Transport and Environment Committee

10.00am, Tuesday, 21 March 2017

SEStran's proposal to move from a Model 1 to a Model 3 Regional Transport Partnership

Item number	7.11
Report number	
Executive/routine	Executive
Wards	All

Executive Summary

The Council has been asked to consider a proposal that SEStran should move from a Model 1 to a Model 3 Regional Transport Partnership under the Transport (Scotland) Act 2005 and to identify the functions that the Council may consider for transfer to SEStran.

Such a decision can only be undertaken by Full Council. This report aims to update Transport and Environment Committee on the powers that can be transferred, in line with the Act, to SEStran and the pros and cons of a Model 3 SEStran from the Council's point within the context of the City Region Deal.

Links

Coalition Pledges	P19, P50
Council Priorities	CP2, CP6, CP7, CP8, CP11
Single Outcome Agreement	SO1, SO2

Report

SEStran's proposal to move from a Model 1 to a Model 3 Regional Transport Partnership

1. Recommendations

1.1 It is recommended that the Committee notes the content and conclusions of this report and supports that SEStran should continue to develop the proposal for further consideration.

2. Background

2.1 At its meeting on Friday 2 December 2016, the SEStran Board agreed to undertake a consultation under Section 10(6) of the Transport (Scotland) Act 2005 (the Act) with regard to SEStran moving from a Model 1 to a Model 3 Regional Transport Partnership.

2.2 SEStran wrote to Councillor Burns on 9 December 2016 and asked him consider their request and the functions the City of Edinburgh Council would wish to consider for transfer to SEStran (Appendix 1).

2.3 SEStran commissioned research by Transport Research Institute (TRI, Edinburgh Napier University) that summarises the legislative context and the experience in the UK (Appendix 2).

Legislative Context

2.4 The 2005 Act set up SEStran (a Regional Transport Partnerships - RTPs) as "Model 1" partnerships with limited powers. However RTPs can propose to Ministers the making of orders to turn RTPs into Model 2 and Model 3 partnerships with the agreement of their constituent local authorities.

2.5 As a Model 1 RTP, SEStran's sole statutory duty is to produce a Regional Transport Strategy. A Model 1 RTP could be granted some functions by its constituent local authorities to implement some aspects of the RTS – the functions to be solely exercised by the RTP, or to run concurrently with the same functions carried out by the local authority. However to date neither SEStran nor any other Model 1 RTPs have been granted any additional powers or functions by their constituent local authorities.

What is a Model 3 RTP?

2.6   Section 10 of the Act lists the functions that may be taken on by a Model 3 RTP as (see Appendix 2):

(a)   entering into quality partnership schemes;

(b)   entering into quality contract schemes;

(c)   entering into ticketing arrangements and ticketing schemes;

(d)   providing information about bus services;

(e)   installing bus lanes;

(f)   providing subsidised bus services;

(g)   making and implementing road user charging schemes;

(h)   operating ferry services;

(i)   managing tolled bridges;

(j)   operating airports and air services; and

(k)   entering into public service contracts.

2.7   Although the Section 10 focuses on public transport, and road pricing, there are other transport functions (e.g. road maintenance, road safety or parking enforcement) whose transfer to an RTP are not explicitly prohibited.

Existing Model 3 RTPs in Scotland

2.8   Currently in Scotland three Model 3 RTPs exist, SPT in much of the former Strathclyde area, SWESTRANs covering the Dumfries and Galloway Council area and ZETTRANS in the Shetland Islands Council area. Clearly in two of these three cases the RTP has only one constituent authority; and in the SPT area, the RTP was preceded by a Passenger Transport Authority and Executive (PTAs/PTEs) covering most of the same area.

Similar models elsewhere in the UK

2.9   Historically there were seven PTAs/PTEs (excluding SPT) in the UK. PTAs in England were replaced by Integrated Transport Authorities (ITAs) which are now changing once again into Combined Authorities (CAs). Most ITAs/CAs retain a PTE as an implementation arm, although in some cases the PTE has been absorbed into the CA completely.

2.10   ITAs/CAs are responsible for economic development, regeneration and transport (setting out transport policy and public transport expenditure plans) in their regions. Transport functions are then delivered/implemented by PTEs. Some of these include but not limited to:

• Production of a strategy or strategies for the development of regional public transport networks;

• Plan and fund socially necessary bus routes;

- Work in partnership with private operators to improve bus services through bus priority schemes or quality partnerships;

- In certain UK areas, run concessionary travel schemes for older, disabled or young people;

- Planning and implementation of investment in local public transport networks including new bus, rail or active travel stations/hubs;

- Provide impartial and comprehensive public transport information services or regional integrated ticketing schemes; and

- Manage and maintain bus interchanges, bus stops and shelters.

