

**MINISTERIAL ENGAGEMENT BRIEFING: HUMZA YOUSAF**

<p><b>Engagement title</b></p>	<p>[REDACTED]</p> <p>2. CPT (Confederation of Passenger Transport) 42<sup>nd</sup> Annual Conference</p>
<p><b>Engagement timing</b></p>	<p>Monday 6 November 2017</p> <p>[REDACTED]</p> <p>2. 14.30 – 15.20 Introduction from CPT Chairperson, then Ministers speech and Q&amp;A.</p>
<p><b>Venue and full address</b></p>	<p>Trump Turnberry Maidens Road Ayrshire KA26 9LT</p>
<p><b>Background/Purpose</b> include invitation history</p>	<p>Annual conference of CPT – Bringing together key stakeholders from within the transport sector – the theme this year is to share views on what the bus and coach industries will look like by 2020.</p>
<p><b>Annexes</b></p>	<p>Annex A – Top lines Annex B – Schedule Annex C – Attendees</p> <p>[REDACTED]</p> <p>Annex E – Speaking Note – see separate attachment Annex F – Patronage Annex G – Funding Annex H – Transport Bill Annex I – Smart and Integrated ticketing Annex J – Active Travel Annex K – Concessionary Travel Annex L – National Transport Strategy Annex M – LEZ</p>
<p><b>Media Handling</b> include mobile number(s)</p>	<p>[REDACTED]</p>
<p><b>Official Support</b> include mobile number(s)</p>	<p>[REDACTED]</p>

## **SUMMARY**

This is the 47<sup>th</sup> Annual CPT Conference. The theme of this year's conference is "2020 Vision" – *What will the bus and Coach Industries look like by 2020?*

Topics highlighted from the Conference are: the consultation on the sustainability on the Concessions Scheme; further changes to the Bus Service Operators Grant, a review of the National Transport Strategy; the introduction of Scotland's first Low Emission Zone; the new Transport (Scotland) Bill, which is expected to have bus as one of its key themes; the impacts of Brexit; a potential second independence referendum to consider; and advancements in technology in areas such as ticketing, data and automation.

## **KEY ISSUES/SENSITIVITIES**

### **PATRONAGE**

CPT will present the commissioned KPMG report on Patronage Decline to the Minister at the end of his session at 3.20pm. The report cites reduced real terms Government funding as one factor. CPT are also hosting a formal event at Parliament on Wednesday 8 November to present this report to all MSPs. Attached is a link to both the full report and executive summary – both of which are also sent separately for the Minister's convenience.

### **GOVERNMENT UNCERTAINTY**

CPT have raised concerns on an on-going basis regarding the changes being made affecting all aspects of the bus industry; there are major changes underway, and several consultations affecting them directly including the forthcoming Transport Bill, LEZs, concessionary travel, and smart ticketing, as well as reviews of funding through BSOG and green bus funds.



### **TS NATIONAL EVENT**

The NTS National Event is being held in Glasgow on 7 November 2017 – unfortunately clashing with the second day of the CPT Conference. Apologies are appropriate given the focus of the NTS also covers bus, and was not designed to detract or belittle the Bus Industry.

### **RAIL CONTRACT AWARD AT WABTEC**

You are attending a Rail contract award at Wabtec on the Monday morning. This is announcing funding to refurbish five trains at their Kilmarnock depot.

The bus industry perception is that they are being squeezed and are facing a possible reduction of concessionary / BSOG funding and if news of this announcement makes its way to the event prior to your meeting you may find yourself being questioned as to why this funding could not be directed to the already suffering bus industry.

Lines to take:

We will continue to support the deregulated bus industry to increase patronage in ways that we can and fully appreciate the difficulties the marketplace faces.

## TOP LINES

### Patronage decline

- I am concerned about the decline in bus patronage and I am not willing to sit by and let it continue.
- I welcome the new report commissioned by CPT into the factors behind decline, which will hopefully contribute towards that discussion. We need to work together on this issue.
- Decline is not universal across Scotland; we know therefore that solutions will depend on local areas and local characteristics – hence my approach in the Transport Bill (below).
- I also hear the concerns about instability and I will be working to provide certainty where I can through policy and funding.

### Transport Bill

- We are consulting on options for the legislative framework for bus services so that local authorities have a viable and flexible range of options to meet local needs.
- Partnership is at the centre of what I think is needed to address patronage decline. We propose to introduce a new statutory Bus Service Improvement Partnership (BSIP) and welcome industry input on that model.
- I do want authorities to have the option to franchise or even run services where appropriate and with the right checks and balances.
- Open data and smart ticketing can make the bus a more attractive option.
- Consultation closes on 5 December.

### Congestion

- Congestion is one of the key challenges that will be considered in our review of the National Transport Strategy and Strategic Transport Projects Review, but we are not just sitting and waiting for the outcomes of those.
- Bus operators responded well to our call for evidence around congestion hotspots. Where the congestion is on the trunk road network, Transport Scotland has a direct role and will consider solutions including bus priority through our managed motorways study.
- There are already a number of significant interventions underway that will provide congestion relief on the trunk and local road networks, including Aberdeen Western Peripheral Route, A737 Dalry Bypass, A77 Maybole Bypass, A90/A96 Haudagain Junction Improvement, A720 Sheriffhall Improvements, along with the M8 M73 M74 Motorway Improvements which was opened to traffic earlier this year with journey time savings of 20 minutes on the M8 and 15 minutes at Raith Interchange.
- In terms of the local road network, where more of the congestion issues impact on bus passengers, we will take that evidence to local authorities. Through City Region Deals SG has provided funding which will be used to tackle congestion and improve public transport priority.

### Low Emission Zones

- I know that there is concern about the low emission zones in the bus industry.
- I see buses as part of the solution to the air quality issue, but I am also clear that cars and other vehicles need to be included. LEZs should not be bus-only and need to consider phasing.
- LEZs provide an opportunity to look at issues such as congestion to smooth the flow of buses, making them more attractive and reducing their emissions.
- I want to continue the positive dialogue that we have with the industry on this issue.
- Funding for the first LEZ will be considered during the 2018-19 budget process.
- We are allocating £1.6m this year to a Bus Emission Abatement Retrofit Programme.

### **Active Travel**

- The PfG commits to build an Active Nation, putting active travel at the heart of our transport planning, by doubling investment in walking and cycling from £40 million to £80 million per year from 2018-19.
- Key benefits will be improved public health and environment (improved urban space, reduced pollution and emissions) and economic opportunities for local businesses.
- There is a shared benefit in increasing active travel and bus patronage as they can be two sides of the same coin.

### **Concessionary Travel**

- A public consultation, launched on 25 August 2017, is asking the people of Scotland how best to ensure that the bus pass is sustainable in the long term.
- The consultation is just that, a consultation. No decisions will be made until all responses have been fully considered. The consultation closes on 17 November 2017.
- Whatever the outcome, everyone who has a bus pass will keep it! We are not taking bus passes away from anyone who already has one.

### **Smart ticketing**

- The Scottish Government Vision is 'that all journeys on public transport can be accessed with some form of smart ticketing or payment'.
- Transport Scotland is working with operators across Scotland to bring this about for commercial purposes, as well as using the extensive NEC card estate for smart concessionary travel.
- First Bus are amongst the first bus operator in Scotland to make EMV available across their full network – which I launched today. McGills will roll out in October 2017 with Stagecoach adopting a phased roll out which will be complete by summer 2018

### **NTS**

- The approach to the Review is based on building a robust evidence base, working collaboratively with our partners and engaging with transport users across Scotland.
- Bus users were identified as underrepresented in the Early engagement responses and our engagement plan takes account of this with plans to engage bus users and other less engaged groups through specific focused activities.
- The NTS review includes a review of Governance which will build on the work of the NTS Refresh and further clarify, and possibly modify, existing transport roles and responsibilities nationally, regionally and locally.

### **Funding**

- We continue to spend nearly £¼ billion a year in grants to support the network, promote the take up of green buses and on free bus travel for older and disabled people under the National Concessionary Travel Scheme.
- The budget for BSOG increased from £50m to £53.5m in 2017-18 – a sign of this Government's support for bus services in difficult financial times.
- I will consider how to provide the industry with stability via funding through the Spending Review process.
- We are reviewing the low carbon vehicle incentive of BSOG to bring it up to date with technology and ensure that it is weighted towards the lower emitting vehicles.
- We are also revising the Green Bus Fund, which will remain technology neutral, starting from 2019-20, allowing time for development with the industry.
- We are consulting with CPT on the best ways to bring this funding forward for the Industry but we will consider transitional relief where appropriate.

