



OFFICIAL REPORT
AITHISG OIFIGEIL

Rural Economy and Connectivity Committee

Wednesday 3 October 2018

Session 5



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Pàrlamaid na h-Alba

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RURAL ECONOMY AND CONNECTIVITY COMMITTEE

25th Meeting 2018, Session 5

CONVENER

*Edward Mountain (Highlands and Islands) (Con)

DEPUTY CONVENER

*Gail Ross (Caithness, Sutherland and Ross) (SNP)

COMMITTEE MEMBERS

*Peter Chapman (North East Scotland) (Con)

*John Finnie (Highlands and Islands) (Green)

*Jamie Greene (West Scotland) (Con)

*Richard Lyle (Uddingston and Bellshill) (SNP)

*John Mason (Glasgow Shettleston) (SNP)

Mike Rumbles (North East Scotland) (LD)

*Colin Smyth (South Scotland) (Lab)

*Stewart Stevenson (Banffshire and Buchan Coast) (SNP)

*Maureen Watt (Aberdeen South and North Kincardine) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Gavin Booth (Bus Users Scotland)

Emma Cooper (Scottish Rural Action)

Chris Day (Transform Scotland)

Professor David Gray (Robert Gordon University)

Simon Hulme (CalMac Ferries Ltd)

George Mair (Confederation of Passenger Transport)

Robert Samson (Transport Focus)

CLERK TO THE COMMITTEE

Steve Farrell

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Rural Economy and Connectivity Committee

Wednesday 3 October 2018

*[The Convener opened the meeting in private at
08:52]*

10:02

Meeting continued in public.

European Union (Withdrawal) Act 2018

Heavy Goods Vehicle (Charging for the Use of Certain Infrastructure on the Trans- European Road Network) (Amendment) (EU Exit) Regulations 2018

Maritime Transport Access to Trade and Cabotage (Revocation) (EU Exit) Regulations 2018

The Convener (Edward Mountain): Welcome to the public part of the 25th meeting in 2018 of the Rural Economy and Connectivity Committee. I ask everyone to make sure that their mobile phones are in silent mode.

We have received apologies from Mike Rumbles.

The first item on the public part of our agenda is consideration of proposals by the Scottish Government to consent to the United Kingdom Government using the powers under the European Union (Withdrawal) Act 2018 to legislate through two UK statutory instruments. Under the categorisation proposals that are set out in the protocol between the Scottish Parliament and the Scottish Government for handling such consent notices, both instruments have been categorised as making minor or technical amendments. No comments have been received on the proposals.

Does the committee agree that it should write to the Scottish Government to confirm that it is content for consent to the UK statutory instruments to be given?

Members indicated agreement.

Transport (Scotland) Bill: Stage 1

10:04

The Convener: Item 3 is our third evidence-taking session on the Transport (Scotland) Bill. We will take evidence from two panels. First, we will focus on the smart ticketing proposals in the bill, and secondly we will hear evidence on the proposals relating to bus services.

I welcome to the meeting George Mair, who is director for Scotland of the Confederation of Passenger Transport; Simon Hulme, who is the information technology director of CalMac Ferries Ltd; and Robert Samson, who is senior stakeholder manager at Transport Focus. I assume that you have all given evidence before—

Simon Hulme (CalMac Ferries Ltd): I have not, convener.

The Convener: For your benefit, then, I point out that you should not worry about pushing the buttons on your microphone; someone will turn it on for you. Please look at me if you want to answer a particular question—I will try to get everyone in. Moreover, if you see me waving my pen frantically, that means that your time is almost up.

Richard Lyle will start the questioning.

Richard Lyle (Uddingston and Bellshill) (SNP): Good morning, gentlemen. On smart ticketing, the get Glasgow moving campaign has argued that

“the Transport Bill must include powers so that Local Transport Authorities can enforce an affordable daily price cap across all public transport within the City Region.”

That notion might be commendable, but is there a need for a national technological standard for smart ticketing? If so, what benefits might that bring?

Simon Hulme: We at CalMac are very supportive of adopting standards and working with other industry bodies. Some forums of which we are a member have discussed smart ticketing, and we think that there is a huge benefit not just in looking at the matter unilaterally for our business as a ferry operator, but in being able to work in conjunction with the bus and rail companies, both of which we think are hugely advantageous to the Scottish islands and the Scottish economy. We are absolutely supportive of having a standard to work to, because that will help our software suppliers to work together and should, ultimately, give us a more streamlined and, potentially, more cost-effective solution.

Robert Samson (Transport Focus): From the passenger perspective, in the medium term, a

national technological standard would assist passengers by requiring them to have only one ticket for every mode of transport and every operator of bus, ferry, underground or rail services. A national technological standard or common framework would make it easier to introduce one integrated smart product for passengers instead of their having a multiplicity of tickets.

Richard Lyle: When I was in London a month or two ago, I got an Oyster card, and I used it on buses, trains, the underground and riverboats. I even used it on the Emirates Air Line cable car and on the Docklands light railway. It was Oyster card, Oyster card, Oyster card. Once it ran out, I was able to use my contactless card. If that system works in a city, why can it not work across a country?

George Mair (Confederation of Passenger Transport): We are on the road to that. There is a standard in operation now—ITSO 2.1.4—and all the bus, coach, train and ferry operators have agreed to, and can, work on that platform.

Two years ago, we gave a commitment to the then Minister for Transport and the Islands to introduce a multi-operator, bus-to-bus service, initially in Scotland's main urban areas. We have delivered that in Aberdeenshire, Aberdeen city and Glasgow and, in the east of Scotland, from Dundee to the Borders and to the west as far as Shotts. In those areas, you can get a ticket that will give you multiple bus journeys. That is the initial platform, and the plan is to spread that out geographically, to build it up and to work with ferry and rail partners on introducing a ticket that can be used across the different modes.

We felt that it was really important to not go in and build the roof because, if there were no supports for the roof, there would be a danger of collapse. We are building from the base up. The building blocks and the standards are there: we can push on now and work with colleagues to deliver integrated ticketing for Scotland. It is coming.

Colin Smyth (South Scotland) (Lab): It is interesting that Mr Mair talked about the industries doing certain things to develop the integrated ticket in geographical areas. In London, the Oyster card, which Transport for London introduced, covers every bus company and the whole city. Why have we not achieved in Scotland a single smart card that covers the whole country and all forms of transport? What is preventing that? Will the provisions in the bill deliver that, or will we still have the ad hoc growth of smart cards from the various companies?

George Mair: One of the things that we were asked to include in the smart ticket range that we

have developed across Scotland—of which there has been significant take-up—was that each card, along with its own branding, would also carry the standard Saltire brand so that it could be recognised as a Scotland-wide card that, ultimately, people would be able to use on all the different public transport forms.

We are different to London. The Oyster card has been great, but it is dying and new technology is moving on. We have to keep up the pace and keep ahead of the game. There is an opportunity to have a Saltire card that will deliver the things that you are looking for with all the modes of transport.

Colin Smyth: With respect, we are not even close to the Oyster card in Scotland. You say that you have the technology to allow that to happen, but it is not happening. Why is that?

The number of Oyster cards is reducing because people are using their bank cards. However, we are not even at Oyster card level, never mind being able to use our bank cards to get around the country. If I jump on a bus in Dumfries and travel all the way to Aberdeen by bus, there is no chance of my being able to use my bank card and being charged competitively for the several bus journeys that I make, because there is no crossover between Dumfries and Galloway and other parts of Scotland.

Why are we not even at Oyster card level, never mind at the level of what will ultimately replace the Oyster card, which will probably be use of bank cards? What is stopping that happening?

George Mair: In discussions with Transport Scotland, we felt that we were at a crossroads. We had one technology and we were at a tipping point. It was a bit like VHS and Betamax, when Betamax died a death. We saw the success in other parts of the country in moving transport on to contactless payment. For us, that was the right decision and a sensible thing to do, rather than investing a lot of cash, time and effort in something that would die. It was more sensible to look at contactless and move on with that, because it offered so many options for the future. The current contactless system will change and develop in the years ahead.

The Convener: When we spoke to Transport for London last week, it said to us that the Oyster card will never die: on the basis that there will always be some people who do not have a bank card or cannot use one, Oyster cards will be used for the foreseeable future. I just want to float that.

Robert Samson: It has taken a long time even to get to where we are. I think that it was first mentioned in 2004 in "Scotland's transport future" that the aim was that passengers would be able to get one ticket that could get them anywhere in

Scotland. We are sitting here 14 years later and we still have not got there.

It is probably easier in London than in Scotland because of the regulatory set-up in London and the multiplicity of operators in Scotland, but we are getting there slowly. We now have smart locations, as George Mair mentioned, in urban areas. The hope is that the technological standard and the advisory group that the bill proposes will knit all that together. However, it goes back 14 years, so it has taken longer to deliver than passengers would have liked.

10:15

Colin Smyth: I come back to the point about whether the provisions in the bill will be sufficient to deliver what we are trying to achieve, which is a Scotland-wide smart card like the Oyster card, particularly for people who will never have a bank account—young people and children do not have bank accounts—and the ability for people to use their bank card to get around Scotland. At the moment, I cannot use my bank card on a bus in Dumfries and Galloway. Will the bill deliver that, as it stands, or do we need to change it to make sure that we do not have this conversation again in five years?