2.11   London currently has Transport for London (TfL) which was set up under the 1999 Greater London Act which also created the elected body, the Greater London Authority (GLA). GLA is a strategic regional authority, with an elected Major, with powers over transport, policing, economic development, and fire and emergency planning. TfL implements the Mayor of London's transport strategy and manages transport services. GLA-TfL model is currently not possible in Scotland as it requires a change in primary legislation.

3.   Main report

3.1   Research carried out for SEStran by TRI investigated whether there is evidence that existing Model 3 partnerships, and their equivalents in England (formerly known as PTEs), deliver more outcomes, more cost-effectively, than their unitary local authority counterparts which have broadly the same powers over public transport.

3.2   The TRI study aimed to test at a high-level all potential impacts/risks such a change on the following issues:

- planning and delivering transport solutions for all modes of transport across the region:

  - economies of scale in delivery;

- positive pricing and fares integration:

  - positive pricing for certain groups of travellers;

- improved cross-regional mobility for regional labour, training and employability; and improved community connectivity;

- provision of transport for people with disabilities and intersectionality across groups; and

- contribution to the health, employability and welfare reform agendas.

Potential benefits of a RTP Model 3 Authority

3.3   The TRI study summarised the different PTA models and their possible impacts on above outcomes (table 1 below).

Table 1 Summary showing different PTA models and their possible impacts on outcomes.

Outcome	Model 3 RTP in Scotland	Combined authority elsewhere in the UK
Planning and delivering transport solutions for all modes of transport across the region	Clear that SPT offers a wider range of transport solutions (e.g. multi-modal ticketing; busway; Subway;) than found in Model 1 RTP areas.	English CAs have delivered consistently more of many types of new schemes and transport solutions than have unitary areas. This is likely due to greater capacity and funding, mainly for historic reasons.
Economies of scale in delivery	Little evidence, data limited.	Little evidence, data limited.
Positive pricing and fares integration	SPT runs Zonecard – pretty much unique in Scotland.	All CAs have run multi-modal multi-operator ticketing for many years; but more expensive than single operator ticketing. Outside CA areas, multi-operator ticketing appearing due to change in competition law. UK's only quality bus partnership with fares caps is a non-CA area.
Positive pricing for certain groups of travellers	Subject to national concessionary fare.	All CAs run special fares deals for job seekers, not available in non-CA areas (except Nottingham). Subject to national concessionary fare.
Improved cross-regional mobility for regional labour, training and employability; and improved community connectivity	Little evidence that SPT runs more tendered bus services per head than do local authorities in Model 1 RTP areas.	Higher spending per head on tendered bus services in these areas than in unitary authorities. Denser service. Certain services specifically designed to enable access to employment for people on low wages.

Provision of transport for people with disabilities and intersectionality across groups	No evidence to suggest that provision better in these areas than in unitary or Model 1 areas.	More work required to demonstrate that CAs achieve economies of scale and better provision than unitary counterparts.
Contribution to the health, employability and welfare reform agendas	Evidence limited.	Evidence limited. If more services provided in these areas than outside, ceteris paribus then travel should be less of a barrier to health and employability in CA areas.

Cost effectiveness

3.4 The TRI study found that there is some evidence that Model 3 partnerships and PTEs deliver more public transport projects and supply a higher level of socially necessary bus service than their unitary authority counterparts. They also deliver more schemes to help people on low incomes to access job opportunities, and multi-modal integrated ticketing. However, the research also indicated that this greater level of delivery is at least in part due to historically higher levels of funding, and greater organisational capacity (more skilled staff), in the existing Model 3 partnerships and PTEs compared to unitary authorities. There is however no guarantee that equally high levels of funding or organisational capacity would exist in any new Model 3 partnership, at least initially. The report also points out that there would be some transitional costs associated with setting up a new Model 3 partnership and transferring staff into it from constituent local authorities.

3.5 A Model 3 RTP could have more staff specialised in planning and delivery of public transport schemes and services than a single unitary authority – even a large one such as our own Council. This would give the RTP potentially greater organisational resilience (in the event of further budget cuts) than unitary authorities. In addition, it could "speak with one voice" to national government and therefore be a more effective lobby for additional public transport investment than several local authorities in the same area. Once again, however, it is difficult to find unequivocal evidence of these potential benefits.

