from bus use to car use, due to the ongoing trend of declining bus service provision. Journey times may increase due to continued worsening of congestion and increased wait times for buses due to declining service frequencies. Vehicle operating costs may increase due to increased car use, worsening on delays due to congestion, and the rising cost of operating buses in congested conditions. Private sector provider impacts may be minor adverse if they continue to accept declining demand and rising costs without making major adjustments to service levels. It is unlikely notable WEI would be delivered under business as usual arrangements. Furthermore, there may even be an overall WEI disbenefit as a result of increasing public subsidy to require the existing bus network due to declining demand, which may result in funding in other areas currently generating WEI being reduced.	✗
Voluntary Partnership	A voluntary partnership has the potential to improve the delivery of measures to encourage modal shift from car to bus. However, reductions in the bus network under existing arrangements suggest this wouldn't be widespread, and the initiatives delivered under this arrangement are unlikely to generate significant or sustained reductions in car use to reduce congestion on the network enough to	✓

OPTION	PERFORMANCE	SCORE
	create notable journey time benefits and reductions in vehicle operating costs. For user charges, as noted in relation to the appraisal of affordability under TPO2, given long-term trends for real terms fares increases, it is likely that fares will continue to become less affordable under a voluntary partnership option. Private sector provider impacts may be minor adverse if they accept minimal change to demand and rising costs as part of a partnership without making major adjustments to service levels. Some minor WEI could be delivered with a more ambitious voluntary partnership, although existing arrangements are unlikely to produce notable benefit.	
BSIP	A statutory partnership arrangement through a BSIP may be more likely to deliver improvements which could provide modal shift from car use to bus use, improving journey times and providing reliability and punctuality benefits. Reducing car use and reducing delays to buses could also provide vehicle operating cost benefits. With closer and more robust partnership via a BSIP, we would anticipate that the partners could work together to deliver area-wide ticketing and smart cards through a statutory agreement, helping to introduce value for money multi-operator tickets, to the benefit of the user charges criteria. Fares reductions may also be possible through a reinvestment of savings agreement as part of a BSIP. Private sector provider impacts should be minor positive: public sector investment should match the private sector costs of complying with BSIP agreements leaving the private sector to benefit from increased revenue; and any initiatives which adversely impact private sector revenue should be funded by the public sector, leaving operators no worse off. Some minor to moderate WEI could be delivered through a BSIP, in particular bus priority measures are delivered and level of service arrangements are put in place which are designed to unlock development and target improved employment access.	✓✓
Franchising	A franchising scheme could set out level of service, affordability and quality measures (as per the policies appraised in Section 4) which deliver modal shift from car use to bus use, improving journey times and providing reliability and punctuality benefits. Reducing car use and reducing delays to buses could also provide vehicle operating cost	✓✓✓

OPTION	PERFORMANCE	SCORE
	benefits. The more ambitious the changes under a franchising scheme, the greater the benefit would likely be for these aspects. For user charges benefits, franchising could give the transport authority the capability to completely influence fares and associated products (although "lighter-touch" franchising could have structures that are less rigid, including the possibility of revenue-sharing with contracted bus operators). We have assumed that the Franchising option would be as ambitious as feasible, including a full suite of ticketing improvements: network-wide tickets, smart cards, auto fare capping; lower fares for all with targeted zero fares; and best-value capping. Private sector providers will be likely to see reduced profit margins on associated contracts, counterbalanced by the transfer of risk from the private to the public sector. Existing operators who fail to secure any/sufficient contracts in the franchise area will face adverse impacts from significant loss of future profits. Some minor to moderate WEI could be delivered through a BSIP, in particular where level of service arrangements are specified which are designed to unlock development and target improved employment access.	
Municipal Bus	Municipal bus operations could set out level of service, affordability and quality measures (as per the policies appraised in Section 4) which deliver modal shift from car use to bus use, improving journey times and providing reliability and punctuality benefits. Reducing car use and reducing delays to buses could also provide vehicle operating cost benefits. Municipal ownership gives complete freedom regarding fares, but only for those services delivered by the municipal bus company, and so some user charges improvements are possible. Private sector provider should be largely minimal: there may be some loss of profits if the municipal bus company wins existing contracts currently provided by the private sector, and increased competition may adversely impact private sector profit margins. Some minor to moderate WEI could be delivered through municipal bus operations, in particular where level of service arrangements are designed to unlock development and target improved employment access. As with other appraisal scorings, the scale of benefit achieved would relate to the scale and share of operations of the municipal bus	✓ to ✓✓✓

OPTION	PERFORMANCE	SCORE
	company in relation to the overall network and the existence of any other relevant delivery model within which the municipal bus company was operating.	

5.6 Equality and Accessibility

5.6.1 The key sub-criteria for Equality and Accessibility are:

- Public Transport Network Coverage;
- Active Travel Network Coverage;
- Comparative Access by People Group;
- Comparative Access by Geographic Location; and
- Affordability.

5.6.2 An overall appraisal has been undertaken at this stage, drawing upon these criteria where relevant.

5.6.3 *Public transport network coverage* would be impacted by the delivery of measures related to Policy 1a, to improve:

- Coverage – additional routes, demand responsive services, or community transport for those that currently have no access to a bus service at all would provide benefit to some;
- Periods of operation – extending services into additional periods (e.g. evenings and weekends) can benefit those people in areas where services do exist, but don't run when users' need them.

5.6.4 As outlined in Section 4.2, improvements to the level of service are aimed at improving access to both coverage and the periods of operation of services. Figure 16 shows the proportion of the population with access to at least one bus service per hour in the weekday AM peak period.[47] Figure 16, shows the weekday evening period after 7pm. Figure 17, shows access with each of the improved networks, across all core weekday periods (as per Table 3 and Table 5).

5.6.5 It can be seen that the changes to the network under both the minimal and ambitious scenarios produce notable changes in access across the SPT area. In particular, the network is comparatively greatly improved in the evenings, especially in more rural areas.

[47] Access to a bus stop from households, within either 400m (urban areas and small towns) or 800m (rural areas).

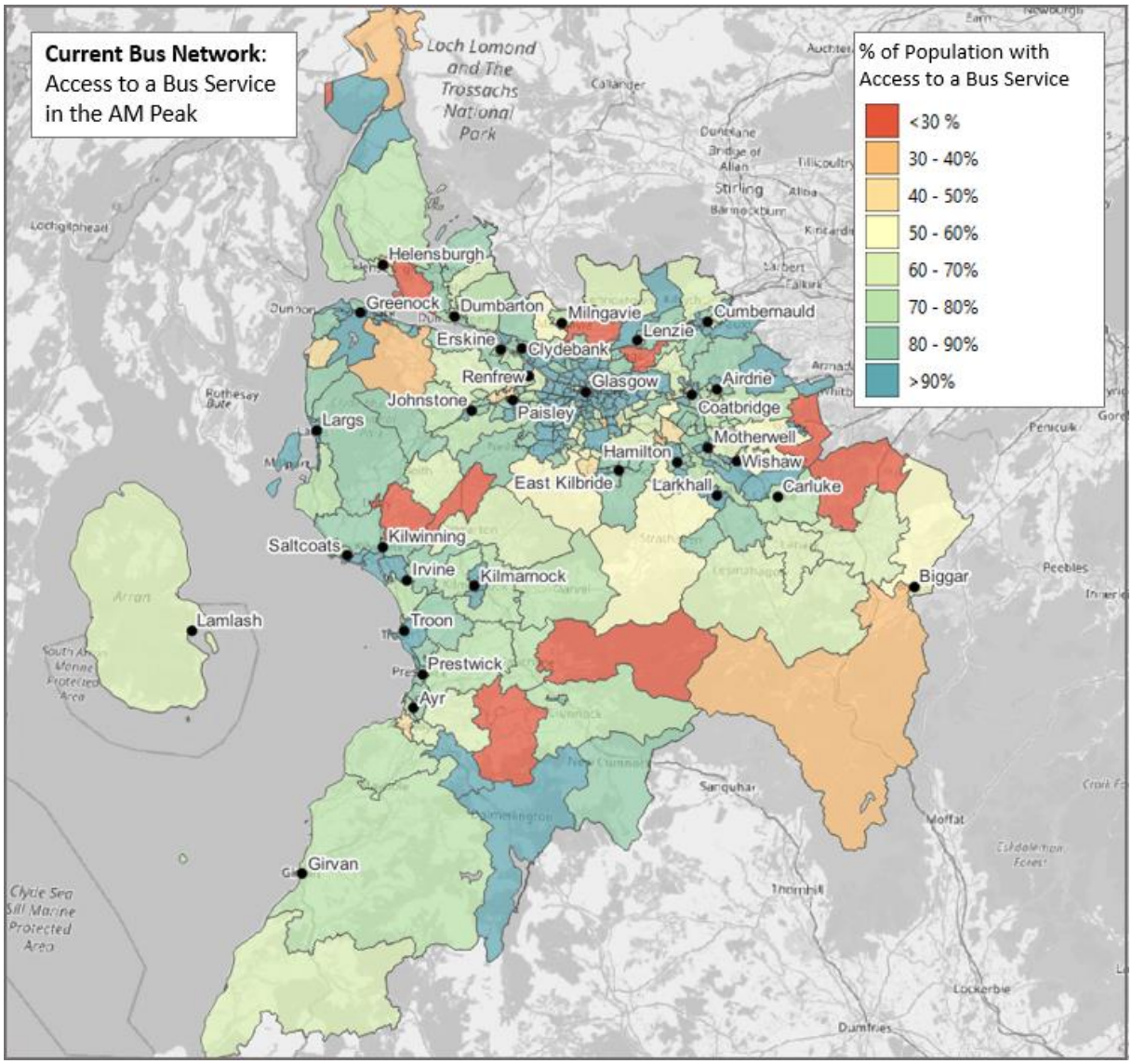


Figure 15. Current Network – % of Population with Access to Bus Services – AM Peak

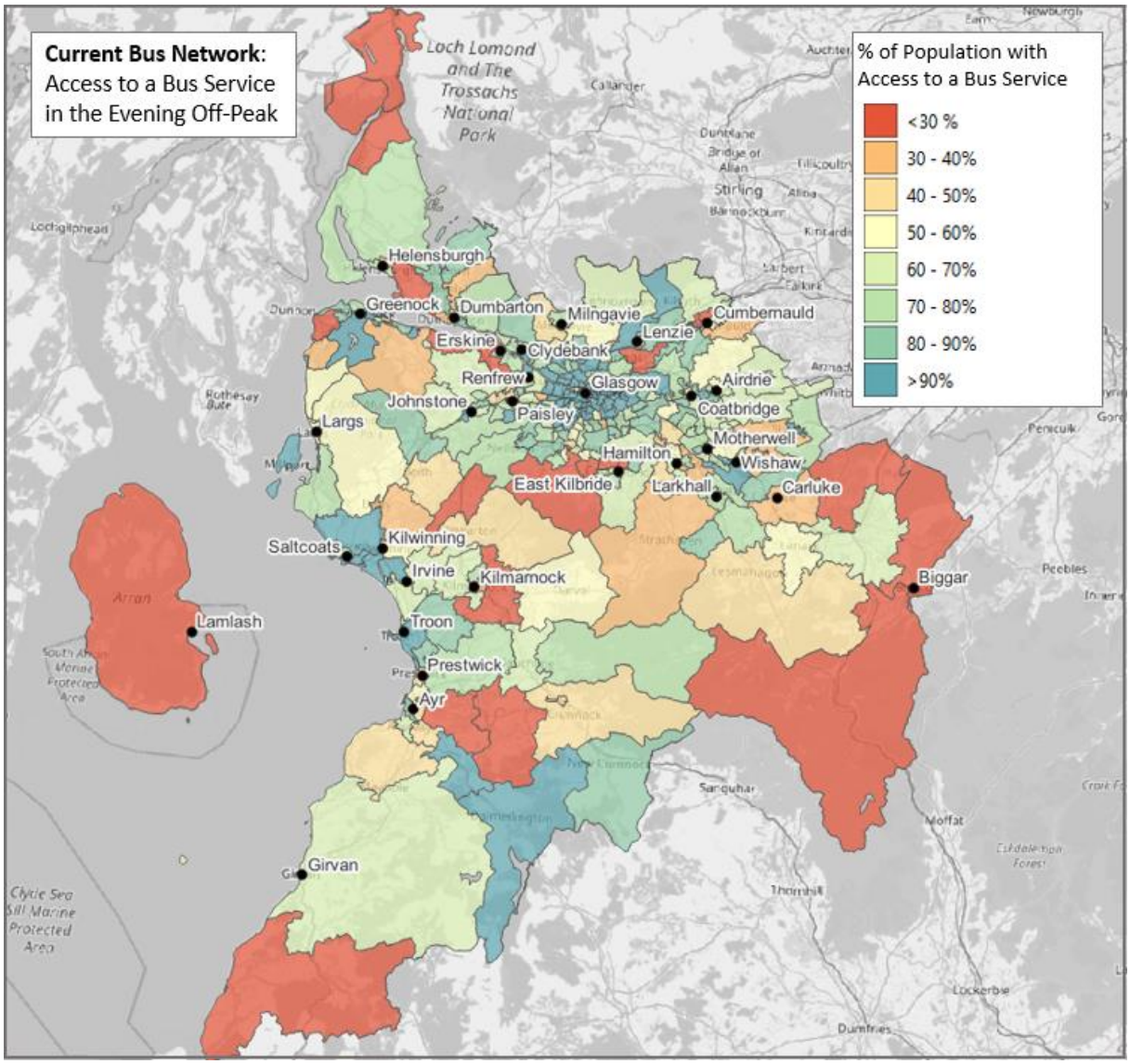


Figure 16. **Current Network – % of Population with Access to Bus Services – Evening Off-Peak**

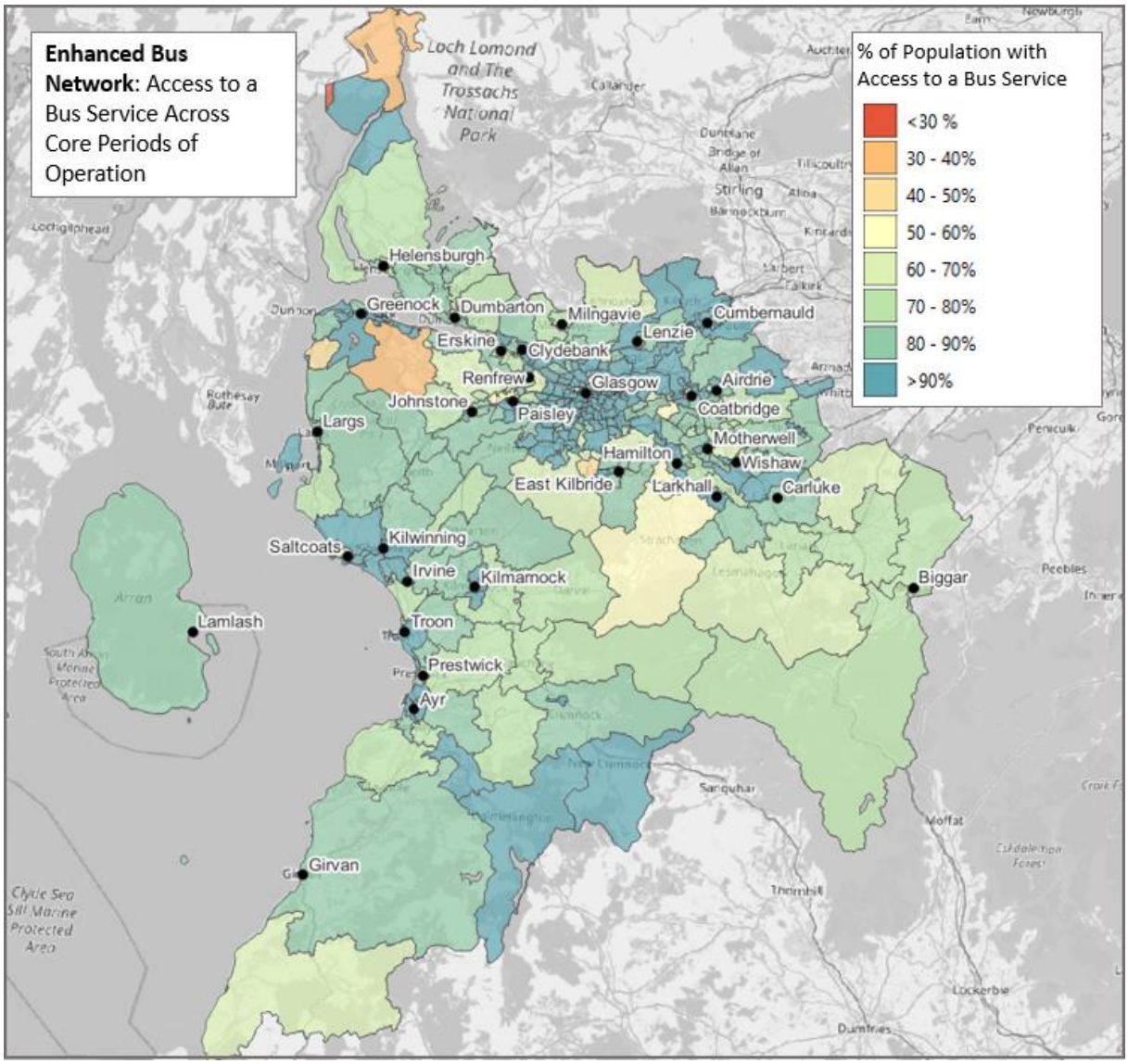


Figure 17. Enhanced Network – % of Population with Access to Bus Services – Across Core Periods

5.6.6 Figure 18 and Figure 19 show the difference in access to bus between the current and enhanced network in the weekday morning peak and evening period after 7pm, which further demonstrate the improvements in the enhanced network in rural areas in particular.

