

RURAL ECONOMY AND CONNECTIVITY COMMITTEE

TRANSPORT (SCOTLAND) BILL

SUBMISSION FROM LOTHIAN BUSES

Lothian, as the only municipal (public owned) operator in Scotland welcomes the opportunity to respond to the Rural Economy and Connectivity Committee's call for evidence on the Transport (Scotland) Bill.

Lothian operates local bus services in Edinburgh and the Lothians, carrying over 120m customers which accounts for over 30% of the total usage in Scotland. Lothian employs over 2,500 staff, operates over 850 buses across Edinburgh and the Lothians and is the current Scottish Transport Operator of the Year. Since 2000 Lothian has increased patronage by over 31m, equating to an average annual growth rate of over 2%. This is in stark contrast to the rest of Scotland which has suffered from significant decline over the same period.

This however, cannot be solely attributed to its unique (in Scotland) ownership structure.

As a result of the 1985 Transport Act local authorities that operated their own city bus operations were required to relinquish control and responsibility by transferring their bus services to arm's length separate companies. Through time with the exception of Lothian, these bus operations were divested to the private sector either through a sale to employees or to private companies such as First and Stagecoach. This option was never adopted in Edinburgh and perhaps one of the most significant outputs from that decision was that there was little pressure from its owners to pay back the initial purchase investment, something that was very prevalent during the early years of other municipal purchases.

This stability allowed the company to flourish when others were facing significant market changes and rising cost pressures and allowed the business to continually re-invest any profits back into the business. This model has fairly consistently been followed even through the many changes in management over the years, however at all times the view and strategy has been a commercial one without political intervention. This has always been a misunderstanding from across the political divide that although being in public ownership the business at all times must operate without interference or political influence, much to the annoyance of many.

Lothian is held up as an exemplar of municipal operation. Lothian is run as an arm's length commercial business and has been successful for a number of reasons entirely unrelated to the fact that Edinburgh Council is a major shareholder (91% - the remaining 9% held by East Lothian, Midlothian and West Lothian). Edinburgh, unlike Glasgow has no competing suburban rail service or subway although since 2014 has shared the city streets with Edinburgh Tram.

There are significant socio-economic differences across the city, however the bus in Edinburgh has always been widely used by customers across all of the social classes.

Edinburgh and the Lothians has enjoyed significant population growth albeit not at the same level as London. For a number of years the city embraced and deployed a proactive stance regarding bus priority measures in the form of Greenways and development of multiple Park and Ride sites surrounding the city. This joined up approach encouraged many commuters to abandon their cars and utilise public transport.

In addition Lothian was successfully in securing multiple Bus Route Development Grant funding of over £5m between 2005 and 2008 which was used to provide pump priming monies to develop bus services that were still in embryonic state. In virtually all of the cases, bus services which were launched/extended over that period are still in operation today and now operate without any form of public subsidy.

PART 1 - LOW EMISSION ZONES

Lothian is watching with interest what is proposed/happening in Glasgow with respect to Low Emission Zones and understands that the Bill will mean that future Scottish LEZs will not be introduced or regulated through a Traffic Regulation Condition. However, one benefit of that process is the oversight by the Scottish Traffic Commissioner. This appears to have not been considered in the Bill provision and as such removes any independent adjudication. The introduction of an independent adjudicator in addition to obtaining Ministerial approval should be an additional provision to ensure that any proposed Low Emission Zone is fit for purpose.

Local Authorities must encourage modal shift away from the car to more sustainable forms of transport. If the trend in bus customers is to be halted or reversed then they must be the ones to benefit. The most cost-effective solution to our air quality issue is to prioritise public transport at the heart of any LEZ strategy. A double decker bus can remove 70-80 cars from the traffic system. Improving or implementing bus priority measures can both reduce congestion and reduce emissions by significant numbers.

Providing financial assistance/incentives to bus operators to purchase new vehicles, while laudable in its intentions needs to be measured against those operators who have already made that investment independently without funding often at the expense of other commitments.

Retrofitting existing vehicles should only be considered as a last resort and with a maximum age put in place. Customer expectation has changed considerably and fitting clean technology to a 10 year old bus is not a viable option. In most circumstances the residual lifespan of these vehicles is limited and the whole customer experience, which has moved on dramatically in this period is neglected.