Differences between Edinburgh and the rest of the SEStran area

3.6 Although a Model 3 RTP, by legislation, could undertake variety transport functions, historically and evidently the existing models in Scotland and elsewhere in the UK have focused on public transport, especially on tendered (supported or subsidised) bus services and ticketing solutions.

3.7 There are clear differences between Edinburgh and the rest of the SEStran area when it comes to public transport operations. While tendered bus services in/to Edinburgh make up of minority of bus services in Edinburgh, tendered bus services in/to other SEStran local authority areas make up of a larger proportion of the bus

services. Serving a dense urban area, the main operator, Lothian Buses can sustain fairly frequent commercially viable bus services in Edinburgh. Due to high demand, bus operators operate commercially viable bus services from elsewhere to Edinburgh city centre and other employment centres.

3.8   There are few major deficits in public transport accessibility (in terms of population's access to job, education, health and other services) across Edinburgh in comparison to other areas in SEStran. Commercial service within Edinburgh is very extensive both in terms of network and hours of operation, and because it offers low fares, the majority of the outcomes that are listed and discussed above are already delivered to a satisfactory level in Edinburgh by the Council-owned operator. Therefore it is difficult to see how they would be better satisfied by a Model 3 RTP. These outcomes may be more relevant to other authorities in SESTRAN whose commercial bus networks are not as extensive.

3.9   Over the years Edinburgh has also delivered extensive and successful bus priority measures (bus lanes and selective vehicle priorities etc.) and therefore the Council has the organisational expertise in delivery and management of such projects in comparison to SEStran and its local authorities.

3.10   One of the areas that the Council could benefit from a Model 3 SEStran would be future multi-operator ticketing operations/deals due to SEStran's relatively larger buying/negotiating powers with operators for a larger area and population.

3.11   SEStran has successfully secured funding and delivered a real-time bus information (at bus stops) scheme for the region. There are various websites and apps available in the market regarding bus and rail travel information, however, one brand and one source-of-truth, especially if it is combined with ticketing options, would be appreciated from the travellers' point of view.

City Region Deal

3.12   Regional governance arrangements are likely to be an important element of the forthcoming City Region Deal and once details of this are known further consideration should be given to the role of a Model 3 SEStran within this context.

Conclusions

3.13   From a Council perspective, there is no clear evidence to demonstrate that a Model 3 SEStran would be demonstrably be more effective or efficient in delivering transport outcomes in Edinburgh.

3.14   In the context of a City Region Deal, where regional governance structures are likely to be required, a Model 3 SEStran may have a more beneficial role. This will be given further consideration once the deal has been agreed.

4. Measures of success

4.1 The Council works closely with SEStran to ensure that Edinburgh benefits from the objectives and the outcomes listed in the SEStran's Regional Transport Strategy, including a high quality integrated public transport system which assists the Council to achieve its objectives and outcomes as set out in the Local Transport Strategy 2014-19.

5. Financial impact

5.1 Recommendations of this report would not have any financial impact on the Council's spending.

6. Risk, policy, compliance and governance impact

6.1 This report does not contain any recommendations that will empower or transfer powers to SEStran.

7. Equalities impact

7.1 Recommendations of this report would not result in any impact on the protected characters or the protected rights.

7.2 A full impact assessment will be undertaken if any recommendations of a future report include transfer of powers to SEStran.

8. Sustainability impact

8.1 Recommendations of this report would not result in any impact on protected characters or equality rights.

8.2 A full impact assessment will be undertaken if any recommendations of a future report include transfer of powers to SEStran.

9. Consultation and engagement

9.1 SEStran is undertaking a consultation and has asked the Council for its views regarding SEStran moving from a Model 1 to Model 3 RTP and the functions the Council would wish to consider for transfer to SEStran.

10. Background reading/external references

None.

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11. Links

Coalition Pledges	P19 – Keep Lothian Buses in public hands and encourage the improvement of routes and times
	P50 – Meet greenhouse gas targets, including the national target of 42% by 2020
Council Priorities	CP2 – Improved health and wellbeing: reduced inequalities
	CP6 – A creative, cultural capital
	CP7 – Access to work and learning
	CP8 – A vibrant, sustainable local economy
	CP11 – An accessible connected city
Single Outcome Agreement	SO1 – Edinburgh's economy delivers increased investment, jobs and opportunities for all
	SO2 – Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health
Appendices	Appendix 1 - SEStran's letter to Councillor Burns
	Appendix 2 – TRI, Napier University Research Paper: PTA models of organisation for regional transport governance