

**Item 6**

3rd November 2022



**Glasgow City Council**

**City Administration Committee**

**Report by Cllr Angus Millar, Convener for Climate, Glasgow Green Deal, Transport and City Centre Recovery**

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**PROPOSED BUS GOVERNANCE ROUTEMAP FOR GLASGOW**

**Purpose of Report:**

To present a bus governance routemap for approval within the context of updates on the Glasgow Bus Partnership and related Bus Partnership Fund.

**Recommendations:**

It is recommended that committee approve the bus governance routemap.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes  No  consulted: Yes  No

## 1. Introduction and context

- 1.1 The purpose of this report is to seek approval of next steps on exploring bus governance options in the city in the form of a new bus governance routemap. A report on this topic was presented to Environment, Sustainability and Carbon Reduction Committee on 4<sup>th</sup> October, and can be found [here](#). This background report contained a fuller update on activities under the Glasgow Bus Partnership and related Bus Partnership Fund, as well as policy context, and it is recommended Elected Members read this report as context.
- 1.2 The bus governance routemap proposed in this paper builds on Glasgow City Council's [Glasgow Transport Strategy Policy Framework](#), adopted by City Administration Committee in March 2022. Policy 17 of that document states:
  - "Continue to work with partners to achieve and promote world class public transport to all users in Glasgow as a joined up, integrated and accessible system."
- 1.3 This paper provides an update on progress on bus improvements and bus governance, and how we propose to move forward to deliver on Glasgow Transport Strategy policies.

## 2. The Glasgow Bus Partnership and achievements so far

- 2.1 An update on the Glasgow City Region Bus Partnership (GBP) was presented to ESCR 4<sup>th</sup> October as set out in the report link above. This section summarises key points from that paper.
- 2.2 The GBP brings together as a voluntary partnership the eight Glasgow City Region local authorities, Strathclyde Partnership for Transport, bus operators (through their new alliance, GlasGo) and bus passenger representative groups. The purpose is to address current challenges to bus travel and to improve the passenger experience for communities across the Region. The Partnership has been in existence since 2020. It has an independent chair. Transport Scotland representatives sit as observers of the GBP, and are linked to the Bus Partnership Fund (see below). Meetings are held quarterly and all proceedings are transparently published at <https://www.glasgow.gov.uk/glasgowbuspartnership>.
- 2.3 The Terms of Reference for the GBP are also published on the website above. They set out a vision and objectives for the GBP, which are far-ranging and include securing funding as well as securing quality public transport bus services for passengers including reviewing frequencies, fares and facilities. These Terms of Reference also set out expectations around participation in the partnership, which includes "Members of the Group will ensure that their participation is supported by their respective organisations (governance) and that they are committed to working to agree a Bus Services Partnership Agreement".

## What has been achieved via the GBP so far.

- 2.4 The ESCR 4<sup>th</sup> October paper referenced above included a full update on achievements from the GBP to date, including having successfully applied for funding from the Transport Scotland Bus Partnership Fund (BPF), designed to fund bus infrastructure measures to tackle the impacts of congestion on bus services and raise bus usage. The region was allocated £3.65m in 2021 from the Fund to cover a 5 year period. £2m of this is allocated to bus infrastructure improvement works in Paisley, with the remainder allocated to the following:
- Business case work on five cross-boundary corridors selected by Transport Scotland in Glasgow to identify bus priority interventions
  - A strategic piece of work on developing a vision for bus services in the city and region
  - Infrastructure enhancements in Hope Street and Howard Street in Glasgow
- 2.5 A report was approved by the [City Administration Committee](#) (CAC) on 19<sup>th</sup> August 2021 accepting the £3.65m funding from the Bus Partnership Fund. In doing so, the CAC noted the requirement to have a Partnership in place as a prerequisite for submitting a capital bid; and the need to be working towards Bus Service Improvement Partnership (BSIP) status as defined by the Transport (Scotland) 2019 Act. This latter requirement was to ensure other bus service improvements can be levered through the process, such as measures around fares, cleaner vehicles, customer service, network coverage. Current work funded by the BPF aims to unlock further funding for improvements to bus infrastructure and services in 2023/24.
- 2.6 The GBP is also working on a number of workstreams in relation to the Terms of Reference and aims of the Partnership, which are:
- Workstream A: Development of Business Cases for route enhancements and new schemes,
  - Workstream B: To oversee delivery of route enhancements,
  - Workstream C: Vehicle Standards and Network Development
  - Workstream D: Enforcement
  - Workstream E: Integrated Ticketing & Fare Capping.
  - Workstream F: Passenger Experience, Customer Service, Passenger Information, Public Relations & Promotions
  - Workstream G: Data & Evaluation