London adopted a retrofit approach several years ago and within 2 years of operation the majority of the upgraded fleet had been replaced and/or scrapped. LEZ schemes should be adopted to minimise the use of the private car and encourage public transport and introduce measures to support sustainable active transport. This could include;

- Statutory Partnerships between transport authorities and bus operators that commit all parties to further improving bus services through a variety of possible measures including bus priority infrastructure should be encouraged.
- Passenger transport should be considered within local place making to ensure that future developments prioritise access by sustainable and active modes.
- Workplace parking levies should be considered to discourage car commuting into city centres, with workplaces encouraged to provide public transport journey plans to staff.
- The Scottish Government should consider the reintroduction of salary sacrifice schemes for public transport season tickets.
- The National Transport Strategy should include a requirement on local authorities to focus on tackling congestion and should be statutorily required to take necessary action and penalised if this is not undertaken.
- A public inquiry is a mandatory step in the process for any new LEZ scheme.
- A regular review of Low Emission Zones to ensure they are delivering on objectives.
- Re-introduction of Bus Route Development style funding.

PART 2 - BUS SERVICES

Lothian is committed to delivering a world class, modern, green, safe and reliable network of bus services for its customers. Bus passenger satisfaction (as measured by Transport Focus) averages over 90% across our operating network and we are committed to improving delivery across of all the metrics, including bus customer information and payment technology.

Since 2011 Lothian has invested in 85 state of the art hybrid buses and 91 Euro 6 buses and recently invested a further £26m in 86 new passenger vehicles.

However, even Lothian is now faced with decreasing patronage and we are not immune to the external factors that are proving a deterrent to travel. Recent

independent research has shown that 75% of the factors behind dropping bus patronage are outwith bus operators' control.

Bus priority measures that were fundamental to our success over the last 15 years have systematically been reduced or withdrawn across the wider city and bus operation is now caught in a congestion stranglehold that has now extended from the city centre area out to the extremities of the city bypass. The Bill provides a toolkit of regulatory options for authorities to consider, such as partnerships, municipal operation and franchising but regulatory change does not, in and of itself, facilitate patronage growth.

Bus Service Improvement Partnerships

Lothian would support efforts to facilities partnership working between local authorities and bus operators. This ultimately remains the fastest and most cost-efficient means by which to deliver improvements for bus passengers as long a all parties are committed to delivering.

The existing model of statutory partnerships (Statutory Quality Partnerships) has proved difficult to establish in a number of local authority areas where budgetary pressures has proved a stumbling block to commit funding for transport infrastructure. This barrier raises concerns over the ability of local authorities to resource and deliver entire bus networks.

The Bus Service Improvement Partnership model may lead more authorities to pursue statutory partnerships but makes them less equal, given that the Traffic Commissioner will enforce compliance with an operator's commitments under a BSIP but there is no such enforcement of a local authority's commitments.

Increasing the flexibility of the existing framework, while retaining a commitment for some form of reciprocal action from the transport authority for any investment or improvements made by operators, is the optimal result.

If the barrier to successful partnerships is a lack of resource and/or expertise the challenge should be to convince authorities of the wider benefits of investing in bus services.

Local Service Franchises

London is frequently cited as the model of success, however, the majority of patronage growth witnessed there has been driven by a rising population, low car ownership levels, and enormous funding packages backed by a determined political desire. Scotland has not and will not have access to the same advantages experienced in London.

London adopted a series of supportive policies such as congestion charging, red routes, bus investment, punitive fare pricing and parking charges. However, in practice the bus network in London has only covered 75% of its costs through fare revenue with the resultant shortfall covered by massive public funding.

Despite all of these measures, bus patronage in London has declined by 3.7% over the past two years. Transport for London (TfL) has a budget deficit of over £1bn and significant reductions in the bus network are planned to reduce this in the next few years.

Franchising will not lead to bus service improvements that can't already be delivered under the current legislative regime. It will distract from the fundamental issues of congestion, improving day-to-day performance, modernising ticketing and ultimately delivering the best possible service for customers.

Provision of Service Information

Lothian has already been in the habit of sharing patronage and revenue data with local authorities when requests have been made as a result of service de-registrations. This however is generally where a stand-alone supported service may be a desired outcome and not something that happens on a regular basis. We do consider ourselves to be experts in the economics of bus service provision and would not be in favour of having to share and justify every perceived negative registration change, with parties that are driven by political geographical boundaries rather than common sense practical solutions.