Robert Samson: The bill will deliver mechanisms through which all the operators can get round the table and work together with good will. It will not legislate for, or enforce anyone to develop, a national product—although from working with the industry and operators, I see good will to deliver that. Operators are doing it in some areas just now, but there is no provision in the bill to enforce delivery of a national smart technology.

Simon Hulme: I have two comments that are probably worth making. We see customers having choice in how they pay for their travel as fundamental. There is a lot of talk about smart ticketing and smart cards, which has been the model up until now, but use of contactless cards is an expanding market; 63 per cent of people in the UK have contactless cards and 24 to 35-year-olds are the most common users of those cards. We want to make sure that we reach out to those people. However, as Colin Smyth rightly pointed out, not everyone has contactless cards.

Also, in some areas where CalMac operates, connectivity is particularly challenging—for example, we have to be cognisant that at some small ports on the islands we might not be able to have major ticket machines, so we have to be flexible and allow people choice. Do we see that involving our working very closely with the bus companies? For sure, we do. Do we see bus-sail as a fundamental product that we want to offer?

Yes—as we do rail-sail. We have some of that, but we want to do a lot more.

We need Transport Scotland to help us to move forward with our new booking and ticketing system, which has been under discussion for a number of years. That is the fundamental enabler that will allow CalMac's ferry business to move forward and to work with the companies that we are talking about. We want to go into multimodal delivery and offer choice to the customer, and we are asking for help from Transport Scotland to allow us to move that technology forward.

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): I have two small questions, the first of which sets the context. Is it not the case that the Oyster card allows an understanding of the journey that a customer makes, end to end, to be decided not before it is started but after it is completed? The key point is that the customer does not have to plan ahead but can just make their journey and then the system will aggregate all the different bits of the journey and price it. Is that a correct understanding? I am getting nods.

The Convener: George Mair, did you nod your head?

George Mair: Yes.

Stewart Stevenson: They all nodded.

In the bill, there is provision for a national smart ticketing advisory board. However, to enable you to do what Oyster does—that is, look at all the components that made up a journey in order to be able to decide, at the end of it, what the journey was—you will need a kind of clearing house for the data from all the different operators, be they ferries or whatever. I see nothing in the bill that provides for the technical bit of gubbins—to use the technical term—that will enable us to come to a conclusion about what the journey was. Does that matter? Is it a significant omission, or will the national smart ticketing advisory board, by implication, lead to the technical aspect being provided? If that does not happen, I do not see how we will get to the Scottish “scallop card”, or whatever you care to call it.

George Mair: We were instrumental in working with Transport Scotland to put in place the operator smart steering group, on which colleagues participate from the ferries sector and ScotRail—it is easier to say that only the Edinburgh trams are not represented. For me, the solution is about expanding that group to include local authorities and the transport operator that is not currently there.

We have had discussions about the issue, and we recognise that phase 1 of the roll-out of contactless payment is about buying the products that are there now, which might be single fares,

day tickets or, in some cases, weekly tickets. Phase 2 will involve thinking about how to replicate what is happening now in London and being discussed in other parts of England. That will be discussed in Scotland.

Phase 1 is about getting the contactless system in and working, and buying the products that are there now. However, we will also have to keep an eye on the future, to move on to phase 2 of contactless payment, which will allow the things that Stewart Stevenson mentioned to happen. For example, someone might have multiple journeys and there will be a cap on the price for a day's travel. Such ideas are being discussed just now, and the expansion of the board would allow those ideas to be developed.

Stewart Stevenson: I am sorry—let me intrude, just to try to draw that to a conclusion quickly. We are looking at a bit of legislation. At the end of the day, the question is whether the bill will speed up the process of getting to that end point.

George Mair: Yes, I think that it will.

Stewart Stevenson: That is fine.

The Convener: Does anyone else want to say whether it will speed up that process?

Simon Hulme: I think that it will speed it up, but there is one aspect that we think is fundamental, which is why the advisory board is so important. We see ferries as being slightly different. In some respects, our model is almost more like an airline one. On a number of our routes that are pre-booked, customers have to make their choices in advance, and we need to know that they are coming. That is an advantage, because we can speed up customers' experience when we know who is coming and how many people will be on our vessels. Our being part of the advisory board helps us to ensure that such dimensions are not forgotten. That is where integration really comes from. People should not assume that it is just about buses and trains; they should remember the idiosyncrasies of other modes of transport, which might have slightly different demands.

Stewart Stevenson: Do you have a regulatory requirement to know who is coming?

Simon Hulme: On certain routes, yes we do.

Richard Lyle: In London, it is all red buses. Last week, we found out that the services are run not by Transport for London but by various operators, who bid to run services, using the red bus brand.

In Lanarkshire, for example, we have several bus companies, and the problem is that I cannot go from one bus to another with the same ticket. How do we in Scotland get the same impressive system that London has? The one reason why we

cannot do what George Mair wants to do is that we have various companies that do not want to work with—or even know about—one another. They think, "Well, if he buys a ticket off that guy, I'm no gettin my cut."

George Mair: There are areas in the bill that cover that. Initially, we would try to encourage people to participate, because there are commercial benefits from doing so. If we can get things right, it will encourage the making of additional journeys across the board. If increasing its rider numbers is not incentive enough for an operator, I would question why it is in business.

Gail Ross (Caithness, Sutherland and Ross) (SNP): The bill proposes that the Scottish ministers would require local authorities to establish their own smart ticketing schemes. However, I have listened to the evidence this morning and I have considered the submissions from local authorities, and it seems that local authorities are not keen. They say that it will take away their autonomy and give them an additional administrative burden. Do we want local authorities to produce their own smart ticketing schemes, or would it be better to have a Scotland-wide scheme?

Robert Samson: The majority of journeys are made within a local authority area, so there are benefits, but a number of journeys cross boundaries—it depends on where people live. Our evidence is that passengers want a simple, convenient, flexible ticketing system that allows one journey across all modes without an artificial boundary, such as the boundary between North Lanarkshire, where I live, and South Lanarkshire, so that they can go from Motherwell to Hamilton on one ticket. A one-ticket one-stop shop would be the best solution in the long term.

George Mair: There are powers in the Transport (Scotland) Act 2001 for some transport authorities to introduce such a system, but to my knowledge, that has never happened in Scotland, with the exception of Strathclyde partnership for transport. The difficulty in the past was that there was not the motivation or inventiveness to come up with the ticket that Robert Samson quite rightly says that transport users look for.

That is why, two years ago, we were frustrated and said, "We are going to push on to do something and deliver it." It seems sensible to everybody to build up the system using the main urban areas and to expand into different modes. Simon Hulme was right to say that we get hung up on the plastic card; we have to offer the full range of technology. Glasgow has contactless, multi-operator smart ticketing and telephony, and less than 30 per cent of journeys there are cash, 8 per cent are off-bus and 56 per cent use one of the smart modes—that was as of last week. In

Aberdeen, less than 26 per cent of journeys are cash, 8 per cent are off-bus—people go to the shop and buy the ticket—and 66 per cent use some form of smart technology. It works, but we have to provide choice. I think that we could expect local authorities to deliver that range of choice.

Gail Ross: If not local authorities, who would do so?

George Mair: We need to work collectively and involve local authorities and the new board that is proposed—it is important to get local authorities' views. Everybody needs to be part of agreeing the nuances that will be needed between the different transport modes. The best approach is collective agreement; we will get there, as we are demonstrating.

Simon Hulme: I am probably not best placed to comment on bus schemes. Ferries operate through a contract with Transport Scotland that puts obligations on us to work towards smart ticketing. I have already referred to our system needs. We see Transport Scotland as an enabler, which helps us to get traction, and we think that it is a good model to have ferry companies working not in isolation but with rail and others. That is where we see Transport Scotland providing some help to us.

Jamie Greene (West Scotland) (Con): My problem is that I do not share Mr Mair's optimism. The bill could have done a number of things. I think that three areas need to work together to ensure a national standard. On a technical level, it is clear that standardisation is needed in the back end of all this, so that we can have models that use multiple operators and multiple types of purchasing. We then need the regulatory environment to allow data sharing in that regard.

What is missing is the third area—the commercial agreements. The idea that operators will just work things out among themselves is all well and good, but we proposed that 14 years ago and we have made no progress. By default, because of the nature of the system in Scotland, there will be disagreement between operators on the revenue share from multijourney tickets.

Although contactless technology is welcome and convenient, does it address the problem of disaggregated ticketing? Does it offer real value for money if people still have to pay for individual journeys, albeit using a more convenient method?

10:30

George Mair: At the front end, the technology platform is there. We have different back offices. Transport Scotland's back office hosts the national concessionary travel scheme and some

commercial arrangements for smaller operators across Scotland. The technology is not the issue; joining it up is not that difficult.

People are using the different formats. We would like there to be a wider geographical spread and we would like to be further along the line in having partners who can join us in widening the modal option, but we will get there. In England, the Department for Transport spent around £180 million on consultancy work in an effort to build the roof—an overarching ticket that would do everything in England—and it failed miserably. It wasted £180 million. We are trying to build a structure that will support the roof—the overarching ticket that Jamie Greene aspires to have—but we started the process only two years ago.

