



CPT Scotland Briefing Paper ahead of NZET Committee Meeting of May 3rd 2022

Who we are

The Confederation of Passenger Transport (CPT) Scotland is the trade association for the bus and coach sectors. CPT facilitates and represents a dynamic bus and coach industry in Scotland to provide better journeys for all, creating greener communities and delivering economic growth. We do this by representing over 100 members in Scotland from across the industry be they large or small, bus or coach, operator or supplier. We campaign for a supportive policy environment, give our members practical advice and support to run their businesses safely, compliantly, and efficiently, and bring the industry together to share ideas and best practice. We're ambitious to make things better for passengers, inclusive in seeking out different perspectives, and we're always there when our members need us.

Key Messages from this Briefing Paper

- **Measures needed to achieve government targets**
 - **Bus Prioritisation and Reduced Congestion**
 - Slow bus speeds due to congestion impact on bus reliability and fares.
 - Bus prioritisation can increase bus speeds and reliability, reducing costs and making it cheaper and more attractive to potential users
 - Over the last 50 years, bus journey times have increased by almost 50% in the more congested urban areas
 - A 10% reduction in bus speeds is estimated to result in a loss of between 9.6% and 14% in patronage.
 - A strategic approach to road space reallocation is required to make sure bus and active travel measures are added in a way which complement each other.
 - **Bus Service Improvement Partnerships (BSIPs)**
 - BSIPs are designed to be collaborative partnerships
 - BSIPs are vital to help identify congestion points along routes, which in turn will help with the needed location of vital bus prioritisation measures
 - **Bus Decarbonisation**
 - Transport accounts for the highest contribution to greenhouse gases in Scotland



- 39% of transport emissions and 58% of road transport emissions are attributable to private cars
- Only around 5% of road transport emissions are attributable to bus and coach.
- In 2018, emissions from the bus and coach network had fallen to 0.4 MtCO₂e, a 30.6% decrease from 1990 baseline.
- Bus has seen an impressive 20% drop in emissions over the last four years.
- The Programme for Government sets a target of replacing over half the Scottish bus fleet (around 2,000 buses) with zero emission vehicles by the end of 2023.
- So far, we have replaced around 548 buses or 13.7% of the bus fleet.
- While this transition is the quickest across the UK, the government target is unlikely to be met
- **Tackling Convenience of Car Use (in towns and cities)**
 - Local Authorities must start introducing car demand management measures to disincentivise car use in town and city centres
 - This will decrease congestion, making bus faster, more reliable, and cheaper.
- **Tackling Perception of Car Costs**
 - A recent survey has shown that it costs an average of £3406.80 a year to run a car in the UK – or £5744.40 for those with car finance.
 - In comparison, public transport season ticket costs for bus travel are markedly lower.
 - The true costs of running a car, both financially and environmentally, should be made clear to the public.
- **Context- Current Situation Facing Bus Sector**
 - **Driver Shortage**- The sector is suffering an average of 11% driver shortage across Scotland
 - **Low Patronage**- Patronage levels are still below pre-pandemic levels and a collaborative approach between government and operators is required to encourage bus use.
 - **Funding**- Recovery support continues but ends soon
 - **Rising Costs**- Diesel, electricity, and maintenance costs have all risen markedly. As one operator noted about cost increases... "it is endless and we don't know how much more strain we can take".
 - **Covid**- bus networks cannot return to exactly the same form as before the pandemic



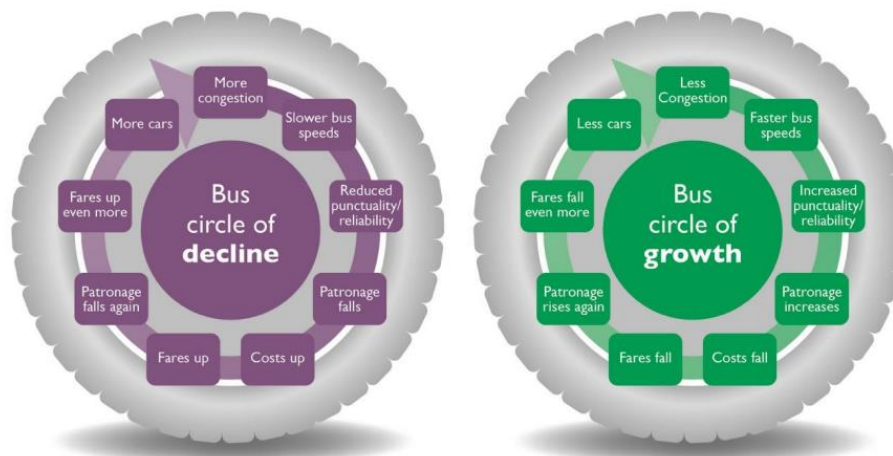
Measures Needed to Achieve Government Targets