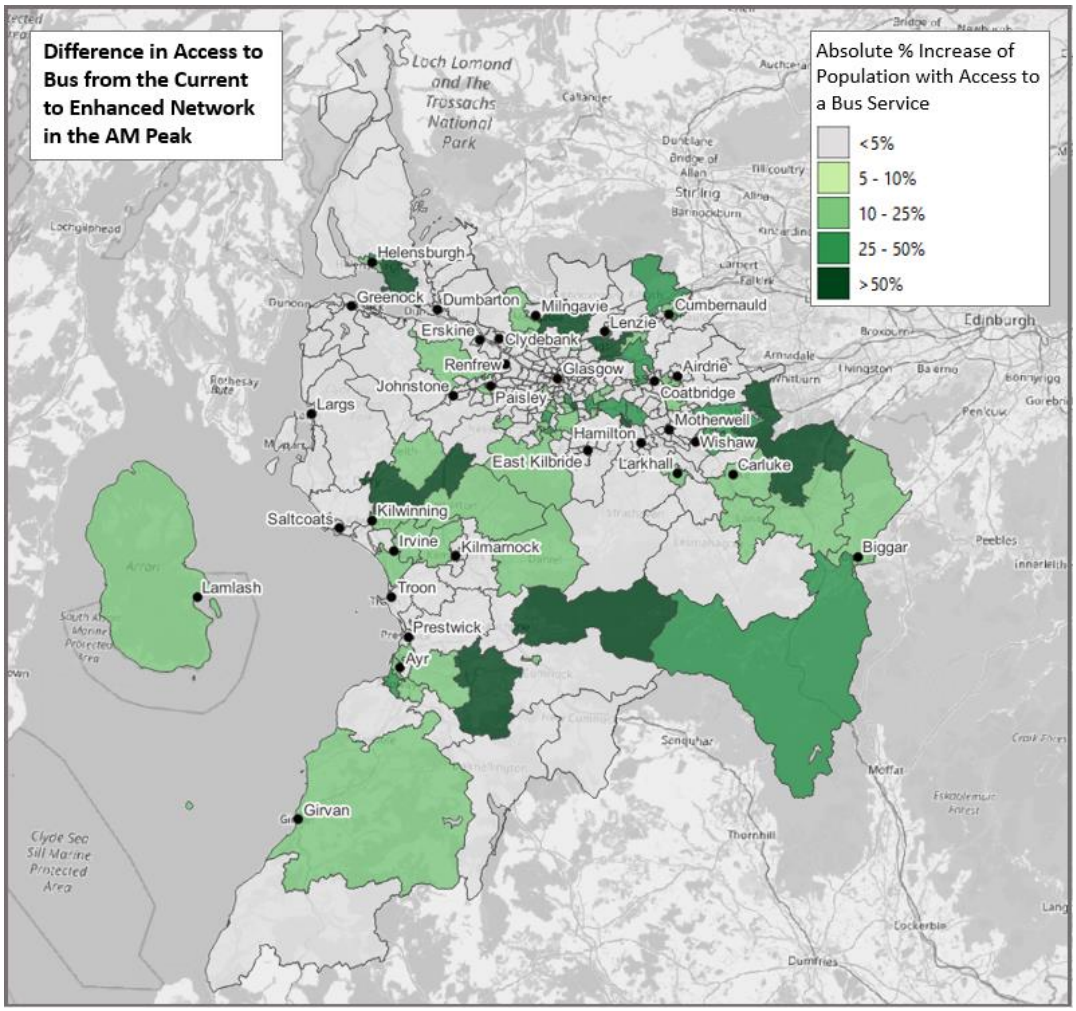


Figure 18. Difference in access between current and enhanced networks – AM peak

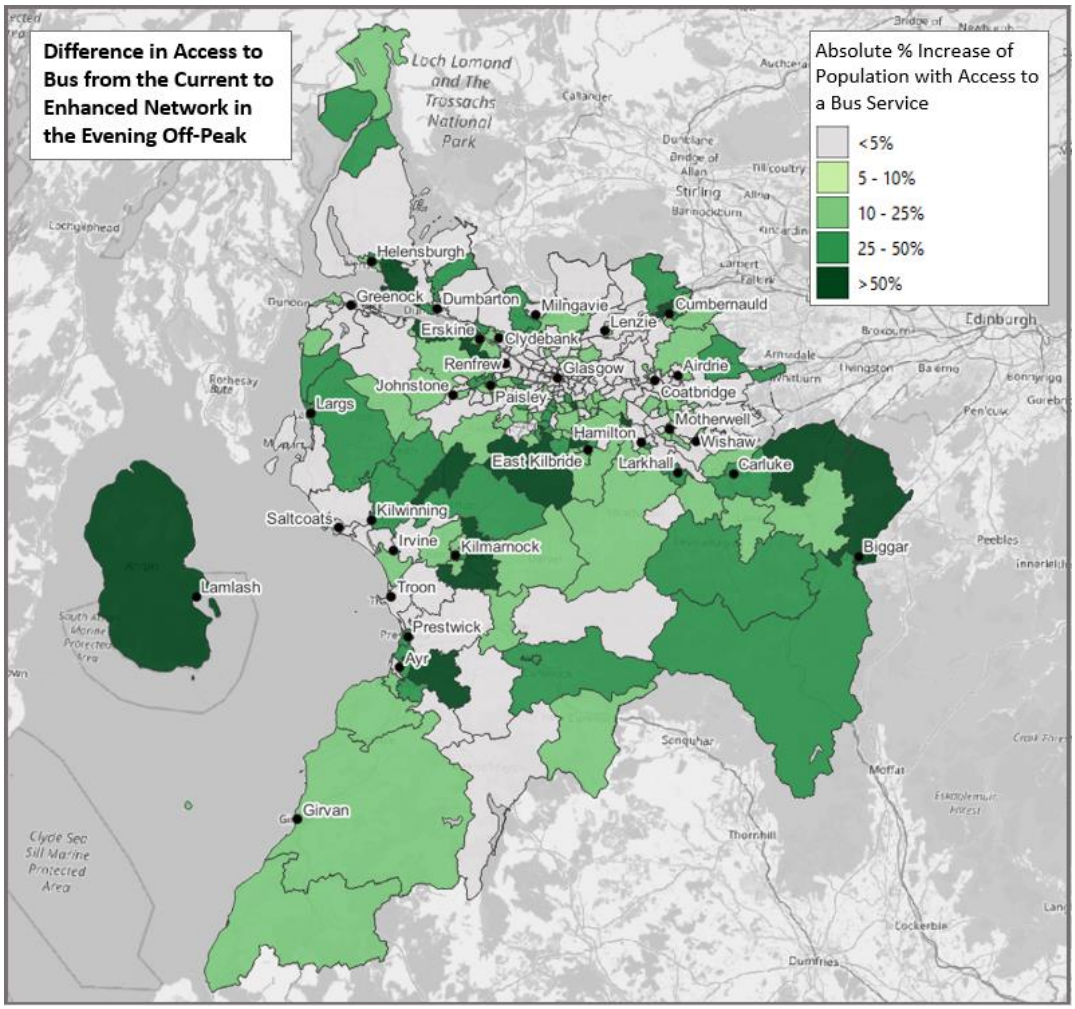


Figure 19. Difference in access between current and enhanced networks – evening off-peak

5.6.7 As noted under TPO 1 (Section 4.2), the options can impact on the potential delivery of such improvements to the network.

5.6.8 *Active travel network coverage* is unlikely to be affected by the options, other than in the case of integrating the public transport and active travel networks and potentially access to the network, should the option allow measures such as bikes on buses to be delivered.

5.6.9 *Comparative access by people group* (including those groups with protected characteristics, income groups and car ownership etc.) could be affected by the delivery of measures related to a number of the SRBS policies, in particular:

- Those measures which improve the network in areas with high proportions of particular people groups; and
- Those which target issues which disproportionately affect particular people groups, such as: safety or perceptions of safety; accessibility of bus stops, buses, and information etc.; and the affordability of bus services for people on low incomes.

Impact assessment scoping

5.6.10 Impact assessment scoping exercises were carried out alongside the Case for Change for Equality Impact Assessment (EqIA), Child Rights and Wellbeing Duties (CRWIA), Fairer Scotland Duty (FSD), and Island Community Impact Assessment (ICIA). Interim Impact Assessments are being prepared as part of the study.

5.6.11 The scoping exercise identified issues for specific groups, including:

- Age[48]
  - Younger and older people are less likely to drive and more likely to use the bus than those in other age groups.
  - Older people also face real and perceived problems with safety and security and accessibility of walking routes, bus stops, travel information, vehicles and services. They are less likely to find public transport safe and secure in the evening compared to young adults.
  - In the last 15 years, the youngest adults (16–24-year-olds) have been consistently more likely to be in relative poverty, and younger people from deprived areas may look for jobs and training opportunities only in their local area and those easily accessible via public transport.
- Disability[49]
  - There is a lack of integrated and comprehensive accessible journey planning information essential to disabled people being able to plan a whole journey, and a lack of consistent provision of audio/visual travel information on board transport services.
  - Disabled people are less likely to possess a driving licence drive than those who are not disabled (51% compared to 75%).
  - Permanently sick or disabled adults in Scotland are significantly more likely to travel by bus (19% travelling 2 or 3 times per week compared to 9% of all adults in 2019) and they are less likely to travel by train compared to all adults. These groups often experience higher levels of inequality and accessible transport is an important aspect of helping disabled people enjoy a better quality of life.
  - 58% of disabled people agreed that they 'Feel safe and secure on the bus at night' compared to 73% of non-disabled people.
  - People with disabilities tend to avoid travelling during peak hours. On weekdays a greater proportion of disabled people's journeys are in the middle of the day, and fewer before 9:30am and after 4:30pm.
  - A 2018 survey found that access to hospitals by transport for disabled people was most difficult in rural areas.
- Gender Reassignment[50]

[48] Equality Impact Assessment – Scoping Report, Section 3.2, p.6.
[49] Equality Impact Assessment – Scoping Report, Section 3.3, p.6.
[50] Equality Impact Assessment – Scoping Report, Section 3.4, p.8.

- Transgender people typically experience hate crimes more regularly than other groups and fear of harassment can prevent them from accessing public transport and other services.
- Transgender people are likely to have lower incomes and experience structural disadvantages in accessing employment and training and therefore they are at a higher risk of transport poverty. They may have concerns about using public transport or public transport facilities, such as toilets, for fear of being harassed or discriminated against which could affect their use of the public transport network.

- Pregnancy and Maternity[51]
  - Affordability and suitability of ticket types can be an issue for mothers returning to work after maternity leave.
  - Pregnant women and people travelling on public transport with pushchairs and children may experience difficulties in accessing and using services associated with accessing vehicles/infrastructure and also difficulties on-board vehicles due to restrictions in their mobility levels.
  - Pregnant women may also have safety concerns about travelling at night or during isolated times of day. They may also find it difficult to travel safely during peak hours.
- Race[52]
  - Certain ethnic minority households were most likely to have no car or van available (compared to the national average of 23%) including 51% of African households, 39% of Caribbean or Black households and 36% of Chinese, Chinese Scottish or Chinese British households.
  - Some ethnic minority groups are more likely to be subject to hate crimes and discrimination and this could create barriers to using public transport services and facilities for these groups.
  - Those from black and other minority ethnic groups were more likely to indicate that they had experienced bullying or discrimination compared to those from white ethnic groups (25% and 17% respectively).
  - Attitude of other passengers due to race or ethnicity (and religion) can limit travel choices. Black and minority ethnic people therefore may have more limited travel choices due to past experiences and problems with personal safety and security.
  - People from minority ethnic groups, with exception of 'White-Other' groups, were more likely to be in relative poverty after housing costs compared to those from the 'White-British' groups. Issues of transport cost may therefore disproportionately affect these groups and affect their health and socio-economic outcomes.
- Religion or belief[53]
  - Discrimination, assault or harassment (or fear of these) of the basis of religious identity may affect people of certain religious groups more than

[51] Equality Impact Assessment – Scoping Report, Section 3.5, p.8.
[52] Equality Impact Assessment – Scoping Report, Section 3.6, p.9.
[53] Equality Impact Assessment – Scoping Report, Section 3.7, p.9.

others, and this may affect their choice to use public transport and public transport facilities.

- Sex[54]
  - Women are significantly more likely to be bus passengers than men[55].
  - Women are less likely than men to have a driving licence and those who do have a licence drive less frequently.
  - Women are much more likely to be the head of single parent households, which have lower rates of personal car ownership than two parent households. In the SPT region fewer than half (49%) of single parent households with dependent children have a car available for private use.
  - Women feel less safe than men when travelling at night. Women are also more likely to be the victim of, and have concerns about, sexual assault or harassment on public transport, particularly at night.
  - Women tend to take on a disproportionate level of care and domestic tasks, compared to men, in addition to full or part-time work, consequently, they are more likely to make multi-stop and multi-purpose trips, combining travel to work with trips for other purposes.
  - Trip purposes and patterns differ for women compared to men e.g. working part-time or shifts, or in relation to caring responsibilities.
- Sexual orientation[56]
  - A greater proportion of the LGBO group lived in the most disadvantaged communities (27 per cent compared with 19 per cent of heterosexual adults).
  - People in the LGBO group may be concerned about being able to access public transport and public transport facilities, especially at night when these may be poorly lit, for fear of harassment or discrimination.
  - In the UK, of those who had experienced sexual harassment in the last 12 months, 28% had experienced this on public transport.
  - SPT report that one in four LGBT people in Scotland have faced prejudice or discrimination and have suffered discriminatory treatment when accessing services. This has led to reluctance amongst some people in this protected characteristic group to engage in aspects of public life including accessing services.
  - A survey in 2017 identified there has been a decline in the percentage of LGBT young people overall who say they feel safe on public transport, from 70% in 2012 to 67% in 2017. Overall, 51% of transgender young people in the survey felt safe when using public transportation.
  - A more recent survey shows that those (aged 16+) who identified their sexual orientation as either gay, lesbian, bi-sexual or in another way were considerably more likely to indicate that they had experienced bullying or discrimination while travelling on buses – 43% compared to 18% of those who identified as straight/heterosexual.

[54] Equality Impact Assessment – Scoping Report, Section 3.8, p.10.
[55] Transport Focus Bus Passenger Survey Methodological overview – Autumn 2019 wave (BA BDRC, August 2020), https://d3cez36w5wymxj.cloudfront.net/wp-content/uploads/2020/03/10160210/Bus-Passenger-Survey-methodological-overview-Autumn-2019.pdf
[56] Equality Impact Assessment – Scoping Report, Section 3.9, p.10.

- Socio-economic disadvantage[57]
  - Overall 15% of the SPT region's population is income deprived compared to 10% in Scotland overall.
  - The rate of child poverty is also higher in the SPT region than in Scotland as a whole and there are other inequalities in key labour market indicators including rates of unemployment and underemployment.
  - Access to transport can reinforce or lessen the impact of poverty. Being unable to access or afford transport can prevent people accessing services, reduce quality of life and lead to social isolation. Reduced access to opportunities for employment, training and education may inhibit deprived households from improving their situation.
  - Transport can also act as a key barrier to (or enabler of) employment and to better employment. The health of residents in the SPT region is relatively poor compared with the Scottish population and transport is a critical enabler of good health and wellbeing as it influences access to healthcare facilities and services whilst also providing opportunities to enhance physical and mental health through active travel.
  - In Scotland, people on lower incomes are more likely to use bus than those on higher incomes, with 51% of those with household incomes up to £10,000 per annum having used the bus in the past week, compared with 27% of those with household incomes over £50,000 per annum.
  - Those on the lowest incomes often reported longer journey times across most journey purposes.
  - In the SPT public survey for the RTS, many people looking for employment felt that transport was a factor in their decision not to take up opportunities. This often related to the timing of services, or the additional cost and time involved in making multi-operator journeys.
  - There are also large inequalities in access to private cars in the SPT region, with car ownership strongly linked with employment and household income.
  - Lower income households are also less likely to be able to access the 'best value' tickets given the upfront outlay required. 'Best value' tickets (weekly or monthly 'passes') are often unsuitable for people who are working part-time or who have insecure work that makes it difficult to forecast future travel needs.

Equality Impact Assessment

5.6.12 A summary of the Equality Impact Assessment prepared as part of the study is set out below.

Business as usual

5.6.13 Most impacts are assessed as minor negative or neutral based on the assumption that if a business-as-usual approach was continued, there would be a gradual decline in the level and quality of existing services which would also become increasingly more unaffordable making bus services less accessible for the protected characteristic groups.

[57] Fairer Scotland Duty Impact Assessment – Scoping Report, Section 3.1, p.4.

Voluntary partnership

5.6.14 It is not expected that a Voluntary Partnership would have a major impact, positive or negative, on any of the protected characteristics. However, there are key issues that would continue:

- The safety and security of all people within the protected characteristics is a key issue and is not adequately addressed under a VP option.
- Accessibility requires more careful consideration, especially in relation to disabled people and older people.
- The implementation of apps and websites would have to ensure they are user-friendly for older people.
- Enhanced accessibility to services for disabled people needs more consideration.
- A key concern is the issue of increasing prices that are likely under a VP option. Although the Scottish Government's NCTS offers free travel by public bus to young people, older people and people with disabilities, there remain sections of society not eligible for free travel who find buses unaffordable. This would need to be mitigated against as it would be unlikely that TPO2 would be achieved under this option.

BSIP

5.6.15 This option is deemed to have an overall minor beneficial impact on the public sector equality duty (PSED) as a whole. The potential scope for improvements under this option would depend on the development of partnerships based on agreed commitments. Beneficial impacts are most likely to be delivered as a result of improved services and network coverage, accessibility enhancements and increased affordability measures:

- BSIPs can provide improved service levels which are key to facilitating access to key destinations for a range of protected characteristic groups including older and younger people, disabled people, ethnic minorities, women, and parents or carers who rely more heavily on public transport to meet their daily needs.
- Increased affordability measures will benefit working age adults on low incomes, groups that are at a higher pre-disposition to transport poverty (including ethnic minorities, women, households with a disabled member, and lone-parent families).
- Accessibility enhancements linked with improvements to facilities, vehicles, interchanges and bus stops, ticketing, service information, driver training, customer feedback, customer charters and a cohesive network identity will positively impact a wide range of users including older and younger people, disabled people, ethnic minority, women and parents or carers travelling with children.

Franchising

5.6.16 If delivered, under as an 'ambitious' model, it is assessed that franchising could result in an overall major beneficial impact in relation to the PSED. This is attributed to the scale of control over service specification and region-wide geographic coverage that could be applied under this option. Major beneficial impacts are assessed for age, disability and race, all other impacts are assessed as minor beneficial. One uncertain impact is identified:

- Increased network coverage and service frequency could be specified by the operating authority to support other public sector policies goals enhancing access for protected characteristic groups who are more reliant on public transport to access key destinations and services (e.g., employment, education, training, healthcare, and other goods and services to support daily needs).
- Increased affordability measures will benefit working age adults on low incomes, groups that are at a higher pre-disposition to transport poverty (including ethnic minorities, women, households with a disabled member, and lone-parent families).
- Accessibility enhancements that could be delivered as a result of specifying standards for ticketing, information, bus stops and interchanges, vehicles and other facilities, safety and security, driver training, customer support and feedback, and a customer charter would positively impact disabled people, older adults and other with limited mobility including parents or carers travelling with young children.
- Under a franchising model, service specifications and policies have the potential to create a more inclusive transport network for all users including people belonging to ethnic minority groups.

Municipal Bus Operators

5.6.17 Municipal ownership has the potential to deliver a range of positive impacts, however this is highly dependent on the operating context in which this option would be situated. If applied to existing conditions, it is unlikely to yield many enhancements due to competition with other operators and limitations to partnerships or agreements that could be made. If delivered alongside a BSIP or franchising model, it is judged that this option could deliver greater improvements linked to the core policy areas. However, there are also uncertainties about the scale of geographical impact that could be delivered under this model.

5.6.18 Assuming that a comprehensive model of operation could be achieved it is assessed that this option would have an overall minor beneficial impact on the PSED, delivering positively impacts for all protected characteristics in a similar manner to franchising due to the level of service specification that can be adopted. However, the geographical application of improvements under this option are uncertain compared with a comprehensive franchising model, likely limiting the overall extent of benefit realisation in respect of protected characteristic groups in the Strathclyde region.

Fairer Scotland Duty

5.6.19 A summary of the Fairer Scotland Duty Assessment (FSD) prepared as part of the study is set out below.

Business as Usual

5.6.20 Overall, it is assessed that a Business As Usual model will have a minor adverse impact in respect of the FSD as service levels and quality will continue to deteriorate and become increasingly more unaffordable for those facing socio-economic disadvantage, reducing the ability of public transport to have a positive impact on access to social and economic infrastructure.

Voluntary Partnership

5.6.21 Overall, it is assessed that a Voluntary Partnership option will have a neutral / negligible effect in respect of the FSD as there may be some level of improvements to the network, such as more accessible bus stop locations in rural areas. However, it is recognised that the service is likely to continue to deteriorate and becoming increasingly more unaffordable for those facing socio-economic disadvantage which is unlikely to have a significant impact on inequality of outcome, socio-economic disadvantage and overall achievements of the Duty's aims.

BSIP

5.6.22 Overall, under a BSIP, it is likely that inequalities caused by socio-economic disadvantage will improve. The reason for this is because the current service is expected to improve through an expansion of the network and enhancements to levels of service which will improve the connectivity of the network. Additionally, the price of bus fares is expected to decrease which will make the service more affordable, especially for those facing socio-economic disadvantage. Overall, it is assessed that BSIPs will result in a minor beneficial effect in respect of the FSD.

Franchising

5.6.23 Franchising could deliver improvements to the transport network coverage that reliably connects individuals and households to locations for employment, education, healthcare, community infrastructure and services that enable them to meet their daily needs positively impact a wide proportion of the population, particularly those facing socio-economic disadvantage. Increasing the affordability of bus travel can remove a major barrier for a individuals and households experiencing challenges linked with low income. If delivered as a comprehensive model it is assessed that franchising could result in a minor to major beneficial impact with respect to the FSD.