These workstreams meet regularly and are chaired by members from across the Partnership.

- 2.7 In addition to leveraging £3.65m from Transport Scotland's Bus Partnership Fund, over the last 2 years, the Glasgow Bus Partnership has helped to enhance relationships, provide a forum for discussion of bus-related issues amongst all members including raising issues with Transport Scotland, and acts to champion public transport by bus in the city and the wider region. Other elements of progress include investment in low carbon vehicles within operator fleets; the creation of a GlasGo Bus Alliance by leading bus operators and production of an associated manifesto containing commitments on introducing

tap and cap ticketing schemes across all public transport and multi-operator fare capping; with concrete progress on this now seen on some First Glasgow vehicles; productive discussions on steps to improve real time passenger information at bus stops and the importance of parking enforcement to support passenger access to vehicles and bus journey time reliability.

### **3. Update on Transport (Scotland) 2019 bus governance provisions and development of a routemap in Glasgow**

#### **3.1 *Previous work on bus governance in Glasgow and the wider region***

As previously reported to Elected Members in early 2022 as part of an update on the Glasgow Transport Strategy Policy Framework, Glasgow City Council and SPT co-commissioned scoping work on bus governance options in Glasgow and the SPT area. The committee report can be read [here](#) and the content is not repeated below, though in summary:

- Voluntary partnerships play a role where there are modest ambitions.
- In local authority areas where the Bus Partnership Fund will make significant improvements to bus journey times and bus delays, a Bus Service Improvement Partnership (BSIP) is recommended to formalise and “lock in” commitments to deliver the infrastructure and complementary improvements to bus operators' services, fares and vehicles
- In the longer term, a Bus Franchising Scheme has the potential to offer a 'single integrated decision maker' that can source funding and deliver a world class bus service. A Bus Franchising Scheme can integrate with wider investment in public transport corridors (e.g. Glasgow Metro). However this relies on untested legislation that will cost the local transport authority £4-15m to build a business case, could take at least 7 years to implement and pose significant new risks to local transport authorities.
- Where competition for bus service contracts is weak, local authorities should consider the formation of a municipally owned bus operator. In the longer term, a municipally owned bus operator could in theory deliver all buses in a local authority area or the region, offering integrating decision making with all profits invested back into services. This would most likely require local authorities to acquire the businesses of today's commercial operators.
- Each of these options require significant amounts of investment, from c£1.5m to set up and then £100k annually to run a single authority BSIP – to c£4-15m to set up a bus franchising scheme, depending on the scope. Acquiring bus operators in the region to run municipally-owned bus services could cost c£200m (excludes ongoing revenue costs of operations). Each also carries varying degrees of risk.

#### **3.2 *Implementation of the bus provisions under the Transport (Scotland) Act 2019***

In terms of the bus provisions of the Transport (Scotland) Act 2019, only the municipal bus element of the legislation has been enacted to date. The remaining elements on BSIPs and franchising are not expected until 2023 at the earliest. It should therefore be noted that any substantive work on these elements in advance of regulations and guidance being published is at risk to a degree (that is, at risk of being abortive work if not precisely aligned to published regulations and guidance).

- 3.3 It should be noted that Transport Scotland have expressed an intention to introduce a Community Bus Fund to support local transport authorities to explore the options in the Transport Act, and to improve public transport in their areas. This fund is currently awaiting funding confirmation.