The value of open access to punctuality data for bus passengers or transport authorities is highly questionable, given that in our experience the lack of properly funded transport infrastructure has in most cases been the sole cause of unreliability and congestion. The use of such data needs a much more focussed discussion with the Scottish Government and transport authorities.

With regard to the passenger information aspects of the Bill, Lothian strongly supports data being made available to the public on routes, timetables, and fares and has undertaken the majority of roadside information across all of the local authority area it operates in. Lothian also supports Traveline Scotland, a passenger information partnership between transport operators, central and local government. Traveline Scotland is de-facto the database for Scotland's public transport, and makes this openly available and is already heavily utilised by other passenger information systems.

We would discourage seeking alternatives to this excellent platform as the work of Traveline Scotland already delivers a consistently high quality of customer information.

PART 3 – TICKETING ARRANGEMENTS AND SCHEMES

Ridacard, a commercial smartcard scheme operated by Lothian is one of the oldest and most successfully in the UK having been introduced in 2001 and serving over 70,000 regular users. In addition Lothian's smart mobile platform continues to grow at a phenomenal rate having been introduced in late 2013. Over 80m annual customer journeys are now undertaken by multiple 'smart' payment options across Edinburgh and the Lothians, however it is important that the term 'smart' is understood in a wider context than the traditional card made from plastic. Customer feedback consistently request 'smart payment options' rather than another plastic card in their pocket and this is where we believe the provision of a consistent platform should form part of a range of products that make the payment for public transport easier, but with the customer ultimately choosing the product that best meets their travel needs.

Bus operators in Scotland have been working in partnership with Transport Scotland, Regional Transport Partnerships and local authorities in introducing bus-to-bus integrated smart ticketing schemes and products in the main urban areas of Scotland. Such schemes are now available in Aberdeen, Dundee and Glasgow, big cities that previously had no smart option available. In the East of Scotland, in an area covering Dundee to Berwick on Tweed and across to Perth and Stirling, One Ticket has for a number of years offered an interoperable bus-to-bus product available on-line, on mobile, as well as a traditional paper ticket option.

When smart ticketing commitments were being made several years ago, contactless payment was not even being considered, however here we are now with contactless already available in many parts of Scotland. As such, the demand for the traditional 'smart' payment option is diminishing as contactless has 'moved the goalposts' albeit in a very positive way. This has all been delivered by bus operators without funding and and/or regulation and there is concern that imposing additional standards/formats will no longer be a cost effective option as the perceived benefits have already been delivered.

PART 4 – PAVEMENT PARKING AND DOUBLE PARKING

Lothian supports the provisions for prohibiting pavement parking and double parking while welcoming the flexibility for local authorities to make exemption orders for areas where they determine the prohibition will have negative knock on effects for other road users and the local area.

However the Bill allows for vehicles to be exempt from parking prohibitions for a period of 20 minutes. The impact of a double parked vehicle on a bus route continually places the operator in breach of the Traffic Commissioners window of tolerance and could lead to the operator being fined for late running. The knock-on effect from that initial 20 minute period can have huge consequences to the bus operator and impacts on

the rest of the network as subsequent journeys suffer as a result. This is particularly prevalent where bus services cross the city centre, compared with services which terminate and have an available recovery window; this is very commonly not available on city services and the ripple effect can last several hours.

PART 5 – ROAD WORKS

Lothian supports the provisions of the Bill related to Road Works and the Scottish Road Works Commissioner. Roadworks have a major impact on the reliable provision of public transport and if as operators we are to have any chance of running reliable bus services then the existing obstacles which inhibit that position need to be properly addressed. Despite being the most obviously affected outcome from poor standards witnessed on a regular basis it is critical that improvements are delivered in terms of quality of works and the timescales of the work as all too often we only become aware of them when faced with them without prior warning.

The current Bill as proposed lacks any detail on the timescales by which the SRWR must be updated to state that any works have commenced or have been completed. This remains a critical point for bus operators as the system allows far too much flexibility to remotely access and update what is in effect only an electronic register and this is not acceptable as we have an critical obligation to keep our customers as best informed as is possible under these circumstances and quite frankly this is not good enough.