Jamie Greene: Whose job is it to ensure that the roof gets built? You said that the industry is laying the foundations by establishing common standards and common back offices, but if the Government does not make it mandatory for the operators to work together on integration and there is not a regulatory environment in which that must happen, who is to say that the roof will ever be built? What benefit is there for the operators?

George Mair: The Minister for Transport and the Islands and the First Minister provided encouragement, and we hope that that enthusiasm and commitment will flow through to the new Cabinet Secretary for Transport, Infrastructure and Connectivity. I am sure that it will; we have had early discussions with him. The industries are up for it. We will deliver it. I have no beef with that; it will happen—it is happening. The process will expand modally and geographically, and there will be a phased progression of the proposition for the customer. That will have to happen, because our customers are saying, "We love it—can we have more, please?" We would be silly to ignore that.

I would like to correct one thing that Mr Greene said. We are talking about proper businesses. It is not a case of operators agreeing in a smoke-filled room how they will carve up the price. We do not get to do that nowadays—that is past history, thankfully. The process is run sensibly, on a business-case basis. There are directors who run the companies. If the process were not run sensibly, I would have nothing to do with it.

The Convener: We heard from Transport for London that the thing that people least look forward to of a morning is buying a ticket, so the easier that is for them, the more likely they are to get on public transport.

You said that we will have a national smart ticketing system, but when will we have one? Can you give us a date? I was taken by what Robert

Samson said earlier. This has been talked about for a while. Do you have a date in mind by which people will be able to use their smartphones, their bank cards or their travel cards throughout Scotland? It would be nice to know that.

George Mair: I wish that I could give you a date. I am not going to tell you lies, because that would not do me or our industry any good.

The figures that I gave the committee were for one operator, in two parts of Scotland. These things are rolling out as we speak. I would like to think that, if we come back here in two years' time, a great deal of progress will have been made. There are franchise issues that need to be resolved. In some respects, I am waiting for the Scottish Government to resolve those issues and then we can push on.

The Convener: I am not going to hold my breath.

George Mair: I am not going to make a silly projection. I hope that there will be real progress in the next two years.

Jamie Greene: I hope so, too, but I am pessimistic.

Robert Samson: The national smart ticketing advisory board is supposed to advise the Scottish ministers, but perhaps the way round the issue would be for the Scottish ministers to advise the advisory board to build me a roof.

Jamie Greene: What are the panel's views on modal shift? We talk a lot in the committee about encouraging people out of their cars and on to public transport and the benefits of that for the environment and the commercial operators. However, the problem is the current disparity across Scotland. It is great that good work is happening in Glasgow and Aberdeen—good work is more likely to happen in cities—but, as Colin Smyth said, it is not happening in our rural areas.

As Richard Lyle said, the fact that operators do not talk to each other, tickets cannot be used across different operators—even in the same mode—and people cannot buy a ticket for the tram that can be used on a connecting rail service, even though a station was built to allow people to switch between the tram and rail, makes the whole thing seems ludicrous.

How can we expect people to get out of their cars and on to public transport when we have such an antiquated, complex price structure with no standards that apply across the country? Will the bill address the issue or is it completely missing a trick?

Simon Hulme: We hear from islander customers and in representations from businesses and MSPs from the islands that many of the

challenges in relation to tourism result from the fact that vehicle traffic on our ferries is expanding, which can be a problem because it can make it difficult for islanders to go about their business.

On modal shift, if we can encourage leisure travellers and tourists not to take their cars to the islands and enable them to use the local bus services, that would bring huge benefits. It would benefit first the bus services, secondly the leisure travellers, because they would have a choice, and thirdly the islanders, because it would free up capacity on the ferries to move their freight and thereby meet their business needs.

As much as anything, we would want to provide information to our customers to let them know that they can take the train from Glasgow to Oban, go from Oban out to the islands and then use the bus service once they get there—and we would want to give them that information while they are there. Going beyond a smart card, we envisage a mobile and app-enabled system that not only sells tickets for all the different modes but provides timetabling and logistics information. That is what a truly integrated solution would start to look like.

However, we can do that only if we are all working to the same ground rules and using the same standards and technological approaches; that is why we think that there is good mileage in it. As I said earlier, CalMac has some way to go in terms of our technology, but that is the direction in which we want to go; that is our vision. There would be massive wins for business, the environment, leisure travellers and the islanders, so it is something that we should strive for.

Richard Lyle: If there was the right kind of integration, it would save people money, because they would not need to pay separately to go on the bus, train and boat. In London, people pay a maximum charge for the day—it does not matter where they go. I am not sure whether the zones are still part of that. When my family and I were down in London, I did not feel that it was expensive to go on the journeys that we went on. However, if I have to catch a bus and a train to go to Mallaig, it costs me megabucks. Would a smart ticket sort that out?

Robert Samson: Passengers expect smart technology to be cost effective. They expect to pay a reduced charge and make a saving. The cost saving for the transport user is one of the main attractors that can get more people to use smart technology. Cost is at the forefront of passengers' minds when they are thinking about the benefits of using smart technology, so a cost saving must be part of the system.

Simon Hulme: I cannot comment on whether smart ticketing would result in cheaper fares, because ferry fares are pretty much set by

Transport Scotland. However, it can provide a cheaper travel option, because a person will know that, rather than having the expense of taking the car, they can travel as a foot passenger, which is considerably cheaper. That is where the benefit comes from—we are helping people to take the less expensive option; we are offering a flexible option, which makes travel cheaper for them.

The Convener: At the meeting with Transport for London, which Richard Lyle was at, it was made clear that a reason why people are happy to use smart ticketing is that they can use an app to see what is available and they can plan their journey from home. Is such an approach important, as part of the smart ticketing solution? Is it important that people are able to plan exactly how they will get from A to B before they have washed up their coffee cups?

George Mair: It is hugely important. A criticism that a previous minister made of the industry was that it was extremely difficult to find out what fare people have to pay on the bus. We took that on board as best we could. We harnessed the Traveline Scotland website. Now, if someone is planning a journey between two points, the website can provide information on the standard fare, and if they hover over the standard fare, information is offered on the range of available discounted tickets.

We are working with Transport Scotland and Traveline Scotland on the next phase, so that once someone has identified the journey and the fare, they will be able to click on the fare and load it on to their ticket. Progress is being made on that. It was hugely important that we changed the way in which we provided information.

On the point about multi-operator ticketing discounts, let me use an example from the east of Scotland. If a person is using two different bus services they can now buy one ticket and get a discount of between 30 and 50 per cent on their journey. Tickets in the east are integrated with rail, so there are options for rail journeys, too. The benefits will come—trust me.

Jamie Greene: It is interesting that I can leave this committee room and use my mobile phone to buy a ticket from Waverley to London, so I can buy my ticket before getting to the station, but if I want to go to Glasgow I have to go to the station, stand in a queue at the ticket machine and buy a ticket—

Stewart Stevenson: Nonsense—

Jamie Greene: Is mobile ticketing being used to its full potential, given that the majority of people have access to a smartphone? Will it be offered on an operator-by-operator basis? Improvements are welcome, but will we have an integrated or centralised mobile ticketing system, given what George Mair just said?

George Mair: We will get to that. Initially, there will be individual products, which will build up that structure. We can then start to do the smarter things, such as integrating different modes and ticketing options.

Everyone here uses smart technology, which offers opportunities that we did not understand in the past. The new ticket machines that operators are putting in have the facility to do a multitude of things. The technology is not the issue; it is about getting round the table to agree what needs to be done and then pushing on.

The Convener: I will bring in Simon Hulme and Robert Samson very briefly and then move on to the next question.

Simon Hulme: We think that people being able to book over their morning coffee is a benefit. I referred to our bookable routes—15 of our busiest routes, on which capacity is heavily constrained. People want to be confident that they can book a ticket and know that they can get on a vessel. That is why I said that the ferry industry is slightly different from the bus industry; we have a certain capacity and we have to manage how many bookings we take for each sailing.

10:45

The integration between the mobile solution that Jamie Greene mentioned and our live booking system is fundamental to us. We see mobile ticketing as a great benefit. People might want to know whether they can sail tomorrow on a particular ferry; we can say “Yes, you can—and you can book it right now”, and they can book it with confidence.

Robert Samson: Smart integrated ticketing goes hand in glove with smart integrated information for passengers. There are some wonderful apps out there. I do not know whether you saw Citymapper when you were down in London, but it is an absolutely wonderful app that can tell you things such as which carriage of a train to get on to be closest to the station exit—all that information is on one app. If Citymapper can go hand in hand with integrated ticketing, a Scotland-wide app could do the same thing with the same functionality. There are solutions out there; we just have to deliver them.

John Mason (Glasgow Shettleston) (SNP): I think that we are going over the same ground from different angles, but let me have my shot as well. I have a saltire card, which is national although it is issued by Glasgow City Council and has the council’s mark on it, along with that of the subway. That system has been going for a few years—I used the card when I was in Orkney with the committee—so why do we not have something

similar when people pay for transport? Is it the payment element that makes it so difficult?