### ***Glasgow City Council approach to bus governance***

3.4 The Glasgow Transport Strategy: Policy Framework sets out the following adopted policy:

“Policy 19: The Council will continue to explore alternative options for bus governance in Glasgow in line with the options laid out in the Transport (Scotland) Act 2019 – these are the formation of a municipal bus company, the development of a bus franchising system and development of a statutory Bus Service Improvement Partnership (BSIP). A number of principles will be applied to this exploration of options:

- Any statutory BSIP will be for a time limited period with agreed targets and outcomes which will be subject to monitoring and evaluation. If these are not achieved to the satisfaction of all parties, other governance options may be considered.
- Any investment by public transport operators, SPT, the Council and other bodies in improving bus services in Glasgow for citizens will be built upon, as these improvements are needed regardless of which governance model is adopted in the long-term.
- Additional capital and revenue funding is likely to be required from the Scottish Government/ Transport Scotland to make any change in bus governance feasible.”

- 3.5 It is now proposed to set out next steps on building on and taking forward this approved policy.
- 3.6 Since Glasgow City Council elections in 2022, there exists clear political will to undertake work to explore the use of the powers of the Transport (Scotland) Act 2019, and to exert further public influence over buses if this achieves a world class public transport system. The Systra report referenced above also sets out a number of steps the Council could consider progressing with.
- 3.7 There is a desire to fully explore what alternative forms of bus governance look like to achieve the GTS policy of a world class public transport system and to support and underpin Clyde Metro objectives of an integrated, sustainable transport system. Both franchising and municipal bus operations governance options can be explored, and work is now needed to explore a business case that seeks to take advantage of both of these options. The Council will now actively engage with Scottish Government and other relevant partners including SPT about securing funding for, and initiating work on, the development of business cases. The Systra report noted it could take £4-15m to build a business case for franchising by a local transport authority. It is hoped to apply for funding to start exploring business cases for governance changes in a phased approach. This work would also look at the best geographical scale for any potential governance changes.

- 3.8 As noted above however, BSIP and franchising elements of the Transport (Scotland) Act 2019 are not yet enacted, and not expected to be until 2023 at the earliest.
- 3.9 Further exploration of these options represents a significant body of work and will require appropriate funding commitments and development oversight. Subject to the receipt of funding and implementation of Act elements in 2023, it is aimed to start work on business case and evidence around municipal operations and franchising. It should be noted however that this work must follow due legal process and a robust business case for change must be made before any decisions are made to change bus governance arrangements in the city.
- 3.10 In parallel, and in recognition of the fact that the development of a franchising/municipal bus operations business case and any subsequent implementation of such a model would likely take a number of years to complete, the Council proposes to move forward on initiating discussions on the nature and form of a potential, time-limited Bus Service Improvement Partnership (BSIP) via the Glasgow Bus Partnership. These exploratory discussions are an important step in any local transport authority decision to initiate a BSIP. The decision to initiate a BSIP must be made by a local transport authority, and Glasgow can do this as a local transport authority under the legislation. However, further work is required to explore the spatial coverage of any BSIP or BSIPs in the city e.g. city wide v. corridors, and this will be initiated subject to funding in 2023/24. It should be noted it may be in the best interests of bus users in the city region for the impact of any BSIP to tackle cross-boundary travel patterns. This would require further discussion and cooperation with SPT & neighbouring authorities.
- 3.11 As the Systra report notes and as required by Bus Partnership Fund criteria, a BSIP aims to lock in the benefits of investment and secure matched contributions from all partners, including bus operators. This BSIP could run for at least 3 years, and potentially up to 5 subject to monitoring and performance indicators on all sides being satisfactorily met. A range of topics can be explored via a BSIP, relating to the objectives of the current Glasgow Bus Partnership as referenced earlier in this report including fares, facilities, frequencies.
- 3.12 Updates on the development of a bus governance business case and recommendations on the way forward will be brought before elected members during the course of the current Council term. Progress on exploratory discussions regarding a time-limited BSIP will also be reported to committee, with any decision to initiate a BSIP being required to be approved by the City Administration Committee. In summary, the proposed routemap on bus governance is as follows:



