

PE1626/H

Petitioner submission of 21 April 2017

Introduction

We would like to thank the committee and its staff for their work so far in response to our petition for better bus services in Scotland.

We would like to respond to some of the points raised in the submissions that the committee has received to date, and offer some suggestions to the committee for future action.

Our response to submissions

The Scottish Association for Public Transport (SAPT) submission suggests four options for further action. The first of these is to 'enhance the Quality Partnership or Quality Contract mechanism and simplify the procedures'. Enhancement of Quality Partnerships and Quality Contracts would be welcome in the absence of any other methods of regulation, but Unite believes that - so far - QPs and QCs have proven to be ineffective. No QCs have been established in Scotland. In his evidence to the committee, Ian Taylor of Transport for Quality of Life outlined how these 'tortuous' mechanisms had failed in other areas of the country, most notably in the north-east of England where the Nexus transport authority was unable to implement a Quality Contract scheme. Unite would agree with the point made in the submission from the Strathclyde Partnership for Transport, which says 'the process for implementing a QC is very challenging and the risks associated with pursuing one are of a scale that has so far stopped any public transport authority from doing so.'

We are then left with the other options that SAPT mentions: a bus concession model as in London; franchised routes, or; common ownership. Unite would support all of these options, believing that either of the first two could be used as a path towards common ownership in the future.

We welcome the very useful submission from Scotland's Regional Transport Partnerships. In particular, their submission that:

It is apparent that deregulation is failing to allow the bus to meet its full potential and achieve strategic outcomes around economic growth, social inclusion, climate change and environmental sustainability.

This submission – based on the real experience of local transport authorities – is in line with the evidence on market failure submitted by Unite Scotland and Transport for Quality of Life to the committee. It also contradicts the submission from Bus Users Scotland that passengers are 'generally well served' by the present system, and from the Confederation of Passenger Transport Scotland, which states that present failings 'are not linked to the regulatory model under which buses operate'.

We welcome that Scotland's Regional Transport Partnerships has highlighted that:

Franchising of public transport is now the policy norm in Britain and across Europe Bus services in London and rail services across Great Britain, including ScotRail, are provided in this way.

We believe the submission from the Scottish Government raises a number of questions. The Government says it does 'not see wholesale re-regulation as the answer'. We would appreciate clarity on what ministers mean by 'wholesale regulation'.

The Government says it wants to see 'simpler processes for partnership working'. We would appreciate greater clarity on what this mean in practice. What processes? And how are they to be simplified?

The Government says it will support 'local franchising where there is a case for it'. We would like greater clarity on why there needs to be a 'case' made for franchising and what the criteria for that test would be.

In the media the Transport Minister has made comment about the potential content of a new Transport Bill:

"People talk about the legal dubiety around whether other local authorities could create a similar model to Lothian Buses. What I will look to do in this Bill is remove this uncertainty so if a local authority wants to go down this road then they can."

Shake-up to give bus passengers a fare deal, Sunday Post, 05/03/17ⁱ

We therefore find it strange that the Government's submission to the committee makes no reference to legislative measures to further enable municipal forms of common ownership, especially given the fact that local authorities such as Aberdeen City Council and North Ayrshire Council have recently expressed a wish to create new services along the model of the successful Lothian Buses.

The Government submission says it believes 'that the ownership of the means of delivery is less important than the outcomes delivered'. Our contention is that the deregulated commercial model is diverting money away from service delivery. This contention was recently supported by research from the campaign group We Own It which found that some £14.8 million every year is leaking out from Scotland's deregulated bus system in dividends to shareholders of the big five bus companies. To put that figure in context, the Scottish Government is planning a consultation on future eligibility for the National Concessionary Travel Scheme, after reducing its budget for 2017/18 by some £10 million. As a reminder to the committee, the evidence from Transport for Quality of Life was that Scotland could save around £51 million a year, if the country regulated buses following the model used in London. If all buses were brought into common ownership along the successful Lothian Buses model, the savings could be even bigger – some £76 million a year. There is clearly a link between ownership models and the resources available for service delivery.

We are disappointed that the Scottish Government has not acknowledged this in its submission.

The submission from Confederation of Passenger Transport Scotland states that

There is an assumption by Unite that local authorities would channel additional funding into bus service provision if given greater control. Given the competing demands for local authority resources and recent cuts to local transport funding, this appears unlikely.

We make no such assumption. Our contention is that at a time of declining public resource, we should be making every penny of public support for bus services count. That means urgently addressing the leakage of taxpayer money going to shareholder dividends and excess profits. This can only be done through a franchise model, and common ownership, where profits are either capped, or where they are held in common and reinvested into service delivery and improvement.

Suggestions for further action

We would ask the committee to keep this petition open. The Scottish Government has stated that it will propose legislation to improve bus services as part of the Transport Bill, but there is no commitment on timescale and content. If the draft legislation does not make proper provision for effective regulation, we would like the petition to remain open in order to provide a mandate and encouragement for individual MSPs - or Committees of the Parliament - to propose amendments that will make effective regulation a reality, and move us towards the world-class bus services that the people of Scotland need and deserve.

Keeping the petition open will also allow the Parliament – either through the Public Petitions Committee or through another committee of the Parliament – to carry out an inquiry into the benefits of common ownership. Such an inquiry can only help in terms of evidence gathering in advance of, or in parallel with, a consultation process around a new Transport Bill.

We would also urge the committee to write to the Scottish Government to seek further clarity on its submission, covering the questions we have raised above, and especially on its apparent plans to enable municipal ownership, which have been announced in the media, but not mentioned to the committee in consideration of our petition.

As ever, we would be happy to provide further information and submissions to the committee in the future.

ⁱ <https://www.sundaypost.com/fp/shake-up-to-give-bus-passengers-a-fare-deal/>