George Mair: Your card is on the same platform as the smart cards that are distributed to thousands of people across Scotland. The technology for a card is there now. Transport Scotland statistics show that the vast majority of journeys are local, but if you wanted a day trip to Dundee and if we had the technology lined up with a rail company, you could load your rail ticket on that card.

John Mason: So that has worked in a top-down way. Why on earth are we not doing the smart ticketing top down?

George Mair: Because the steering group that was set up reached the view that the best approach was to build up from the bottom, capitalising on the volume of local journeys in the main urban areas, and then expand geographically and modally. That work is on-going.

John Mason: And yet we have had evidence from Fife, South Lanarkshire and North Ayrshire that they all have major reservations about the local, building-up approach. It appears that they would prefer a top-down approach.

George Mair: Well, they have had since 2001 to have a chat about that, and they are now late.

John Mason: Okay.

The Convener: Robert, do you have anything to say about that?

Robert Samson: From the passenger perspective, whether we are talking about building from the top down or from the bottom up, the house is getting built. What we need now is the will to deliver from the transport industry and the levers of government.

John Mason: Was the transport industry enthusiastic about this card, which came from the top down?

Robert Samson: Some operators were, and I imagine that some were not because of commercial concerns.

John Mason: If we wait for everybody to agree, we could be waiting a very long time, could we not?

George Mair: But that is only one mode, remember.

John Mason: This card gives me a discount on the train and the subway.

George Mair: Is it the concession card?

John Mason: Yes.

The Convener: I notice that everyone is reaching into their pockets to pull out a plethora of cards, and it might be difficult for the official report staff to see all the different types of card. I do not think that anyone was pulling out money—just travel cards.

I will take a brief question from Stewart Stevenson and then I will move on to Peter Chapman.

Stewart Stevenson: My colleague and I have worked out offline that one of the problems is that, although we have a standard—ITSO—for senior citizens' rail travel, the ScotRail app works only on Android phones and does not work on Apple ones, and we have discovered that that is a bit of a problem.

The Convener: I can tell you absolutely that not all the routes on ScotRail are smart ticketed. If you start at Keith in the morning, you have to go and get your ticket from the machine.

Stewart Stevenson: I have bought a Keith ticket on my mobile.

The Convener: I would say that there are huge problems, but let us move on to Peter Chapman.

Peter Chapman (North East Scotland) (Con): We have all been speaking about the increasing use of new technology for electronic payments, contactless payments and all that stuff, and that is grand, but we must recognise that not everyone has access to that technology, as has been mentioned. Mostly, but not exclusively, it is probably elderly folk and the very young who cannot access it. How do we ensure that, as we move forward with new technology, those passengers are not left behind? What are we going to give them in future?

Robert Samson: We sometimes get carried away in talking about mobility as a service and about various technological advances, but a lot of consumers out there still want to use cash and still want to talk to someone for reassurance at a booking office, so that must be part of the mix in any ticketing solution. It cannot all be smart enabled. There must be room for passengers who want to pay by traditional methods, who want reassurance from the company and who want a paper-based ticket. Smart ticketing is a solution for many people, but not for everyone, so that must be in the mix for any transport bill and any policy or advisory board going forward. Not everyone wants to use smart technology, and we must remember that not everyone can afford it.

The Convener: What is CalMac's view on cash?

Simon Hulme: We still see cash as a valid form of payment, which we see no reason to move away from. As I referenced earlier, we operate in

some challenging environments, and in some areas we have no staff, no buildings and only very simple slipways. It is the staff on our vessels to whom we are giving the capability to take cash or to use contactless, and we want to give as much choice as we can to our customers. I mentioned the tourism market earlier, and many people who come to Scotland do not know what a Scottish smart card is. They expect to pay cash, and that is fine. Why would we say no to that?

Everything that we see suggests that our systems work. We have ticket offices in many of our ports, where staff provide huge value and comfort to our customers, and they offer those choices as to how they want to pay. That is something that we intend to continue to offer.

The Convener: What about cash on buses?

George Mair: I have already said that cash needs to remain. There are opportunities for systems that allow children, instead of carrying cash, to keep something in their school bag that speaks to the ticket machine, and that can work seamlessly. There are lots of options, but cash needs to remain.

Peter Chapman: Is there any way that somebody paying cash could bundle up a number of journeys with one cash payment, or is that something that none of you could envision happening?

Robert Samson: It happens now with carnet tickets and flexipasses, whereby you can pay with cash for 15 journeys and get 20 journeys. There are products out there that benefit cash users as well, and there are some savings if you buy a flexible pass. It is a higher cash payment than a single ticket, but there are still benefits for people who use cash.

Simon Hulme: We offer that service, so you can already buy a combined rail and ferry ticket.

Peter Chapman: Is that the case?

Simon Hulme: Yes, although not on many routes—we see an opportunity there. That service is already available on a limited number of routes, and passengers can pay however they wish.

Maureen Watt (Aberdeen South and North Kincardine) (SNP): With contactless or an Oyster card, one of the problems is in having confidence that you are getting the best fare possible. There is a multitude of fares on any mode of transport, which I often think are designed to confuse. You even get quoted different prices for the same journey on different platforms—I do not mean rail platforms, but whatever app or website you are trying to book on.

Transport for London can absolutely guarantee that you are getting the best possible fare, but is

there a way of streamlining fares here to make them more open and transparent? There could still be an off-peak fare—I see the point of that—but I do not think that people are confident that they are being guaranteed the best possible fare.

There is also the issue of the system of concessionary cards, where you can have a ScotRail concessionary card, a bus concessionary card and so on. Not even that has been streamlined.

The Convener: I am going to let George Mair answer that, but to anyone else who wants to come in, I should say that we still have two questions left to ask, so it would be good if we had short answers.

George Mair: Technology of the kind that you have mentioned in London will inevitably come to Scotland through, if nothing else, the contactless system, which allows the technology to drive the maximum fare that you will pay if you make X journeys in a day. That will come here.

Robert Samson: Users want security with their smart technology—they want to know that their personal data, their contactless information such as their bank account details and so on are secure. The system must also be transparent in order to attract people to smart technology; they need to see the value for money that they are getting, how it is better and more convenient than paper-based tickets, the savings that they are making and so on. Those are included in the seven recommendations that we have made to the committee in our written evidence on what users need to attract them to smart technology.

Gail Ross: We are talking at a really high level about what users want and need, and we have mentioned the proposed advisory board, local authorities and so on. However, what consultation has taken place, is taking place or should take place with actual service users on what they themselves want?

Robert Samson: You can check this on our website, but over the past four or five years, we have produced 10 to 15 reports on what passengers want from smart technology with regard to bus, rail and tram services. They have seven key criteria: value for money; convenience; simplicity; security; and having something that is flexible, tailored and leading edge. Our approach is based on evidence from system users on what they want from smart technology.

Gail Ross: Has that work been undertaken Scotland-wide?

Robert Samson: It has included Scotland in a Great Britain-wide approach.

George Mair: Our organisation and the operators that are part of our membership have

used Transport Focus's reports to find out customers' views on a range of issues. In addition, Bus Users Scotland holds surgeries in different parts of Scotland at which bus operators and Bus Users representatives meet the general public who use bus services. There are a number of forums in different parts of Scotland in which customers can tell bus operators and local authorities what the issues are and what things need to be improved. If you do not listen to what they have to say, you will suffer.

The Convener: I have a quick final question. It appears that everyone is in favour of getting smart ticketing out there as quickly as possible. What one change would you make to the bill to ensure that that happens sooner rather than later?

George Mair: Money is always helpful, although, so far, things have happened more quickly and have been less costly to the Scottish Government than had been expected. Over the next few years, we will keep working to deliver things as quickly as we can.

Simon Hulme: We are very supportive of the bill as it stands. However, what we in CalMac think is needed to drive things forward is, as I have said, for Transport Scotland to step up and help us to move forward with our new ticketing platform. That will be our big enabler—that is what will bring the ferry industry into this forum, which is something that we are massively keen on.

Robert Samson: Looking at the bill as it stands, I think that the remit of the advisory board should be to deliver on the proposal in the 2004 white paper "Scotland's transport future" for one ticket that will get you anywhere you want to go.

The Convener: With that simple answer, I think it an appropriate time to thank you all for your evidence this morning.

I suspend the meeting briefly to allow for a witness changeover.

10:59

Meeting suspended.

11:08

On resuming—

The Convener: I welcome to the meeting our second panel of witnesses on the Transport (Scotland) Bill. We will take evidence on the proposals for bus services from George Mair, director for Scotland, Confederation of Passenger Transport, who has stayed in his seat; Gavin Booth, director for Scotland, Bus Users Scotland; Emma Cooper, chief executive, Scottish Rural Action; Chris Day, policy adviser, Transform Scotland; and Professor David Gray, professor of

transport policy, Robert Gordon University. Thank you all for attending this morning.

The first question is from John Finnie.

John Finnie (Highlands and Islands) (Green): Good morning, panel. As has been widely acknowledged, there has been a dramatic decline in bus patronage. I know that Mr Mair will be familiar with what I am about to say, because the research in question was commissioned by his organisation, but that decline is largely linked to increased car ownership, longer journey times—two factors that, in my view, are inextricably linked—and fare increases exceeding the rate of increase in motoring costs. We have a lot of evidence on this aspect of the bill, and it has been referred to as a missed opportunity. Do the bus-related proposals in the bill tackle the underlying causes of the long-term decline in bus patronage?