## SCHEDULE FOR THE DAY

**14.15-14.25 - Launch of EMV (contactless bank card payment) for First Bus**  
**14.30-14.40 - CPT Conference - Introduction to Conference by CPT Chairperson**  
**14.40-15.20 – Minister’s speech and Q&A**

### CPT Conference Agenda

#### Monday 6th November 2017

12.00 - Registration

13.00 - Lunch

#### **14.30 – 15.10 Business Session 1**

14.30 – 14.50 - Chair's Welcome and speech (themes/current issues)

**14.50 – 15.10 – Speech - Minister for Transport and Islands**

**15.10 – 15.20 – Question Session – Minister for Transport and the Islands**

**15.20 – Photo call – Minister for Transport and the Islands and CPT Chair**  
**- Minister receiving a report on Bus Patronage**

15.20 – 15.50 - Tea and coffee break.

#### 15.50 – 17.05 Business Session 2

15.50 – 16.10 - Chris Martin (TAS) will speak about the financial black hole facing local authorities across the UK

16.10 – 16.30 - Dr Gerard Whelan (KPMG) will speak about the newly published Report on trends behind dropping patronage and what steps are required to reverse aspects of this.

16.30 – 16.50 - John Dowie (First Group) will speak about how operators engage with transport authorities against this background to deliver improvements

16.50 – 17.05 - All panellists will take questions.

19.00 - Pre-Banquet Drinks Reception

20.00 – Banquet

#### Tuesday 7th November 2017

09.15 - Arrival Tea & Coffee

#### 10.00 - Business Session 3

- Ross Martin - Economic Agitator - Scottish Inclusive Growth
- Jillian Anable - Professor of Transport and Energy - Institute for Transport Studies, University of Leeds
- Steven Salmon - Director of Policy Development - CPT UK

11.15 - Tea & Coffee

#### 11.45 - Business Session 4

- Will Whitehorn - Deputy Chairman - Stagecoach Group
- Josh Littlejohn - Social Entrepreneur

13.00 - Lunch

**ATTENDEES**

[REDACTED]

[REDACTED]

[REDACTED]

**CPT - background**

CPT (Confederation of Passenger Transport) represents over 1,100 bus, coach and light rail operators. These range from multi-national companies like FirstGroup, Stagecoach, National Express, Arriva and Go-Ahead to small family-run coach and bus operations. They also represent circa 100 supplier members, including: vehicle manufacturers; body-builders; vehicle suppliers; and a broad range of associated product and service providers to the road passenger and fixed track industry.

**CPT Members****George Mair, CPT Director for Scotland**

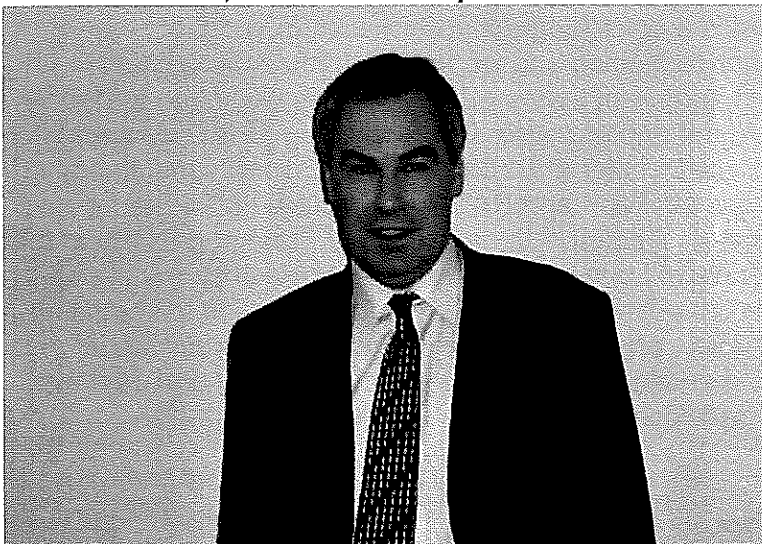
George joined Aberdeen Corporation Transport in 1971 direct from school. With almost 39 years with the company, he has worked in a variety of differing positions, covering all areas of the business and was appointed Managing Director of First operations in Aberdeen (previously Grampian Transport) in 1997. Prior to his appointment as Managing Director, he was Depot Manager/Director with overall responsibility for the company operational functions including engineering. On leaving First Aberdeen in June 2009, he was appointed to the position of Director, CPT Scotland.

### **Sandra Whitelaw, CPT Chairperson**



Sandra is the current CPT Chairperson. She is the Managing Director of Whitelaws Coaches, which was established in June 2005. Whitelaws Coaches Ltd is a medium-sized transport company. The firm has one transport operating centre in Lanarkshire.

### **Robert Andrew, CPT Vice-chairperson**



Robert Andrew is currently the CPT Vice Chairperson. He is the Managing Director, Stagecoach Scotland, with overall responsibility for the Bluebird, Strathtay, Fife and Western companies. Robert started his career in the bus industry in 1985 with Scottish Bus Group's Kelvin and Western companies. He joined Stagecoach in 1992 as Operations Manager Inverness, and has subsequently held positions as Operations Director Bluebird and Fife, and Managing Director Fife and East Scotland.

**Speakers at Business Session One, CPT Conference, Monday 6 November**

**Chris Martin, Head of Business Development, TAS**



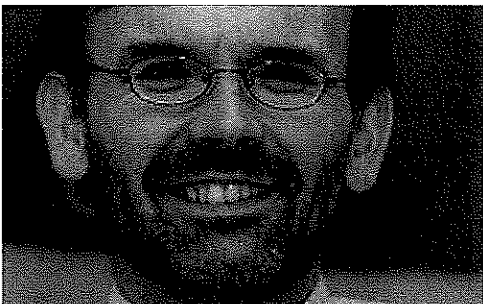
Chris joined TAS in August 2008 following a progressive career in bus and rail management. His experience encompasses both operations and project management, budget control, performance improvement, managing stakeholder relationships, training and personal development, risk assessment and resource planning. He has capitalised on this experience in a number of key commissions for both public and private sector clients and is integrating aspects of sustainability and environmental consultancy into the TAS business portfolio. Chris is TAS' lead consultant and contact on educational transport scheduling and sustainable transport solutions. He became a Director of TAS in January 2013 and is a member of the Transport Planning Society and Association of Sustainability Practitioners.

**Dr Gerard Whelan - Director, Corporate Finance Government and Infrastructure, KPMG**



Gerard is a consulting economist with 25 years of experience leading and working with multi-disciplinary project and client teams on transport strategy and transport investment opportunities. Prior to joining KPMG he was a Divisional Director at SYSTRA, the transport consultancy business of SNCF and RATP, and before that a Senior Lecturer in Transport Economics and Transport Policy at the University of Leeds. He provides advice across the transport sector on: economic regulation, market design, competition economics, pricing and charges, cost and performance Benchmarking, economic impact assessment and business case development.

**John Dowie - Director of Local Strategies - First Group plc**



John is currently working with First Bus on secondment from the DfT since November 2016 to support First Bus in developing their partnership working with local government and other local partners. The position is initially for one year but can be extended. John was previously DfT's acting director general for roads, traffic and local group, then worked on a project to examine efficiency in infrastructure delivery. His current secondment to First Bus is local-facing and he will not be lobbying the DfT.



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<b>MONDAY</b> <b>6</b> <b>DECEMBER</b>				

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	

**SPEAKING NOTE**

See separate attachment - 1722 words, approx. 11½ minutes.

## PATRONAGE (INCLUDING KPMG STUDY)

### Key Issues

- CPT commissioned a KPMG report on declining patronage which is being announced at this CPT Conference, and presented to MSPs at the Scottish Parliament on 8 November.
- The KPMG report (attached - officials requested early, in confidence sight) outlines a range of factors as driving levels of bus patronage. These align with other research on this topic and there is broad agreement these are the key issues involved. Our existing position, which acknowledges that many different factors are responsible for the decline in bus patronage, is unchallenged by this new analysis.
- A key aspect of this analysis is its attempt to quantify the impact some of the factors identified have on bus patronage. While we note these findings, we recognise that the analysis presents one possible model of how individual factors will impact on patronage levels.
- The analysis highlights that there is variation in levels of bus patronage regionally and at a local authority level, stating that some areas, Strathclyde and the South West of Scotland, are driving the decline at a national level. We would welcome further analysis of this finding to understand the specific issues in these regions affecting bus patronage and the nuanced pattern at local authority level identified in the report.