Municipal Bus Operators

5.6.24 An ambitious municipal bus operator model could deliver a range of positive benefits that contribute to the Duty's aims and desired outcomes. Key areas of the Duty that intersect with this option include positive impacts relating to low income from increased transport affordability, improved access to key social infrastructure including education and healthcare services, improved access to employment supported by wider and more reliable network coverage, and enhancements to communities where people will experience greater levels of connectivity as a result of bus network improvements.

5.6.25 However, the extent of these impacts is linked to the potential scale and ambition of the option within a wider operating context. Overall, it is assessed that this option could deliver a minor beneficial impact in respect of the FSD outcomes, if delivered under a comprehensive model with wide geographic coverage.

Children's Rights and Wellbeing Impact Assessment

5.6.26 A summary of the Children's Rights and Wellbeing Impact Assessment (CRWIA) prepared as part of the study is set out below.

Business as Usual

5.6.27 Overall, it is assessed that a Business as Usual model will have a neutral or negligible impact in respect of children's rights and wellbeing as it is unlikely to further progress the realisation of children's rights, safeguard support and promote the wellbeing of children and young people. This is due to a possible continued retraction of the bus network being unlikely to deliver further benefits in this regard.

Voluntary Partnership

5.6.28 Overall, it is assessed that a Voluntary Partnership option will have a neutral or negligible impact in respect of children's rights and wellbeing as it is unlikely to further progress the realisation of children's rights, safeguard support and promote the wellbeing of children and young people. This is due to a possible continued retraction of the bus network being unlikely to deliver further benefits in this regard.

BSIP

5.6.29 Overall, it is assessed that a BSIP will have a minor beneficial impact in respect of children's rights and wellbeing. If relevant partners of a BSIP commit to the delivery of policy it will help to progress the realisation of children's rights, and safeguard, support and promote the wellbeing of children and young people. Furthermore, if agreement can be reached and commitments achieved through a BSIP, it is likely that this option will improve access using active travel and public transport to educational, social and economic opportunities for children and young people as relevant partners are obliged to improve services.

Franchising

5.6.30 Under a franchising arrangement, it is assessed that there would be a major beneficial impact on children's rights and wellbeing. This is due to the level of specification that can be gained under a franchising model, and the range of policies that could be delivered to progress the realisation of children's rights, and safeguard, support and promote the wellbeing of children and young people. It is also likely that this option will improve access using active travel and public transport to educational, social and economic opportunities for children and young people as relevant partners are obliged to improve services

Municipal Bus Operators

5.6.31 Municipal ownership has the potential to deliver an array of benefits similar to those outlined for the BSIP and Franchising options. The extent to which improvements can be made under a municipal bus operator model are dependent on the wider operating context. If the option is delivered in line with a BSIP or Franchising model, then similar benefits could be applied for this option, particularly in relation to more urban areas. If delivered as part of a comprehensive model, a range of policies could be delivered to progress the realisation of children's rights, and safeguard, support and promote the wellbeing of children and young people. Overall, it is assessed that this option would have a minor beneficial impact.

5.6.32 A summary of the Island Communities Impact Assessment (ICIA) prepared as part of the study is set out below.

Business as Usual

5.6.33 Overall, it is assessed that a Business as Usual model could result in a minor adverse effect on island communities. These areas currently benefit from services that are supported and subsidised by SPT. Due to higher operating costs, the viability of continuing current service provision levels may be challenging under a business as usual model. Without greater funding provision, we have assumed some deterioration of the bus network in these locations in regard to service levels, coverage, affordability and quality. The current model of operation can only meet basic accessibility needs on Arran and Cumbrae. As such, this model does not address population growth, increased tourism or better island to mainland connectivity that are essential to addressing key challenges faced by these island communities.

Voluntary Partnership

5.6.34 Overall, it is assessed that a Voluntary Partnership option could result in a minor adverse effect on island communities. Ultimately, delivering a partnerships model such as VPs in areas such as Arran and Cumbrae with a number of existing SPT supported services or weak commercial markets is likely to be challenging. Any benefits arising from these models will depend on funding agreements that could allow the supported services network to be expanded. Due to limited enhancements made in the SPT region under current VPs it is unlikely that this option would lead to significant enhancements to current levels of accessibility on Arran and Cumbrae.

BSIP

5.6.35 Overall, it is assessed that a BSIP could result in a neutral or negligible effect on island communities. As for the VP option, delivering a partnerships model such as a BSIP in areas such as Arran and Cumbrae with a number of existing SPT contracts for supported services and weak commercial markets is likely to be challenging. As such a BSIP is unlikely to have a direct impact on island networks. However, there may be some improvements to island-mainland connectivity under a BSIP option if improvements are delivered in mainland regions that facilitate connectivity to and from Arran and Cumbrae.

Franchising

5.6.36 Under a franchising arrangement, it is assessed that there could be a minor beneficial effect on island communities as it is likely to have the widest reach in terms of geographic coverage and can set ambitious standards for operation that are tailored to local geographic contexts. The lack of commercially viable services on the islands, and the likelihood of this continuing or worsening, may potentially mean that a franchising option would have a greater beneficial impact given that this option has the potential for SPT to specify strategic and societal targets as part of their agreements with local island bus operators. Region-wide franchising could support connectivity to and from Arran and

Cumbrae by providing a more cohesive and integrated bus network for island to mainland journeys. Increased connectivity and network integration options could support local growth and tourism opportunities that would directly benefit Arran and Cumbrae.

Municipal Bus Operators

5.6.37 Overall, it is assessed that municipal ownership could result in an uncertain effect in terms of increasing the economic prosperity of island communities. The lack of commercially viable services on the islands, and the likelihood of this continuing or worsening, may potentially mean that a municipal option could deliver some beneficial impacts given that this option, like franchising, has the strategic and societal benefit oversight that other partnership options have less of. However, it is uncertain how this option could be applied to island contexts due to limited detail and evidence at this stage.

Bus Accessibility

5.6.38 Bus access has been considered for the 5%, 10% and 20% most deprived areas in Scotland that are within the SPT area.[58] Analysis has found that for an enhanced network (as per Section 4.2), the number of people with access to one bus per hour could be increased by around ~2-4% in the peak periods and daytime period, and ~9-14% in the evening period with the level of service proposals outlined. While it can be seen that the percentage increase in people with access in deprived areas is smaller than that for the overall SPT area, deprived areas already have a higher coverage of the population than the SPT area as a whole (84-94% compared to 72-82%, across these periods).

[58] Based on the Scottish Index of Multiple Deprivation.

Table 38. Increase in # of People with Access to a Bus Service, by Level of Deprivation & Time Period[59]

LEVEL OF DEPRIVATION BY SIMD THRESHOLD		AM PEAK	DAYTIME	PM PEAK	EVENING OFF-PEAK
Most deprived 20% of areas	# and % change	+ 18,000 +3%	+ 14,000 +2%	+ 28,000 +4%	+ 79,000 +14%
	Coverage of Population	93% - Baseline 95% - Enhanced	93% - Baseline 95% - Enhanced	91% - Baseline 95% - Enhanced	84% - Baseline 95% - Enhanced
Most deprived 10% of areas	# and % change	+ 7,000 +2%	+ 6,000 +2%	+ 13,000 +4%	+ 35,000 +11%
	Coverage of Population	94% - Baseline 96% - Enhanced	94% - Baseline 96% - Enhanced	92% - Baseline 96% - Enhanced	86% - Baseline 96% - Enhanced
Most deprived 5% of areas	# and % change	+ 4,000 +2%	+ 4,000 +2%	+ 7,000 +4%	+ 15,000 +9%
	Coverage of Population	92% - Baseline 94% - Enhanced	92% - Baseline 94% - Enhanced	91% - Baseline 94% - Enhanced	86% - Baseline 94% - Enhanced
SPT Area Overall	# and % change	+120,000 +7%	+120,000 +7%	+160,000 +9%	+340,000 +21%
	Coverage of Population	82% - Baseline 88% - Enhanced	82% - Baseline 88% - Enhanced	80% - Baseline 88% - Enhanced	72% - Baseline 88% - Enhanced

5.6.39 *Comparative access by geographic location* includes the consideration of the geographical distribution of benefits within the SPT area, including factors such as the urban-rural context. The Case for Change highlighted a significant difference between levels of service for public transport in urban and rural locations in the SPT region. The FSD scoping identified that:

- People living in rural areas are likely to have reduced access to employment and essential services.
- Rural public transport travel often involves long journeys, sparse timetables and expensive ticketing in comparison with urban areas.
- According to Mobility Access Committee for Scotland (MACS), many people who have a National Entitlement Card cannot use their bus pass, as there are poor bus services (or no accessible buses) in their areas as many of these routes are not commercially viable and services have been withdrawn.
- Evidence also indicates limited integration between public transport services and modes, particularly in rural areas.

5.6.40 Table 39 shows the increase that an enhanced network (as per Section 4.2) could bring in terms of the number of people with access to at least one bus service per hour across the day, split by urban-rural classification. This shows that although urban areas do see large improvements in access (in particular in the evening), the proportional increase is far greater in accessible small towns and rural areas, and remote small towns and rural areas.

[59] Population change rounded to nearest 1,000 (if between 1,000 and 100,000) or 10,000 (if over 100,000)

This is, in part, due to there being fewer services operating in more rural areas then urban areas with the current bus network, in particular in the evening.

Table 39. Increase in # of People with Access to a Bus Service, by Urban-Rural Classifications & Time Period [60]

URBAN RURAL CLASSIFICATION		AM PEAK	DAYTIME	PM PEAK	EVENING OFF-PEAK
Urban Areas (Large & Other)	# and % change	+ 82,000 +5%	+ 79,000 +5%	+ 120,000 +8%	+ 260,000 +19%
	Coverage of Population	85% - Baseline 89% - Enhanced	85% - Baseline 89% - Enhanced	83% - Baseline 89% - Enhanced	75% - Baseline 89% - Enhanced
Small Towns (Accessible & Remote)	# and % change	+ 16,000 +14%	+ 12,000 +10%	+ 18,000 +16%	+ 37,000 +40%
	Coverage of Population	71% - Baseline 81% - Enhanced	73% - Baseline 81% - Enhanced	70% - Baseline 81% - Enhanced	58% - Baseline 81% - Enhanced
Rural Areas (Accessible & Remote)	# and % change	+ 21,000 +20%	+ 27,000 +27%	+ 24,000 +23%	+ 38,000 +43%
	Coverage of Population	64% - Baseline 77% - Enhanced	61% - Baseline 77% - Enhanced	62% - Baseline 77% - Enhanced	54% - Baseline 77% - Enhanced

5.6.41 *Affordability* has been discussed in further detail in Section 4.3. However, in relation to equality and accessibility, it would be expected that the targeting of zero or reduced fares for particular groups (as yet undetermined), could help to tackle issues related to people not travelling due to being unable to afford fares (as highlighted in the impact assessment scoping discussed above).

Table 40. Appraisal Scoring – Equality and Accessibility

OPTION	PERFORMANCE	SCORE
Business as Usual	As outlined for TPO 1 there are currently issues related to coverage, periods of operation, and frequency of services for public transport across the SPT region. The trend of changes to bus services suggests that reductions would continue under a business as usual situation. In this case, public transport network coverage would worsen, as would comparative access by people group (as it is shown that reduced public transport can impact some groups more negatively than others) and comparative access by geographic location (as the reducing service trend is particularly evident in rural areas). In terms of affordability, the relative cost of travel by bus has risen more than other modes, with a lack of fares integration, and ticketing	✗

[60] Population change rounded to nearest 1,000 (if between 1,000 and 100,000) or 10,000 (if over 100,000)

OPTION	PERFORMANCE	SCORE
	complexity; with a particularly adverse impact on some groups of people, as highlighted above.	
Voluntary Partnership	The trend of changes to bus services suggest that reductions would continue under a voluntary partnership. While, a voluntary partnership could be used to improve the situation, existing examples do not suggest this will be the case to any notable extent. Indeed, based on current trends, public transport network coverage would worsen even in partnership areas, as would comparative access by people group (as it is shown that reduced public transport can impact some groups more negatively than others) and comparative access by geographic location (as the reducing service trend is particularly evident in rural areas). In terms of affordability, given long-term trends for real terms fares increases, it is likely that fares will continue to become less affordable under a voluntary partnership option; with a particularly adverse impact on some groups of people, as highlighted above.	✗
BSIP	BSIP(s) should allow a more ambitious working relationship between the partners, which could support targeted expansion to the network and enhancements to levels of service, to benefit the public transport network coverage, comparative access by people group, and comparative access by geographic location sub-criteria. Safety and Security improvements, as discussed in more detail in Sections 4.4.67 to 4.4.72, could also benefit the comparative access by people group sub-criterion in particular. Improved accessibility standards, also discussed in Section 4.4, for vehicles, stops and information, could also benefit this sub-criterion. In terms of affordability – a BSIP could provide targeted zero or reduced fares for those that need it the most, and general affordability improvements by introducing value for money multi-operator tickets.	✓✓
Franchising	Franchising allows the authority to specify service standards, which we assume will result in aspirational levels of service (subject to sufficient funding) – levels of service will not only be dependent on passenger demand (as now) but can also support wider public sector policies such as offering sustainable travel alternatives, tackling social deprivation, or supporting local economies. Such enhancements to levels of service could benefit the public transport network coverage, comparative access by people group, and comparative access by geographic location sub-criteria.	✓✓✓

OPTION	PERFORMANCE	SCORE
	Safety and Security improvements, as discussed in more detail in Section in 0, could also benefit the comparative access by people group sub-criterion in particular. Improved accessibility standards, also discussed in Section 0, for vehicles, stops and information, could also benefit this sub-criterion. In terms of affordability – franchising could provide targeted zero or reduced fares for those that need it the most, and general affordability benefits by introducing a full suite of ticketing improvements: network-wide tickets, smart cards, auto fare capping; lower fares for all with targeted zero fares; and best-value capping.	
Municipal Bus	A municipal bus company would operate within the constraints of the applicable delivery model. However, it is possible that if profits permit the company could offer a better level of service than a private sector operator (covering more geographical areas or operating at quieter times of day) – but subject to always maintaining overall financial viability. If viable, enhancements to levels of service could be targeted to benefit the network coverage, comparative access by people group, and comparative access by geographic location sub-criteria. Safety and Security improvements, as discussed in more detail in Section in 0, could also benefit the comparative access by people group sub-criterion in particular. Improved accessibility standards, also discussed in Section 0, for vehicles, stops and information, could also benefit this sub-criterion. In terms of affordability – municipal ownership gives complete freedom regarding fares, but only for those services delivered by the municipal bus company. Therefore, these could be limited or dependent on any wider enhancements alongside one of the other options above.	✓ to ✓✓✓

5.7 Summary of STAG Criteria Appraisal

	BUSINESS AS USUAL	VOLUNTARY PARTNERSHIP	BSIP	FRANCHISING SCHEME	MUNICIPAL BUS
Environment	–	✓	✓✓	✓✓	✓ to ✓✓
Climate Change	✓	✓	✓✓	✓✓	✓ to ✓✓
Health, Safety and Wellbeing	–	✓	✓✓	✓✓✓	✓ to ✓✓✓
Economy	✗	✓	✓✓	✓✓✓	✓ to ✓✓✓
Equality and Accessibility	✗	✗	✓✓	✓✓✓	✓ to ✓✓✓

6. FEASIBILITY, AFFORDABILITY AND PUBLIC ACCEPTABILITY

6.1 Feasibility

Feasibility – the feasibility of construction or implementation and operation (if relevant) of an option and the status of its technology (e.g. proven, prototype, in development, etc.) as well as any cost, timescale or deliverability risks associated with the construction or operation of the option, including consideration of the need for any departure from design standards that may be required.

6.1.1 None of the options require design, construction or new technologies – but the practical application of the powers now available to SPT and Local Councils via the 2019 Act may be significantly different to the status quo and require careful consideration. Within this section, we also have considered likely timescales for implementing each option and this will also impact feasibility and (public acceptability).

Business as Usual

6.1.2 This replicates the status quo for those council areas who have not agreed a voluntary partnership. As such, it is a simple option to pursue, but as set out in the preceding appraisal it may not fulfil the aspirations of stakeholders including existing and potential bus users. It requires no application of new, untested powers.

6.1.3 It should be noted that preserving the status quo (i.e. the baseline service) is dependent on the ability of Transport Scotland, SPT and local councils to continue existing levels of funding in real terms, predominantly in terms of revenue account spending but also commitments made regarding future investment which are not the subject of partnership arrangements. Given the challenging current situation regarding public sector finances, and specifically support for local bus initiatives, it is uncertain that funding will be maintained at current levels in real terms. Thus, the feasibility of preserving the existing Business as Usual situation is also uncertain, and reduced funding for the bus sector will inevitably continue the cycle of decline identified in the Case for Change.

Conclusion: Minor consideration

Voluntary Partnership

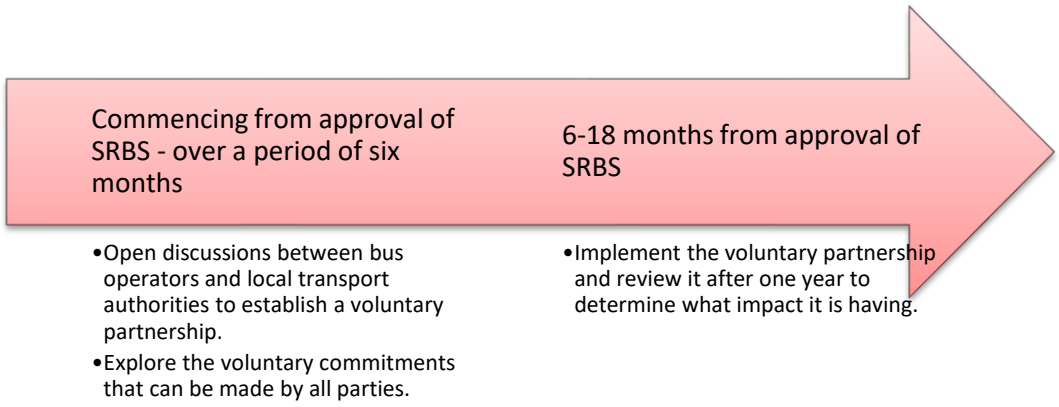
6.1.4 Voluntary partnerships require discussion and agreement on a series of quid pro quos – commitments from the public sector partner (e.g. providing additional bus infrastructure) are matched by commitments of equivalent value from the operators (e.g. providing quality enhancements or enhanced services).

6.1.5 Because the partnerships are voluntary (i.e. they can be repudiated by any partner at any time), they tend to involve relatively unambitious commitments provided over short durations and/or able to be adjusted rapidly if circumstances change. Unlike Bus Service Improvement Partnerships, they do not apply universally to all operators in an area which offers the ability for accelerated delivery but also limits the likely ambition as they can be undermined by non-participating operators (and partners can withdraw at short notice).

6.1.6 Therefore, in terms of feasibility a voluntary partnership can be achieved between any willing partners and there is a track record of partnership in the SPT region, but they do not offer significant certainty and as set out in the preceding appraisal they may not fulfil the aspirations of stakeholders including existing and potential bus users. Voluntary partnership requires no application of new, untested powers.

6.1.7 As with Business as Usual, successful future partnerships will rely heavily on availability of finance to support the underpinning bus network and pay for the agreed enhancements and investments. Given the challenging current situation regarding public sector finances, and specifically support for local bus initiatives, it is uncertain that funding will be maintained at current levels in real terms. Thus, the feasibility of delivering on partnership commitments is also uncertain, and reduced funding for the bus sector will inevitably continue the cycle of decline identified in the Case for Change.