Below is a list of measures which CPT Scotland believes are needed to help reach the targets set out in NTS2, NPF4, Climate Change Update, STPR2 and Programmes for Government.

Bus Prioritisation and Reduced Congestion

One of the main reasons people choose not to take the bus is due to slow bus speeds directly resulting from congestion on our roads. Bus prioritisation measures that reduce congestion and demand management measures on our roads (particularly in urban areas) will incentivise modal shift. This will not only have a positive impact on air quality and road safety, but it will also make our buses quicker, more reliable, and cheaper.

The increase in car ownership and car use has caused a significant increase in congestion on our streets. The more congestion there is, the more expensive it is for any bus operator, as slower speeds mean the service is less reliable, which in turn increases costs because more buses are required to run the service. This in turn means it is more expensive for passengers. This leads to a circle of decline in bus use.



The Bus Circles of Decline And Growth¹

Over the last 50 years, bus journey times have increased by almost 50% in the more congested urban areas.² The net result has been a significant decline in bus use from over 13 billion journeys a year in UK to less than 5 billion.

There is a direct correlation between operating speeds and patronage levels: backed up by research which has shown that a reduction of 10% in bus speeds is estimated to

¹ National Transport Strategy 2, Scottish Government, accessed March 2022-
<https://www.transport.gov.scot/media/47052/national-transport-strategy.pdf>

² The Impact Of Congestion On Bus Passengers, Greener Journeys, 2016- accessed Feb 2022

<https://greenertransportsolutions.com/wp-content/uploads/2016/06/Prof-David-Begg-The-Impact-of-Congestion-on-Bus-Passengers-Digital-FINAL.pdf>



result in a loss of between 9.6% and 14% in patronage.³ This correlation can also be found in increases to fares as congestion rose.

If we had protected bus passengers from the growth in congestion there would arguably be between 48% and 70% more fare paying bus passenger journeys today.⁴ If the trend is allowed to continue, then our urban buses will no longer represent a viable mode of transport for the majority of its customers. Already in London buses on some routes run at close to walking speed.

Along with demand management of car use (getting cars off our roads), bus priority measures are part of the solution to reduce congestion on our streets. They aim to reduce journey times and improve the reliability of bus services which in turn will incentivise people to use buses as it will take less time than taking their car. Bus priority measures include segregation; traffic management; traffic signal control; and bus stop improvements. Introducing exclusive bus lanes on streets with heavy traffic is one option and can save commuters time. This also makes the service more reliable, attracts more passengers, and reduces costs because fewer buses are required to run the service. Other related measures include bus gates, bus priority signals, contraflow bus lanes, bus-only streets, parking restrictions and enforcement cameras. Bus prioritisation measures can currently be funded via the [Bus Partnership Fund](#) through the [Bus Service Improvement Partnership](#) (BSIP) process.

CPT Scotland believes that bus prioritisation measures should be delivered at a strategic level at the same pace, at the same time and with the same priority as active travel measures. Our towns and cities have very limited road space and there needs to be a strategic approach to road space reallocation to make sure bus and active travel routes are added in a way which complement each other. They should not be competing for the same road space, yet most frameworks and papers published note that active travel will get priority. CPT Scotland is concerned that due to this, road space on strategically important bus routes could be reallocated to active travel rather than bus, causing bus routes across cities to become disjointed. This could increase bus journey times, make buses less reliable, increase fares and reduce options for travellers, all resulting in less use of sustainable transport options. That is why making sure both active travel and bus prioritisation options are delivered with same speed and strategic importance is paramount.