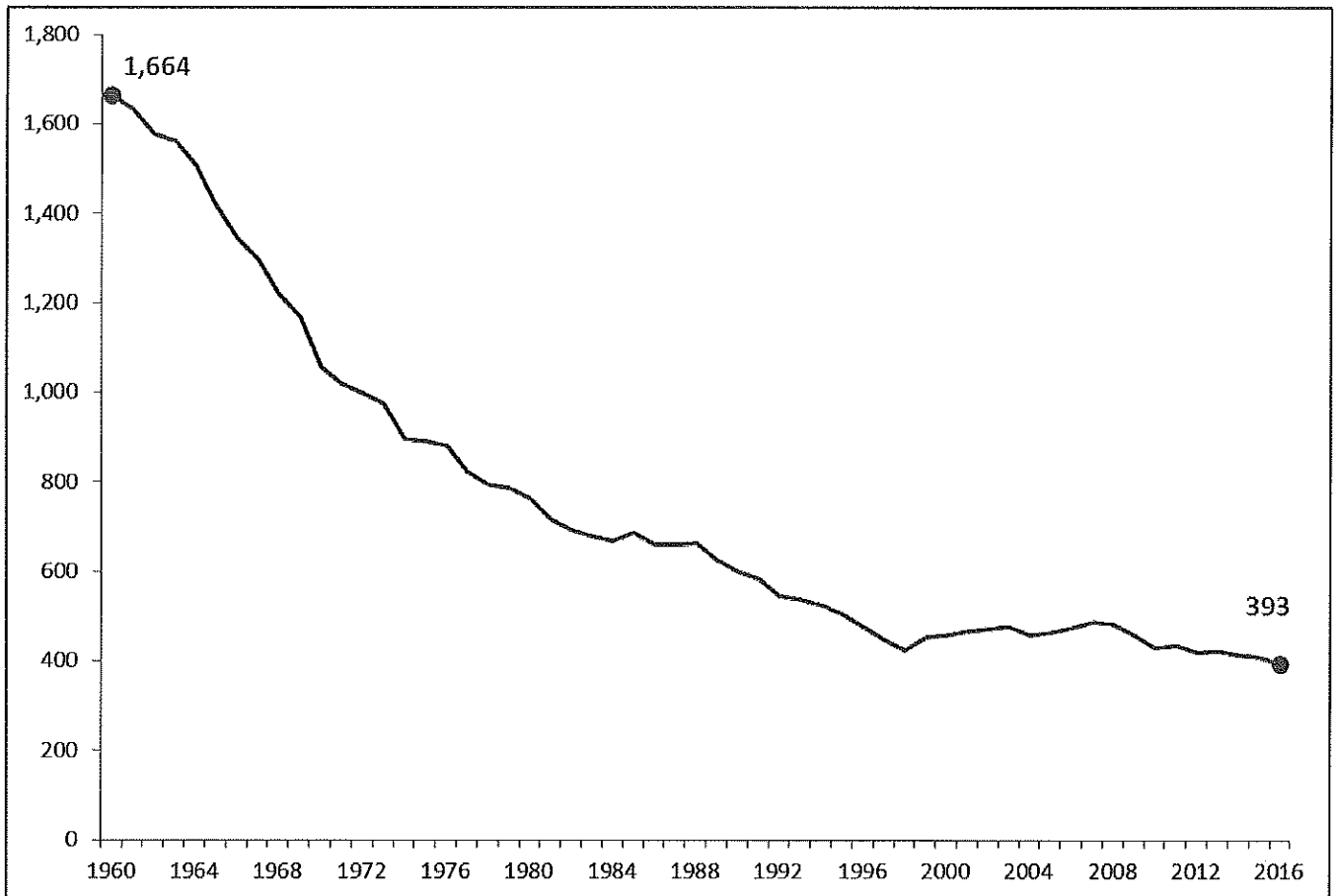
### Bus Patronage Statistics in Scotland

This note provides detail on bus patronage in Scotland over time, comparisons with England and a regional breakdown within Scotland. Again, this accords with KPMG's work.

#### Trends over time

Bus passenger numbers in Scotland have been declining since at least the 1960s, with passenger numbers declining from 1,664 million in 1960 to 896 million in 1974 – this was the steepest period of the decline. The graph below shows the trend from 1960 to 2015. The decline between 1986 (when deregulation began) and 1998 from 660 million to 424 million annual passengers generally follows the same trend as in previous years – this is affected by a complex set of factors and it is not possible to directly attribute declines since this period to deregulation itself.

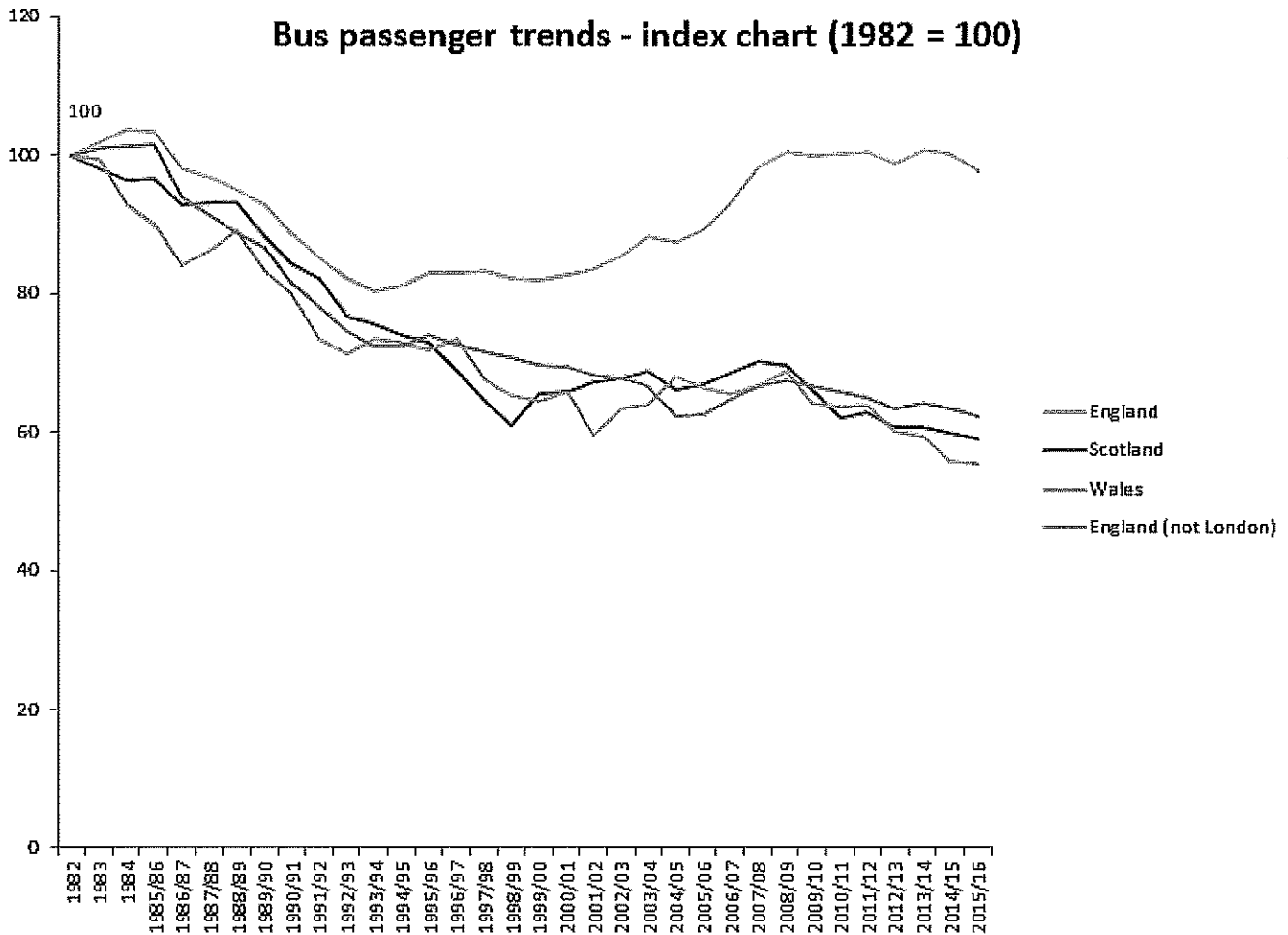
Bus passenger numbers have remained more stable since the late 90s. Patronage increased steadily from 1999 until 2008 and started to decline again when the economy went into recession. The growth years can be explained by strong and sustained economic growth and relatively high motoring costs. In recent years there has been another decline, starting in 07/08, to around 409 million passengers in 2015. Provisional figures for 2016 show a further decline to 393 million passengers. The steepest years of decline were 08/09 and 10/11.