Delivery



6.1.8 Transitioning from Business as Usual to a voluntary partnership is a simple process, which – with willing partners – can be completed very quickly. It will be important to keep the partnership under review to ensure it is delivering the desired outcomes – reviews will be a good opportunity to increase the ambition of the partnership as partners become more comfortable working together. A voluntary partnership could be agreed in a timescale of just a few months.

Conclusion: Minor consideration

Bus Service Improvement Partnership (BSIP)

6.1.9 BSIPs place a partnership on a statutory basis, making it more difficult to repudiate the commitments, and applying the terms of those commitments to all operators in the defined area whether they have agreed them or not. It can therefore give considerably greater certainty than either a Business as Usual situation or a voluntary partnership, and may help to support more ambitious aspirations for local bus enhancements.

6.1.10 However, there is a tightly-defined legal process for establishing a BSIP, dealing with objections to its requirements, reviewing its performance, and adjusting or cancelling its provisions. They need not be onerous – they are similar to the requirements for Enhanced Partnerships agreed by English local transport authorities as part of the DfT's Bus Back

Better initiative; but they do involve concrete commitments by all partners, thus resulting in potentially protracted negotiations and prospective partners may seek to minimise the scale of the commitments as once agreed they are more difficult to change. BSIPs remain in force indefinitely until revoked by the transport authority (following due consultation), although implementation of elements contained within them can be postponed for up to 12 months, and they can be varied through a process set out in the 2019 Act; each BSIP must be reviewed annually[61].

6.1.11 Once made, a BSIP is binding on all operators in the defined area – it is possible that the scale of commitments imposed may not be feasible for all operators and might be used by other operators to force non-compliant operators to withdraw their services. Operators have the right of objection, although a "sufficient number" of operators must object to prevent a BSIP and its associated plan and scheme(s) coming into force. Under draft regulations coming into force on 1st April 2024, the level of relevant objections is:

"… where on the relevant day, or at the qualifying time, as the case may be—

(a)the total number of operators of qualifying local services in an area—

(i) is fewer than three and all of those operators object,

(ii) is three or more and at least two of those operators object, and

(b) the registered distance of the qualifying local services operated in an area by those who have objected is at least 20% of the registered distance of all such services operated by all operators in that area.

[or]

…. where on the relevant day, or at the qualifying time, as the case may be—

(a) the number of operators of qualifying local services who have objected is at least 50% of the total number of operators of qualifying local services in an area, and

(b) the registered distance of all qualifying local services operated in an area by those who have objected is at least 10% of the registered distance of all such services operated by all operators in that area.[62]

6.1.12 The bar for objections is relatively low: if 50% of operators object and collectively they provide at least 10% of the registered distance in the partnership area, then the partnership's plan and scheme(s) cannot proceed.

6.1.13 Delivering a BSIP in a region with a large number of operators, including areas with a significant proportion of small and medium-sized enterprise operators that operate supported contracts and a weak commercial market, could prove difficult. Within the SPT region, there are approximately 40 operators providing services, with the three main operators operating over 80% of all bus mileage[63]. There could be a scenario where,

[61] Transport (Scotland) Act 2019, Section 36
[62] The Bus Services Improvement Partnerships (Objections) (Scotland) Regulations 2024 [draft], section 5(5) and 5(6), https://www.legislation.gov.uk/sdsi/2024/9780111058701/regulation/5
[63] Strathclyde Regional Bus Strategy – Case for Change

despite securing the support of the larger operator(s) in the area, the large number of smaller operators may result in enough objections to stop it in its track.

6.1.14 Lowering fares in the current operating environment would:

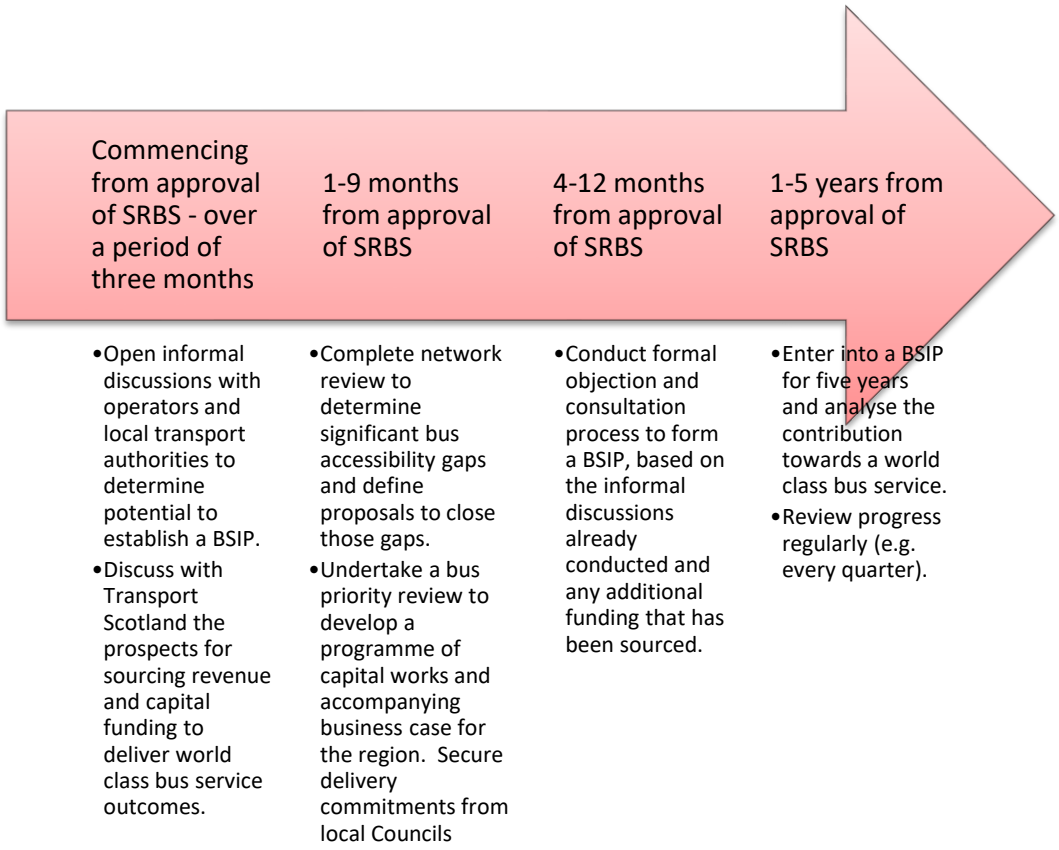
- require a significant and complex multi-operator agreement to ensure all parties were willing to reduce their fares, in order to maintain fair competition between operators;
- require a complex reimbursement methodology to be agreed, which would generate significant data flows, require significant data processing and would need regular oversight and scrutiny;
- would adversely affect operators' NCTS reimbursement payments; and
- would be expensive to implement.

6.1.15 It is worth observing that challenges such as those set out above, and the need under current arrangements to achieve consensus, has restricted the ability to update calculations about revenue apportionment for the region's ZoneCard multi-operator ticket, which has not changed for circa 30 years. While modernisation of ZoneCard onto a smart platform will begin to address the point above regarding methodology and data flows, the other constraints will remain valid. We consider that the sum of these constraints means that achieving lower fares or simplified fares in the current operating environment is very likely to be impractical.

6.1.16 Under a BSIP, there would still be a need public sector financial support – in fact, this assessment has assumed that there would be enhanced levels of service, some fares initiatives, and targeted quality initiatives. Delivering enhanced levels of service implies expansion of the supported services network and associated funding, and there may be particular challenges associated with how to procure higher levels of service on existing commercially-operated bus routes in compliance with relevant legislation.

6.1.17 In summary, a BSIP is certainly feasible with a clear implementation procedure and precedents from England but as with Business as Usual, successful future partnerships will rely heavily on availability of finance to support the underpinning bus network and pay for the agreed enhancements and investments. Given the challenging current situation regarding public sector finances, and specifically support for local bus initiatives, it is uncertain that funding will be maintained at current levels in real terms. Thus, the feasibility of delivering on partnership commitments is also uncertain, and reduced funding for the bus sector will inevitably continue the cycle of decline identified in the Case for Change.

Delivery



6.1.18 Transitioning from Business as Usual or a voluntary partnership to a more formalised BSIP can also be achieved relatively quickly. It is likely that a BSIP will be more ambitious than a voluntary partnership, and therefore the negotiations between partners are likely to take longer. The enhanced level of ambition which we have assumed as part of this appraisal could well involve wider discussions with Transport Scotland and a wider variety of partners – securing the necessary public sector funding will be critical to unlocking private sector investment. It will also take time to identify and specify the desired outcomes, and agree these with partners – this may well involve preparation of business cases for decision-makers in both public and private sectors. The reduced flexibility associated with a BSIP means that decisions must be robust and underpinned by delivery commitments (e.g. for bus priority measures).

6.1.19 There is also a closely-defined procedure for making a BSIP, including opportunities for operators to object to its proposals. Nevertheless, experience with similar Enhanced partnerships in England suggests that in more straightforward situations with few partners, progress can still be quite rapid – greater complexity will likely result in extended negotiations, but may help to raise the level of ambition associated with the BSIP.

6.1.20 BSIPs are expected to be long-term commitments. As with voluntary partnerships, it will be important to keep the partnership under review to ensure it is delivering the desired outcomes – reviews will be a good opportunity to increase the ambition of the partnership

as partners become more comfortable working together, but experience from England also suggests that operators will be more comfortable agreeing their commitments when they recognise that actions which become unfeasible can be adjusted in agreement with the other partners.

Conclusion: Moderate consideration

Franchising

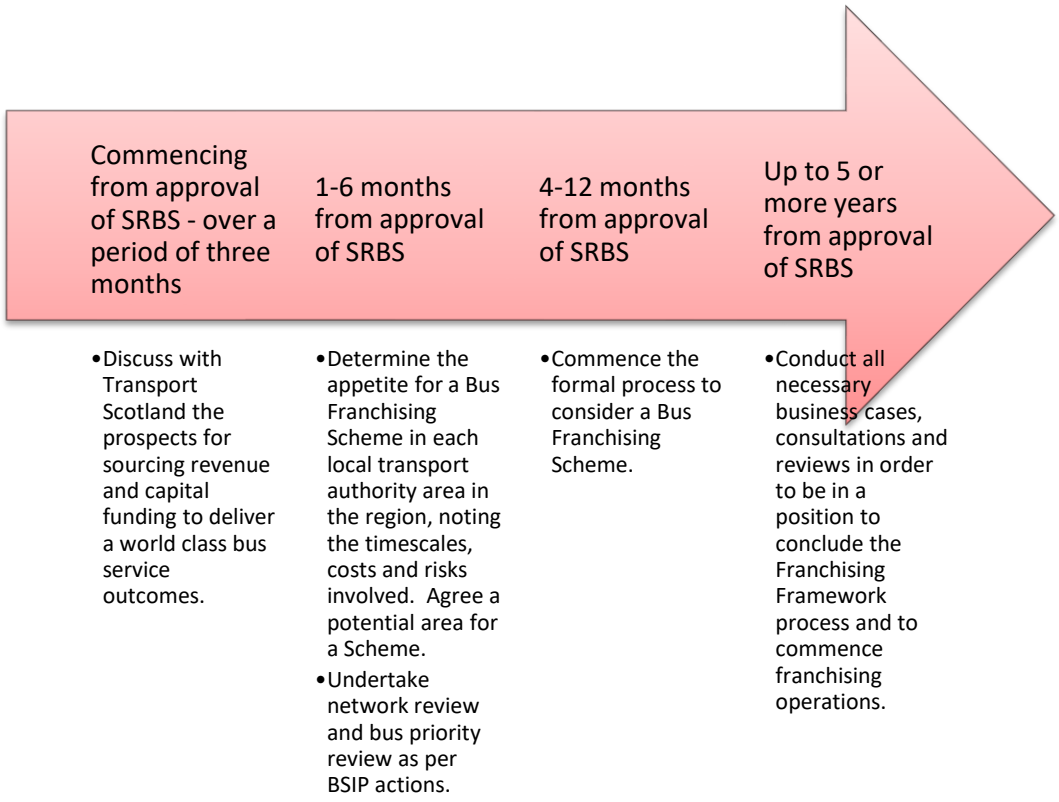
6.1.21 Introduction of a form of franchising requires a complete adjustment to the status quo. The process for establishing a franchising scheme is set out clearly in the 2019 Act, but is untried in Scotland, and specific guidance is awaited from the Scottish Government. Scottish legislation differs significantly from that which applies in England, so the experience of Greater Manchester in applying its newly-granted powers for franchising offer some illumination of the challenges likely to be faced in Scotland, but is not a perfect comparator. In particular, the introduction of an independent review panel in the Scottish legislation is a significant difference – experience from a similar process in England (applied by Nexus under earlier legislation) resulted in an adverse panel decision.

6.1.22 Regardless of these caveats, it is likely that development, assessment and preparation for franchising is likely to take an extended time period (our previous work suggested 5-7 years) but should be feasible provided that the 2019 Act's provisions are carefully followed.

6.1.23 Feasibility may be challenged available finance. The process of development, assessment and preparation will require dedicating public sector resources with no certainty of success. Using franchising to deliver future enhancements to levels and quality of bus services may only be possible if additional public sector finding is available, otherwise the costs associated with delivery will still have to be met from the same sources of funds as present (predominantly passengers' fares, concessionary fare reimbursement, and public service contracts for specific bus services).

6.1.24 Given the challenging current situation regarding public sector finances, and specifically support for local bus initiatives, it is uncertain that funding will be maintained at current levels in real terms. Thus, the feasibility of using franchising to deliver the desired improvements is also uncertain, and reduced funding for the bus sector will inevitably continue the cycle of decline identified in the Case for Change.

Delivery



6.1.25 Transitioning to franchising from any of the arrangements whereby bus services continue to be delivered under the deregulated model introduced in 1986 will inevitably be an extended process. The 2019 Act sets out a robust set of requirements which any authority considering franchising must follow, and the fact that these are untested will inevitably result in both a degree of caution and iterative development of the proposals. The prospect of legal challenge from the affected operators will compound the challenges of this development process.

6.1.26 Given the costs associated with transition, let alone the impact of the ambitious outcomes which we anticipate will form part of the vision for a franchised network, an extended decision-making process at various gateways should be anticipated. Significant funding commitments may mean that progress is paused whilst finance is secured. Extensive engagement with Transport Scotland and even Scottish Government should be anticipated.

6.1.27 Experience with similar (but not identical) processes in England points to a development and governance process taking a number of years to fulfil the statutory requirements set out in the 2019 Act, followed by the final specification of the franchise requirements and a procurement exercise which itself will take some time to plan and complete before the franchised network takes effect.

6.1.28 The timeline set out above reflects the limited experience of the similar process in England, although the insertion of an independent panel to review and agree the franchising proposals in Scotland adds a significant degree of uncertainty.

Conclusion: Major consideration

Municipal Bus Operator

6.1.29 The 2019 Act reintroduces the potential for transport authorities to establish their own "municipal bus company" (a power which was previously lost under the 1985 Transport Act).

6.1.30 Establishing a municipal bus company would follow reasonably established processes within local transport authorities. It would require expansion to resources to relevant in-house operations and corporate services, but the skills required are well-known and feasible. Where a larger scale operation is required, or there is no suitable in-house foundation, then it remains feasible to establish a "start-up" municipal bus company and again the skills required are well-known and feasible.

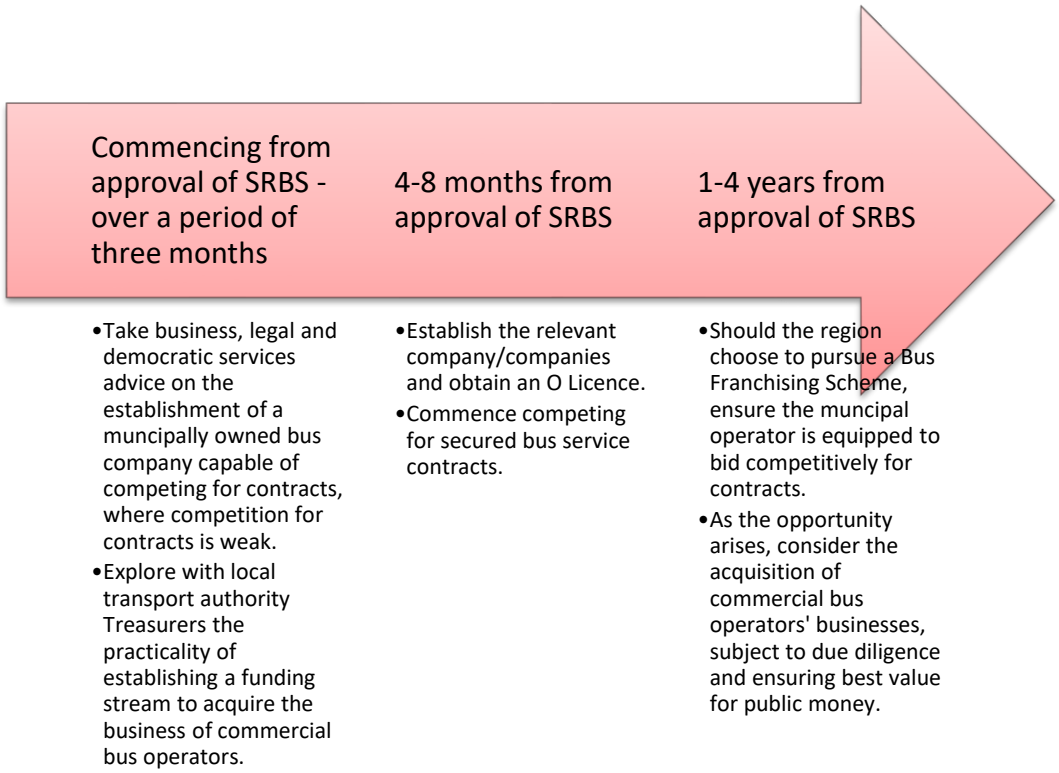
6.1.31 Finally, in the event that a local bus operator was willing to sell to the public sector, then a municipal bus company could be established using the acquired operations as a base.

6.1.32 However, established, ongoing management of the municipal bus company is also a well-known skill: municipal bus companies which existed prior to enactment of the 1985 Act have continued to operate, including Lothian Buses in Scotland (the UK's largest remaining municipal bus company). It should be noted that the operations of a municipal bus company will still need to comply with company law and standard business norms: income will need to balance with expenditure, and wider market pressures will still apply.

6.1.33 The municipal bus company will still operate within the wider delivery context (i.e. Business as Usual, partnership or franchising) and in most situations will need to compete against established private operators whilst still maintaining its financial viability.

6.1.34 Establishing the municipal bus company and supporting early operations (which may prove loss-making whilst the company "finds its feet") will require a financial commitment from its public sector shareholder(s). Given the challenging current situation regarding public sector finances, and specifically support for local bus initiatives, it is uncertain that funding will be maintained at current levels in real terms. Thus, the feasibility of using a municipal bus company to deliver the desired improvements is also uncertain, and reduced funding for the bus sector will inevitably continue the cycle of decline identified in the Case for Change.

Delivery



6.1.35 Establishing any new bus company can be a relatively quick and straight-forward process – obtaining the legally-required Operator's Licence from the Scottish Traffic Commissioner is a tried-and-tested application process, and provided that suitable operating base, maintenance and management procedures are in place can be expedited quite quickly.

6.1.36 However, the context of establishing a commercial enterprise under public sector control will require careful scrutiny by decision-makers, underpinned by a robust business case and operating plan. This may take some time to achieve, although it might be possible to partially run this governance in parallel with the Operator's Licence application process. Indicatively, this might require up to a year to establish a "challenger" municipal bus company.

6.1.37 The option to directly acquire an existing operator is obviously only relevant in the event that an operator is available for sale. To expedite that process, internal discussions to establish the public sector's appetite for such an acquisition and any likely impediments can be undertake in advance of acquisition opportunities, alongside the necessary discussions with local transport authority Treasurers to identify sources of funding – having the maximum available funding envelope agreed in advance will help to expedite the early phases of decision-making should an opportunity for acquisition arise.