- 2021/22: Systra research on bus governance options, co-commissioned by SPT and GCC & reported to ESCR & CAC early 2022 (complete)
- 2022: Initiate discussions with Scottish Government and stakeholders around funding for the development of a bus governance business case
- Proposed from 2022/23 onwards: Initiate exploratory discussions on the form and content of a potential BSIP to lock in benefits of the Bus Partnership Fund in Glasgow
- STPR2 concludes on Clyde Metro 2022/23 and ongoing governance work as part of the development of that project (subject to STPR2 announcement in early 2023)
- Proposed from 2023/24 & onwards: Further business case work on alternative bus governance options - subject to funding & subject to Act elements on franchising being implemented with associated guidance published
- Subject to funding and Act elements on BSIP being implemented in 2023/24, local transport authority to make a decision in 23/24 on whether to formally initiate a time-limited BSIP, and Officers to bring recommendation to Elected Members for decision

- Decision in current Council term on best form of governance to support integrated public transport system based on impact of BSIP/s (if relevant) and business case work
- Thereafter, further work on preferred bus governance option package aligned with Clyde Metro scheme & development of routemap to delivery to work towards the goal of an integrated, affordable, sustainable world class public transport system*

#### 4. Policy and Resource Implications

##### Resource Implications:

###### *Financial:*

A BSIP would impose additional costs on the local transport authority to manage the Partnership work and progress reporting. This is estimated to be £50-100k per annum for a single authority BSIP, and it is understood the Transport Bus Partnership Fund cannot be used for this purpose. Establishing a Bus Franchising Scheme is estimated to

cost between £4m and £15m over a seven year period. In relation to municipal bus services, in the short term, the feasibility of funding the establishment of a depot, management team, staff and vehicles to deliver tendered service contracts is currently not quantified. In the longer term, the financial feasibility of a municipally-owned bus operator delivering all bus services is to be determined – it would require at least £200m to finance acquisition of operators' businesses in the region. Any requirement to commit finances to bus governance options will be brought to CAC for approval.

*Legal:* Full legal process must be followed for any changes to bus governance – this paper does not constitute a decision but sets out longer term aspirations which must be subject to due process and a robust business case being made.

*Personnel:* Additional external funding is likely to be required from 23/24 onwards to provide staff resources to develop a Bus Services Improvement Partnership.

*Procurement:* It is likely there will be further procurement activity in relation to Bus Services Improvement Partnership as well as the delivery of bus priority infrastructure from 23/24 onwards.

### **Equality and Socio-Economic Impacts:**

*Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.*

Yes, the Equality Impact Assessment screening for the Glasgow Transport Strategy highlights the important role of bus for populations with protected characteristics, and any work to improve the bus network will therefore benefit these populations. In addition, almost half of households in Glasgow do not have access to a car and there is a correlation between these households and low income levels.

*What are the potential equality impacts as a result of this report?*

Positive impact.



*Please highlight if the policy/proposal will help address socio-economic disadvantage.*

Almost half of households in Glasgow do not have access to a car and there is a correlation between these households and low income levels. Any work to improve bus services therefore supports those who depend on them.

### **Climate Impacts:**

*Does the proposal support any Climate Plan actions? Please specify:*

Yes, it links to Action 25 “Develop a Glasgow Bus Partnership in line with the provisions of the Transport (Scotland) Act 2019” and Action 26 “Explore alternative options for bus delivery in Glasgow in line with those options laid out in the Transport (Scotland) Act 2019.”

*What are the potential climate impacts as a result of this proposal?*

Public transport sits within the sustainable travel hierarchy above the private car, and is an important part of Glasgow’s sustainable transport future whereby less trips are made by car, and more by low carbon modes of walking, wheeling, cycling, public transport, shared transport & taxis.

*Will the proposal contribute to Glasgow’s net zero carbon target?*

Yes, through modal shift from the car and increased efficiency of the road network by mass movements in one vehicle which is a key purpose of public transport. Operators in Glasgow have been making progress in moving towards low carbon fleet options, in part related to the Council’s Low Emission Zone.

### **Privacy and Data Protection Impacts:**

## **5. Recommendations**

It is recommended that committee approve the bus governance routemap.