**Figure 1: Passenger journeys on local bus services. 2016 data is provisional. Source: DfT bus statistics.**

### Comparison with England

While comparing England and Scotland does seem to show a faster rate of decline in Scotland, this is mostly due to the effect of London, which heavily influences the English patronage statistics (London patronage for 2015-16 was around 2,300m, over 5 times that in Scotland) and is a different case in terms of scale and funding amongst other things. It is more reasonable to compare Scotland with the rest of England without London. Rates of decline in England (outside London) and Scotland are actually very similar indeed, as can be seen by the below graph:

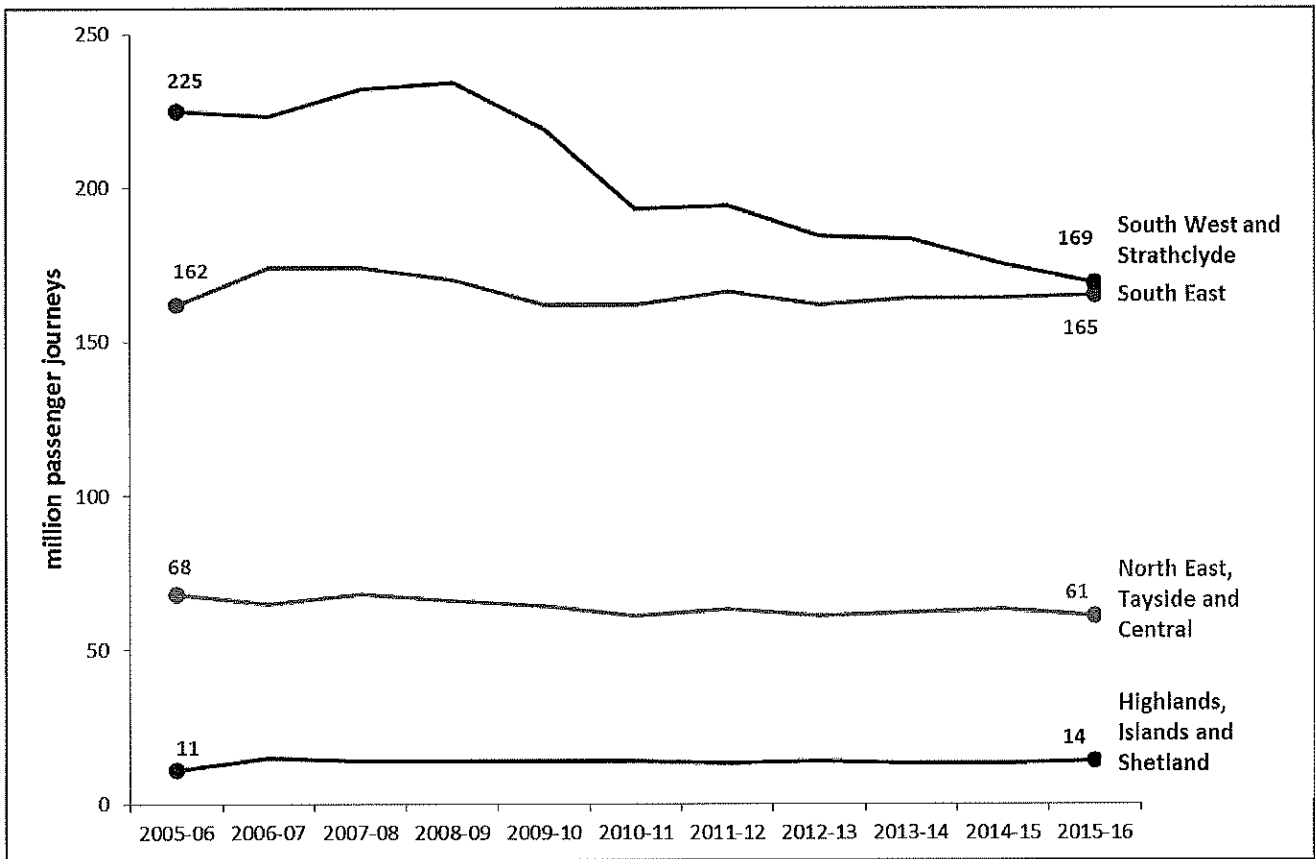


\*Note that the scale is indexed to the passenger numbers in each location in 1982, so the lines track relative changes against that as opposed to absolute numbers.

\*\*These figures don't address the decline before 1982 as this is the base year for the index.

### Regional Breakdown

Bus patronage has declined in Scotland over the last ten years. This overall decline has been dominated by that in the South West, which in turn is dominated by Strathclyde. As the graph below shows, other regions have been much more stable. As above with the national picture, it can be seen that the most marked decline over this period began around 2008-09.



These data are from the DfT survey of PSV operators. The regions are as follows:

- **North East, Tayside and Central** - Perth and Kinross, Stirling, Aberdeen City, Aberdeenshire, Angus, Dundee City
- **Highlands, Islands and Shetland** - Eilean Siar, Highland, Moray, Orkney Islands, Shetland Islands, Argyll & Bute
- **South East** - Clackmannanshire, East Lothian, Falkirk, Fife, Midlothian, Scottish Borders, Edinburgh City, West Lothian
- **South West and Strathclyde** - Dumfries & Galloway, East Ayrshire, East Dunbartonshire, East Renfrewshire, Inverclyde, North Ayrshire, South Ayrshire, South Lanarkshire, Renfrewshire, West Dunbartonshire, Glasgow City, North Lanarkshire



## FUNDING

Government provides funding to the bus industry via BSOG, the block grant to local authorities (which can then be spent on supported services) and concessionary fares reimbursement (though this is not a subsidy as such). The below tables outline funding over time, which has decreased in real terms, as noted by the KPMG study.

£m	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16
<b>BSOG</b>	63	64	63	60	53	50	51	53
<b>LA support</b>	53	61	57	58	59	59	57	59
<b>Concessions</b>	180	187	175	181	199	190	190	189
<b>Total</b>	296	312	295	299	311	299	298	301

\*all current prices

£m	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16
<b>BSOG</b>	70	70	67	64	55	51	51	53
<b>LA support</b>	59	67	62	62	61	60	58	59
<b>Concessions</b>	199	204	188	192	206	194	191	189
<b>Total</b>	328	341	316	317	322	305	300	301

\*inflation adjusted

BSOG (core rate is 14.4p/km) exists to support the bus network in Scotland and to help keep fares at manageable levels.

### Review of the Green Bus Fund and BSOG

Our intention is that the Green Bus Fund will include funding for infrastructure for the first time and be weighted towards the lowest emitting buses. The new Green Bus Fund, which will be technology neutral, will start from 2019-20, allowing time for development with the industry.

In parallel we are reviewing BSOG to ensure that it keeps pace with technological developments. We are reviewing the low carbon vehicle incentive to bring it up to date with the technology and ensure that it is weighted towards the lower emitting vehicles. We are also considering how to use the core BSOG rate to give the bus industry stability to invest and support the Scottish bus network.

£16.2 million has been spent on 362 new green buses through the Green Bus Fund to date. We now have a total of almost 500 green buses within the Scottish Fleet.

Successful bids for the most recent round of funding (round 7) of the green bus fund amounted to £1.4 million for 47 new green buses, including two electric buses.

The greening of bus fleet has been supplemented by BSOG green incentive revenue support of £11 million over 5 years.

As announced in PfG, we will bring forward an improved BSOG green bus incentive rate, weighted towards the lowest emitting buses, and an extended Green Bus Fund. [REDACTED]

## TRANSPORT BILL - YEAR 2 BILL

### Lines

- This government is committed to **supporting bus services**.
- Passenger numbers have been declining since at least the 1960s. Legislation is not a silver bullet to the key challenges the industry faces, such as congestion, but we can set the framework for the right parties to work together on local solutions.
- By improving the legislative framework we will provide local authorities with options to influence and improve bus services in their area, ensuring that there is a sustainable bus network across Scotland.
- The Transport Bill will support local authorities to meet local needs and circumstances, whether they wish to pursue **partnership working, local franchising, or running their own buses**.
- We will also **improve the information** available to passengers so that bus travel is more accessible and attractive.
- Wholesale re-regulation is not a panacea. The decline in passenger numbers goes back way before deregulation and has multiple causes.
- A consultation on our bus service proposals is currently underway.

### Key issues

The Transport Bill will deliver a manifesto commitment:

- Providing local transport authorities with a viable and flexible set of options to ensure that their **bus services** meet local users' needs.
- Tackling **obstructive and inconsiderate parking**, including double parking and parking on pavements.
- Enhancing and improving the role of the Scottish Road Works Commissioner and improve the wider regulation of **roadworks**.
- Promoting **smart ticketing** on public transport in Scotland.