6.1.38 Once an acquisition target is identified, the process of due diligence, developing a suitable business case and securing the finance and approvals is likely to take some months (dependent on the scale of the acquisition). From our experience for a municipal bus

company acquisition in England[64], we would estimate something in the order of six months for a small acquisition (circa 25-30 buses) – larger acquisitions should be expected to take longer.

Conclusion: Moderate consideration

6.2 Affordability

Affordability – the scale of the financing burden on the promoting authority and other possible funding organisations and the risks associated with these. The level of risk associated with an option's ongoing operating or maintenance costs and its likely operating revenues (if applicable).

6.2.1 Additional commentary on the financial risks and uncertainties is provided in Chapter 7.

Business as Usual

6.2.2 This replicates the status quo for those council areas who have not agreed a voluntary partnership. As such its affordability places no additional financial burden on any transport authority. However, as we showed in the Case for Change, reductions to the scale of commercial bus operations in parts of the SPT area has resulted in a significant increase in the cost of subsidised services which fill the gaps left by private sector operators, making the long-term extent of the existing network unaffordable without actions which help reverse the cycle of decline.

6.2.3 As already noted, preserving the status quo (i.e. the baseline service) is dependent on the ability of Transport Scotland, SPT and local councils to continue existing levels of funding in real terms, predominantly in terms of revenue account spending. Given the challenging current situation regarding public sector finances, and specifically support for local bus initiatives, it is uncertain that funding will be maintained at current levels in real terms. Thus, the affordability of preserving the existing Business as Usual situation within existing budgets is also uncertain, and any reduced funding for the bus sector will inevitably continue the cycle of decline identified in the Case for Change.

6.2.4 When we undertook the initial scoping work about the application of the 2019 Act, we estimated that bus operators in Strathclyde had an operating profit of circa £35m on turnover of circa £277m (12% operating margin). This represented the position immediately prior to the COVID pandemic. Updated analysis in our cost and demand models for this appraisal suggests that the position has since deteriorated – even with increased levels of spending by SPT on subsidised bus services, we now estimate that in aggregate the bus sector in Strathclyde may be loss-making, with an operating deficit of £17m per annum on turnover of £272m (-7% operating margin). As this situation cannot be sustained beyond the short term, the private sector operators are likely to continue a contraction in their operations, resulting in either:

- a reduction in operated in geographical coverage, frequency of operation and/or comprehensive timetables by time of day/day of week; and/or
- a continued increase in fares in real-terms; and/or

[64] SYSTRA confidential study in 2020

- a further increase in the need for SPT to fund subsidised services, which we estimate could cost an additional £30m per annum to stabilise the current situation.

6.2.5 This situation is set out in Table 41.

Conclusion: Minor consideration

Voluntary Partnership

6.2.6 A voluntary partnership requires an agreed quid pro quo between public and private sector partners. Whilst both partners may offer commitments which are funded from their existing activities or through some form of "match in kind", delivering any meaningful change via a partnership will inevitably require some or all partners to commit to additional spending. There is no common blueprint for a partnership, but most typically they involve the public sector partner providing additional bus infrastructure matched by commitments of equivalent value from the operators (e.g. providing quality enhancements or enhanced services).

6.2.7 At this stage, the scale of such commitments is unknown, but the nature of voluntary partnership tends to preclude ambitious projects, so financial commitments are likely to be relatively small, and therefore more readily affordable than larger, ambitious schemes.

6.2.8 However as mentioned previously, successful future partnerships will rely heavily on availability of finance to support the underpinning bus network and pay for the agreed enhancements and investments. Given the challenging current situation regarding public sector finances, and specifically support for local bus initiatives, it is uncertain that funding will be maintained at current levels in real terms. Thus, the affordability of delivering on partnership commitments is also uncertain, and reduced funding for the bus sector will inevitably continue the cycle of decline identified in the Case for Change.

Conclusion: Moderate consideration

Bus Service Improvement Partnership (BSIP)

6.2.9 BSIPs place a partnership on a statutory basis, making it more difficult to repudiate the commitments, and applying the terms of those commitments to all operators in the defined area whether they have agreed them or not (subject to the objections process). It can therefore give considerably greater certainty than either a Business as Usual situation or a voluntary partnership, and may help to support more ambitious aspirations for local bus enhancements.

6.2.10 There is no common blueprint for a partnership, but similar arrangements (Enhanced Partnerships) in England have involved the public sector partner providing additional bus infrastructure and/or targeted financial support for specific initiatives matched by commitments of equivalent value from the operators (e.g. providing quality enhancements, enhanced services or targeted ticketing products).

6.2.11 At this stage, the scale of such commitments is unknown but to deliver the aspirations of stakeholders under this regional bus strategy they are likely to feature more ambitious projects, so financial commitments are likely to be higher than under voluntary partnerships, thereby posing financial challenges for both public and private sector partners. The ability of the transport authority to compel operators to comply (in certain circumstances) may even impose affordability burdens on operators who are unwilling participants in the partnership (e.g. because they feel they are unlikely to benefit from the initiatives or are unable to fund the necessary investment) – ultimately, affordability may force them to withdraw from the market.

6.2.12 As with Business as Usual, successful future BSIPs will rely heavily on availability of finance to support the underpinning bus network and pay for the agreed enhancements and investments. Given the challenging current situation regarding public sector finances, and specifically support for local bus initiatives, it is uncertain that funding will be maintained at current levels in real terms. Thus, the feasibility of delivering on partnership commitments is also uncertain, and reduced funding for the bus sector will inevitably continue the cycle of decline identified in the Case for Change.

6.2.13 Nevertheless, we have adopted a suggested definition for the components of a future BSIP, with associated costs and revenues referred to throughout this report. The net cost of these proposals would not be achievable within existing budgets, and would require both new (or retargeted) capital investment and new (or retargeted) funding for operators and authorities. Whilst the sums involved are relatively modest, in the current financial climate they will likely pose challenges of affordability.

6.2.14 The likely overall cost is set out in Table 41.

Conclusion: Major consideration

Franchising

6.2.15 Introduction of a form of franchising requires a complete adjustment to the status quo. There are a wide variety of potential franchising models, typically involving decisions regarding:

- definition of the franchise area –
  - part of a council, a single council, contiguous groups of councils, or the whole SPT region;
- division of revenue risk between public and private sectors –
  - the transport authority may take responsibility for specifying all fares, accepting the associated risk between fares, passenger volumes and revenue collected, or
  - the transport authority may transfer this risk to the contracted operators, accepting that this will offer less control over fares; and
- division of operational responsibilities between public and private sectors –

- the transport authority may take on responsibility for providing certain key equipment and infrastructure – in some authorities, this includes providing some/all of the bus fleet, depots, onboard equipment, etc, or
- the transport authority may transfer some or all of these responsibilities to the contracted operators, subject to meeting certain minimum specifications.

6.2.16 The decisions outlined above (and many other more detailed decisions) will influence the overall cost of the franchising programme and the administrative burden; it will also impact the balance between current and capital account funding in the public sector.

6.2.17 For example:

- a small franchise covering just part of a council area is likely to be more affordable than an ambitious one for the whole region;
- if the transport authority accepts revenue risk, then it becomes exposed to fluctuations in passenger volumes (and therefore revenue) whilst still being committed to contract payments to operators, and will have to take on responsibility for commercial development of the network (e.g. publicity, information, market research, data monitoring, planning, etc); or
- if the transport authority provides vehicles, infrastructure or equipment then it takes on the risks associated with procuring those assets and will need access to sufficient capital investment and internal capability to deliver the programme.

6.2.18 At this stage it is not possible to judge the impact of these decisions, but as with previous options successful future franchises will rely heavily on availability of finance to support the underpinning bus network and pay for the desired enhancements and investments. Given the challenging current situation regarding public sector finances, and specifically support for local bus initiatives, it is uncertain that funding will be maintained at current levels in real terms. Thus, the affordability of delivering on franchise commitments is also uncertain, and the level of risk transferred to the public sector will require securing a contingency to allow for fluctuations in the market place (e.g. unforeseen reductions in passenger volumes). Reduced funding for the bus sector will inevitably continue the cycle of decline identified in the Case for Change.

6.2.19 Nevertheless, we have adopted a suggested definition for the components of a future franchise, with associated costs and revenues referred to throughout this report. The net cost of these proposals would not be achievable within existing budgets, and would require both new (or retargeted) capital investment and new (or retargeted) funding for operators and authorities. The sums involved could be considerable (e.g. the cost of funding certain affordable fare initiatives), and in the current financial climate they will likely pose challenges of affordability.

6.2.20 There is also an associated cost associated with developing franchise proposals. In the Glasgow & Strathclyde Transport Act Scoping Study, drawing on evidence from English authorities pursuing the franchising option (under different legislation), we estimated that it may cost £15m to develop and procure a Strathclyde-wide franchise model.

6.2.21 Whilst we acknowledge that delivering the ambition for a world class bus network may be achievable under most of the delivery models available, it is most feasible through

some form of franchising as this gives the transport authority control over all the key decisions. While the figures are inevitably very broad estimates that require further work to refine them, we consider that a £300m capital investment fund, an additional £55m per annum of revenue funding and retention of £21m of NCTS reimbursement is required to create conditions in which the region can achieve a world class bus network.

6.2.22 These levels of capital and revenue finding are likely to pose significant challenges of affordability.

6.2.23 The likely overall cost is set out in Table 41. This highlights the current estimated baseline position, alongside a stability position which acknowledges the likely need to increase public sector funding to maintain current levels of service, fares and coverage; and also the financial implications of the minimum and ambitious initiatives associated with BSIP and Franchising. In addition, we have indicated the implied subsidy cost per passenger for each scenario, which can be contrasted with the cost of subsidising ScotRail services in Scotland (£2.55 per passenger carried in the financial year 2019-20, excluding costs for operating, maintaining and renewing rail infrastructure)[65].

Table 41. Comparative Revenues & Costs

		millions			
		Base	Stability	BSIP	Franchising
Base	Revenue	£122	£122	£122	£122
	Cost	£275	£275	£275	£275
Level of Service Initiative	Revenue			£16	£40
	Cost			£30	£65
Affordable Fares Initiative	Revenue			-£24	-£39
	Cost			£0	£0
Quality Initiatives	Revenue			£4	£5
	Cost			£3	£3
Non Farebox Income		£119	£119	£141	£156
SPT Supported Services Budget		£14	£14	£14	£14
Future Additional SPT Subsidy Requirement		£0	£33	£50	£58
Total Operators Revenue		£255	£288	£322	£356
Total Cost to Operators		£275	£275	£308	£342

[65] Scotrail, Detailed Assessment, https://www.scotrail.co.uk/about-scotrail/fit-future/detailed-assessment

Profit Margin	-8.0%	4.4%	4.3%	3.9%
Kms	*81*	*81*	*90*	*105*
Passengers	*118*	*118*	*142*	*161*
Subsidy per passenger	*£ 0.22*	*£ 0.50*	*£ 0.54*	*£ 0.54*

Conclusion: Major consideration

Municipal Bus Operator

6.2.24 The 2019 Act reintroduces the potential for transport authorities to establish their own "municipal bus company".

6.2.25 As described above, a municipal bus company might be established on the foundation of an existing in-house operation, or as a new stand-alone operator. In either situation, the shareholder(s) would need to provide initial start-up capital investment (vehicles, depot, onboard equipment) and operational support (suitably qualified managers, drivers, maintenance staff, etc); there is likely to be the need to support an initial business plan which loses money whilst the municipal bus company establishes itself successful in the market.

6.2.26 Under all except the franchising model, the municipal bus company could compete on-the-road for business as an aggressive commercially-focussed operator, attempting to drive existing operators from the market in a way that was seen in a number of towns and cities after bus deregulation in the 1980s, but this is not considered credible not least because the cost of such competition is likely to be unaffordable.

6.2.27 Alternatively, the municipal bus company could target niche activities: tendering for subsidised services or providing socially-necessary services that are not attractive to larger commercial operators, but there is a high risk of low profit margins on such activities, and any failure to achieve targeted revenue is likely to make continued operation unaffordable.

6.2.28 With franchising, then a municipal bus company could compete against private sector operators for the public service contracts. All contractors will reduce their exposure to risk under such conditions, as many risks are transferred to the transport authority; and as discussed in section 2.6, in certain circumstances there may even be the potential for direct awards of contracts to the municipal bus company. This probably represents the lowest risk option for the municipal bus company shareholder(s) and is likely to be most affordable – but the timescale for delivering a franchise model is extended and uncertain. A municipal bus company established before the transition, would still be exposed to market risks and may be potentially unaffordable.

6.2.29 Finally, there remains the option of a local transport authority acquiring an existing private sector business. As we set out in the Glasgow & Strathclyde Transport Act Scoping Study:

Opportunities for such acquisition might arise when firms begin to struggle financially and their owners are open to a sale. Or it may be that the Council resolve to acquire bus company operations as a going concern using the financial resources available to it to buy out the current owners – prudential borrowing may be a source for such an acquisition. There is no precedent for taking this course of action so the cost of acquiring these businesses is unknown.

As a broad indication, Go Ahead Group … paid £11.2m to acquire a bus operation of 160 buses from First Group in Manchester, which would indicatively value the whole bus sector in the Glasgow & Strathclyde region at £110m. However, the First Manchester operation required significant additional investment to enhance its quality after years of delayed fleet renewal; a more accurate indication might be the value of circa £450m placed on Stagecoach Group as part of the intended merger with National Express – this would suggest a market value in excess of £200m for the bus sector in the Glasgow & Strathclyde region.

6.2.30 In conclusion: a modestly-sized municipal bus company could be established using existing facilities for a small capital investment plus some start-up revenue funding; thereafter it would be expected to trade profitably in the prevailing market conditions. A start-up on this scale might be affordable from existing financial resources. Establishing a larger "challenger" municipal bus company would require proportionately greater finances, and introduces significantly greater risk, posing challenges for affordability. Acquisition of an existing operator could be expensive for the larger operators, but dependent on the business case and the trading position of the acquisition it could be affordable if sufficient finance can be raised to fund the acquisition.

Conclusion: Moderate consideration

6.3 Public Acceptability

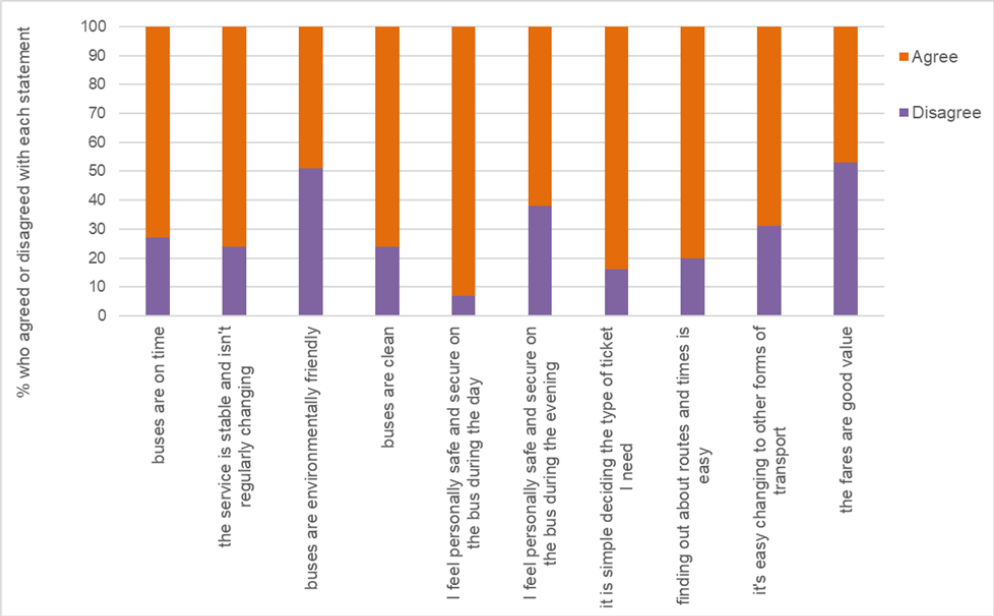
Public Acceptability – the likely public response is of importance at this initial appraisal phase and reference to supporting evidence, for example results from a consultation exercise should be provided where appropriate.

Introduction

6.3.1 As we mentioned in the Case for Change:

Satisfaction amongst the general public with bus services has also decreased over the last decade, down from 75% in 2012/13 to 68% in 2019/20.8 This increased slightly in 2021/22 to 72% although again this figure reflects a time when the network was still in a COVID recovery phase.

The Scottish Household Survey asks bus users about whether they agree or disagree with a range of statements about their bus services, and the results from 2019 are shown below.



Adults (16+) who used a local bus services in the past month, percentages who agreed with each statement (Scottish Household Survey 2019)

For all aspects except safety and security during the day, ticketing simplicity and service information, there is a substantial minority (>20%) or indeed a majority who disagree with these statements. Over half of bus users do not think the fares are good value or that their buses are environmentally friendly.

Public Consultation undertaken during the development of the RTS asked what the issues and challenges were that stopped people from using public transport. The most noted response was the lack of direct services, followed by service frequencies, the cost of fares, reliability and the longer journey time compared to the same trip by car.

Reflecting this, the things which were noted that would encourage modal shift from the car were more suitable services, faster public transport journeys, improved frequency of services and service reliability and more direct services….[66]

6.3.2 Public acceptability is therefore a key requirement for the future success of the regional bus strategy and its associated interventions.

Business as Usual

6.3.3 As extensively articulated in the Case for Change report, public satisfaction with bus services in the SPT region is below aspirations and reflected in continued erosion of passenger volumes. It is therefore extremely unlikely that Business as Usual will increase public acceptability of the existing situation as it implies no change, and we would anticipate continued decline in passenger volumes as set out in the Case for Change.

Conclusion: Moderate negative consideration

[66] Strathclyde Regional Bus Strategy – The Case for Bus Reform: The Bus Network in the SPT Region – Recent Trends

Voluntary Partnership

6.3.4 There is no evidence that public satisfaction is significantly higher in the existing voluntary partnership areas than those without a partnership. Significant enhancements to the region's bus services are unlikely under this option, and therefore it is extremely unlikely that voluntary partnership will increase public acceptability of the existing situation as it implies limited change, and we would anticipate continued decline in passenger volumes as set out in the Case for Change.

Conclusion: Moderate negative consideration

Bus Service Improvement Partnership (BSIP)

6.3.5 BSIPs place a partnership on a statutory basis, making it more difficult to repudiate the commitments, and applying the terms of those commitments to all operators in the defined area whether they have agreed them or not (subject to the objections process). It can therefore give considerably greater certainty than either a Business as Usual situation or a voluntary partnership, and may help to support more ambitious aspirations for local bus enhancements.

6.3.6 As flagged already, there is no common blueprint for a partnership, but similar arrangements (Enhanced Partnerships) in England have involved the public sector partner providing additional bus infrastructure and/or targeted financial support for specific initiatives matched by commitments of equivalent value from the operators (e.g. providing quality enhancements, enhanced services or targeted ticketing products).

6.3.7 At this stage, the scale of such commitments is unknown but to deliver the aspirations of stakeholders under this regional bus strategy they are likely to feature more ambitious projects. We have adopted a suggested definition for the components of a future BSIP, with associated costs and revenues referred to throughout this report.

6.3.8 It is therefore likely that public acceptability will be higher through the components of a BSIP than voluntary partnership or Business as Usual.

Conclusion: Moderate positive consideration

Franchising

6.3.9 Introduction of a form of franchising requires a complete adjustment to the status quo. There are a wide variety of potential franchising models as set out above. We have assumed that franchising will support the delivery of an even more ambitious programme than under a BSIP.

6.3.10 It is therefore extremely likely that public acceptability will be highest through the components of a franchise than under BSIP, voluntary partnership or Business as Usual.