If bus prioritisation and car demand management is delivered properly, it offers a huge opportunity to reduce car use and congestion which will result in more affordable and reliable buses, which will attract more people to make the modal shift away from their cars, reducing car use and congestion even further.

³ *Intervention 10 – Reallocation of road space for buses*, STPR2, , Transport Scotland, accessed March 2022
<https://www.transport.gov.scot/media/49062/stpr2-phase-1-ast-project-10-bus-priority-3-feb-2021.pdf>

⁴ *The Impact Of Congestion On Bus Passengers*, Greener Journeys, 2016- accessed Feb 2022
<https://greenertransportsolutions.com/wp-content/uploads/2016/06/Prof-David-Begg-The-Impact-of-Congestion-on-Bus-Passengers-Digital-FINAL.pdf>



Bus Service Improvement Partnerships (BSIPs)

BSIPs are designed to be collaborative partnerships which will have analysed the existing service provision in the area and the policies to be implemented, in order to make substantive improvements to bus services in a local area and achieve those policies. The development of any BSIP proposal will be led by the Local Transport Authority (LTA). They must give notice of their intention to persons in their area and consult on their proposals. The LTA must also invite local bus operators to participate so they have the opportunity to help shape the proposal from the start.

BSIPs are vital to help identify congestion points along routes, which in turn will help with the needed location of vital bus prioritisation measures to help speed up bus services. BSIPs will also offer an opportunity to local authorities to identify with bus operators which areas are not well served by bus routes and try to find solutions to those areas. The huge advantage of BSIPs is that you involve the expertise of all partners to achieve a common goal. Innovation and flexibility in BSIPs allows for novel ways to find solutions to problems.

BSIPs should play a key role in improving bus services across Scotland, and by doing so we will incentivise people to make that modal switch to bus as buses become quicker and cheaper. BSIPs are also a much cheaper alternative to franchising models which aim to do the same thing.

Bus Decarbonisation

Transport accounts for the highest contribution to greenhouse gases in Scotland and private cars account for the highest number in transport.⁵ In Scotland, cars are the source of 39% of transport emissions and 58% of road emissions. Cars also contribute a high level of particulates in the air affecting the air quality at street level. By reducing car use this will help counter these issues. More specifically the introduction of active travel and bus prioritisation measures will make it easier for people to choose to walk, cycle or take public transport. By cycling or taking public transport instead of driving for one trip each week, an adult can save 0.5t of CO₂ emissions annually.

It is important to note that only around 5% of road transport emissions are attributable to bus and coach. Bus is also the mode that has recorded the biggest drop in its emissions with emissions from buses and coaches showing a substantive reduction since the 1990 baseline. In 2018, emissions from the bus and coach network had fallen to 0.4 MtCO₂e, a 30.6% decrease. And as new zero emission buses have started rolling out depots bus has seen an impressive 20% drop over last four years.⁶ A full diesel bus can already replace up to 75 cars and is already a very environmentally conscious way to travel.

The Scottish Government has a stated aim that zero-emission buses will replace “the majority” of diesel buses in Scotland by the end of 2023. Published on 7 September, A

⁵ *Greenhouse Gas Statistics*, Scottish Government accessed March 2022 <https://www.gov.scot/publications/scottish-greenhouse-gas-statistics-1990-2019/pages/3/>

⁶ *Cheaper Journeys Faster*, Our Scottish Futures accessed March 2022 <https://ourscottishfuture.org/wp-content/uploads/2022/03/Cheaper-Journeys-Faster.pdf>



*Fairer, Greener Scotland: Programme for Government 2021-22*⁷ states that the aim is to replace over 2,000 diesel buses by the end of 2023, or around half the Scottish bus fleet.

It is CPT Scotland's view that this very ambitious target cannot be achieved under current circumstances. The Scottish Government provides funding support for new zero emission buses via the [Scottish Zero Emission Bus](#) (ScotZEB) challenge fund scheme. This scheme provides less than 40% towards cost of new zero emission bus, with operators making up the difference. The first phase of ScotZEB was announced earlier this year with £62m pledged to buy 276 buses, with operators contributing over £72 million. The earlier [Scottish Ultra-Low Emission Bus Scheme](#) provided £50.7m across two rounds towards the purchase of 272 zero-emission buses. Both schemes have helped replace 548 buses or 13.7% of bus fleet so far.