### Transport Bill and Consultation – Local Bus Services in Scotland – Improving the Framework for Delivery

The forthcoming Transport Bill will enable us to take action to support our aspiration to deliver a safe, efficient, cost-effective and sustainable transport system for the benefit of the people of Scotland.

We are consulting on proposals for the Bill to ensure that local authorities have a viable and flexible set of options to improve bus services in their area, including the proposal of a new (statutory) 'Bus Service Improvement Partnership' (BSIP) which would be based on joint working.

SIPs would provide a framework for operators and authorities to work together to tackle challenges like congestion in order to arrest the decline in patronage.

We remain opposed to wholesale re-regulation, but in certain situations where the case is made, we also want local authorities to have the options of local franchising or the direct running of bus services.

We also propose to require bus operators to share information openly (eg on punctuality and fares) to help passengers plan and make bus journeys.

## Parking

We are committed to improving parking in Scotland to ensure that our roads are accessible for all. Inconsistent, obstructive or dangerous parking can cause serious problems – like restricting access for emergency services, or putting the safety of pedestrians and other motorists in jeopardy.

Local authorities are responsible for managing local roads, including parking. Police Scotland is responsible for enforcement against dangerous/obstructive parking as part of its wider traffic offences enforcement.

Following Sandra White's Private Members' Bill in 2015, and subsequent revisions to the Scotland Act 2016 which brought this area into the competence of the Scottish Parliament, we undertook a public consultation earlier this year on how we can improve parking management in Scotland. The consultation received over 650 responses.

The Transport Bill will prohibit double parking and parking on pavements. We will work closely with our stakeholder working group to ensure issues around enforcement, public concerns and vehicle displacement are adequately addressed when the Bill is introduced

## Road Works

Scotland's road network is an important asset and we already lead the UK on the planning and co-ordination of **road works**. Road works are necessary to keep roads and the utilities that run under them safe and in good repair, but it's important they are managed and carried out well.

We already have a good framework for regulating road works in Scotland, including the Scottish Road Works Commissioner and the Scottish Road Works Register, but it can be improved. The Bill will contain measures designed to improve the quality of road work reinstatements and promote a culture of getting it right first time.

This will be supported by **improved enforcement** and **strengthening the powers** available to the Commissioner and roads authorities, in line with the agreed recommendations of the 2016 Barton Report.

We are currently consulting on our proposals to improve the regulation of road works in Scotland and build on our existing strengths.

## Smart Ticketing

Our vision is that all journeys on Scotland's bus, rail, ferry, subway and tram networks can be made using some form of **smart ticketing** or payment

Considerable progress has already been made to deliver smart ticketing in Scotland but there are a number of areas where further progress is required. We want to develop a consistent, national, approach across all modes of transport which improves the experience of the travelling public.

The Bill will **ensure that governance arrangements** are in place to fully enable Scotland-wide smart ticketing and we a consultation on our proposals is currently underway.

## SMART AND INTEGRATED TICKETING

### Lines

- Transport Scotland is working with operators across Scotland to bring this about for commercial purposes, as well as using the extensive NEC card estate for smart concessionary travel.
- The main Scottish bus operators have agreed to work towards compatible smart ticketing, dovetailing with the ScotRail smart ticketing programme (being delivered through their franchise agreement).
- These schemes are being delivered with *saltirecard* branded smartcards where possible.
- As technology develops we are also listening to industry and public feedback to work with operators to develop a suite of smart ticketing and payment options that are inclusive, best available and fit the needs of modern society, including contactless and mobile services.

### Current position

Following a widespread engagement process with representatives from the industry, local authorities, transport partnerships and operators, Transport Scotland cancelled its national e-purse procurement (October 2017). This decision was reached for a variety of reasons, including technical integration, advances in contactless bank card and mobile technology, price and customer proposition considerations. Transport Scotland will continue to work with operators to further support other technology, such as contactless bank card and mobile.

A consultation paper seeking views on the future of smart ticketing in Scotland is underway, closing at the start of December 2017. This consultation will inform policy and help develop legislation as part of the forthcoming Transport Bill.

In Scotland smart tickets can now be used to make journeys on rail, subway, bus, and air – with work progressing with ferries. Outside of London, Scotland has one of the most advanced smart integrated multi-modal networks in the UK.

There are currently two very successful city smart zones, where smart, integrated ticketing can be used across bus service providers, in Aberdeen (shire) and Dundee, with Aberdeen now technically integrated with ScotRail.

The ScotRail network is now fully smart enabled, with an array of ticket types on offer, including Anytime, Season and flexi pass tickets. ScotRail has committed to ensuring that by 2019, 60% of its passengers' journeys will be made using smart products.

Transport Scotland has supported the launch of commercial *saltirecards* with a number of small operators to facilitate smart ticketing, and also an e-purse. There are over 2 million NEC *saltirecards* now in circulation and approximately 280,000 smart concessionary journeys are made each week.

Smaller schemes with big social impacts, such as Employability Hub and Through Care have been launched in Renfrewshire; and in Perth a trial of student travel on interoperable smartcards is currently proving a success – these schemes have potential to grow across regions.

We are working in partnership with Local Authorities for schools and FE transport projects to enable children and students to get smart. Successful smart schools' transport is being delivered in East Lothian, Argyll & Bute, Western Isles, Dumfries & Galloway, and Perth & Kinross, with potential to grow.

## ACTIVE TRAVEL

### Lines

- The vision is to build an 'Active Nation', by making our towns and cities friendlier and safer spaces for pedestrians and cyclists.
- This supports our Active Travel Vision, the National Walking Strategy and the Cycling Action Plan for Scotland's vision of "10% of everyday journeys by bike by 2020".
- Sustrans estimate that the annual 130 million journeys on the National Cycle Network generates over £345m to the Scottish economy and saves the NHS over £306m.
- On 18 September, the Minister for Transport and The Islands announced that all 5 Community Links PLUS projects would receive 50% match funding (Edinburgh (2 projects), Glasgow, Stirling and Inverness). These 4 councils will share over £22.5m from Scottish Government over the next 5 years.

### Key issues

#### Current Position and moving forward

We will use this doubling of investment to significantly improve our infrastructure, public realm, putting people first, including major segregated routes in our towns and cities, as well as behaviour change and educational projects to ensure that the people of Scotland see walking and cycling as an attractive everyday option for short journeys in their local areas.

Sustrans has estimated that on average 12.7 jobs are supported or sustained for every £1 million investment in active travel infrastructure projects.

We will appoint an Active Nation Commissioner to ensure that we deliver world class infrastructure across Scotland, and will work across Government to develop this cross-portfolio role in delivering not only infrastructure, but including behaviour change projects relating to increasing physical activity levels, such as cycle training and bike hire.

We will promote the use of electric bicycles and projects which help older people benefit from our network of walking and cycling routes. The Cycle Action Plan for Scotland 2017-20 has an action to increase levels of access to bikes through projects that support inclusive cycling initiatives.

We will build on this by supporting projects for all ability cycling, such as those for older people and people with disabilities, and promote hire and loans for electric and cargo bikes and support employer take up of electric bikes.

We will deliver a long distance walking and cycling route - and will offer an experience equivalent to the successful North Coast 500. The Scottish Cycle Tourism Forum estimate that cycle tourism alone contributes £345 million per annum to the Scottish Economy (2017).

#### Funding

£80m is a doubling of an already record level of spending on active travel by this administration (£39.2 m in 2017/18) and represents 10% of Transport Scotland's Trunk Roads budget. This is a clear demonstration of our commitment to active travel.

£80 m will allow local authorities to build one or more major segregated cycle routes in each city in Scotland every three years, phasing construction over a manageable timescale and building skills in consultation, design and construction in the sector.

Over £1 billion of Transport Scotland's budget is already spent on sustainable travel, including rail and bus. We would not want to risk this level of vital funding commitment by increasing the Active Travel budget to greater levels.

## CONCESSIONARY TRAVEL CONSULTATION

### Key Points - Consultation

- Our 2016 Programme for Government confirms that all older and disabled bus pass holders will continue to benefit from free bus travel on local and long distance services across Scotland through the National Concessionary Bus Travel Scheme for Older and Disabled People.
- People are living longer, staying healthy longer, and staying in work later in life and we aim to ensure that access to the benefits of the bus pass goes to those who have greatest reliance on free bus travel.
- A public consultation, launched on 25 August 2017, is asking the people of Scotland how best to ensure that the bus pass is sustainable in the long term. The consultation is just that, a consultation. No decisions will be made until all responses have been fully considered. The consultation closes on 17 November 2017.
- Whatever the outcome, everyone who has a bus pass will keep it! We are not taking bus passes away from anyone who already has one.
- We will make no adverse changes to eligibility for people with a disability. People with a bus pass as a result of a disability will continue to benefit from the scheme.
- The Consultation is also seeking views on our proposal to introduce free bus travel for young Modern Apprentices and companion bus passes for disabled children under age five.
- We want to help ease the transition into work for younger people in Scotland, especially those on lower incomes and that is why we are looking to introduce free travel for modern apprentices.