The Convener: I should say to the witnesses that the secret is to catch my eye, and I will definitely bring you in. If no one looks at me, I will pick the one who looks least willing to answer.

Professor David Gray (Robert Gordon University): The short answer is no. The fundamental issues facing the bus industry go back, in urban areas, to the mid-1980s, when regional councils were abolished. In rural areas, they go back to at least the early 1960s. There are, of course, fundamental structural issues in rural areas.

With regard to the fundamental problems being traced back to the abolition of regional councils, we now have too many small local authorities competing for housing, retail and jobs, and their areas quite often overlap sensible journey-to-work areas. The long-term social change that has resulted is people living further away from where they work, take part in recreation, socialise and so on, and that is driving down bus use. The bill tackles the symptoms, but the underlying disease probably needs to be tackled through planning and changes in local authorities.

Chris Day (Transform Scotland): I think that we used the phrase "missed opportunity" in our written evidence, and I certainly endorse the sentiment. Our concern is that the bill does not address the underlying issues that John Finnie has touched on.

It is important not to lose sight of the fact that the picture is very patchy. There has been a general long-term decline, but the graphs in the Scottish Parliament information centre briefing, which are replicated in our evidence, show that it appears to have levelled off slightly Scotland-wide. That said, bus patronage is not as high as an organisation like ours that is committed to sustainable transport would aspire to.

As for the patchiness, the SPICe evidence shows that the decline is different in different parts of Scotland. It is perhaps less pronounced in Inverness and south-east Scotland, for example, than it is in Glasgow and the old Strathclyde area, where it appears to be particularly pronounced. I do not want to suggest that that is a reason for complacency in other parts of Scotland, but we need to look at how we increase bus patronage. As has been said, the issues in urban areas are congestion and parking, whereas in rural areas—I am sure that Emma Cooper will have something to say about this—the issues are quite different; it will probably be necessary to look at alternative ways of delivering a bus service that meets people's aspirations instead of having a 47-seat vehicle trundle along a country road once every second day. There are differences in different parts of Scotland.

The Convener: As Chris Day has introduced you to the discussion, Emma, I will bring you in now.

Emma Cooper (Scottish Rural Action): Unfortunately, we do not think that the bill will tackle the underlying cause of the decline in bus services. That will require a significant increase in service provision in rural areas, a reduction in journey times, more seamless journeys, much better and more effective connections between different modes of transport, and fare reductions. We need to look at the whole transport picture in Scotland and think about how all those things go together. At the moment, the bill does not really tackle that sort of thing.

The Convener: I think that Richard Lyle wants to come in here.

Richard Lyle: I am sorry, Professor Gray, but as a councillor, I never liked Strathclyde Regional Council. I was a district councillor and then I became a councillor on North Lanarkshire Council, and I do not agree with the suggestion that what happened with regional councils was the cause of the decline in bus patronage.

Was deregulation not the cause? People cannot get a bus; they cannot find a bus. People are not going on buses because they are not regular and they do not come along when they want them to. That is why the bill must tackle that cause.

11:15

Professor Gray: I would not say that regional councils were perfect, but there was better co-ordination of economic development, housing, transport and retail than we have now. *[Interruption.]* Yes, there was. We have had about three decades of decentralisation, which has been primarily developer led in many areas, and

transport services and planning have had to follow rather than lead in many cases.

Stewart Stevenson: I have a tiny point to make. Are buses unique in making it difficult for people to travel compared with other means of transport? I remember years ago getting on a bus without the right change, so the journey cost me more than it should have done. I had no idea what the fare was, and I just did not have the change. That kept me off the buses for 20 years, and I know plenty of other people who were the same. Should the bill ban exact-cash-only systems? Unfortunately, that issue is probably ultra vires of this Parliament.

The Convener: Gavin, do you want to comment on that, or anything that was said earlier?

Gavin Booth (Bus Users Scotland): Yes. In a way, that point is tied up with what previous witnesses said about integrated fares, which could address some of the problems with exact-fare systems.

I take a slightly different view from the others. I have been around the industry for more than 50 years. I was around in the days before deregulation and the days since deregulation, and I worked in the industry at the time of deregulation. Over the past 30 years, since deregulation, I have seen the bus industry perform much better for the passenger. In the pre-deregulation days, the passenger was near the bottom of the heap. I worked for the Scottish Bus Group, which provided millions of journeys throughout Scotland every day. It was all about performance and production, rather than about the passenger or end user.

I look around with the benefit of that experience and I see bus companies that are commercially motivated and which understand the passenger much better than they used to. They understand that marketing can reach the passenger; they understand the market and that they can sell products in it. Of course it is not perfect, but I believe that we are much further on. I have seen the figures, and I know the reasons for them. I suspect that the bill cannot address some of the issues, such as home working and internet shopping, which have affected bus passenger numbers hugely. People are not travelling because they are working on electronic machines at home.

A lot of the issues could be addressed by the part of the bill on bus service improvement partnerships. I am a great believer in partnerships. Partnerships between local authorities and bus companies can achieve a great deal. Local authorities can provide the track. One problem, which Chris Day mentioned, is the marked difference in passenger loss across the country. It is fairly flat in many parts, but the reduction is fairly

frightening in the west and south-west of Scotland. A lot of that is to do with access to the roads, parking, control and providing the track.

I have been at a Confederation of Passenger Transport conference for the past two days. The question of using roads such as the M8 into Glasgow was raised. Bus operators using the M8 are finding themselves held back by the sheer amount of traffic on the road. If buses were given a track or priority, they could get their passengers through much more quickly. That would persuade a lot of people to leave their cars—perhaps at park-and-ride sites—and travel into the city centre by bus. The bill can address some of the problems through encouraging partnerships between local authorities and bus companies.

George Mair: There are issues around operator involvement in planning housing schemes and various other things. The best example of that is probably the new Queen Elizabeth hospital in Glasgow, which was almost ready to open when someone said, “Hold on, we’ve got no buses coming to the front door!” Such things should not be allowed to happen.

One would hope that, if nothing else, the proposed bus service improvement partnerships will ensure that the dialogue with local authorities will not be restricted simply to the public transport element of the council, but would broaden out to involve people from planning so that we have a bigger picture, understand the developments and are in a position to be able to say, “If you put 500 hoeses in that location, you ain’t gonnae get a bus service, because it’s nae big enough to support it.” That is a big part of the rural issue.

Mr Finnie mentioned the CPT report, which outlined a whole range of different things, some of which Gavin Booth touched on. I acknowledge that fares are in there, but so are quality improvements, which have generated more than 2 million additional journeys. However, 75 per cent of the patronage loss was due to things that operators have little or no control over. I hope that that element can be picked up through partnership working.

John Finnie: I am astonished by the hospital example that you have just given. When I was on a planning committee, the traffic impact assessment was a key element of any development and the hospital planners should have had regard to public transport. It is very disappointing that they did not. However, that is not a matter for the Rural Economy and Connectivity Committee.

In the pecking order of the increase in car ownership and journey times—Mr Booth touched on it—it is true that people would sooner sit in a queue in their own vehicle than in someone else’s

vehicle. Is the bill the vehicle—if you will excuse the pun—to progress some of the issues in relation to dedicated lanes, traffic priorities and triggering signals by the approach of a bus? I apologise that I do not understand the operational technicalities.

George Mair: That is one of the areas that we are concerned about. We endorse partnership working absolutely, but there is one thing that worries me a wee bit. I have worked in the industry for more years than I can count—40-plus years—and there is always that seed of doubt that although you are there trying to work in partnership, that will not happen and things will not happen. Even when we work in partnership, there are times when things do not happen.

It is something that might need to go in the bill. An operator signs up to operate buses, commits to delivering services and is regulated by the traffic commissioner for Scotland, Ms Aitken. If the operator fails in those areas, Ms Aitken will call them into a public inquiry and deal with them—quite severely at times. However, there is no balance.

To me, partnership means that you meet and discuss things, there is a meeting of minds, you come up with a plan and if either side commits to delivering something, they should get on and deliver it. If the operator fails to deliver, they can be pulled up in front of the commissioner and have their licence removed, but nobody is calling on the local authority to ask why it did not deliver that priority measure or better infrastructure or whatever. That needs to be thought through.

The biggest impact on bus journeys by far comes from congestion and car ownership. That is related to Government policy, because we have had no change in fuel duty for nine years now. Just think how many additional car journeys have been made on the back of that.

John Finnie: Again, that is not within the gift of the Parliament.

George Mair: I know, but you would expect me to take the chance to say such things.

John Finnie: Indeed.

A relative who knew that I would be here today told me about waiting 25 minutes for a bus that did not turn up. I am sure that you understand the frustration, but is it disproportionate? I do not use the bus a great deal—I use the train a lot—but my experience is quite positive, particularly in Edinburgh but also in Inverness. Bus companies say that if there is transport across towns and the towns are congested, they cannot commit themselves and that is where the frustration lies.