There are only limited number of zero emission bus manufacturers in the world and many operators and nations around the world are also decarbonising their fleets. This means there is high demand and a lag time between orders and delivery. Even if the Scottish Government were to provide the estimated further £300 million needed to achieve their target now, it is unlikely most could be delivered on the ground before the end of 2023.

It is also worth highlighting that the cost and lead times for the infrastructure required to support over 2,000 zero-emission buses will also act as a major barrier to the Scottish Government's targets being achieved. Many energy providers note the complexity and high cost of delivering sub stations and infrastructure required, especially in larger depots. Many estimates from them suggest up to 2 years for infrastructure to be put in place from enquiry to delivery.

Tackling Convenience of Car Use (in towns and cities)

Cars are convenient and readily available to use from your front door, while our towns and cities are designed to accommodate those cars. This makes convincing people to switch away from their car more difficult. Demand management measures are an important tool to counter this. Making parking reflect the true cost to our society and environment of car use, or limiting its availability (except for residents and provision to service people who genuinely need their cars for health reasons) is a key way to deter people from driving to their destination. If they have to spend a long time trying to find a space, which may be far from their final destination and is expensive, it will deter use. Congestion charging could also provide a disincentive. However, sticks will only deter use if the carrot of reliable and affordable public transport options are readily available. Provision must be made to allow people from more remote rural areas to access these public transport options via car (park and ride etc).

⁷ A *Fairer, Greener Scotland- Programme for Government 2021-22*, Scottish Government, 2021 <https://www.gov.scot/publications/fairer-greener-scotland-programme-government-2021-22/>



Tackling Perception of Car Costs

There is a perceived low cost of car use. Most people will compare the cost of a single journey (jumping in a car that already has fuel in it versus cost of the ticket on public transport). However, many do not take into account the cost of fuel, finance repayments, insurance, repairs, MOTs, and other costs associated with owning a car. A recent survey has shown that it costs an average of £3406.80 a year to run a car in the UK – or £5744.40 for those with car finance.⁸ Depending on where you live, and the distance you commute, it is likely that the cost of a public transport season ticket will be much lower than using your car. For example, the average SPT Zonecard user in Glasgow region needs 4 zones to commute and use for leisure on their season ticket. This would cost £1,283 for the year⁹, almost half the cost of using a car, without finance. CPT Scotland suggests that an information campaign explaining full cost of car ownership be delivered to help tackle the perception of low cost of car use and help people make that comparison and therefore an informed choice on their mode of transport.

Context- Current Situation Facing Bus Sector

The bus sector is striving to welcome more passengers onto more environmentally friendly fleets but it is facing multiple challenges across multiple fronts and is facing the most challenging operating environment in a generation.

Driver Shortage:

The latest CPT Scotland survey conducted this week notes that the average vacancy rate in Scotland for bus drivers sits around an average of 10%. The spread of this differs according to location with some cities in Scotland seeing much higher vacancy rates than others. There are several reasons for this ranging from demographics to level of EU staff before Brexit. It is also important to note that the coach sector is also facing similar issues.

The reasons for this shortage are complex. However, through discussions with bus operators it seems clear that there are a handful of recurring issues:

- **Competition with HGV**- HGV operators have significantly increased their driver salaries to deal with shortage they were experiencing at the height of pandemic. They can do this through passing on the extra costs to their clients via higher charges. Bus operators are unable to do this to the same degree.
- **Brexit**- Many operators note they have numerous EU drivers who used to work for them, sometimes seasonally, who would like to continue to do so but are unable to because bus driving is not considered a skilled job and bus drivers

⁸ What Is The Cost Of Owning A Car In The UK?, NerdWallet, accessed March 2022- <https://www.nerdwallet.com/uk/personal-finance/cost-of-car-ownership/>

⁹ Zonecards, SPT, accessed March 2022- <https://www.spt.co.uk/tickets/zonecard/>



are not considered a “Shortage Occupation” by the UK Government. Operators across the UK are calling for this to change so they can fill the posts they have been desperately trying to fill for close to 2 years now.

