

# North Lanarkshire Council Report

## Environment and Climate Change Committee

Does this report require to be approved?  Yes  No

Ref PH / GW

Date 30/04/25

## Strathclyde Regional Bus Strategy (SRBS) Consultation

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### Executive Summary

This report highlights the public consultation currently being carried out by Strathclyde Partnership for Transport (SPT) to guide the development and implementation of the Strathclyde Regional Bus Strategy (SRBS). The SRBS is SPT's process to determine a preferred strategy to improving the bus network and set the direction of bus policy in the region.

SPT propose a significant change from the current deregulated operations to a franchised model. This is with a view to ensuring a number of improvements, notably, that buses are provided where and when they are needed, reliable and quicker bus journeys, affordable and attractive fares and ticketing and accessible and safer bus journeys.

While it is proposed that the council should be supportive of SPT's recommendations, at the same time, financial and other resource issues need to be more transparent before any commitments are made, along with clear agreed governance.

### Recommendations

It is recommended that Environment and Climate Change Committee:

- (1) Acknowledge the contents of this report, and the attached briefing note, regarding the consultation being undertaken by SPT on the development of the Regional Bus Strategy and the proposal to move to a franchising model for the delivery of bus services in the region.
- (2) Endorse the submission of a response on behalf of the council as set out in section 2.9 of this report supporting the principles and objectives of the proposal while noting that further detail regarding funding is required.

### The Plan for North Lanarkshire

Priority	Improve economic opportunities and outcomes
Ambition statement	(2) Refocus our town centres and communities to be multi-functional connected places which maximise social, economic, and environmental opportunities
Programme of Work	Statutory / corporate / service requirement

## **1. Background**

- 1.1 SPT and its constituent councils all acknowledge that the current bus system across Strathclyde is not working as well as it should. In recent years, there has been the impact of the COVID19 pandemic on ridership, but this decline was already a well-established trend. Across Strathclyde, there were 70 million fewer bus journeys made in 2019/20 compared to 10 years prior.
- 1.2 This decline means there is a significant challenge to achieve SPT's goals and deliver a bus network that is attractive and easy to use for everyone. So, in response, SPT have been developing a Regional Bus Strategy for some years.
- 1.3 The first stage of the development of the SRBS development was the SRBS Case for Change. This report sets out the key problems with the bus network and the desired transport outcomes, objectives, and core policy areas to improve the bus network.
- 1.4 Following this, initial policies and measures were developed and an Options Appraisal was carried out. The aim of the appraisal was to identify a recommended operational model for bus services in the region. A consultation on the recommendations of the Options Appraisal was carried between April - May 2024.
- 1.5 The outcomes of the Options Appraisal consultation were reported to SPT committee in September 2024, which recommended that Bus Service Improvement Partnerships (BSIPs), Bus Franchising, and Municipal Bus Companies be taken forward for inclusion and further consultation in the draft strategy.
- 1.6 In February 2025, the SPT Strategy and Programmes committee approved the draft SRBS for public consultation.

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## **2. Report**

- 2.1 As part of the considerations, SPT have concluded that their recommended options for bus reform in Strathclyde are local services franchising as the long-term ambition, with further consideration of small scale supplementary municipal bus operations.
- 2.2 As outlined in the 'Case for Change' consultation, council officers previously supported the SPT recommendations of BSIPs in the medium term and local service franchising in the long term. It is noted that in the draft strategy that BSIP's are now considered unlikely to deliver major improvements to service levels across the network or major beneficial impacts on fares, and consequently has been withdrawn from the proposals. However, in respect of the franchising model, as outlined previously, we expect SPT to lead on these in the role of Local Transport Authority (LTA), with significant involvement from each of the SPT local authorities.
- 2.3 A franchising model could be established and supported by fare collection revenues. However, the revenue generated from this alone would not meet the objectives of the strategy, which aims is to ensure:
  - Buses where they are needed, when they are needed.
  - Reliable and quicker bus journeys.
  - Affordable and attractive fares and ticketing.
  - Accessible and safer bus journeys.
  - A trusted and recognisable bus network.
  - A seamless and integrated bus network.
  - A more environmentally sustainable, resilient and adaptable bus network and fleet.