Conclusion: Major positive consideration

Municipal Bus Operator

6.3.11 A municipal bus company will operate within the prevailing delivery model, and therefore most of any benefits to the public will be driven by the level of ambition embodied by that option, as set out above.

6.3.12 It is possible, however, that a municipal bus company will be able to better target the aspects of customer satisfaction which are most important to existing and potential bus users. There is some evidence from Transport Focus customer satisfaction research[67] that municipal bus companies may deliver higher satisfaction than their private sector equivalents, but there was no consistent picture from the research and as bus markets are uniquely localised it is difficult to draw conclusions about cause and effect. Enhanced benefits for passengers can only be delivered by a municipal bus company within the constraints of its finances and a requirement to operate in a financially sustainable fashion.

6.3.13 We would therefore conclude that it is possible that there could be a slight improvement to customer satisfaction delivered through a well-run municipal bus company, possibly resulting in greater public acceptability for its services.

Conclusion: Minor positive consideration

[67] For example: https://d3cez36w5wymxj.cloudfront.net/wp-content/uploads/2020/03/08184047/Bus-passenger-survey-autumn-2019-main-report.pdf

7. RISK AND UNCERTAINTY

7.1 Introduction

7.1.1 Additional guidance on Risk and Uncertainty will be included in the upcoming update to the STAG Technical Database, which is not yet available. We have therefore adopted the Deliverability and Risks approach set out in the PAF tool, but extended it to include other significant risks and uncertainties identified throughout the appraisal.

7.1.2 The initial assessment using PAF is shown in Table 42.

7.2 Risk Matrix

7.2.1 We have then expanded the Risk and Uncertainty assessment to examine specific risks associated with the options, and an outline of the potential mitigations available. This will help to highlight the strengths and weaknesses of each approach to bus service delivery reform.

7.2.2 The resulting risk matrix is shown in Table 43

7.3 Financial Risk

7.3.1 Delivery reform options may involve significant changes to financial flows between the various delivery agents compared to present – and with those changes, will come a revised distribution of financial risk. These changes are summarised in the simplified graphics in Figure 20, with public sector risk highlighted in red.

Table 42. Deliverability and Risk Assessment

DELIVERABILITY AND RISKS			OPTION 1 - BUSINESS AS USUAL	OPTION 2 - VOLUNTARY PARTNERSHIP	OPTION 3 - BSIP	OPTION 4 - FRANCHISING	OPTION 5 - MUNICIPAL BUS COMPANY
Issue	**Assessment criteria**	**Methodological Notes**					
Deliverability and Acceptability Risks	Engineering feasibility risk	Difficult or new, unproven design and/or techniques. Also consider surrounding environment	Low	Low	Low	Low	Low
	Complexity of delivery (risk)	Many modes, contractors, stakeholders etc. involved. Complexity of interface and third-party involvement gives high score	Low	Low	Low	Medium	Low
	Consent risk	Legal and planning issues, specially applied where planning approval or powers are required	Low	Low	Low	Medium	Medium
	Funding risk	Availability of funding. High risk if unsure or not fully secured funding.	Low	Low	Medium	High	Medium
	Stakeholder acceptability risk	Consider TS, operators, interest group, mobility / visual / hearing impaired etc.	Low	Low	Low	High	Medium
	Public acceptability risk	Also consider disruption during construction phase and affordability.	Low	Low	Low	Low	Low
	Overall deliverability risk	Judgment based on above assessment or all risks.	Low	Low	Low	Medium	Medium

DELIVERABILITY AND RISKS			OPTION 1 - BUSINESS AS USUAL	OPTION 2 - VOLUNTARY PARTNERSHIP	OPTION 3 - BSIP	OPTION 4 - FRANCHISING	OPTION 5 - MUNICIPAL BUS COMPANY
Complexity of Operation	Complexity of operation (risk)	Operational complexity with regards to use of existing/new skill sets, technology and activities. Also consider effect on current operations.	Low	Low	Medium	High	High
Affordability and Financial Sustainability	CAPEX	Also consider spending profile.	< £5m	£10m < £50m	£10m < £50m	£10m < £50m	< £5m
	OPEX per annum	Operation and maintenance costs. Costly / difficult maintenance or need for bespoke renewals. Also consider effects on ongoing maintenance. Effects on operating costs for both the public and private sector (e.g. freight operators) should be considered a	£1m < £2m	£1m < £2m	£2m < £5m	> £50m	£10m <£500m
	Revenue implications per annum	Effect on cash flows.	Low	Low	Medium	High	Medium
	Funding potential within TS budget		Low	Low	Medium	High	Medium
	Funding potential with private finance, e.g. via S75, securitisation of revenue, and SG	How much of the costs can potentially be funded by private finance?	Shared costs with private sector	Shared costs in partnership with private sector	Shared costs in partnership with private sector	Negligible private sector funding potential	No private sector funding potential
Timescales	Timescale for delivering the changes	Short-term, Medium-term or Long-term	Short-term	Short to Medium-term	Short to Medium-term	Medium to Long-term	Medium to Long-term
	Program risk	Risk of slippage in timescales	N/A	Some risk, mitigated by low ambition	Some risk, mitigated by modest ambition	High risk due to uncertainty of process	High risk due to uncertainty of process

Table 43. Risk Matrix

IDENTIFIED RISKS	PROBABILITY	IMPACT	MITIGATION MEASURES
Business as Usual			
Public perception of the status quo is poor (only 16% of people responded favourably in a survey by Glasgow City Council in 2021)			Effectively rule out 'business as usual' as an option, with a view to pursuing either partnership, franchising or municipalisation
Private operators would continue to make decisions affecting access to transport based on commercial discretion			Evaluate how tools already at the disposal of local transport authorities (e.g. planning, density etc.) can be used to design an environment in which services are easier and more economical to operate
Individual operators are not yet fully integrated with each other (or with other modes) in terms of ticketing, timetables etc. and may be reluctant to 'share' any more of the pie, preferring to concentrate on selling their own products instead			Basic integration is already possible without structural reforms, and examples already exist in parts of the SPT area, which could be scaled up to benefit the entire region
Public transport would remain a political 'football'			Robust engagement between operators, local transport authorities, and elected officials to address passengers' concerns
Four local transport authorities (Argyll and Bute; East Ayrshire; North Ayrshire; and South Ayrshire) which come under SPT but not the Glasgow City Region, and are therefore excluded from the current voluntary partnership			Consider an expanded voluntary partnership which covers the entire SPT area, not just Glasgow City Region (*see 'Voluntary Partnerships' below*)
Voluntary Partnerships			

IDENTIFIED RISKS	PROBABILITY	IMPACT	MITIGATION MEASURES
Glasgow City Region is a recognised entity by the UK and Scottish Governments for funding purposes; the addition of non-GCR areas may lead to complications with future bidding/spending			SPT is also a recognised entity for transport planning purposes; lobby the UK and Scottish Governments to align GCR with SPT, or design future bidding/spending to take account of discrepancy
Voluntary partnerships do not carry the same statutory weight as BSIPs for the purposes of funding or policy influence			Consider scaling up the existing Glasgow City Region Bus Partnership (*see 'BSIPs' below*)
Bus Service Improvement Partnerships (BSIPs)			
BSIPs, as defined under the Transport (Scotland) Act 2019, are a new concept			Historic 'quality partnerships' and the successful deployment of BSIPs and associated Enhanced Partnerships in England provide a credible blueprint to build on
Politically, the notion of 'throwing money' at the status quo with marginal structural reform may be unpopular			Incorporate a rigorous accountability procedure into the terms of the BSIP, or consider more significant structural reforms (*see 'Franchising'* and '*Municipal Bus Company*' below); incorporate mandate for operators to reinvest profits above a certain level in priorities co-agreed by BSIP partners to effectively 'pay back' investment from the public purse
BSIPs are voluntary schemes which operators would have the right to withdraw from			Ensure commitments are the product of genuine consensus to secure the long-term buy-in of all stakeholders
Promoting integrated ticketing as an additional (or secondary) option to single-operator ticketing undermines convenience by adding complexity; it also often incurs a premium charge which undermines attractiveness			Consider making simplified, integrated ticketing the norm as a replacement for single-operator ticketing, with pricing pitched at stimulating demand

IDENTIFIED RISKS	PROBABILITY	IMPACT	MITIGATION MEASURES
Ticketing incentives (especially involving single fares) carry the risk of undermining revenue from concessionary reimbursement rates			Lobby Scottish Government for permission to de-couple concessions from special fares (at least temporarily) whilst trials are underway
Franchising			
SPT would assume the commercial risks associated with running local bus services in Greater Glasgow, including the same need to balance the books; pre-Covid profitability has all-but evaporated due to depressed demand and higher costs			Assemble a competent franchise authority team (likely comprising former staff from legacy operators whose functions transfer from operators to authorities with franchising) to take decisions like a business would in a commercial context, and involve operators in a continuous feedback/improvement process
Scottish Government has cut the capital budget by 10%, including reducing support for SPT to 'zero' and pausing Bus Partnership Fund spending; there are no additional funding sources immediately available to subsidise lower fares, expanded network coverage etc.			A consolidated farebox would underpin business case to Scottish Government for subsidy, pending political recognition that public transport is a service which does not necessarily need to make a profit; lobby Scottish Government to consolidate various funding streams into a single pot which is more efficiently allocated
Long lead-in times (and high costs) associated with tendering and mobilisation processes			As more regions pursue franchising (TfL well-established, TfGM underway and others to follow), study and adopt best practice to maximise efficiency and effectiveness
Process of developing franchise proposals, undertaking statutory procedures (including assessment) and independent review, and then transitioning to new arrangements creates considerable uncertainty for existing operators who may scale back investment and focus on short-term exploitation of commercial opportunities			Engage with existing operators to identify how to offer stability during the planning and transition period, and how the franchise process can be shaped to support for continued investment (e.g. assurances on asset transfer values)

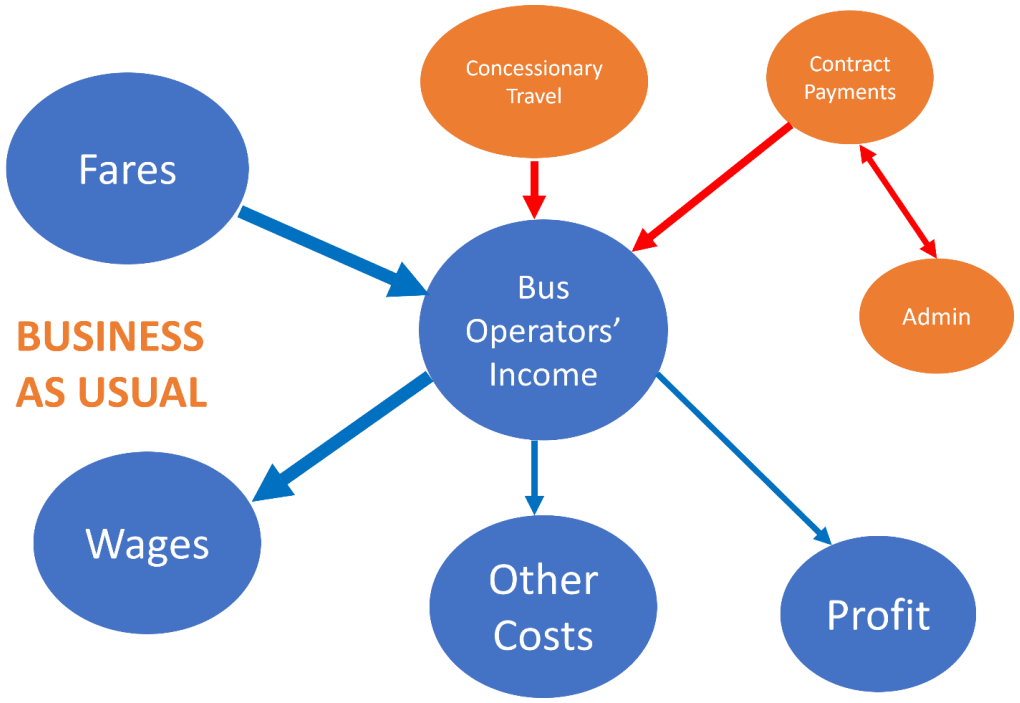
IDENTIFIED RISKS	PROBABILITY	IMPACT	MITIGATION MEASURES
2019 Act requires approval for Franchising from an independent panel – this is an untested concept in Scotland, but similar to Quality Contract (QC) provisions under previous English legislation which resulted in rejection of the only QC proposal taken forward			Develop robust evidence base including a transparent option assessment process, with opportunities for stakeholders to comment and input throughout the process. Carefully test the credibility of messaging for a lay audience regularly.
TfGM is the only precedent in the UK for introducing franchising from a standing start of privatisation, and still a work in progress			SPT could ride in TfGM's slipstream: emulate successes and learn from shortcomings; treat as a real-time, real-world case study
Changing the model of ownership/operation will not immediately address challenges such as congestion, priority, recruitment, and concessionary reimbursement			SPT control would presumably incentivise authorities to prioritise local spending now that they would have more 'skin in the game'; and SPT could lobby Scottish Government to unlock money from the Bus Partnership Fund, as infrastructure spending will be critical regardless of which model is eventually chosen; concessionary reimbursement rates need regular review as ~60% of patronage and ~70% of revenue is directly affected by the scheme
Expanding SPT's remit from ancillary support to direct oversight would further strain limited capacity/resources			Personnel expansion would be necessary to carry out additional functions to a standard commensurate with political aspirations
If SPT attempts to penalise operators for poor performance, operators may appeal because factors beyond their control account for most delays and disruption, thus undermining SPT's rigour as an enforcement authority			Refer again to measures around local transport authority spending and lobbying Scottish Government to unlock the Bus Partnership Fund; or commit to investing farebox profits in certain infrastructure projects
Public sector does not traditionally have the same appetite for risk or commercial experimentation as private sector			Develop a mechanism for 'rapid prototyping' whereby operators are encouraged to think creatively and support SPT in the design and development of services; assess the appetite for localised loss leaders to test/prove concepts

IDENTIFIED RISKS	PROBABILITY	IMPACT	MITIGATION MEASURES
Under franchising (compared to an MBC), not all management functions would necessarily transfer from operator to authority, so there would be challenges for recruitment in an industry which is already 'small', and operators would want to retain talent			Clearly define where functions belong between operators and the authority to ensure people are suitably deployed; consider ideas like job-sharing and secondments to maximise use of talent and time
Depending on structure of awarding franchises (i.e., in zonal tranches), operators could experience a temporary state of flux in terms of asset displacement and staff TUPE, potentially delaying implementation with longer lead-in times, and changes to network coverage can only be made once transition is complete			SPT could undertake an expedited assessment to prepare for a 'transitional franchise' in which incumbent operators carry on as normal, but SPT assumes official control (including ownership of assets such as vehicles and depots, plus responsibility for staff); throughout the course of this 'transitional franchise' (e.g. 4-5 yrs.), collaborate with incumbent operators to redesign network and implement changes in the next round of tendering – including freeing up costs/resources by removing duplication and allowing cross-subsidy by packaging strong/weak routes together
Some operators use different systems and equipment, requiring investment in standardisation, training etc.			There are relatively few operators in the region, and two of the largest already use the same ETMs, for example, so standardising is doable – and would be a one-time effort
Introducing system-wide digital platforms required technical expertise; risk of functionality taking a backwards step from status quo (as was initially the case in Manchester's first tranche)			As with service delivery itself, outsource other elements such as digital platforms to specialist providers rather than assuming it could/should be done in-house
Municipal Bus Company			

IDENTIFIED RISKS	PROBABILITY	IMPACT	MITIGATION MEASURES
SPT would assume the commercial risks associated with running local bus services in Greater Glasgow, including the same need to balance the books; pre-Covid profitability has all-but evaporated due to depressed demand and higher costs			Assemble a competent managerial team (likely comprising former staff from legacy operators) with the experience and expertise to take decisions like business would in a commercial context, albeit governed by SPT's priorities as the principal share-/stakeholder; Lothian Buses exists as a model of a commercially-run operation which happens to be under municipal ownership
There are no additional funding sources immediately available to meet costs associated with 'buying out' legacy operators			A municipal operator could be set up to compete against legacy operators (rather than directly replacing them), but this would compound the commercial risks for SPT, depending on scale and scope (i.e., a fully-fledged system vs community transit)
Competing with legacy operators may trigger an unsustainable 'bus war', with no guarantee an MBC would survive			An MBC could be limited to an 'in-fill role' (i.e., running services where there is a social need); or SPT could transition towards an MBC by establishing one which competes with private operators for franchises and grows in a more 'protected' environment
Scottish Government has cut the capital budget by 10%, including reducing support for SPT to 'zero' and pausing Bus Partnership Fund spending; there are no additional funding sources immediately available to subsidise lower fares, expanded network coverage etc.			A consolidated farebox would underpin business case to Scottish Government for subsidy, pending political recognition that public transport is a service which does not necessarily need to make a profit; lobby Scottish Government to consolidate various funding streams into a single pot which is more efficiently allocated
A political decision to subsidise loss-making public transport, and removing profit, would impede investment and innovation			Further political intervention would be required not only to subsidise day-to-day costs, but also longer-term investments
SPT does not (currently) have the in-house expertise needed to operate local bus services directly			Depending on the scale of an MBC (i.e., whether it replaces or just competes with private operators), key staff may be available to

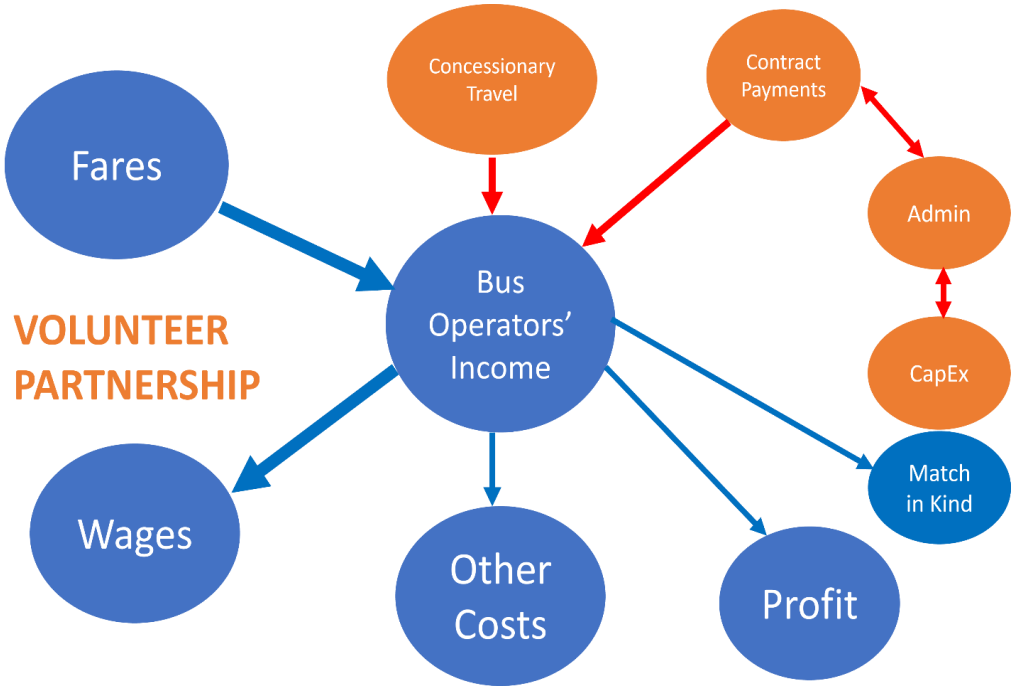
IDENTIFIED RISKS	PROBABILITY	IMPACT	MITIGATION MEASURES
			transfer straight away; otherwise SPT must prepare to offer competitive pay/conditions to attract talent
There is no precedent in the UK for creating a major MBC (post-1986), rendering this an as-yet untested concept			Lothian's long-standing success as a municipal operator (albeit never having been privatised) is a credible blueprint to build on
Some elected officials and advocacy groups present an MBC as a panacea to all challenges; SPT would 'own' any failure to deliver on political aspirations			A campaign of managing expectations and 'myth-busting' would clearly define what an MBC can deliver, and how long it would take for effects to be felt
Changing the model of ownership/operation will not immediately address challenges such as congestion, priority, recruitment, and concessionary reimbursement			SPT control would presumably incentivise authorities to prioritise local spending now that they would have more 'skin in the game'; and SPT could lobby Scottish Government to unlock money from the Bus Partnership Fund, as infrastructure spending will be critical regardless of which model is eventually chosen; concessionary reimbursement rates need regular review as ~60% of patronage and ~70% of revenue is directly affected by the scheme