- **Covid-19-** The pandemic has completely changed the way people perceive quality of life and the work life balance. With so many people realising the benefits of being at home and/or working family friendly hours, many people have changed profession to take advantage of this opportunity. Many operators have noted that numerous drivers put on furlough took the time to retrain and/or realised that they could survive on 80% of their pay and have a better work life balance. This has resulted in many drivers leaving the sector.
- **Time it takes DVLA/DVSA to process new drivers-** Bus operators are keen to get new applicants behind the wheel of a bus to start their training as soon as possible. Once they have reached the right level of competency operators want them to take the Driver Certificate of Professional Competence (CPC) tests so they can start working on passenger routes. Whilst there has been much progress made over the last year in speeding up the process of registering new drivers (provisional licences) and getting tests done (it was taking 4-5 months to process at one point), there is still a lot more to be done. On average it now takes a new applicant around 10 weeks from getting accepted by a bus operator to getting fully qualified. 2-3 weeks of that time at the start is currently spent waiting for applicants' provisional licence from DVLA and about 4 weeks is spent at the end of the process waiting for DVSA to provide an examiner for the CPC. Operators note that without delays they could fully train a bus driver in less than 4 weeks. If solutions to these issues can be found with DVLA/DVSA, operators believe they could get more new drivers behind the wheel quicker, helping to tackle the shortage.
- **Perceived image of bus sector and bus drivers-** The public image of the bus sector, and the work of a bus driver, have suffered from fears of Covid-19 transmissibility on public transport and due to the negative way some politicians and media speak about the sector. The sector and political decision makers must do more to help spread a more positive image of the sector to the general public, which will help when it comes to recruiting people to the sector as well as encouraging bus use. Bus drivers are important to linking communities and people together. They often play an integral role in taking people on a daily basis to their work, education, families, friends, entertainment, and other services. They are helping tackle climate change, with even diesel buses providing a much more environmentally friendly way to travel rather than car and with more zero emission buses coming online, this impact is even more acute.

To run a bus service, you need drivers to drive the buses. Bus operators are having to make difficult decisions when it comes to routes and services as they sometimes find



themselves in situations where they simply do not have the necessary number of drivers to execute all the services on their routes or routes themselves. This is always a last resort, but sometimes they simply have no choice. Coach companies are having to amalgamate or cancel school services and bus replacement services due to lack of drivers. The bus and coach sector want to expand and offer more services for the people of Scotland to help with modal switch. However, driver shortages are having a negative impact and governments and all political parties need to do more to help the sector deal with this persistent problem.

Low Patronage

The bus sector, along with other public transport groups, is still suffering from depressed patronage across Scotland. Whilst there are some areas where patronage has returned close to pre-pandemic levels, the vast majority of operators are reporting stubbornly low patronage in comparison to pre-pandemic levels. The most recent survey of operators across Scotland has noted that patronage remains on average between 70-80% of pre-pandemic levels. There are multiple reasons for this persistent reduction.

- **New ways of working-** People are more likely to work at home or in hybrid models. This reduces the number of trips they make every week in comparison to pre-covid.
- **Online shopping-** Covid lockdowns have pushed many people to online shopping, with many discovering the ease and convenience of online shopping for first time. Many have not returned to high street, meaning reduced journeys.
- **The constant messaging that public transport is a risky place for Covid transmission-** Despite no scientific evidence that buses are more dangerous places to be than bars, restaurants or shops, government messaging consistently highlights risks of public transport in relation to Covid. This results in low confidence in perceived safety of bus travel which discourages bus use. As we come out of the pandemic the impact of this messaging should be countered with government messaging to encourage bus travel.
- **Slow return of those aged 60+ using concessionary tickets-** messaging about dangers of public transport due to Covid have particularly affected the confidence older people have in using buses. 60+ patronage drop is consistently significantly below other ages and reassurance about safety of buses is needed to bring them back on board.

The Government and political parties need to help the sector by stopping any messaging about perceived dangers of public transport regarding Covid and instead consider becoming advocates for the positives of public transport. Its only through a concerted government led marketing campaign to get people back on bus that confidence will be restored, and patronage numbers will begin to increase once again.