- 2.4 The draft strategy outlines that between £45m - £85m per annum of additional funding is required to deliver the aspirations proposed. It would appear that this additional funding requirement is over and above the existing local authority contributions to the Regional Transport Authority (SPT), which is approximately £36Million per annum for transport provision and concessionary travel schemes. For reference, the council's contribution is c. £6m. It should be noted that the council does not currently have available funding to either support the start-up of a franchising operating model, nor to contribute to the projected operating costs.
- 2.5 Notwithstanding the financial challenges, there are others risks that need to be considered, notably, operational, reputational and governance risks. The long history of deregulated bus services means many local transport authorities will lack the skills and capacity to run the network. Poorly run networks could result in failing to realise the benefits of franchising and loss of public support for the move.
- 2.6 Under the franchised operating model, SPT, and member authorities, will become the public face of bus services in the region and whilst it will be positive should it be seen as a success. Conversely SPT and the council will have greater responsibility for any public dissatisfaction.
- 2.7 There is little detail on how governance would be structured, which will be key to a successful operating model. The governance would need to be clearly defined to ensure the right people make the correct decisions at the correct time. The council needs to have a role in the decision-making process.
- 2.8 The next steps in the development of the SRBS include:
- SPT public consultation on draft SRBS (March-May 2025).
  - SPT provide progress report to Partnership (June 2025).
  - SPT present final SRBS to Partnership (September 2025).
  - SPT publish Franchising Route Map (within c. 3 months of approval of final SRBS).
  - Franchise implementation date is presently estimated by SPT to be 4 to 5.5 years beyond publication of the Franchising Route Map.
- 2.9 Council officers will submit a consultation response generally supporting the themes, policies, and measures proposed, whilst highlighting that further work is necessary in many areas including development of the franchising model, the identification of funding, governance arrangements, and development of an implementation strategy amongst others. The response will include observations and comments relevant to the particular challenges that rural and semi-rural communities face.
- 2.10 A further report on progress of the SRBS will be brought to this committee at an appropriate time.

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### **3. Measures of success**

- 3.1 The measure of success will be the implementation of a robust Strathclyde Regional Bus Strategy, developed closely with the local authority partners and Scottish Government / Transport Scotland in which timelines, costings, funding routes and roles and responsibilities are all clearly defined.

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#### 4. Supporting documentation

- Link to Draft SRBS strategy  
[spt\\_strathclyde-regional-bus-strategy-draft-for-consultation.pdf](#)
- Link to Consultation webpage  
[Strathclyde Regional Bus Strategy \(SRBS+](#)

Appendix A – SRBS Consultation briefing note



**Pamela Humphries**  
**Chief Officer (Place)**

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## 5. Impacts

<p><b>5.1 Public Sector Equality Duty and Fairer Scotland Duty</b> Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>Statutory responsibilities under the Fairer Scotland Duty apply to the relevant bodies in their own right and as such each entity is responsible for ensuring that strategic decision making and service delivery proposals take due cognisance of the duty to reduce the inequalities of outcomes caused by socio-economic disadvantage.</p> <p>If Yes, has an assessment been carried out and published on the council's website? <a href="https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments">https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments</a> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p><b>5.2 Financial impact</b> Does the report contain any financial impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> There are no financial implications at this time If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p><b>5.3 HR policy impact</b> Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p><b>5.4 Legal impact</b> Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p><b>5.5 Data protection impact</b> Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to <a href="mailto:dataprotection@northlan.gov.uk">dataprotection@northlan.gov.uk</a> Yes <input type="checkbox"/> No <input type="checkbox"/></p>

<p><b>5.6 Technology / Digital impact</b>  Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi?  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>  If Yes, please provide a brief summary of the impact?</p> <p>Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)?  Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p><b>5.7 Environmental / Carbon impact</b>  Does the report / project / practice contain information that has an impact on any environmental or carbon matters?  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>  If Yes, please provide a brief summary of the impact?</p>
<p><b>5.8 Communications impact</b>  Does the report contain any information that has an impact on the council's communications activities?  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>  If Yes, please provide a brief summary of the impact?</p>
<p><b>5.9 Risk impact</b>  Is there a risk impact?  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>  If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?</p>
<p><b>5.10 Armed Forces Covenant Duty</b>  Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>  If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.</p>
<p><b>5.11 Children's rights and wellbeing impact</b>  Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>  If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).</p> <p>If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?  Yes <input type="checkbox"/> No <input type="checkbox"/></p>

## **Appendix A – SRBS Consultation briefing note**

### **Background**

Strathclyde Partnership for Transport (SPT) and its constituent councils all acknowledge that the current bus system across Strathclyde is not working as well as it should. In recent years, there has been the impact of the COVID19 pandemic on ridership, but this decline was already a well-established trend. Across Strathclyde, there were 70 million fewer bus journeys made in 2019/20 compared to 10 years prior.

Fewer people using buses means less money going into the bus network via the farebox. In the current market – nearly 40 years after deregulation – operators have few real efficiencies within their control to counter the effects of reducing revenue. This means operators have limited choices in reacting to falling passenger numbers and, generally, has resulted in higher fares or reduced services. Bus fares, nationally, have increased in real terms by 25% in the past 10 years whilst the cost of motoring fell by 5% in real terms. This makes conditions more difficult for people who are dependent upon bus travel and makes bus even less attractive for anyone who can use alternative transport.