Chris Day: My comments might answer both of Mr Finnie’s questions.

An issue with the bill—and perhaps with the whole debate about the future of buses in Scotland—is that a lot of attention is focused on operators and not a lot of attention, if any, is focused on infrastructure. Let me use the analogy of rail: members will understand that half the rail business is the trains and the services that are provided and half of it is the stuff that the trains run on.

Over the past 15 years or so, councils and local transport authorities have done very little, for a number of reasons, to provide the infrastructure that operators need to run on. In the late 1990s and early 2000s, the City of Edinburgh Council was held up as a gold standard, in that it made deliberate, clear-cut political decisions to promote bus use by devoting highway space to buses. Over the past five or 10 years, that approach has taken a bit of a back seat—perhaps things are coming full circle.

It is probably fair to say that, in recent years, very few councils have spent as much time and resource on infrastructure as we would like them to spend. In our written submission we included a graph in that regard—we are not saying that that is proof, but there is a clear correlation in Edinburgh between the expansion of bus lanes and bus priorities and the growth of patronage on Lothian Buses. Lothian Buses was losing passengers until the late 1990s, when we began to see bus lanes being extended in Edinburgh. That is when Lothian Buses began to see massive growth.

The infrastructure is a critical part of the picture, as well as the operations, and we need that issue to be addressed in the bill.

Maureen Watt: In the interests of openness and transparency, I should probably say that I have known George Mair since I was a regional councillor in the mid-1990s, around the time when he and Moir Lockhead were setting up First.

My question is kind of linked to that. As the panel knows, the bill seeks to amend the Transport Act 1985 to allow local authorities or companies formed by local authorities, or regional transport partnerships, to provide local bus services. Should a local authority or regional transport partnership-owned bus company be able to provide both commercial and supported services, or are the witnesses content with the limitations on the type of service that can be provided, as set out in the bill?

Professor Gray: I tend to look at this issue from a slightly different perspective, with my rural hat on. I would say that the key metric is pounds per passenger journey, and anything that can increase flexibility and enable local authorities to make services cost less is welcome.

Moray Council runs a dial-a-bus service, and I think that a bus service is operated by the Comhairle nan Eilean Siar. There are small-scale examples of that happening where a council thinks, “We need to do something.” As I said, I welcome anything that increases flexibility and a council’s ability to reduce cost.

Maureen Watt: How do you envisage councils managing to reduce cost?

Professor Gray: By being able to do it a lot cheaper than tender prices. In a number of areas and a number of routes, a council will tender for a service that it will support. A bus company might not be bothered about tendering for a particular contract—its bread and butter probably comes from school services—so it might tender for the contract just to make a little extra money, going with a high tender in the knowledge that it is no skin off its nose if it does not get the contract. The tender costs will probably be too high in reality, and the council will be able to undercut them by running the service itself.

11:30

Gavin Booth: Picking up on what David Gray has said, I think that local authorities have to look after their own finances. However, if bus operators are bidding too high for supported services, local authorities should look to continue them, if they feel that they can do so. From the passenger point of view, the important thing is that services continue—the question of who finances them is probably of less importance. We are relaxed about that side of things, as long as, at the end of the day, there is a guaranteed service for our passengers.

Maureen Watt: Before other members of the panel come in, I just want to ask Professor Gray whether he has taken into account the presumably quite substantial start-up costs for local authorities or whoever when setting up a bus company.

Professor Gray: I am not saying that it is necessarily the first-choice option, but where councils are having to withdraw a number of services because, with the rise in tender costs, they cannot afford to provide them, I think that it should be explored as a sensible way forward that can reduce the cost to councils of providing services. Anything that increases flexibility and the ability to provide services at reasonable cost should be explored.

The Convener: The witnesses need to help me just a wee bit. Please catch my eye if you want to come in, because it saves me having to nominate someone.

George Mair: The bill tries to strike a reasonable balance. If the local authority feels that

it is not getting the right range of offers from those tendering for services, it should be able to take things into its own hands. Some local authorities have had such powers for many years now, but they have never really used them.

That said, as other panel members have suggested, although it is probably quite simple to give such powers, delivering them on the ground will require us to think through the set-up cost, the cost of investing in the fleet and so on. I assume that if you go down that road, the local authority would have to provide a level playing field with regard to operator licensing, driver training, the driver certificate of professional competence and so on. It is easy to sit here and say, "Wouldn't it be good if we just gave them the powers to do this?", but we are talking about these services being delivered on the ground every day at a time when local authorities are struggling financially to the extent that in some areas, they have totally removed support for bus services and, in others, they are investing only a pittance of the budget that they get handed from the Scottish Government.

It is a huge risk to go down this path and say, "Let's just turn the clock back, give them a licence and let them get on and deliver these services." That might happen, but there is a big risk that it would not work.

Colin Smyth: The panel has made it clear that, at the moment, the bill will allow a local authority to run a bus service only under very restricted circumstances—in other words, to meet what is classed in the bill as "unmet need". I do not know what that means, but as it stands, the bill will not allow a local authority to run a commercial or so-called non-commercial bus service either at arm's length or as a local council service in competition with the private sector. Does the panel believe that such a restricted circumstance should be allowed to remain in the bill, or should we remove it and allow local authorities to set up bus companies? After all, local authorities are asking for the power to run any service that they wish.

Coming back to a point that Mr Mair made, I note that, two weeks ago, Gordon Mackay from the Society of Chief Officers of Transportation in Scotland said in evidence to us that the number of local authorities that would set up bus companies on the basis of that restriction in the bill

"would be somewhere between nil and very low."—[*Official Report, Rural Economy and Connectivity Committee*, 19 September 2018; c 5.]

Frankly, why would you take the risk of running only services that make a loss? Should that restriction be lifted and councils allowed to run services across the board?

The Convener: Emma, do you want to respond to that from a rural perspective?

Emma Cooper: As the bill is drafted, it will not have a significant impact on services—it will not give us better bus services in rural areas or a greater number of them.

The other part of the question that Colin Smyth has laid out is much more difficult. We do not want to put small businesses out of business. That is not what anyone wants. However, buses are a lifeline, essential service: they get people to work and they get tourists around our country. Buses are vital and that service must be provided. If the current provision is not working for communities—it is not working in rural areas—then we have to look at alternative approaches. It would be interesting to see a more detailed study of the implications of the approach that Mr Smyth outlined.

Chris Day: Mr Smyth seemed to answer his own question as he went on. No one would dispute the point that if there is no commercial operator prepared to operate a service, local authorities should be given the powers to operate that service directly. That is fine.

I hazard a guess that many, if not most, councils already have transport departments—they run bin lorries, road maintenance and so on. They have the core organisation there that could be expanded, although there is a significant difference in scale. Under the current rules, several local authorities provide non-commercial services where no operator is prepared to tender.

More interesting is Mr Smyth's question about whether local authorities should be able to operate commercial routes as well. We would leave that question open. It is interesting that the Scottish Government is considering allowing a public sector operator to bid for the ScotRail franchise along with private operators. Could that model be applied in the bus sector?

The critical issue is, if a council leader or chief executive is asked why their council does not provide commercial bus services in competition with a certain operator in an area that is failing, they will need to carefully consider the financial implications of providing those services. Bus wars are expensive to win and very expensive to lose.

Like Emma Cooper, I have doubts that many councils will want to venture into that area.

Professor Gray: I put my rural island hat on to make my final point. Community transport already runs bus services that are not in competition with commercial services on certain routes and in certain places. If it would help drive down costs, is there any reason why councils could not do the same on a small scale, given that there are

economies on a microscale? There is no reason not to explore it. Anything that drives down costs for local authorities and the Government should be a good thing to be explored.

John Mason: We currently have bus quality partnerships and the proposal is to have bus service improvement partnerships. Can you define the difference? Is it a step in the right or the wrong direction?

The Convener: Gavin Booth is shaking his head.

Gavin Booth: As I said earlier, I am in favour of partnerships. I am not sure what the difference between the two would be. None of the quality partnerships that were proposed was taken up, so we are starting from a base where we have to think about how to make it easier for bus companies and local authorities to want to be part of a partnership.

I am a great believer in partnerships. I believe that passengers benefit from partnerships all round, particularly when the bus companies up their game to match any investment by the local authority in infrastructure, bus lanes and so on.

John Mason: Am I right in saying that we have had voluntary partnerships up till now, not statutory ones?

Gavin Booth: No.

George Mair: There are statutory partnerships.

The Convener: Everyone else has looked the other way when we have got to this question.

George Mair: The BSIP tries to simplify some of the barriers—real or perceived—in the previous legislation. Across Scotland we have had a number of voluntary partnerships. The longest surviving one is the one in the north-east of Scotland—the quality partnership for public transport for Aberdeen city and shire. It came into being in 1998 and, over the years, some good projects have been built into it. It has just been relaunched this year as the bus partnership alliance.

We have had statutory partnerships in the west of Scotland. The most recent one was the SPT statutory quality partnership for the fastlink corridor from Glasgow city centre to the new hospital. The operational requirements that are placed on the operators, such as the spec of the vehicle, in that partnership are probably some of the toughest for operators to meet anywhere in the country.

