

PE2116/B: Accelerate the implementation of bus franchising powers

Petitioner written submission, 11 October 2024

Our petition aims to support [SPT's work on its Regional Bus Strategy](#) through three key demands:

- 1) Fully-enact the bus franchising powers in the Transport Act 2019
- 2) Simplify the legislation to accelerate the process
- 3) Fund the implementation of franchising in Scottish regions

Urgent Action is Necessary

Our international obligations under the 2015 Paris Agreement make the Scottish Government's **five-year delay** in fully-enacting the 2019 Act bus powers inexcusable. England's Bus Services Act 2017 took **just two months** to enact, allowing some regional transport authorities to begin developing franchising proposals immediately. The pandemic, previously blamed for slow progress in Scotland, only delayed Greater Manchester by one year – and [they will have fully-implemented franchising across their ten local authorities by January 2025](#).

Meanwhile other regional transport authorities in England used the pandemic as an opportunity to do the detailed work required to develop franchising proposals. [Liverpool City Region](#), [West Yorkshire](#), [Cambridgeshire & Peterborough](#) and [South Yorkshire](#) will be the next to roll it out. Newly elected Mayors in [North East England](#) and [West Midlands](#) have also committed to beginning work on franchising. At this rate, all these regions (home to nearly 14 million people) will have implemented franchising before any in Scotland.

We now need the Scottish Government to make up for lost time by accelerating the deployment of bus franchising in Scotland's regions. Otherwise, more climate targets will need to be abandoned and Scotland will fall even further behind.

Simplify the Legislation

This is the key issue. Even when Scotland's bus franchising powers are finally enacted, they will be **the most complex and time-consuming in the UK to implement**, placing unnecessary risks on transport authorities wishing to use them.

This is because [they contain the additional step](#) (already removed from English legislation) which requires franchising proposals to receive final approval from an 'independent panel' convened by the Traffic Commissioner.

The Traffic Commissioner is neither democratically-accountable nor impartial. Their role in maintaining the running of the deregulated system means they are an integral part of the bus industry. As an illustration, the [former Traffic Commissioner is a vocal critic of bus franchising](#), and has publicly sought to undermine SPT's proposals by siding with the [bus companies that have declared "war" with SPT](#).

The panel model has already been tried and failed in England with the rejection of NECA's proposal (developed under the Local Transport Act 2008) in 2015¹. This is why the panel was removed from England's Bus Services Act 2017, with elected Mayors given the final say on franchising proposals (after the independent financial audit and 12-week statutory public consultation). Despite this simplification, elected Mayors have complained that the 2017 Act is still "really cumbersome... and impenetrable" to get through². This is why the new [UK Government is now consulting on further simplifying the franchising process](#) in England, through its [Better Buses Bill](#). Meanwhile, [Wales is developing the simplest legislation](#), enabling nation-wide franchising by 2028.

[SPT estimates it could cost £15 million to develop franchising proposals](#) in line with the 2019 Act. So far [they have received just £155,000 \(1%\) towards these costs from the Community Bus Fund](#). SPT has been forced to [reclassify £12 million of its reserves as a 'Future Transport Investment Fund'](#) in order to even contemplate progressing franchising. The risks inherent in the panel model for approving franchising mean **all this public money could be wasted** if proposals are rejected. Regional Transport Partnerships (RTPs) and campaigners repeatedly raised concerns about the panel model during the development of the 2019 Act and in [the 2021 public consultation on implementing the bus powers](#). We were not listened to. Five years on, the Government's "challenging fiscal environment" has intensified these risks and made the case for reform ever more urgent.

Amending the 2019 Act to replace the panel with a democratically-accountable model could be achieved relatively quickly and easily during 2025 *in parallel* with SPT's work developing franchising. For example, [Bills introduced to make minor amendments to other Acts](#) have taken just 8-10 months to be enacted. This process **should begin immediately** as the Net Zero, Energy and Transport Committee is currently taking evidence on the subordinate legislation in the 2019 Act. For the Government to maintain that it has "no plans to revisit this legislation" shows complete disregard for the challenges facing SPT and its other RTPs and appears oblivious to developments in bus policy elsewhere in the UK.

Support the roll-out of the powers

[The Government currently invests £470 million per year](#) in the deregulated bus system; more than half through the Concessionary Card Scheme. Delivering this through a deregulated system is **a completely inefficient use of public money**. A recent [statement by Ember coach company](#) outlines the extent to which the "system is fundamentally flawed" as private operators "optimise [their] pricing to exploit" Government subsidies by keeping their single fares inflated, thereby deterring fare-paying passengers from using public transport. Ember is clear that the current funding system is "a win for the operator but a loss for the taxpayer".

¹ 'Board throws out north east bus franchise plan' (2015). <https://www.lgcplus.com/politics/board-throws-out-north-east-bus-franchise-plan-03-11-2015/>

² 'Urban Transport Next: Ticket to ride' (2024). <https://urbantransportgroup.podbean.com/e/urban-transport-next-ticket-to-ride/>

Former Transport Minister Jenny Gilruth appeared aware of this when she announced “a full review of all funding streams... to bus operators” in March 2023³. Nothing has materialised from this. The Government must understand that the complex work of developing franchising proposals (done by each regional transport authority) **is** the full review of funding streams that we urgently need. The ultimate aim in implementing bus franchising (as in Greater Manchester) is to re-route all funding for bus (subsidies and passenger fares) through the democratically-accountable regional transport authority, which then becomes fully responsible for delivering all services in its area. This is [how transport governance works in London](#) (where buses were never deregulated) and in most other parts of Europe, where fully-integrated and affordable public transport is the norm.

The key to delivering change in Scotland, is for the Government to get on with funding and supporting its RTPs to be able to do this important work.

³ Bus fares may have to become ‘more affordable’ and services reliable to win future Scottish Government funding as prices rise. (2023) <https://www.scotsman.com/news/transport/bus-fares-may-have-to-become-more-affordable-and-services-reliable-to-win-future-scottish-government-funding-as-prices-rise-4088496>