[REDACTED]

[REDACTED]

## Consultation

The 2016 PfG committed to the continuation of free travel through the National Entitlement Card on local and Scottish long distance buses for Scotland's older and disabled people and that options to safeguard the longer term sustainability of the concessionary travel scheme would be examined with stakeholders. It also committed to delivering free bus travel for Modern Apprentices under age twenty one and to three months free travel for recipients of the new Job Grant when it comes into force.

Throughout this year the Minister for Transport and the Islands and Transport Scotland engaged with key stakeholders to get their views on how to ensure the long term sustainability of the scheme in order to understand the social, equality and other impacts of any potential changes to the scheme. Their views have informed the published consultation which asks about possible changes to the scheme including:-

- whether the eligibility age should remain as it is at present;
- whether the eligibility age should be raised to female state pension age;
- views on extending the scheme to young modern apprentices; and
- views on providing companion bus passes to disabled children under age five.

A number of other suggestions were made as part of the pre consultation period. These were not consistent with the Government's commitment to provide free bus travel or posed operational difficulties to implement. They are however, listed in the consultation for information.

The consultation closes on 17 November after which the responses received will be considered and analysed and the views received will be used to inform the future development of the scheme. The responses and analysis will be published in due course.

Should Ministers decide to make any changes they have given assurances that the position of existing card holders, including people with disabilities will be safeguarded. Those who already have a bus pass at the time of any changes will continue to keep it.



## NATIONAL TRANSPORT STRATEGY

### Key Points – NTS Review and Bus

- The Bus sector is represented on each of the four thematic groups: Greener & Healthier, Enabling Economic Growth, Tackling Inequality, Delivering Safe and Resilient Transport by CPT and Bus Users Scotland.
- CPT had requested membership of the overarching Partnership Group but we have maintained the position that the Partnership group is a non-modal group.
- The Research and Evidence group is doing on-going analysis of the responses to our Call for Evidence which asked for evidence to address questions grouped around seven key themes including Economic Growth and Governance
- Submissions to the Call and summaries of the evidence received will be made publically available during autumn 2017. CPT, CTA & FirstGroup and Lothian Buses all made submission.
- CPT submission noted that: there is strong case for further investment in the bus and coach sectors to support inclusive economic growth, highlighted congestion as an issue affecting both modal shift to bus and environmental impact of transport.
- In its Evidence response on Governance CPT noted that “The Scottish Government should retain the current regulatory model for the bus sector. Commercial bus operators seek to maximise patronage and achieve profit for reinvestment. Transport Authorities should focus on enabling operators to achieve these aims by creating a pro-bus transport environment. A focus should be placed on encouraging cooperation between all parties.” “Should the forthcoming Transport (Scotland) Act include bus franchising and municipal bus companies, CPT would hope that the legislation and accompanying guidance would include sufficient checks and balances to ensure that transport authorities do not jeopardise successful commercial businesses without an independently assessed viable business case for regulatory change”
- We have already undertaken early engagement via online survey and have published the response and have used this work to inform our further engagement.
- Bus users were identified as underrepresented in the Early engagement responses and our engagement plan takes account of this with plans to engage bus users and other less engaged groups through specific focused activities.

### NTS Review

The NTS review is on-going and will produce a successor strategy which sets out a compelling vision for the kind of transport system we want for Scotland over the next 20 years. The NTS Review will build on the earlier 2016 Refresh.

The NTS review includes a review of Governance which will build on the work of the NTS Refresh and further clarify, and possibly modifying, existing transport roles and responsibilities nationally, regionally and locally.

The approach to the Review is based on building a robust evidence base, working collaboratively with our partners and engaging with transport users across Scotland. In total the NTS Review has a Partnership Group and seven working groups, with representation from approximately 62 different organisations including CPT and Bus User Scotland. All meetings are chaired (or co-chaired) by external parties

An NTS social media launch took place on Monday 18th September with a website refresh, Ministerial blog and Facebook page.

The joint Ministerial/COSLA National Transport Event will take place on Tuesday 7th November. Note that this clashes with the CPT event but that CPT are providing an attendee at the National Event.

## **Background**

In August, George Mair of CPT wrote the Minister asking for CPT to be included on the NTS Review Partnership Group to represent the Bus sector. The Minister declined his request to sit on the Partnership group, however, he agreed that they participate in all the thematic groups – with the exception of Tackling Inequality group, where Bus Users Scotland represent the bus sector – to address George's concerns. Membership of the Partnership Group is non-modal and user-focussed. This letter was responded to in September and CPT has not discussed this any further.

## LOW EMISSION ZONES

### LINES

- The Scottish Government has committed to introducing Low Emission Zones (LEZ) into Scotland's four biggest cities by 2020.
- The first LEZ will be put in place in Glasgow by the end of 2018.
- We have set up a 4 cities LEZ leadership group as tangible and immediate evidence that LEZs will be delivered between 2018 and 2020
- We are meeting both domestic and European air quality targets across much of Scotland, although hotspots of poorer air quality exist in urban areas.

### Programme for Government and Draft Climate Change Plan

PfG 2017 states that:

We will work with local authorities to introduce LEZs into Scotland's four biggest cities by 2020, and into all other AQMAs by 2023 where the NLEF appraisals advocate such mitigation.

We will introduce an Air Quality Fund to support local authorities with the delivery of Air Quality Action Plan transport-based mitigation.

We will work with the commercial and bus sectors, in conjunction with the Energy Saving Trust and Low Carbon Vehicle Partnership, to introduce an Engine Retrofitting Centre in Scotland to support the delivery of LEZs.

Multiple LEZ delivery across Scotland is very ambitious, and represents the largest ever programme of air quality transport-based mitigation in Scotland.

The vision for air quality in Scotland is that Scotland will have the best air quality in Europe.

Draft Climate Change Plan states that we will 'Evaluate the scope for urban wide LEZs with a specific focus on CO<sub>2</sub> emissions, as well as air pollution'.

### LEZ definition and effectiveness

LEZs set an environmental limit on certain road spaces, to allow access to only the cleanest vehicles in our towns and cities.

LEZs can be a viable option to improve air quality, although outcomes are highly dependent on size, vehicle scope, traffic data robustness and local metrology.

LEZ impact results are variable. The Berlin LEZ created a 7% to 10% reduction in NO<sub>x</sub>. However, LEZs in 11 Dutch cities did not impact on NO<sub>2</sub>.

### LEZ expectations + lead-in times

We want local authorities to be **bold and ambitious** in designing their LEZs.

We will work in partnership with Scottish local authorities and RTPs to deliver **LEZs that are well designed to consistent national standards**.

Lead-in periods would start once a local authority LEZ design and location is published, and continue for a period of time after it becomes operational. This approach would provide vehicle

owners with time to adopt or upgrade their vehicle, well before the start of any LEZ enforcement regime.

LEZs should interact with a host of other transport policies across congestion, uptake of ultra-low emission vehicles and supporting modal shift.

### **LEZ Governance across Glasgow, Edinburgh, Aberdeen and Dundee**

A 4 Cities LEZ Leadership Group has been established. It will be chaired by Ministers, to help support momentum on delivering PfG commitments.



LEZ Delivery groups have been initiated for Glasgow and Edinburgh, with meetings planned with Aberdeen and Dundee to set them up too.

An independent senior scientific practitioner will support the Delivery Groups.

LEZ Delivery Groups may comprise City Councils, Transport Scotland, SEPA and Regional Transport Partnerships.

Detailed air quality modelling by SEPA via the National Modelling Framework is well advanced for Glasgow.

### **Building Scotland's Low Emission Zone consultation**

A consultation on LEZs guiding principles will close on the 28 November.

We are seeking views on issues such as emission criteria, scope (commercial fleet and private cars), enforcement/penalties, lead-in times and exemptions

### **National Low Emission Framework (NLEF)**

NLEF is a transport focused, evidence based appraisal process, and is a key commitment of the Cleaner Air for Scotland strategy. NLEF will be finalised in line with the findings of the Building Scotland's Low Emission Zone consultation

We have funded an extensive traffic data collection exercise across Aberdeen, Glasgow, Edinburgh and Dundee to support air quality modelling for LEZs.