Partnerships can work. One of the previous barriers to partnership was concern on the part of local authorities about on-going funding. A local authority might be looking at a big project that needs cash over multiple years, but there might be no guarantee that it would get it. Generally, there

has been some resistance to getting into work on a partnership—

John Mason: Do you see the improvement partnership as being better than the previous quality partnerships?

George Mair: It will simplify a number of areas in the previous legislation.

John Mason: The main difference is that it will simplify things. That is helpful.

Emma Cooper: You seem to be struggling with the same question that I am struggling with, which is, what difference will this actually make to people on the ground? It is hard to see what difference it will make at the moment.

The Convener: Various people are nodding.

John Mason: My next question is linked to that one. There could be a veto on an improvement partnership if a sufficient number of operators were opposed to it. Do you know what “sufficient” means in that context? Have you done any thinking around that? I assume that other operators would not want a monopoly for one operator to develop.

George Mair: It is about trying to strike a balance. There is a negotiation between one or more local authorities—more than one if the partnership is cross-boundary. You are trying to get to the point where there is a meeting of minds about the aspirations for the area and how the bus product can be improved across the board.

It is right that either the local authority can tell the operator that it does not think that it is getting enough or the operator can tell the council that it is asking too much and is not offering enough—it is a negotiation. Somewhere in that process, if we get to the point where the balance is not right and is tipping in one direction, either party should be able to say, “Hold on a minute—we are not quite there.”

One operator could not stop a partnership; it would need to be supported by the rest of the operators. They would need to say, “That’s going to impact us all. We are not seeing the benefit coming through that we anticipated from that kind of arrangement.” It is business; there have to be checks and balances.

John Mason: So do you think that the bill gets the balance right? Some of the councils feel that it gives too much power to the bus operator. My experience is that in the east end of Glasgow there is a real monopoly on buses; only one company is operating, so the partnership would have to involve the council or the Strathclyde partnership for transport and that bus operator, and if they did not agree, it would not happen.

George Mair: The partnerships that I have been involved with across Scotland are open to all

operators. Some decide not to participate, but the invitation is there. In Aberdeen, small operators that come in from the outlying area have to be part of that partnership. The offer is there, but you cannae force people. If the partnership goes ahead and facilities are provided that operators support, either through financial contribution or through improvements to the fleet, those operators that do not participate in quality partnerships do not get the benefit.

11:45

Professor Gray: I have three hats on today, but I am answering this one with my Highlands and Islands transport partnership hat on. To go back to the previous point, the HITRANS perspective is that a lot of the bill's provisions on matters such as extending parking charges are to be welcomed, but the absence of those things was not necessarily a factor in why some voluntary partnerships petered out. It was more about the squeeze on revenue and capital, which was due to austerity. Partnerships succeed only with revenue and capital funding available to deliver the local authority side of things on the ground. That is the key issue: the bill can change the provisions that are available to a local authority, but without the capital and revenue funding to deliver and sustain it, the partnerships will fail as well.

John Mason: Are you saying that there is not a big difference between what was there before and what is coming?

Professor Gray: Well, the differences are welcome from a transport authority side, in that they offer more flexibility and a wider range of elements to be brought in, but—as most things do in transport—it comes down to funding.

Stewart Stevenson: Let me start by declaring that I am honorary president of the Scottish Association for Public Transport, which relates to the subject under discussion. I had jotted that down in my notes but, as the convener might point out to me, I should have mentioned it earlier.

This, at 18 pages, is one of the meatiest parts of the bill and it essentially deletes the bit of the 2001 act that relates to partnership, which is more or less the same size. To be blunt, I have to say that, when we compare what is being taken away with what is being put in, it is quite difficult to work out what the difference is in effect rather than in terminology. I wonder whether you can help us understand the difference—or if you do not understand, just tell us so, as that will help us understand which questions to ask the Government when it comes along to account for its proposed changes.

The Convener: Before the witnesses answer, I should tell them that this is not a trick question.

Stewart Stevenson will have forensically analysed the bill under a microscope, so they must be prepared to justify their answers. Who would like to go first?

George Mair: Can I come back to you on that one? I will not do it today, but I will come back to you. *[Laughter.]*

Stewart Stevenson: I will just observe that I have known George Mair for quite a while—although possibly not as long as Maureen Watt has—and if he cannot answer that question on what is a pretty fundamental part of the bill, we will have to look at it very intensively indeed, first to understand it and secondly to ensure either that we hear a good case for the proposals or that we are able to reject them altogether.

The Convener: George, you can definitely come back to us on this question.

George Mair: I will do so. It might be that I am getting older and more forgetful, but I would like to have the opportunity to sit down and study the matter.

If we are in confession mode, I should confess that I played only a small part—honestly—in helping Moir Lockhead build First. *[Laughter.]*

The Convener: Let us move swiftly on. David Gray, did you have something to say?

Professor Gray: I probably do not understand the differences fully, although it strikes me that one of the key ones is the requirement for a local authority to make a plan and then report on it every year, which, it seems to me, will add to the workload of hard-pressed public transport units. For me, then, the main difference is that the provisions in the bill will add to the workload of local authorities, which will have resource implications and might not be a smart move.

The Convener: No one else is jumping up and down to say that they recognised any differences. Do you have another question on that, Stewart?

Stewart Stevenson: I do not. I think that the panel's silence is really the answer to the question and points to other questions for later on.

John Finnie: I will have another go at this. Earlier, the word “balance” was used. With regard to the local service franchises, Fife Council has said:

“the proposals are lengthy and prescriptive and will certainly be challenging for any local authority who attempts to implement a Franchise.”

There is a question about balance, and about the process of developing, auditing and, indeed, approving a franchise scheme. Do you think that the balance is right with regard to justifying an intervention in the bus market?

The Convener: I am looking at the panel. Chris Day, do you want to have a go?

Chris Day: With regard to the question, which is specifically about the franchising component of the bill, I think that it depends on the scale of the local area. If you were trying to franchise a bus network in, for example, Edinburgh or Glasgow, the staffing implications of establishing what you wanted to be in that network would be enormous—that is the financial reality of that plan. As we have said in our written evidence, it is important not to underestimate the loss of transport planning expertise across local authorities. Indeed, I would suggest that it is not there at present. That is not to say that you cannot recreate it, but doing so will come with significant financial cost. The simple answer to your question is that franchises potentially represent an enormous workload that I do not think local authorities are currently equipped to take on.

George Mair: It is easy to say, “If nothing else, let’s just go for a franchise,” but there are huge and complex issues in that. I am more than happy to pitch up in a room here and meet as many MSPs who want to chat as possible, because we need to understand the situation. We need to learn from the mistakes that happened in the north of England as a result of the franchise aspirations of Nexus. Because there were no checks and balances, Nexus got quite far through the exercise only to find, when it went to the final panel—the traffic commissioner-led one—that the business case was totally flawed. It had spent millions of pounds to get to that point.

Checks and balances are needed. There is room for dialogue around who ultimately makes the decision, but we need to make sure that, if the process is going to go ahead, it is robust and properly financed. The arrangement will be in place for five, six or seven years, and we need to be sure that it will last that long. After all, if you have done away with the bus companies in an area, what is going to happen?

Franchising is a nice word, but it has different meanings. The franchise that we are speaking about here means closing the market. Only bus operators that get a permit to run in the franchise area will be allowed to operate—there will be no others. If a council decides to bundle up its franchise package to include things such as schools contracts, what happens to the businesses that see the full range of routes being removed from them and put out to tender, which might mean that there is no job for them to do? In some areas, companies have been in operation for 70 years or longer—we have members that have been in operation for 90 years—and they might be killed off by a franchise because it might remove their contracts. There is a lot to think

about, and you need to do that work when you get to the point where you might be shutting down businesses.

John Finnie: I am glad that others find this challenging, because I have had trouble getting my head around what the bill is trying to do.

I want to pick up on three points. First, I do not want to single out Fife Council, because we have had many responses to our call for evidence, but it has highlighted an issue that we have heard about in previous weeks, which is that the development of any franchising scheme would require a local authority to have access to the full bus patronage and revenue data for its area. Can you comment on that?

Secondly, do you feel that the independent panel that will be convened by the traffic commissioner will be robust enough? Mr Mair has touched on that already.

If I could ask one final question—

The Convener: Do not take all of Richard Lyle’s questions.

Richard Lyle: He has already taken one of them.

John Finnie: I was reading from the information above them. However, the witnesses can save their answers for Mr Lyle.

Richard Lyle: It is all right—I have another question.

John Finnie: The other issue that I want to ask about relates to a point raised by one of Mr Mair’s members. When I asked about a specific route, he said that it was not financially viable; however, he said that it could be made viable if it were possible to incorporate the school run, as that would provide some resilience at either end of the day. The contract for that school run has already been committed to for several years hence, and the fact that school contracts have already been committed to puts limitations on some people’s aspirations to provide more bus services.

I know that that is a very wide-ranging issue and that it has strayed into Mr Lyle’s question, for which I apologise.

George Mair: Gee, that is challenging. On your question about Fife Council—

John Finnie: Would your members share that data with a local authority?