Figure 20. Principal Financial Risks



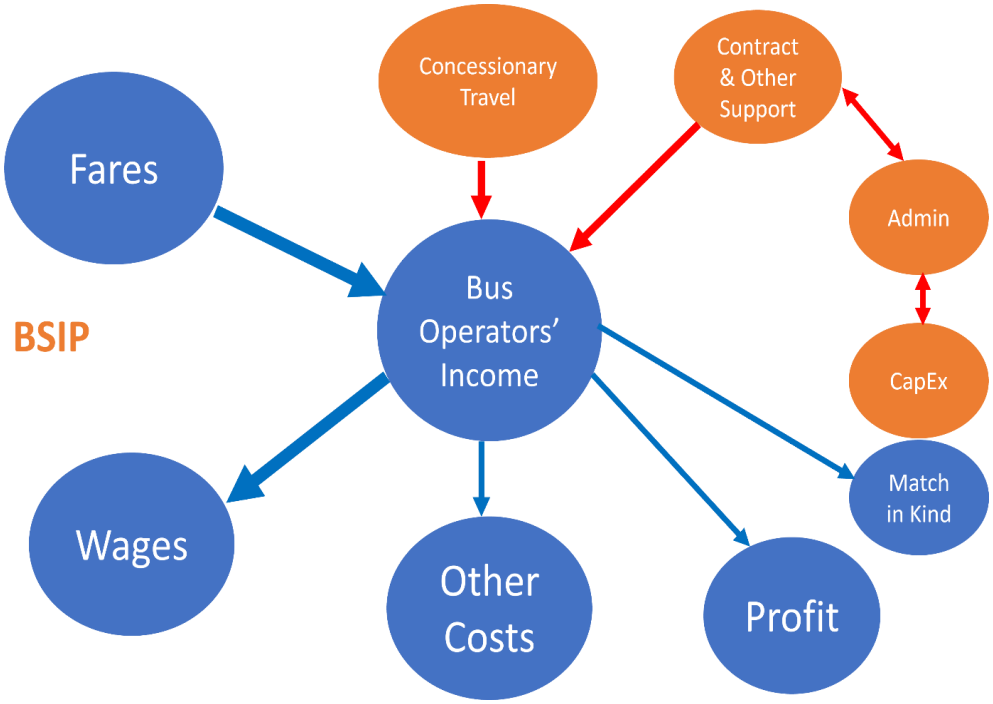
Business as Usual

- Most financial risk is borne by the Bus Operators
- They set fares and control wages and other costs in order to deliver the target profit for their shareholders/owners
- If passenger volumes fluctuate, then the balance between costs and revenues changes
- If revenue decreases and/or costs increase, then the Bus Operators have control over fares which they can raise to generate additional income
- The public sector has very limited influence over the Bus Operators' decision making
- Transport Scotland is obliged to reimburse Bus Operators for carrying concessionary travellers free of charge, and gears the risk associated with fluctuations in the volume of concessionary travellers
- SPT awards contracts for subsidised local bus services not provided by the commercial market, and pays Bus Operators the agreed contract value, which is generally on a "net cost" basis whereby the Bus Operators accept the risk of fluctuating revenue
- SPT has a finite budget for subsidised services, and thereby can control its spending
- The public sector incurs a modest administrative burden associated with discharging these duties



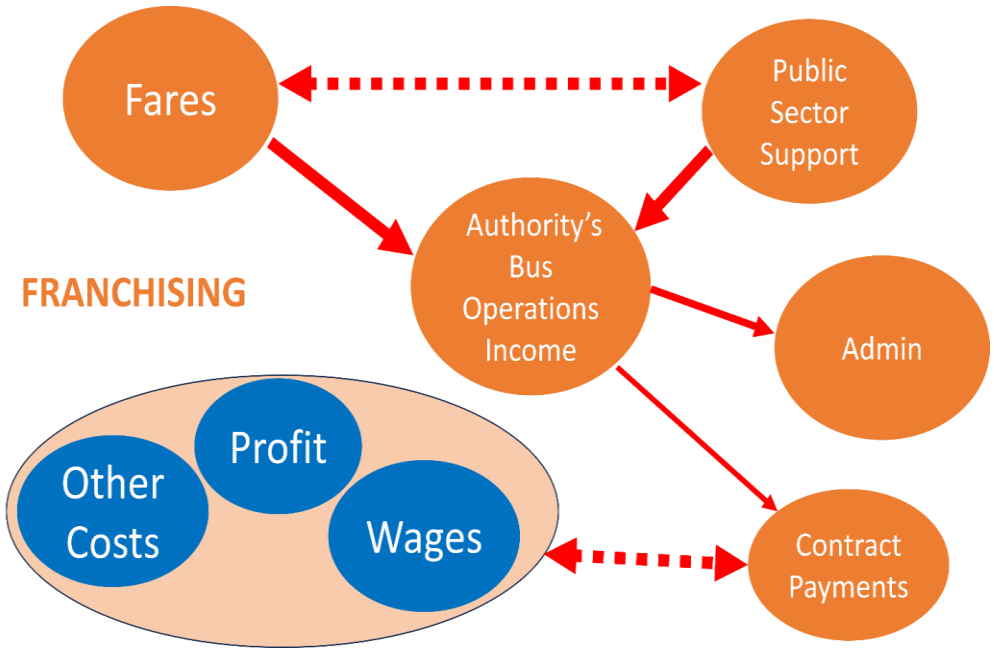
Voluntary Partnership

- Most financial risk is still borne by the Bus Operators
- The division of risks between private and public sectors remains largely as with Business as Usual
- However, the partnership agreement will specify some commitments from SPT and/or the relevant Council, in return for which the Bus Operator(s) will deliver "Match in Kind" commitments
- As the partnership is voluntary, any party to the agreement can adjust its commitments in a flexible manner (whilst accepting that this will most likely trigger a reduction in the other parties' commitments)
- This gives each partner flexibility to react to changing circumstances minimising risk – but also means that the commitments are difficult to enforce, uncertain, and likely to be relatively unambitious
- Bus Operators' commitments are only likely to be delivered if they appear likely to positively impact the volume of passengers carried and/or the level of operating costs – so that overall profit remains similar
- Concessionary travel reimbursement and contracts for subsidised local bus services are not usually impacted by a voluntary partnership



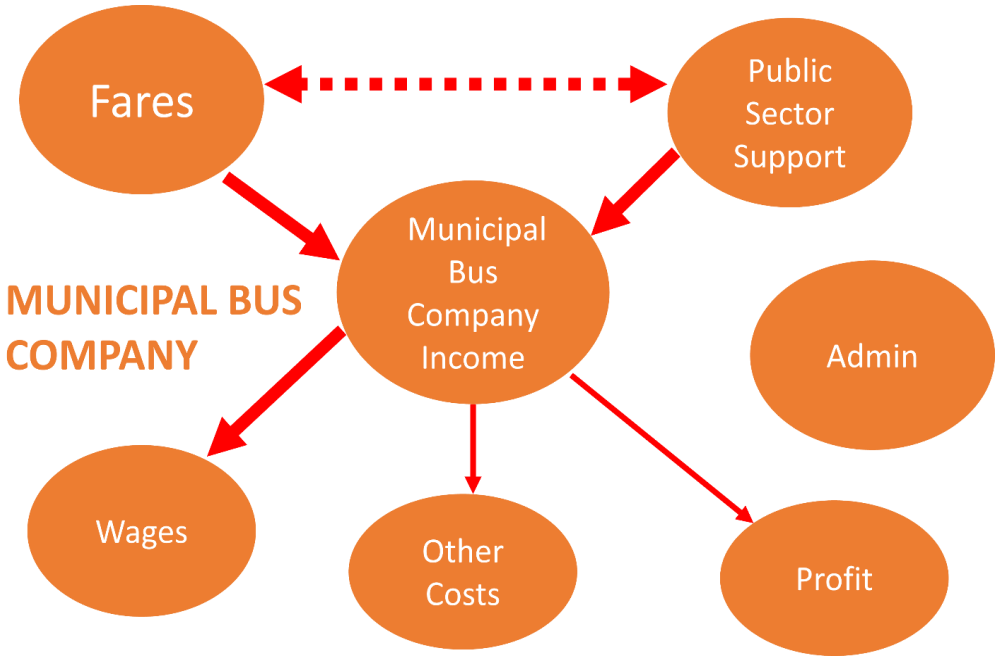
Bus Service Improvement Partnership (BSIP)

- Most financial risk is still borne by the Bus Operators
- The division of risks between private and public sectors remains largely as with Business as Usual
- However, the BSIP agreement will specify commitments from SPT and/or the relevant Council, in return for which the Bus Operator(s) will deliver "Match in Kind" commitments
- The public sector support may be through capital expenditure to assist bus operations, or might take the form of targeted funding of specific initiatives
- In return for expanded public sector financial commitments, it is anticipated that Bus Operators would offer expanded Match in Kind enhancements beyond those through a voluntary partnership
- As a BSIP is a statutory partnership, adjusting the commitments is more difficult and thus reacting to changed circumstances is constrained – this increases risk for both public and private sector partners
- Partners cannot be forced to agree an initial BSIP, but once agreed it can be applied to all Bus Operators – increases risk for the private sector, but also may increase the scale of commitments for the public sector
- Bus Operators' commitments are still only likely to be delivered if they appear likely to positively impact the volume of passengers carried and/or the level of operating costs – so that overall profit remains similar
- Other than as mentioned above, concessionary travel reimbursement and contracts for subsidised local bus services are not usually impacted by a BSIP



Franchising

- There are a variety of Franchising models which could be adopted, but under them all there is a significant transfer of risk to public sector
- If the franchising transport authority is taking revenue risk (which is likely, as this facilitates the delivery of affordable and integrated fares) then it will be exposed to fluctuating passenger volumes
- Contract payments will be fixed once the arrangements are entered into with the Bus Operators – they will be certain once agreed, but the level of future contract payments cannot be certain until contracts are signed, and they will include price variation mechanisms to reflect inflationary pressures
- The public sector will therefore have to accept the risk that if revenue decreases and/or costs increase, then they will need to adjust fares to generate additional income or increase the volume of financial support to maintain an equilibrium in financial flows
- The private sector contractors accept the risk of managing their operations within the agreed contract terms – but there remains a residual risk for the public sector that if contract terms prove undeliverable, the contractor may default and/or the tender prices may increase significantly in later rounds of competitions
- It is assumed that Transport Scotland (TS) would transfer an amount equivalent to Concessionary Travel reimbursement to the franchising authority, but future levels of funding from TS would pose an additional risk to the authority
- The burden of administering the franchise(s) and of delivering certain functions previously carried out by the private sector (e.g. service planning and marketing) now falls on the public sector – if inadequately delivered, failure of these functions will adversely impact the ability of the franchising authority to generate sufficient revenue



Municipal Bus Company

- This requires the publicly-owned company to operate in compliance with company law
- Financial risk is borne by the Municipal Bus Company, including for adequately controlling wages and other costs associated with the business
- The public sector incurs an administrative burden associated with discharging its duties as shareholder
- Under all except a Franchise model:
  - It sets fares and controls wages and other costs in order to deliver the target profit level (which might be a breakeven position after providing for future investment requirements)
  - If passenger volumes fluctuate, then the balance between costs and revenues changes
  - If revenue decreases and/or costs increase, then the Municipal Bus Company has control over fares which they can raise to generate additional income, with the agreement of its shareholders – if the municipal owners do not wish to increase fares, then alternative finance sources will be required
  - Transport Scotland is obliged to reimburse the Municipal Bus Company for carrying concessionary travellers free of charge, and TS bears the risk associated with fluctuations in the volume of concessionary travellers
  - SPT awards contracts for subsidised local bus services not provided by the commercial market, and pays the Municipal Bus Company the agreed contract value, which is generally on a "net cost" basis whereby the Municipal Bus Company accepts the risk of fluctuating revenue
  - SPT has a finite budget for subsidised services, and thereby can control its spending

	● Without the protection from competition offered (in certain circumstances) by a BSIP, the Municipal Bus Company will be open to market pressures from competing Bus Operators which could potentially erode its revenue base and destabilise its financial position (particularly if it pursues a low/zero profit business model) ○ In the event of operation under a Franchising delivery model, then: ● the Municipal Bus Company will have certainty of income via its contracts with the authority; but ● accepts the risk of managing its operations within the agreed contract terms, including adequately controlling wages and other operating costs

8. SENSITIVITY TESTS

8.1 Introduction

8.1.1 In addition to the core appraisals set out in earlier sections, sensitivity tests have been undertaken to understand the impact the options may have on improved in-vehicle journey times. These benefits would potentially be generated in different operating environments as a result of greater investment in bus priority measures and infrastructure, associated modal shift away from car to bus, and enhanced standards for vehicles, operations and network resilience. These impacts are discussed in section 5.5 under Economy.

8.1.2 In addition, sensitivity tests have also been applied to the quality factors applied in the appraisal of TPO3.

8.2 GJT elasticity test

8.2.1 Using a generalised journey time (GJT) elasticity[68] (a weighted average of commute and leisure trips) an estimated demand impact can be derived of improvements to in-vehicle time, with an assumption applied of in-vehicle time representing 50% of GJT. Generalised journey time (GJT) is a combined metric used in transport modelling to describe the full time cost of a journey including waiting time, walk time, in vehicle time and any interchange penalty. The walk and wait time are weighted by a factor of two to reflect the fact that passengers in general dislike these elements of a journey more than the time on the bus. The 50% in-vehicle time assumption is based on the fact that wait and walk times are weighted by two in the GJT calculation, whilst in-vehicle time is only weighted by one.

8.2.2 It is considered that, for the purposes of the appraisal, significant journey time improvements are most likely to be achievable on the radial corridors into Glasgow.

8.2.3 Assuming indicative journey time improvements of 5% and 10% for demand in these areas, which would represent GJT improvements of 2.5% and 5%, generates the additional demand and revenue presented in Table 44.

[68] Elasticity of bus demand to the change in generalised journey time. This is obtained from Transport for Greater Manchester's Bus Reform Assessment economic case which carried out a comprehensive review of evidence for bus elasticities and recommended values for use in the demand and revenue model used to assess their bus reform options. https://greatermanchester-ca.gov.uk/media/2390/01-economic-case-supporting-paper-web.pdf (Appendix 1)

Table 44. Demand impact of journey time improvements sensitivity test

INDICATIVE JOURNEY TIME IMPROVEMENT	ESTIMATED DEMAND INCREASE %	ESTIMATED ADDITIONAL TRIPS PER ANNUM	ESTIMATED ADDITIONAL REVENUE PER ANNUM
5%	2.8%	2.9m	£3m
10%	5.7%	6m	£6.2m

8.3 Quality factors

8.3.1 Additional sensitivity tests have been applied to the quality factors applied in the appraisal of TPO3. As noted in section 3.4, the proportions of total TAG values applied in the core appraisal were relatively conservative given the uncertainty regarding the scale of deliverability of these measures under each option and the guidance in TAG. Therefore, to test the impact of these quality factors, the proportions used have been increased.

8.3.2 Table 45 presents the proportions of quality factors assumed in the sensitivity test in **bold** and the values in the core appraisal in brackets. The results are presented in 0 in the same format.

Table 45. Quality factors sensitivity test – values used

QUALITY FACTOR	VOLUNTARY PARTNERSHIP	BSIP	FRANCHISING	MUNICIPAL OPERATIONS
Network identity	***10%*** *(5%) region-wide, 50% in East Renfrewshire and Argyll & Bute*	***10%*** *(5%) region-wide, 50% in East Renfrewshire and Argyll & Bute*	***20%*** *(10%) region-wide, 100% in East Renfrewshire and Argyll & Bute*	***10%*** *(5%) region-wide, 50% in East Renfrewshire and Argyll & Bute*
Ticketing	**10%** (5%) *region-wide, 50% in East Renfrewshire and Argyll & Bute*	**10%** (5%) *region-wide, 50% in East Renfrewshire and Argyll & Bute*	***20%*** *(10%) region-wide, 100% in East Renfrewshire and Argyll & Bute*	***10%*** *(5%) region-wide, 50% in East Renfrewshire and Argyll & Bute*
Interchanges and bus stops	*CCTV – **10%** (5%) region-wide* *New bus shelters – **10%** (5%) region-wide* *RTPI – **10%** (5%) region-wide*	*CCTV – **10%** (5%) region-wide* *New bus shelters – **20%** (10%) region-wide* *RTPI – **20%** (10%) region-wide*	*CCTV – **10%** (5%) region-wide* *New bus shelters – **30%** (15%) region-wide* *RTPI – **30%** (15%) region-wide*	*CCTV – **10%** (5%) region-wide* *New bus shelters – **20%** (10%) region-wide* *RTPI – **20%** (10%) region-wide*
Vehicles	***10%*** *(5%) of all values*	***20%*** *(10%) of all values*	***30%*** *(15%) of all values*	***20%*** *(10%) of all values*
Drivers	***20%*** *(10%) region-wide*	***20%*** *(10%) region-wide*	***20%*** *(10%) region-wide*	***20%*** *(10%) region-wide*

Table 46. Quality factors sensitivity test – results

QUALITY FACTOR	VOLUNTARY PARTNERSHIP	BSIP	FRANCHISING	MUNICIPAL OPERATIONS
Network identity	**0.09m** (0.05m) additional trips per annum **£0.1m** (£0.1m) additional revenue per annum	**0.09m** (0.05m) **£0.1m** (£0.1m)	**0.2m** (0.1m) **£0.2m** (£0.1m)	**0.09m** (0.05m) **£0.1m** (£0.1m)
Ticketing	**0.2m** (0.1m) **£0.2m** (£0.1m)	**0.2m** (0.1m) **£0.2m** (£0.1m)	**0.5m** (0.3m) **£0.5m** (£0.3m)	**0.2m** (0.1m) **£0.2m** (£0.1m)
Interchanges and bus stops	**1.6m** (0.8m) **£1.6m** (£0.8m)	**2.2m** (1.1m) **£2.3m** (£1.1m)	**2.9m** (1.4m) **£3m** (£1.5m)	**2.2m** (1.1m) **£2.3m** (£1.1m)
Vehicles	**1.5m** (0.8m) **£1.6m** (£0.8m)	**3m** (1.5m) **£3.1m** (£1.6m)	**4.6m** (2.3m) **£4.7m** (£2.3m)	**3m** (1.5m) **£3.1m** (£1.6m)
Drivers	**1.2m** (0.6m) **£1.3m** (£0.6m)	**1.2m** (0.6m) **£1.3m** (£0.6m)	**1.2m** (0.6m) **£1.3m** (£0.6m)	**1.2m** (0.6m) **£1.3m** (£0.6m)
TOTAL	**4.7m** (2.3m) **£4.8m** (£2.4m)	**6.8m** (3.4m) **£7.0m** (£3.5m)	**9.3m** (4.7m) **£9.6m** (£4.8m)	**6.8m** (3.4m) **£7.0m** (£3.5m)

9. CONCLUSIONS AND RECOMMENDATIONS

9.1 Appraisal summary

9.1.1 A summary of the results of the options appraisal undertaken is presented in Table 48.

9.1.2 A summary of the revenue impact of the bus quality and branding factors used in the appraisal of TPO3 is presented in Table 47. This demonstrates that the appraisal of improvements to vehicles, interchanges and bus stops have the biggest impact in terms of additional trips and revenue.