### **Bus sector views on LEZs**

CPT want the bus sector to be key strategic partners in LEZ decision making.

Bus operators acknowledge that LEZs will create both impacts and opportunities. Risks include service withdrawal and fare increases.

The bus sector want Government support for retrofit/scrappage (this issue represents the single most significant component in the Spending Review).

The bus sector want LEZs to act as a catalyst for improved traffic management and private car parking restrictions to collectively tackle congestion.

### **Bus Emission Abatement Retrofitting (BEAR) Programme**

£1.6m will be provided this financial year to a Bus Emission Abatement Retrofitting (BEAR) Programme Phase 1.

TS are working with the Energy Saving Trust on this project.

### **LEZ funding and timeline**

LEZ funding is being considered within the forthcoming Spending Review, with LEZs being an additional cost pressure.



### **LEZs, legislation and local authority powers**

Transport Scotland are preparing a submission for Ministers around the potential inclusion of LEZs as an additional topic into the proposed Year 2 Transport Bill. Transport Scotland are in the process of securing additional resource to support this aspect.

Officials believe that primary legislation is required to enable LEZs to be practically and successfully delivered across Scotland. The Bill would enable decriminalised enforcement of LEZs and contain powers to set nationally consistent standards on emissions, penalties, exemptions and lead in times.

The Traffic Commissioner for Scotland can create new Traffic Regulation Conditions (TRC) to set emission based criteria within Public Service Vehicle operator licences.

The Traffic Commissioner for Scotland has been very clear that TRCs to tackle emission reduction must happen in parallel with actions to tackle congestion.

A local authority has powers today to create a new Traffic Regulation Order (TRO) that could potentially be used to underpin enforcement of a LEZ as a criminal offense.

### **Question and Answer**

#### **When will Low Emission Zones be introduced in Scotland?**

Scotland's first Low Emission Zone will be put in place in Glasgow by the end of 2018. We have committed to a LEZ in Edinburgh being in place by the end of 2020.

The first LEZ (in Glasgow) will be designed in a manner consistent with the national discussion on the National Low Emission Framework (NLEF), with Edinburgh's LEZ to learn from the first LEZ early adopter.

#### **What vehicles will be included in the Glasgow LEZ?**

No decision has yet been made on the vehicle classes to be targeted for the Glasgow LEZ. This decision will be wholly evidence based.

**How will the Scottish Government support local authorities in creating LEZs?**

LEZ funding is being considered within the forthcoming Spending Review.

We are allocating £1.6m this year to a Bus Emission Abatement Retrofit Programme, which will be the first phase of SG support to the bus industry in preparing for LEZs.

We will introduce an air quality fund to support local authorities with Air Quality Management Areas to deliver non-LEZ transport-based mitigation.

**How will the Scottish Government work with City Councils to support the introduction of LEZs?**

We are establishing a 4 cities LEZ leadership group as tangible and immediate evidence that LEZs will be delivered between 2018 and 2020.

We are establishing LEZ Delivery Groups for lead officials to deliver the design, construction and operational elements of our LEZs.

## **Ministerial Speaking Note – CPT Conference – 6 November 2017**

Thank you, Sandra, for those words. Sandra tells it like it is and, even when the message can be difficult to hear, straight talking is what we need in Government. And my main message to you is that I am listening and I want us to continue to work together.

This is a particularly challenging time for bus. Passenger numbers continue to fall and that is a threat to our ability to sustain the services that people rely on. Motoring is relatively cheap. Behaviours have changed so people are not making the same trips they were. We need to adapt to that and I am sure over the next two days you'll be talking about what that means in practice.

In Government, we are pushing ahead with a range of initiatives which have relevance to bus. I want to talk about those in turn. But – as a general point - I hear what you say about **stability**. We are ambitious in terms of wanting to improve our environment and services for passengers. At the same time, we recognise the demands that change imposes and the need to work with you to manage the transition.

Ultimately, everyone in this room shares the desire to reverse the fall in patronage and we need to work together on that. For me that is about partnership and taking opportunities.

## **Patronage**

I know that CPT have been working with consultants to understand the challenges that are causing passenger numbers to decline and you will focus on that over the next two days. That is welcome.

That decline has been on-going since at least the 1960s, but I am not content to watch it continue. The causes are multiple from economic and behavioural factors, like the growth in online shopping, to those which are more readily in the control of people in this room. Funding remains a challenge for all of us and there is no doubt that we are going to have to work more closely together in this constrained economic climate.

## **Congestion**

Congestion is a major headwind facing the industry. We are looking at it the review of the National Transport Strategy, on which CPT is represented.



But we are not standing still while the review is taken forward. Operators have given us good intelligence about where congestion hotspots are and we will be working with local authorities to compare evidence and work towards solutions. Where congestion is on the trunk roads, Transport Scotland will work on that. I am not going to list the range of roads schemes that will ease congestion. There is more to be done and we will be looking at what managed motorways can do to allow buses to run rather than getting caught up.

There's a link between air quality and congestion. We need to use the LEZ platform to address both.

## **Transport Bill**

I am clear that the regulation around bus needs to change so that challenges such as congestion can be better addressed. Legislation in itself is not going to reverse patronage decline but it can provide a framework to work on solutions and if you help to shape that framework it will be better.

Partnership is at the centre of our proposals. I can see that one political reaction to the concerning patronage trends is to opt for wholesale re-regulation. It is easy to say that, but that is **not** my view. Local franchising or local authorities running their

own bus services might be right in some cases, but the key thing I want to enable is partnership – local authorities and operators working together to understand the network, what communities want from it and what they can do together to improve services. Congestion is the sort of thing that should be addressed in this way, with local authority powers and innovative technological solutions being used to get buses moving more freely.

It feels to me like we are at a turning point in terms of data and technology and, again, there are opportunities there that I know operators themselves are beginning to grasp. “Open data” will feature in the Bill. We want to improve the information available to the bus travelling public. In Scotland we have a head start with Traveline Scotland and I am hearing from discussions that there is a will to build on that. Open data makes bus a more transparent option to potential passengers, who are sometimes turned off because it is seen as somehow too opaque.

### **Smart ticketing**

Another element being considered for the Transport Bill is smart ticketing and payment. I have seen real progress – like the successful cross operator GrassHopper smartzone in

Aberdeen, and ABC in Dundee. We eagerly await Glasgow Tripper soon, followed by Edinburgh's smartzone by February next year - key steps to delivering interoperability between bus operations, that should also expand to other transport networks over 2018.

Following an intensive engagement period over the summer we ceased procurement for a national e purse scheme and, taking on board industry and passenger expectations, we now look forward to supporting operators with delivering alternative payment methods to meet today's requirements.

Indeed, I was pleased to launch First Bus's EMV system today. It is clear that smart payment technology is moving on, probably quicker than we thought it would, and giving that contactless bankcard option will help people feel more positive about catching a bus, without worrying about having the right change or coins on them.

I also hope the Operators Steering Group will continue to develop a strong basis for smart ticketing and payment governance in Scotland. It is a vital part of our work on smart to ensure Scotland delivers a great, consistent customer experience, that is easily identifiable and simple to use. We are keen to maintain our position setting the standards for

interoperability in the UK (outside of London) and appreciate the input from operators and others.

I therefore trust you have all had time to see our Future of Smart ticketing consultation that is currently underway – this and the bus consultation both close on 5 December - and I urge you to complete these.

### **Concessionary travel**

You know we are also consulting on the future of the national concessionary travel scheme. This looks at the options to make the scheme more sustainable in the longer term and among other things how we provide young Modern Apprentices with free bus travel. I have been impressed by the level of engagement from stakeholders. I understand they are responding to the consultation, which closes on 17 November, with the same conviction, passion and reasoned arguments that I have heard put across in my face to face discussions. I am not going to prejudge the outcome of the consultation but I will commit that we will seek to work closely with CPT to ensure solutions that are workable for all.

We are also still in discussion with CPT on the review of the reimbursement model, through which we seek to ensure that

operators are “no better or worse off” as a result of the scheme. I am committed to continuing that dialogue so that we can arrive at an outcome that is fair to operators, passengers and tax payers.

## **Low Emission Zones**

Low Emission Zones present a critical opportunity for this country, for local authorities, fleet operators and for the travelling public. There are real health risks from poor air quality. Bus has to be part of the solution but LEZs should also address emissions from cars and other vehicles. Buses running more smoothly and at higher speeds produce less harmful emissions than crawling and stop-starting. Quicker, more reliable bus journeys will get more people out of their cars. So my vision is clear and I will work with Glasgow City Council and others through the LEZ Leadership Group and city-specific Steering Groups.