George Mair: In that scenario, they would have no option but to share it. The Manchester transport authority is spending more than £11 million on an exercise to decide whether to go down the franchise path, never mind run buses. The operators involved have been so inundated with

information requirements that they have been unable to respond and have had to go to the traffic commissioner and say, “We need some help here, because we can’t deal with this—we have a business to run.”

John Finnie: But you have told us about all the data that is available when it comes to smart ticketing and so on. I presume that you are already making projections on routes that might or might not be operated on the basis of the information that you have.

George Mair: Yes. That information would require to be handed over, and the operators would be happy to do that. However, the process could be expanded to cover things that they did not have information on, and they would have to say that they could not provide it, because they did not have it.

John Finnie: Even bus operators cannot provide something that they do not have. Were you aware of the position that we heard about whereby, for informed decisions to be made, all the data about patronage and revenue would have to be handed over?

George Mair: Yes. Today, in some part of Scotland, a local authority will be discussing a bus route, a service or a collection of services with an operator. That dialogue will take place as part of that relationship, and it is happening now. We provide data to a multitude of different sources—it is just part of life—but if we were in the franchise scenario, there are things that operators would be required to hand over. There is the temptation for that process to grow to cover areas that operators cannot provide data on, because it is not there.

The Convener: I am keen to bring in Richard Lyle and Jamie Greene, because that issue straddles their areas of questioning. It would also be useful to hear from Emma Cooper on how franchising might affect rural areas.

Richard Lyle: Earlier, I disagreed with Professor David Gray, and I apologise for that. Transport in the area that was covered by Strathclyde Regional Council is run by Strathclyde partnership for transport—SPT.

12:00

I was a councillor—very boringly—for 30-odd years, and I agree that councils should be running bus services. I have seen North Lanarkshire Council buses sitting in the yard after they have picked up the kids in the morning, and meanwhile people cannot get a bus from Benhar, Shotts or wherever. Why should councils not run buses in areas where operators do not want to go? That would let people leave villages where at present they are stuck, because they cannot get a bus. I

agree with your comments and, as I have said, I apologise for my earlier disagreement.

The Convener: Who would like to respond to Richard Lyle?

George Mair: If there is a partnership in place with a local authority, whether the service is an urban or rural operation, there will be dialogue on different matters, so it is not beyond belief that such discussions could take place. For example, if a bus did a school run in the morning, it could go on to do a route at peak time, and then go back to the school and do the evening run for the kids who are going home. That happens now—some school services are linked in with the wider bus network. Some people do not like that, but it makes best use of the asset that is available to be used. Dialogue on that kind of thing should be happening on the ground between the operator and the local authority; if it is not, that is disappointing. If the new partnership scenario helps in that respect, that will be great.

The Convener: Emma, do you want to comment on franchising and on buses moving in and out of areas in rural scenarios?

Emma Cooper: It is quite difficult to get your head around the situation in a rural area. Journeys often cross local authority boundaries; for example, someone on one side of the boundary might need to go to the main population centre that is just on the other side. In looking at bus partnerships, we need to think about how we ensure that those journeys still happen and that they are taken into account. It is about not just what is happening in a certain area, but the bigger picture for people.

I also have questions about the impact of such a move on community transport operators. They are often able to provide a really important and vital service for very few people on the basis that they also provide services for slightly more people, which allows for some balance in their services. How would they fit in the picture? It would be good for the committee to hear from the Community Transport Association Scotland on that side of things.

Apart from that, I probably need to think about the issue a bit more. I would be happy to come back to the committee on the matter.

Professor Gray: In rural areas, franchises work only if regional transport partnerships have a more formalised and strategic role in that regard. There are so many cross-boundary routes. In Aberdeenshire and Aberdeen city, for example, the north east of Scotland transport partnership would need to have a fairly important role. The same is true for HITRANS and the Tayside and central Scotland transport partnership. If we go

down the franchising route, we need to further empower RTPs.

The Convener: Does Jamie Greene have a question?

Jamie Greene: Good afternoon, panel—I am sorry that I am coming in at the end of the session. I have one technical question that links in with John Finnie's questions on data sharing on specific routes, and I have a more general question to take advantage of the expertise on the panel.

One of the bill's proposals means that, if an operator wants to significantly alter, vary or cancel a service, the local authority or the regional transport partnership will be able to request data—specifically revenue and patronage data—on the service. That data can then be supplied to a potential new operator of the service, who might pick up the route under a subsidised model. That is quite an important point, because we get a lot of correspondence on such matters. Does the panel have any views on that? Is it a good idea?

Gavin Booth: I think that it is a good idea. In that sort of situation, an incoming operator needs to have the opportunity to get off to a good start. If they have data available, they can analyse it, which will help them to design their networks and routes. The availability of that data makes a lot of sense if the incoming operator is to be able to provide a service for the travelling public.

George Mair: In a number of locations, operators are already sharing some of the data when a service is deregistered.

Jamie Greene: Under the proposals in the bill, operators would be required to submit 12 months' worth of specific patronage and revenue data—number of passengers, number of journeys and what journeys were made. It is a specific set of data, which should allow the new operator to make an informed decision on whether they want to participate in a given route. That is the key difference with what happens at the moment.

My main question concerns the conversation that we had at the beginning of this panel session on getting people on to buses. Throughout this process of taking evidence and reading correspondence, I have noticed how centred and focused it has been on the franchise regimes that we operate, specifically for the asks on bus lanes and so on. Do you think that, as a country, we are not being visionary enough when it comes to the use of technology and infrastructure and how we spend our money?

Over the past 10 years, the Government has been building a great deal of concrete infrastructure, including the M8 and M74, the dualling of the A9, the Aberdeen western

peripheral route and the Queensferry crossing. There is a lot more road space. However, nowhere have we seen any dedicated space for buses or bus-type technology. We could look at what is being done in Cambridge, for example, using guided buses and a new type of technology. Further afield, bus bridges are being built in China—you should google them, as they are impressive. Are we spending our money on infrastructure in the right way when it comes to future proofing our bus networks and improving modal shift?

The Convener: That is quite a wide-ranging question. I will allow each of you a very short answer.

Gavin Booth: The short answer is no, we are not, and yes, there should be much more money going into helping passengers get to where they want to go reliably, safely and quickly.

Emma Cooper: Future proofing any bill is a difficult job. However, some incredible advancements in transport technology are emerging. It is important that the bill examines those and considers how to ensure that that technology is used for the benefit of everybody living in Scotland, rather than purely adopting a commercial basis for development, in which case it will benefit urban areas much more than rural areas.

Chris Day: You will not be surprised to hear us say that we believe that more resource should be focused on the most efficient means of getting people about. I will not list those. There is an element here of what you have said about technology, although I add a note of caution. I was going to say that you should not believe everything that Elon Musk suggests. There are a few fanciful ideas about what technology can achieve. Sometimes it is a good idea to step back a bit and have a think.

Professor Gray: My answer is yes and no.

The Convener: That sounds like a good politician's answer.

Professor Gray: Intellectually and academically, yes, we should. In the real world—and I say this to a room full of elected members—road and bridge building in particular are very popular with the electorate, and they will ensure that you get re-elected, at both national and local levels. Doing stuff that drivers dislike is a pretty good way of losing an election. One example is the M4 bus lane, and George Mair will know how well bus priority has played in Aberdeen from time to time, both with voters and with *The Press and Journal*. Sometimes you have to make pragmatic decisions as elected members.

George Mair: I am not going to surprise you. I think we do need help. That would be my biggest plea for the industry. David Begg hit it on the nail: if we do not tackle the bus speed issue, the bus industry will continue to die. If you inject some money not into the bus companies but into improving infrastructure for the customer, making it nicer to travel and getting them through the traffic congestion, that will help everything. It will help with the environmental challenge and it will reduce the number of car journeys. There is a growing awareness that we need to tackle this but, until there is the money to do it, we will not do so. We need to get on. They could be hard, difficult decisions, but the right decisions need to be taken.

Professor Gray: It is not just about the money; it is also about the political will. The two need to go hand in hand. Without the political will from members and local authorities, things do not get done, as you know.

George Mair: I was trying to be diplomatic in saying that it will be difficult. It will be difficult, but we have to get on with it. We are dealing with air quality and low-emission zones. If we do not tie into that and do the things that we need to do to manage traffic, it is a missed opportunity.

The Convener: What you are saying echoes what I was asking about earlier: speeding up buses and speeding up the information that is available to passengers, to ensure that they know when they can travel at the most effective time and in the most effective way for them. That is all about information technology at bus stops, apps and all the rest of it.

Chris Day: I would like to pick up on that point, particularly given the discussion that took place during the previous evidence session, when you touched on the issue of compatibility difficulties in relation to smart ticketing. There is also an issue with real-time information. Some bus operators, for whatever reason, equip themselves with information technology that is not compatible with real-time information displays on streets. I would encourage the Scottish Government to roll that into whatever it is doing on smart ticketing. Otherwise, you will end up with a Betamax and VHS situation with real-time information, which would be daft.

The Convener: Thank you very much. That brings us to the end of our questions. George, you kindly volunteered to help Stewart Stevenson—and all of the committee—with the differences between the two sections that he cited. I look forward to seeing the result of that.

Thank you all for your time this morning and for giving evidence to the committee.

Meeting closed at 12:12.

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Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

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