Prior to bus deregulation, cross-subsidy of routes was common practice, meaning that revenues from busier services could be used to maintain the whole network, thus ensuring communities had a stable level of accessibility and achieving a more equitable distribution of resources.

In the current system, operators are under increasing pressure to concentrate on more profitable routes (and less on more marginal but arguably more essential services) whilst SPT and councils are left to pay operators to run journeys and routes that are essential but not commercially viable. This means substantial public funding is required to ensure basic accessibility is maintained.

The current system is also not designed to deliver an integrated network for passengers and the wider public transport network. This means fare structures, ticketing products, travel information and customer services differ between individual operator networks.

Timetables and routes are not integrated between bus operator networks as operators are not allowed, under competition rules, to co-ordinate in this way. Bus services also may not be integrated with rail or other transport modes except where bus operators have been paid to deliver an integrated service or where bus operators have made a commercial decision to integrate with other modes.

All of this means there is a significant challenge to achieve SPT's goals and deliver a bus network that is attractive and easy to use for everyone. So, in response, SPT have been developing a Regional Bus Strategy for some years.

This means that the Strathclyde Regional Bus Strategy (SRBS) will be developed within a bus reform framework, rather than within the existing deregulated model. Given the significance of the proposed change to the current system, SPT want to understand the extent that communities and stakeholders agree or disagree with the recommended approach before they further develop the Strategy.

## **The options previously considered by SPT**

SPT has considered a number of ways, or options, that the bus network could be delivered in the future, including continuing with the current approach, partnership models on a voluntary or statutory basis, local services franchising, and municipal bus operations.

**Business as Usual** describes the existing bus network. Operators are free to run any service, set their own fares and choose their own vehicles, subject to meeting safety and operating standards and applicable government policies such as Low Emission Zones. This option sets the baseline for other comparisons. **(Not taken forward to Draft Strategy)**

**Voluntary partnerships** are when bus operators and Local Transport Authority (LTA) come together to improve the bus network through agreeing, on a voluntary basis, to provide or deliver improvements to services and infrastructure or other local policies to support bus services. There is no legal basis or enforcement mechanism for voluntary partnerships and parties can leave the partnership at any time. **(Not taken forward to Draft Strategy as it was decided to continue working with the voluntary Glasgow Bus Partnership in the short term)**

**Bus Service Improvement Partnerships (BSIPs)** are a partnership between an LTA and one or more bus operators. In this model, the LTA is responsible for making a Partnership Plan and Scheme (or Schemes), which are developed and agreed with bus operators and other relevant partners. The Plan sets out policies and objectives to be achieved, imposes service standards on operators and specifies the facilities to be provided or measures to be taken by the LTA to support the bus network. There is a legal basis for the Plan and Scheme(s) and, therefore, elements can be enforced.

BSIPs could be arranged relatively quickly – potentially around 12 months from initiation to implementation. An ambitious BSIP, though, is heavily dependent on funding availability and is likely to require substantial new investment for operating and infrastructure improvements. A key long-term challenge with BSIPs is that they do not provide any certainty that service improvements will continue after the BSIP agreements expire, even if the public sector infrastructure investment has been delivered.

BSIPs offer the opportunity to arrest further decline in the medium term, particularly through investing in bus priority infrastructure, helping SPT and councils to build towards longer-term goals of passenger growth.

SPT believes it should work with partners to agree BSIPs for the region as a medium-term solution to improving the bus network and build on existing work within the Glasgow Bus Partnership. **(Not taken forward to Draft Strategy as unlikely to deliver major improvements to service levels across the network or major beneficial impacts on fares)**

**Local services franchising** allows an LTA, if it can fund its proposals, to control and direct the outcomes it desires by specifying what the bus network should look like to meet the needs of passengers and communities. This could have major beneficial effects for enhanced service levels, more affordable fares and quality. This option could deliver a regional network identity and an integrated network that truly supports both multi-modal journeys and future public transport investment, for example the Clyde Metro.

This could allow SPT to take control over designing a suitable network, applying quality standards, and offering affordable fares – no other option offers this certainty. It also provides



greater certainty in achieving long term benefits from public investment in bus priority and other complementary 'bus friendly' transport policies.

However, this option has the highest costs, and transfers the most risk to the public sector. It is likely to take a long time to work through a complex and, as yet, untested franchise development process as defined in legislation – SPT originally estimated between 5 and 7 years.