Table 47. Summary of quality and branding factors appraisal

QUALITY FACTOR	VOLUNTARY PARTNERSHIP	BSIP	FRANCHISING	MUNICIPAL OPERATIONS
Network identity	0.05m additional trips per annum £0.1m additional revenue per annum	0.05m £0.1m	0.1m £0.1m	0.05m £0.1m
Ticketing	0.1m £0.1m	0.1m £0.1m	0.3m £0.3m	0.1m £0.1m
Interchanges and bus stops	0.8m £0.8m	1.1m £1.1m	1.4m £1.5m	1.1m £1.1m
Vehicles	0.8m £0.8m	1.5m £1.6m	2.3m £2.3m	1.5m £1.6m
Drivers	0.6m £0.6m	0.6m £0.6m	0.6m £0.6m	0.6m £0.6m

Table 48. Summary of options appraisal

APPRAISAL CRITERIA			OPTIONS				
			BUSINESS AS USUAL	VOLUNTARY PARTNERSHIP	BSIP	FRANCHISING	MUNICIPAL BUS OPERATIONS
TPOs	**Improve service quality**		✗	✗	✓✓	✓✓✓	— to ✓✓✓
	Increase affordability of the bus network		✗	✗	✓✓	✓✓✓	✓ to ✓✓✓
	Increase the attractiveness of the bus network	Reliability and punctuality	✗	✓	✓✓	✓✓✓	✗ to ✓✓
		Network identity	✓	✓✓	✓✓ to ✓✓✓	✓✓✓	✓ to ✓✓
		Ticketing	✗✗	✓	✓✓	✓✓✓	✗✗ to ✓✓✓
		Interchanges and bus stops	✓	✓✓	✓✓	✓✓✓	✓ to ✓✓
		Information	✓	✓	✓✓	✓✓✓	✓ to ✓✓✓
		Customer support and feedback	✓	✓	✓✓	✓✓	✓ to ✓✓
		Changes to services	—	✓	✓✓	✓✓✓	✓ to ✓✓✓
		Vehicles and depots	✓	✓	✓✓	✓✓✓	✓ to ✓✓✓
		Drivers	✗	✓	✓✓	✓✓✓	✓ to ✓✓✓
		Safety and security	—	—	✓	✓✓	— to ✓✓

APPRAISAL CRITERIA		OPTIONS				
		BUSINESS AS USUAL	VOLUNTARY PARTNERSHIP	BSIP	FRANCHISING	MUNICIPAL BUS OPERATIONS
	Customer charter	—	✓	✓✓	✓✓✓	— to ✓✓✓
	Data and monitoring	—	✓ to ✓✓	✓ to ✓✓	✓✓✓	— to ✓✓✓
STAG criteria	Environment	—	✓	✓✓	✓✓	✓ to ✓✓
	Climate change	✓	✓	✓✓	✓✓	✓ to ✓✓
	Health, safety and wellbeing	—	✓	✓✓	✓✓✓	✓ to ✓✓✓
	Economy	×	✓	✓✓	✓✓✓	✓ to ✓✓✓
	Equality and accessibility	×	×	✓✓	✓✓✓	✓ to ✓✓✓
Feasibility		Minor consideration	Minor consideration	Moderate consideration	Major consideration	Moderate consideration
Affordability		Minor consideration	Moderate consideration	Major consideration	Major consideration	Moderate consideration
Public acceptability		Moderate negative consideration	Moderate negative consideration	Moderate positive consideration	Major positive consideration	Minor positive consideration
Indicative peak vehicle requirements		-	-	+200 vehicles	+260 vehicles	-
Indicative additional annual bus kms		-	-	+8-10m	+20-25m	-

APPRAISAL CRITERIA	OPTIONS				
	BUSINESS AS USUAL	VOLUNTARY PARTNERSHIP	BSIP	FRANCHISING	MUNICIPAL BUS OPERATIONS
Total fare revenue benefits per annum	-	£0-2m	-£6m to -£4m	£5-7m	-£6m to -£4m
Estimated MEC benefits per annum (2024 prices)	-	£0-2m	£5-7m	£8-10m	£5-7m
Indicative additional annual operating costs[69]		-	+£20-40m	+£50-80m	-
Indicative required subsidy	-	-	+£40-60m	+£45-85m	-
Estimated additional bus journeys per annum	-	0-5m	20-25m	35-40m	20-25m
Deliverability and acceptability risks	Low	Low	Low	Medium	Medium
Complexity of operation	Low	Low	Medium	High	High
Timescales and program risks	Short-term No program risk	Short to medium-term Some program risk, mitigated by low ambition	Short to medium-term Some program risk, mitigated by modest ambition	Medium to long-term High program risk due to uncertainty of process	Medium to long-term High program risk due to uncertainty of process

[69] As noted in section 4.2, the estimated operating costs are based on an indicative level of service and estimated costs of the resources required to run the services. Therefore, to reflect this uncertainty, and the fact that the costs will be subject to refinement during later stages of our work, a cost range has been presented here.

9.2 Conclusions & Recommendations

9.2.1 The Case for Change demonstrated that demand for bus services across the SPT region has been falling inexorably for a prolonged period of time. Passenger satisfaction levels are not as high as they are in other parts of the country, and the services on offer do not meet the aspirations of existing users, targeted groups and other stakeholders in terms of quality, levels of service, geographical coverage or affordability. In this context, it is unlikely that continuing with the present bus service delivery model will achieve the outcomes set out in the Regional Transport Strategy (RTS), and some form of intervention will be required. The potential outcomes have been set out extensively in preceding chapters, including aspirations associated with enhanced levels of service, more affordable fares, and a superior quality of service. At this early stage in option development, each has been considered at a "whole region" scale – additional analysis will be required to disaggregate problems to a sub-regional level and articulate the potential localised costs and benefits associated with each option. Ultimately, this may result in the adoption of different solutions in different parts of the region reflecting local needs, although care would be required at boundaries between different delivery models.

9.2.2 As we pointed out earlier in this report:

It should be noted that preserving the status quo (i.e. the baseline service) is dependent on the ability of Transport Scotland, SPT and local councils to continue existing levels of funding in real terms, predominantly in terms of revenue account spending but also commitments made regarding future investment which are not the subject of partnership arrangements. Given the challenging current situation regarding public sector finances, and specifically support for local bus initiatives, it is uncertain that funding will be maintained at current levels in real terms. Thus, the feasibility of preserving the existing situation is also uncertain, and reduced funding for the bus sector will inevitably continue the cycle of decline identified in the Case for Change.

9.2.3 However, we have challenged ourselves to identify whether – and if so, in what form – the existing delivery model could achieve at least some of the desired outcomes, and these have been articulated throughout this report. Under a **Business as Usual** option, evidence from the last 20+ years suggests that it is highly unlikely that the cycle of decline will be broken – there is no evidence of that in the analysis we have undertaken. It is therefore improbable that it will contribute to delivering the objectives of the RTS or fulfil the aspirations of current and potential bus passengers. Whilst its feasibility and affordability appear good at initial examination (assuming no real terms reduction in funding), it will not deliver enhanced levels of provision, more affordable fares or higher quality service, is likely to require growing levels of financial support via the subsidised service budget, and will be increasingly unpopular with the public.

Recommendation: Not taken forward – delivery model will require reform

9.2.4 Two **voluntary partnerships** already exist in Strathclyde, and we have engaged with operator partners regarding the opportunities such partnerships may offer. As with Business as Usual, there is no direct evidence that the limited initiatives forming part of these partnerships has generated significant or sustained growth in passenger demand,

and we have concluded that without more radical measures voluntary partnerships are also unlikely to break the cycle of decline – there is no evidence of that in the analysis we have undertaken. It is therefore improbable that voluntary partnerships will contribute to delivering the objectives of the RTS or fulfil the aspirations of current and potential bus passengers. Whilst their feasibility and affordability are generally sound (assuming no real terms reduction in funding), they are unlikely to deliver enhanced levels of provision, more affordable fares or higher quality service, are still likely to require increasing public sector support for subsidised bus services filling gaps in the commercial network, and will be increasingly unpopular with the public. They are also not a suitable foundation to take forward comprehensive joint initiatives between the public and private sectors, who will both – rightly – demand greater levels of certainty and commitment from their partners.

Recommendation: Not taken forward – delivery model will require wider-ranging reform

9.2.5 One of the principal reform options focuses on utilising legislation to introduce one or more **Bus Service Improvement Partnerships (BSIPs)**. These are defined by statute and intended to offer a much more robust governance structure whereby commitments made by partners are carefully matched, and – in certain circumstances – can even be imposed on operators who are not willing partners. The anticipation is that by making this governance process more robust it will give greater certainty and encourage all partners to make more ambitious commitments.

9.2.6 Similar delivery models in England (Enhanced Partnerships) have even been used as the foundation for targeted public sector funding. Reinforced by the appraisal set out in preceding chapters, we have therefore concluded that BSIPs may have a positive role to play in delivering the objectives of the RTS and fulfilling the aspirations of current and potential bus passengers. In engagement with operators, we were given an indication of the potential commitments which might be feasible given suitable matching commitments from the public sector.

9.2.7 Therefore, whilst their feasibility appears good, achieving these outcomes is heavily dependent on availability of additional funding (and assuming no real terms reduction in funding) indicatively £40-60m, in which case they have the potential to deliver enhanced levels of provision, more affordable fares and/or higher quality service, and should therefore be more acceptable to the public. However, partnerships are dependent on positive and ambitious engagement – any delay or reluctant behaviour by principal partners will undermine the BSIPs' credibility, and ultimately there is no absolute certainty of sustained delivery. They should be deliverable in the short- to medium-term subject to funding, with flexibility for phased implementation.

Recommendation: Taken forward

9.2.8 The other principal reform option is to replace the existing deregulated free market for local bus services with a **Franchising** delivery model under public sector direction. Whilst there are many different forms which Franchising may take (e.g. in terms of risk sharing, geographical scope and flexibility of operational delivery), if the franchising authority can afford to fund its initiatives then it can take complete control to direct the outcomes it

desires. Indicative public sector funding would be £45-85m. We have therefore concluded that Franchising may also have a positive role to play in delivering the objectives of the RTS and fulfilling the aspirations of current and potential bus passengers if sufficient funding can be identified.

9.2.9 However, there are a number of crucial caveats:

- **Affordability:** Delivering enhanced outcomes which meet the RTS objectives can only be achieved through additional funding (e.g. for targeted affordable fares or enhanced levels of service) – the absence of additional funding will simply leave the authority responsible for continuing with Business as Usual and managing a declining bus network. Additional funding will be significant to achieve a World Class Bus Network. In addition, the process of actually developing Franchising proposals will require diversion of existing activity in SPT and/or local councils to support preparation of the necessary Business Case, etc;
- **Feasibility and timescales:** The process of establishing a franchise is set out in the 2019 Act, and will need to be carefully followed. The process is untested in Scotland, and although it has similarities to equivalent legislation in England, they are not identical. Even in England, only one authority (Transport for Greater Manchester) has successfully introduced a Franchising delivery model. Its timescales, and those of other authorities considering a similar approach, suggest that it may be 2030 before Franchising could be introduced at a regional scale in Strathclyde, although a phased implementation might be feasible on an accelerated timescale by initially targeting selected parts of the region;
- **Challenging processes:** The processes are untested, and there is a risk that there will be delays and misdirection along the way. The process seems likely to be opposed by at least some local operators. Scottish legislation has incorporated the concept of an independent review panel which must agree to the authority's proposals before Franchising can proceed (this requirement was omitted from equivalent English legislation but did apply under the 2000 Transport Act, when it resulted in the panel rejecting Nexus' franchising proposals after some years of development); and
- **Risk sharing and Uncertainty:** The more control the authority wishes to direct over bus service delivery, the greater risk will be borne by the authority. For example, in order to simplify and make fares more affordable, the authority will need to take revenue risk and be in a position to react to uncertainties around key drivers such as level of passenger demand – if passenger demand is not as high as anticipated, then the authority will still have to meet its contract payment obligations. The impact of risk and uncertainty has been set out extensively in preceding chapters, and whilst some risk can be shared with the private sector in that case there will be a dilution of control by the authority.

Recommendation: Taken forward

9.2.10 Finally, there has also been considerable local interest in establishing a **municipal bus company**. The key point here, drawn out in the preceding chapters, is that such a company would still be operating within the restrictions of the ultimate delivery model, whether Business as Usual, some form of Partnership, or through a Franchise. It is conceivable that some sort of "challenger" company with public sector shareholders

might help to drive up standards, or could fill gaps in provision by accepting lower profits than the private sector, but there are significant commercial risks for shareholders and no certainty of success.

9.2.11 As there are no existing municipal bus companies in Strathclyde (indeed there is only one significant company in Scotland – Lothian Buses) any new company would either need to start from scratch or be based around the acquisition of an existing operator. Both situations would require initial investment in the form of start-up or acquisition costs, and in the latter case there is no current indication of companies available to purchase.

9.2.12 It seems likely that under a Business as Usual delivery model, then a municipal bus company would confer few significant benefits over and above those already set out above, and whilst a municipal bus company would presumably be an active participant in any partnership (voluntary or BSIP) again it is not clear whether this would be sufficient to deliver significantly better outcomes than through partnership with private sector operators alone. Nevertheless, in some parts of the region there may be merit in establishing an alternative to existing operators where competition for contracts has become restricted, perhaps based around any existing in-house transport operations by local councils. A municipal bus company could also serve a role as an active challenger for contracts under the Franchising delivery model as well as offering a "ready-made" operator of last resort, but it is not likely to be a critical factor in the success of the Franchising model.

9.2.13 By reinvesting some of the profits generated into more comprehensive services, more affordable fares and/or higher quality standards municipal bus companies are often described as providing a social dividend (i.e. non-financial benefits to society and the local economy) which could contribute to achieving the RTS aspirations, but this will always be within the restrictions of the prevailing delivery model. Establishing a municipal bus company will therefore be complementary to the other reforms to delivery models rather than a significant driver of a World Class bus system.

Recommendation: Taken forward

9.3 Risk & Reward

9.3.1 Prior to the COVID pandemic, the risk associated with providing bus services in the region largely lay with the private sector, who consequently benefitted from associated rewards. Some risk was borne by the public sector, predominantly with regard to filling critical gaps in the commercial network provided by the private sector operators, although even here revenue risk was transferred to the secured service contractors.

9.3.2 The COVID pandemic and the prolonged period of recovery in passenger numbers ever since has brought about something of a shift in the perception of risk and reward – operators were temporarily supported financially during the pandemic and initial recovery, but despite that levels of service have contracted placing a greater burden on SPT to fill gaps in the network. Our calculations suggest that – at an aggregate level – the bus network in Strathclyde may now be in a deficit position, meaning that it remains unstable and that the call on public funds will continue to grow in order to maintain existing levels of service and avoid real terms fares increases.

9.3.3 Nevertheless, under a BSIP considerable risk for providing the base network will remain with the private sector, and they will continue to benefit from the associated reward (in the form of profits). Under Franchising, there is a significant transfer of risk to the public sector particularly assuming the franchising authority takes on revenue risk – in this case, the benefits largely accrue to the public sector but rather than being in the form of an operating surplus it is likely that this will manifest in the form of economic growth, enhanced mobility, alleviation of deprivation, and contributions to environmental sustainability.

9.3.4 However, there is a trade-off between the optimal way to address the need for bus reform, and the urgent need to address continued decline in passenger levels. This might be summarised as follows:

- Business as Usual or Voluntary Partnership at best may help to alleviate some of the worst decline in ridership but not reverse it;
- a Bus Service Improvement Partnership is likely to further moderate the short-term decline, and in the medium to long term adoption of the types of measures set out in this report should start to deliver growth in passenger levels;
- Franchising offers more significant growth potential, but the time taken to achieve a fully-franchised situation across the region means that it starts from a lower base because in the meantime passenger levels have continued to decline at the Business as Usual pace.
- Finally, therefore, a hybrid approach of a Bus Service Improvement Partnership helping to partly stabilise passenger levels and deliver some early wins, before later completing the transition to the more ambitious Franchising proposals may offer the opportunity to quickly moderate the decline in passengers and buy time to manage the transition to a more ambitious position.

Figure 21. Changing Balance of Risk & Reward for the Public Sector

9.4 Next Steps

9.4.1 If these recommendations are adopted, SPT should continue to develop proposals for Franchising and engage with operators regarding the outcomes achievable via one or more BSIPs. Depending on the results of more detailed study, there may also be merit in investigating the options associated with a start-up municipal bus company and/or acquisition of an existing operator. The study has not – at this stage – considered the role played by statutory home-to-school transport provision, which has a budget in excess of £40m per annum and which might be capable of greater integration through any of the delivery mechanisms being taken forward for greater consideration.

9.4.2 This report concludes the Option Development and Appraisal stage, subject to consultation on the recommended options. The next stage of work will provide:

- Further development of the preferred option(s) and creation of a delivery strategy that will be subject to consultation;
- Finalisation of the delivery plan and strategy based on consultation responses;
- Production of a Strategic Business Case for the preferred option(s), building on the work undertaken at the options appraisal stage; and
- Strategic and technical support during any required bus reform delivery phase and consequential organisation change for SPT and its partners.

SYSTRA provides advice on transport, to central, regional and local government, agencies, developers, operators and financiers.

A diverse group of results-oriented people, we are part of a strong team of professionals worldwide. Through client business planning, customer research and strategy development we create solutions that work for real people in the real world.

For more information visit www.systra.com/uk

Birmingham
Alpha Tower, Crowne Plaza, Suffolk Street
Birmingham, B1 1TT
T: +44 (0)121 393 4841

Bristol
33 Colston Avenue, Bristol, BS1 4UA

Cork
City Quarter, Lapps Quay, Cork City
Cork, T12 WY42, Republic of Ireland

Dublin
2nd Floor, Riverview House, 21-23 City Quay
Dublin D02 AY91, Republic of Ireland
T: +353 (0) 1 566 2028

Edinburgh
83 Princes Street, Edinburgh, United Kingdom, EH2 2ER
T: +44 (0)131 460 1847

Glasgow
The Centrum Business Centre Limited, 38 Queen Street, Glasgow, G1 3DX
T: +44 (0)141 468 4205

Leeds
100 Wellington Street, Leeds, LS1 1BA
T: +44 (0)113 360 4842

London
One Carey Lane, London, England EC2V 8AE
T: +44 (0)20 3855 0079

Manchester
5th Floor, Four Hardman Street, Spinningfields
Manchester, M3 3HF
Tel: +44 (0)161 504 5026

Newcastle
Floor E, South Corridor, Milburn House, Dean Street,
Newcastle, NE1 1LE
T: +44 (0)191 249 3816

Reading
Davidson House, Forbury Square,
Reading, RG1 3EU
T: +44 118 208 0111

Woking
Dukes Court, Duke Street
Woking, Surrey GU21 5BH
T: +44 (0)1483 357705

York
Meridian House, The Crescent
York, YO24 1AW
Tel: +44 1904 454 600

Other locations:

France:
Bordeaux, Lille, Lyon, Marseille, Paris

Northern Europe:
Astana, Copenhagen, Kiev, London, Moscow, Riga, Wroclaw

Southern Europe & Mediterranean: Algiers, Baku, Bucharest,
Madrid, Rabat, Rome, Sofia, Tunis

Middle East:
Cairo, Dubai, Riyadh

Asia Pacific:
Bangkok, Beijing, Brisbane, Delhi, Hanoi, Hong Kong, Manila, Seoul, Shanghai, Singapore, Shenzhen, Taipei

Africa:
Abidjan, Douala, Johannesburg, Kinshasa, Libreville, Nairobi

Latin America:
Lima, Mexico, Rio de Janeiro, Santiago, São Paulo

North America:
Little Falls, Los Angeles, Montreal, New-York, Philadelphia, Washington

SYSTRA