

PE2116/K: Accelerate the implementation of bus franchising powers

Confederation of Passenger Transport (CPT) Scotland written submission, 24 January 2025

The petition refers throughout to RTPs (Regional Transport Partnerships) in relation to its calls for funding and approving franchising proposals. It would be more accurate to refer to local transport authorities (LTAs) as this is the language used in the Act, as there are differences between the different RTPs in Scotland.

Strathclyde Partnership for Transport (the assumed focus of the petition) is both a local transport authority and a Regional Transport Partnership. Legislation has given SPT, Swestrans and ZetTrans the ability to exercise certain functions related to bus services but this is not the case for the other RTPs in Scotland.

Calling on the Scottish Parliament to urge the Scottish Government to improve the process for implementing the bus franchising powers contained in the Transport (Scotland) Act 2019 by:

- **introducing, without delay, the regulations and statutory guidance required to give bus franchising powers full effect**

CPT would also like to see these remaining regulations and guidance, for both franchising and Bus Service Improvement Partnerships, introduced as soon as possible. This will give all stakeholders, including bus operators, of which there are more than 300, large and small, in Scotland more clarity on the options available and potential impact upon them. Until this is available, some, particularly smaller operators, cannot effectively plan for the longer term on issues such as investment in the zero emission vehicles needed to address the climate emergency. Having these regulations and guidance in place will also help better inform any future consultation activity, for example by SPT, who have signalled a preference for franchising.

- **amending the 2019 Act to remove the requirement for proposed franchising frameworks to be approved by a panel appointed by the traffic commissioner, instead empowering Regional Transport Partnerships (RTPs) to have the final say on approving proposals**

Under the Act, local transport authorities should prepare and submit their franchising proposals to the independent panel. The panel must then decide whether or not to approve the franchising proposal and must consider, among other things, whether the local transport authority has reached a reasonable conclusion in deciding to make, vary or revoke the franchising framework. By the point at which a franchising framework is submitted to a panel it will have already been subject to extensive consultation and possible modification.

The petition disagrees with the Act's requirement for proposed franchising frameworks to be approved by a panel convened by the Traffic Commissioner, which was also discussed by the Net Zero, Energy and Transport Committee and by the wider Scottish Parliament in October 2024 when considering the Local Services Franchises (Traffic Commissioner Notices and Panels) (Scotland) Regulations 2024.

The intent of the panel in the Act is to provide a safeguard (for example reducing the likelihood of legal challenge which could also lead to lengthy delays), and, when giving evidence to the NZET Committee, Transport Scotland confirmed that were this step to be removed another safeguard would have to be considered.

Under the petitioner's suggestion an RTP/LTA would be approving its own proposal. The petitioner asserts that the Traffic Commissioner is "neither democratically-accountable nor impartial". The same observation could also be made of SPT as it has several appointed members who are not democratically elected Councillors.

The Traffic Commissioner for Scotland (a currently vacant post) is "*appointed by the Secretary of State for Transport but is an independent public post holder. They act both as independent regulators and in a judicial role, as single person tribunals when conducting public inquiries in relation to licence applications and disciplinary matters and demonstrate impartiality in all aspects of decision making.*" The person specification for the role states they must "*demonstrate a solid commitment to high ethical standards of integrity and honesty.*" The former Traffic Commissioner for Scotland has made comments on her views on franchising, but these were made in a personal capacity, not as a representative of the Office.

The draft regulations prevent a person from sitting on the panel who could, in the opinion of the Traffic Commissioner, reasonably give rise to a concern as to whether that person could act impartially as a panel member.

There have been references made to parts of England where franchising is also being pursued. In England while there is no panel, there is still a requirement to obtain an independent assurance report from an auditor on its assessment which has to be published with the public consultation¹. This process of independent assessment is also in the Bus Services Bill, although it makes some changes to who can conduct the assessments beyond registered Auditors.

Rather than amending the legislation, thus delaying regulations, guidance and thus franchising further, we would instead encourage the Scottish Government and Transport Scotland to allay the concerns expressed in both the petition and in parliamentary scrutiny about the panel and the Traffic Commissioners role in convening this, with robust guidance on panel members, their role and expected behaviour.

- **providing additional funding to help support RTPs in preparing franchising frameworks and assisting them with initial set-up costs once frameworks are approved**

As above, it would be more accurate to refer to support for LTAs. This request makes an assumption that all parts of Scotland would take the same RTP/regional led approach to considering franchising as SPT have done.

Franchising is only one of the options the 2019 Act gives to local transport authorities, the others being local transport authority run services, and statutory Bus Service Improvement Partnerships. As in England, with the Bus Services Bill the choice is not purely franchising vs the status quo, or a one size fits all approach, but

¹ [Setting up a bus franchising scheme](#), updated Dec 2024

instead a variety of options and indeed different models of franchising (including but not limited to gross cost, net cost/ minimum subsidy, route by route franchising). LTAs must not be constrained by having to follow one model (e.g. gross cost as per Manchester and London).

Any financial support provided to Scotland's LTAs must therefore be to consider all the options available to them to meet local needs. Financial support, for example, for bus priority measures can help achieve the improvements passengers most value, in increased reliability and improved journey times.

The Government should be clear from the outset as to how much funding will be required for each LTA. LTAs will have to fund an assessment, staff resources to run consultations, and will then face huge transition and implementation costs.

For example, in England, on the process and depot acquisition alone, Greater Manchester estimated costs of £78.40 per person. West Yorkshire Combined Authority estimate franchising transition and management costs at £20 million with £84 million for depot acquisition and fit out — around £44 per person. Liverpool City Region estimate franchising implementation costs at £31 million and depot acquisition and investment at £70 million— around £66 per person². Combined Authorities in England are looking to increase the Mayoral precepts to help to cover costs –not available in Scotland.

² [IPPR report January 2025, Change you can board](#)