Retrofit needs to be a part of it. We are realistic about that and the fleet renewal cycles. We have announced £1.6 million funding this year for retrofit and are working up that programme right now. I know the concerns in the industry but you have also offered your expertise in the form of a mentor to help my

officials understand the industry and technology. That is a positive response.

## **Green Buses**

Of course retrofit is not where we want ultimately to be. I want operators to buy new green buses, for the environmental benefits but also for the passenger. The Whitelaw's fleet [*likely to be announced as 100% low carbon at conference*] is a great example of investing in green technology that also gives the passenger a fantastic experience.

We outlined in the Programme for Government ambitions to decarbonise transport. Electric cars captured the headlines, but we have seen great success via our green bus funding with nearly 500 green buses now in the Scottish fleet. We intend to build on that success by bringing forward extended funding over the coming years to keep pace with the technology and with our new ambitions.

We are updating the BSOG green rate so it has bands, weighted towards lower emitting buses, but I am realistic that we need to manage the transition. This is not about turning off the taps abruptly but moving to a system that recognises how

technology and costs have changed. We will work with CPT and others to get the balance right.

## **Active Travel Funding**

Active travel is another area that I am pushing hard on. I want to emphasise that that is another opportunity for bus. Walking and cycling and bus should be complimentary. Not least because bus travellers tend to walk more than drivers. I know CPT are already working with the active travel community around opportunities to publicise active and public transport and I encourage that. It is an area where simple things like signage and information can make a difference.

## **Summary**

In summary, I know that this is a particularly challenging time for you, and that we are at the same time pushing for significant improvements like LEZs and smart ticketing. My message today is that by working together we can make these things an opportunity for bus. An opportunity to buck the trend on patronage.

And I hear what you are saying with regard to stability. Where I can provide that I will. Because we want to invest – and we want you to invest – for the future of bus.

**ENDS**

[Speaking Word Count – 1722]

[150 words per minute]



**From:** [REDACTED]  
**Sent:** 10 November 2017 20:46  
**To:** [REDACTED]  
**Cc:** [REDACTED]

**Subject:** CPT conference 2017 - Internal notes or closed doors session and key Conference points - 6 7 November 2017

[REDACTED]

As I said before, many thanks for sending your notes on, which were assiduous. I have built upon them. This is to serve as a long record for the files, rather than anything to go to Mr Yousaf or others. It focuses on the closed doors session more than the whole Conference. We will have a wash-up and that can consider how and what to communicate to Ministers and Directors on key messages

Could [REDACTED] please place this on eRDM as a record?

In general the Conference was a challenging one with a very negative mood around patronage decline and strong negative feedback on the perceived instability caused by Government consulting on a wide range of policy areas at once (LEZ, smart ticketing, concessions, green bus funding, Transport Bill, NTS etc).

[REDACTED]

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**DAY 1 BUSINESS SESSION**

**Sandra White CPT Chair - Opening Address**

- It is difficult just now to plan even 2 to 3 years ahead due to the technical changes and advances that are coming into the bus sector (this is the view of both the bus sector and Uber)
- There is **significant uncertainty** created by multiple SG consultations being live just now which affect the bus industry in Scotland. This uncertainty is creating instability and tension; it is difficult to create a vision for 2020 and beyond. The unknown costs across the suite of consultation topics creates uncertainty (in investment decisions) in the bus sector. **SG needs to foster certainty in the bus sector; this should be the Ministers goal**

- BSOG tiered emission performance should be considered, but with the 18/19 capped budget this is leading to operators having a very hard time to work up their budget 1 week before Christmas, with no certainty that they will have got their numbers right (the capping approach creates this uncertainty)
- NTS Review must address congestion – inaction at local government level
- The Glasgow LEZ approach would appear to have no leadership from SG, to inform officials (who brief elected members). The GCC approach is not in line with current SG/Ministerial ambitions. How can this be the case when the GCC is SNP lead?
- The Glasgow LEZ approach must provide certainty over funding, and outline the where, when and how as soon as possible. There must be funding for retrofitting, with significant lead in times and buses framed as the solution. Cars must also be included in the LEZ mix at some point
- Introducing a franchise approach in Scotland would not be welcomed – Sandra's business could be finished if she failed to win one franchise. There must be strong checks and balances. Partnership should be the focus.
- Smart ticketing approach is going well, and good to see that SG listened to CPT advice about technology
- SG and CPT must both not consider the consultations in isolation (the Minister must look at the findings as a whole)
- Uncertainty led to only half of Green Bus Fund being spent.
- There would appear to be differing clashing policies across CO2 and NOx with conflicting and unintended consequences
- CPT believe that SG could deliver a suite of actions including:
  - Bus Route Development Fund to be reintroduced and ring-fenced
  - Introduce legislation to support Workplace Parking Levy's
  - Reintroduce salary sacrifice schemes for employers to support bus passes
  - Bus Investment Fund to broaden to include construction of new infrastructure or upgrade to existing infrastructure
  - Cycle racks to be built at bus stops (part of the new active travel budget could cover this action)
  - City Car Club members could be incentivized to have bus passes
  - Remove fuel duty on buses (akin to other transport sectors)
- For LEZs, Minister should place the same expectation on cars as we place on buses; note that Copenhagen may go car free from as early as 2019
- For LEZs, we should include cars at 'an early stage'.

#### MTI speech

- MTI is pro-passenger which means being pro-bus as part of that
- We should **not confuse stability with the status quo**; the status quo is not delivering
- Congestion needs a lot of collective work between CPT, TS and LA's (noting Prof. Begg's work in this area)
- If LEZs are done properly, they can also help tackle congestion
- SG want as ambitious LEZs as possible
- The Glasgow LEZ proposals for bus-only will have to be revisited.
- LEZs will include cars but there is a timing issue



[REDACTED]

**Subject:** CPT conference 2017 - ST notes - 7 November 2017

[REDACTED]

Here are my notes from the CPT conference 2017, focusing on the discussion between CPT, TS and MTI:

[REDACTED]

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- BSOG tiered emission performance should be considered, but with the 18/19 capped budget this is leading to operators having a very hard time to work up their budget 1 week before Christmas, with no certainty that they will have got their numbers right (the capping approach creates this uncertainty)
- NTS Review must address congestion
- The Glasgow LEZ approach would appear to have no leadership from SG, to inform officials (who brief elected members). The GCC approach is not in line with current SG/Ministerial ambitions. How can this be the case when the GCC is SNP lead?
- The Glasgow LEZ approach must provide certainty over funding, and outline the where, when and how as soon as possible. There must be funding for retrofitting, with significant lead in times and buses framed as the solution. Cars must also be included in the LEZ mix at some point
- Introducing a franchise approach in Scotland would not be welcomed. There should be checks and balances for a partnership approach (this is favoured over franchising).
- Smart ticketing approach is going well, and good to see that SG listened to CPT advice about technology
- SG and CPT must both not consider the consultations in isolation (the Minister must look at the findings as a whole)
- There would appear to be differing clashing policies across CO2 and Nox with conflicting and unintended consequences
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## MTI speech

- MTI is pro-passenger which means being pro-bus as part of that
- We should **not confuse stability with the status quo**; the status quo is not delivering
- Congestion needs a lot of collective work between CPT, TS and LA's (noting Prof. Begg's work in this area)
- If LEZs are done properly, they can also help tackle congestion
- SG want as ambitious LEZs as possible
- The Glasgow LEZ proposals for bus-only will have to be revisited.
- LEZs will include cars but there is a timing issue
- For LEZs, it would be unusual to see a clean Euro 6 diesel bus next to a 20 year old dirty diesel car; it would create a confusing perception with the general public
- MTI is not unsympathetic to Work Place Parking Levy's, and they were included in the draft climate change plan, and we know LA's want these powers
- Cheap city centre car park spaces will have to be looked at
- Partnership is at the centre of our work.
- There is room for bus franchising where the right checks and balances are in place
- MTI wants to see integration between bus and cyclist e.g. bus racks on front of buses.

## Questions to MTI

- Is there wishful thinking around modal shift, when car park prices have not risen in a number of years, but bus ticket prices have?
- Can the MTI give LA's more powers to tackle/reduce cars
- GCC and SG have to work together on the Glasgow LEZ, but GCC councillors have had very little dialogue with CPT. **Action:** TS to facilitate meeting(s) between CPT and GCC councillors on Glasgow LEZ progress (MTI specifically asked for this to happen).
- For cycling, what will the SG do to allow bus racks to be fitted to the front of buses, so that buses in Scotland can carry bikes?
- Does the MTI agree that while the status quo is not working, also pulling the same policy levers from the last 20 years will also not work?

Regards,

[REDACTED]

[REDACTED]