It is clear that transitioning to a franchise model would not be quick, would require significant expansion to the roles and capabilities of SPT and councils. **(Taken forward to Draft Strategy)**

**A municipal bus company** is an operator of bus services owned by an LTA. A municipal bus company can be formed from the purchase of an existing bus or coach company or the creation of a new company. Municipal bus companies compete for the market in the same way as privately owned bus companies. Currently, all bus services in Strathclyde are delivered by private sector operators. **(Small scale supplementary municipal bus operations taken forward to Draft Strategy)**

### **Funding Landscape**

It is likely that a future franchised network, at least in the short term while the market and revenue returns are stabilised and returned to growth, will rely on the availability of sizeable public funding to support the bus network, assume operational control and pay for required investments to deliver improvements.

Given the challenging current situation regarding public sector finances, and specifically support for local bus initiatives, it is uncertain that funding will be maintained at current levels in real terms. Thus, the affordability of delivering on franchising commitments is also uncertain, and the level of risk transferred to the public sector will require securing a contingency to allow for fluctuations in the marketplace (e.g. unforeseen reductions in passenger volumes). Reduced funding for the bus sector will inevitably continue the cycle of decline outlined previously.

A franchising scheme could be delivered as a self-funded scheme through farebox revenue and existing revenue streams. However, this is unlikely to deliver more frequent services, affordable and attractive fares and other features of a better bus network. Therefore, it is likely that funding environment will require, at minimum:

- Reinstatement of the Bus Partnership Fund or a revised replacement long-term capital investment fund to support bus priority infrastructure.
- Network Support Grant reformed to give SPT eligibility to claim to support services.
- Access to bus decarbonisation funding.
- Reimbursement of concessionary fares.

Pursuing a more ambitious level of change will likely require additional funding sources, likely to include a mix of the following:

- A long-term, multi-year funding commitment from the Scottish Government to support the operation and enhancement of bus services in the west of Scotland.
- Devolution of NCTS funding.
- Revenue from potential new funding streams to be invested into the bus network.
- Additional funding streams explored in consultation with Scottish Government and Transport Scotland. From experience elsewhere in the UK, this might include regional precept, municipal borrowing, or financial support.

It is noted that the options appraisal carried out for the SRBS identified an indicative high-level estimate of £45m - £85m per annum additional revenue subsidy to deliver a regional franchise of a transformational nature. This would be additional to the c. £36Million member authority contributions (NLC share is c.£6M per annum for core transport services and concessionary travel). These figures provide stakeholders with a likely cost scenario for subsidy, but final costs will not be known until the scale of ambition is agreed with partners through the process to develop franchising.

### **Key issues for North Lanarkshire**

Delivery of the proposed model will take time to implement, if taken forward, with added concerns over the funding uncertainty.

There is no national bus strategy, and it is for SPT partners to agree the approach for the Strathclyde area.

Examples of bus 'transformations' often quoted in England (e.g. Newcastle and Manchester) are not comparable, as their legislation is different.

North Lanarkshire has some of the greatest challenges to existing bus services in the SPT area, but potentially the most to gain out of a major transformation in bus network management.

It will be important for the council to engage with other SPT partner authorities, especially immediate neighbours, as successful future bus services will require cross boundary planning and consistency of approach.

### **Risks**

Notwithstanding the financial risks referenced above, which are significant, there are other substantial risks to the franchising operational model that need to be carefully considered by SPT and member authorities.

#### **Operational risks**

- The long history of deregulated bus services means many local transport authorities will lack the skills and capacity to run the network. Poorly run networks could result in failing to realise the benefits of franchising and loss of public support for the move.

#### **Reputational risk**

- In a franchised system, SPT and member authorities become the accountable, public face of bus services. Greater accountability can be positive as it gives passengers a single point of contact, but the council will have greater responsibility for any public dissatisfaction.

#### **Governance**

- There is little detail on how governance would be structured, which will be key to a successful operating model. The governance would need to be clearly defined to ensure the right people make the correct decisions at the correct time. It would likely require a cross-functional, cross-member Project Board to make fast-paced decisions working together with shared objectives (i.e. procurement, communications, legal, finance, commercial, etc). It is imperative that there is representation from North Lanarkshire to ensure the needs of our communities are taken into consideration.

### **Next stages**

A response will be submitted to SPT using an online template provided for this research/consultation by 29 May 2025.

Following the close of the consultation, feedback received will be considered and inform the final version of the strategy. SPT aims to present a report on the consultation results and the final SRBS to SPT's Partnership Board in September 2025. SPT, in discussion with partners and stakeholders, intend to publish a Franchising Route Map within c. 3 months of approval of final SRBS. The franchise implementation date is presently estimated by SPT to be 4 to 5.5 years beyond publication of the Franchising Route Map.