However, Covid has changed lifestyles and ways of working meaning the way we work and shop and where we work and shop has permanently changed from pre-Covid days. This means bus networks cannot return to exactly the same form as before the pandemic, and patronage numbers may remain suppressed until we see a true modal shift away from car. Irrespective of government funding, there will need to be some reshaping of bus networks to reflect changed travel patterns.

Funding

The current ongoing government support invested in bus comes in the form of the [Network Support Grant](#) (NSG) (formerly [Bus Service Operators Grant](#) (BSOG)) or [Network Support Grant Plus](#) (NSG+) (formerly [Covid Support Grant](#) (CSG)). NSG is support for bus passengers, aiming to keep fares at affordable levels and networks more extensive than would otherwise be the case.

The Government also provides [concessionary travel](#) schemes for those aged 60+ or disabled as well as young people under 22. The concessionary travel budget is a reimbursement payment made for carrying concessionary passengers and made on a “no better, no worse off” basis. Bus operators will benefit from higher patronage use through these schemes, but the direct beneficiary of these schemes is the bus passenger.

The government also provides support to help operators decarbonise the bus fleets to help meet government's ambitious climate change targets. The Scottish Government provides this support via the [Scottish Zero Emission Bus](#) (ScotZEB) challenge fund scheme. This scheme provides around 40% towards the cost of new zero emission bus, with operators making up the difference.

Between early 2020 and March 2022 bus operators in Scotland were supported by the government's [Covid Support Grant](#) (CSG) which has allowed operators to keep most routes and services open when some patronage numbers fell to below 10% of pre covid figures. Without this support several operators would have had to cease, leaving many without bus provision to access vital services, work and education across the county. CSG covered the gap between reduced revenue and operational costs. This means that since early 2020 bus operators have not recorded profits or taken other steps to mitigate for increasing costs. Despite this, the sector has invested over £71m in that period on zero emission buses, demonstrating a willingness to improve services and meet government's net zero ambitions even while facing the most challenging operating environment in a generation.

- The sector welcomes the continued recovery funding of the bus sector via NSG+ at a time when there is continued suppressed patronage due to effects of Covid. This funding will allow operators to continue to keep most routes



operating and fares lower than they would be¹⁰. Without this support it is estimated that 15-25% of current bus routes and frequencies could be lost. Whilst we welcome this scheme the level of support is not guaranteed for the full financial year and there remains a risk that bus operators will face a cliff edge if support is drastically reduced before patronage has adequately recovered.

Rising Costs

The bus and coach sectors are being hit by an unprecedented rise in costs over the last 12-18 months.

- The war in Ukraine has seen fuel prices surge with our latest member survey indicating average fuel costs rises of around 30% for most operators across Scotland, with some smaller operators reporting increases over 60%.

But it is important to note that other cost increases over the last year are causing huge strain on operators too, including:

- Utility prices which are causing huge increases in depot costs as well as powering electric buses- electricity cost increases in the last year range from 75-250% for operators.
- Most operators' driver costs have gone up between 5-10% in last year as salaries have been raised to try and compete with HGV sector (this will increase further as tax changes come into effect),
- Tyres have gone up in price around 20%,
- Price of spare parts has gone up by around 15%.

As one operator noted about cost increases... "it is endless and we don't know how much more strain we can take".

All the while fares have not increased for 3 years. Every bus journey has a cost and that cost has to be paid by someone. Difficult decisions lie ahead for all concerned.

Covid 19 Pandemic-

The bus sector has been impacted more than many by the Covid-19 pandemic. With people being told to stay at home bus patronage fell off a cliffside and without the support of the CSG many operators would have ceased to operate. However Covid has had another impact which will affect things moving forward. As noted above bus operators have not been able to make any profit since early 2020 and this has impacted on the investments they have been able to make in their fleets, depots and

¹⁰ Fares will be kept lower compared against no funding support- Fares are likely to rise due to inflation but the funding will help mitigate some of the scale of any fare rises.



technology. Covid has also changed lifestyles and ways of working meaning the way we work and where we work has changed from pre-Covid days. This means bus networks cannot return to exactly the same form as before the pandemic. Irrespective of government funding, there will need to be some reshaping of bus networks to reflect changed travel patterns. It is important that all partners work together via Bus Service Improvement Partnerships (BSIPs) to find the right reshaping of these networks in a post Covid world.

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April 2022