**Briefing: Funding for new bus powers** 

**August 2022**

**Community Bus Fund**

The Transport (Scotland) Act 2019 delivered new bus powers for councils in Scotland, with the regulations completed in 2022[[1]](#footnote-0). These powers included franchising, which gives councils much more power on how the bus network is run, and the ability to set up a new municipally-owned bus operator.

These powers have the potential to be revolutionary in our attempts to increase public transport use, decrease car journeys, and reduce greenhouse gas emissions. However, Councils and Regional Transport Authorities do not have the additional resources needed to begin using the powers. They need central government support, particularly as both franchising and remunicipalisation would require significant up-front spending.

The Community Bus Fund, for councils to use, was initially promised in the SNP 2021 manifesto[[2]](#footnote-1) and was later included in the Bute House Agreement between the Scottish Government and the Scottish Greens[[3]](#footnote-2). The purpose of the fund is to *"support transport authorities to explore the full range of options set out in the Transport (Scotland) Act 2019, including municipal bus services."*

**How much is it currently?**

The 2022-2023 Budget the Community Bus Fund but did not make clear how much was allocated[[4]](#footnote-3). However, in January, the then Transport Minister Graeme Dey MSP revealed that the Fund is a paltry £1m for this year[[5]](#footnote-4).

There are 32 local authorities in Scotland. If each council applied for an equally sized grant from the fund, they would receive £31,250. This is a scandalously small amount of money for a funding stream that was a key policy announcement from the Government’s agreement with the Scottish Greens[[6]](#footnote-5).

In correspondence with Friends of the Earth Scotland, the Cabinet Secretary for Finance and the Economy Kate Forbes MSP, has confirmed the Fund is £1m for this year and £74m over the whole parliamentary term, 2021-2026[[7]](#footnote-6).

**How much is needed?**

New powers without funding are essentially worthless. Franchising or remunicipalisation would be ambitious undertakings given most councils’ limited transport teams. In addition to expanding council staff, funding would be needed for a range of functions including legal advice, market research, and transport planning.

A study for SPT and Glasgow City Council estimated it would cost £15m just to develop the initial business case for franchising, and £200m to acquire a bus operator in a process of remunicipalisation[[8]](#footnote-7). In Greater Manchester, the total cost of franchising has been estimated at £135m[[9]](#footnote-8).

To put this in perspective, SPT is one of 7 Regional Transport Authorities (RTA) in Scotland. For the 7 RTAs to develop a business case for franchising could be around £100m. Yet, the Scottish Government has committed to £74m for all councils, for all new powers. Such a small fund condemns most councils to not exploring their full suite of powers, and leaving residents reliant on a failing, expensive, unreliable and unaccountable bus network.

In addition, Friends of the Earth Scotland has concerns that the application criteria for the Bus Infrastructure Fund - for councils to introduce much-needed bus priority measures - restricts use of the new bus powers in practice[[10]](#footnote-9). This application criteria mandates that councils have signed ‘partnership’ agreements with bus operators. Such agreements will surely be cited in the inevitable legal challenges private bus operators will mount to any franchising schemes. The partnership agreements serve to enshrine the status quo in lengthy contracts.

**What needs to happen?**

1. All MSPs and political parties must commit to public transport reform. Any emission reduction targets are implausible without changing how our public transport is owned and run.
2. The Scottish Government must significantly increase the Community Bus Fund.
3. All councils must draw down this fund to explore franchising their local bus networks or introducing a new council operator to restore lost routes and win back passengers.

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1. <https://news.stv.tv/scotland/scottish-local-authorities-to-be-handed-power-to-run-their-own-bus-services-by-july-2022> [↑](#footnote-ref-0)
2. <https://issuu.com/hinksbrandwise/docs/04_15_snp_manifesto_2021___a4_document?mode=window> P.41 [↑](#footnote-ref-1)
3. P.12 <https://www.gov.scot/binaries/content/documents/govscot/publications/agreement/2021/08/scottish-government-and-scottish-green-party-shared-policy-programme/documents/scottish-government-and-scottish-green-party-draft-shared-policy-programme/scottish-government-and-scottish-green-party-draft-shared-policy-programme/govscot%3Adocument/SG%2BSGP%2BTalks%2B-%2BDraft%2BPolicy%2BProgramme%2B-%2BFINAL%2B-%2BOFFSEN.pdf> [↑](#footnote-ref-2)
4. <https://www.gov.scot/binaries/content/documents/govscot/publications/corporate-report/2021/12/scottish-budget-2022-23/documents/scottish-budget-2022-23/scottish-budget-2022-23/govscot%3Adocument/scottish-budget-2022-23.pdf%20> P.9 [↑](#footnote-ref-3)
5. <https://www.scottishparliament.tv/meeting/meeting-of-the-parliament-continued-january-13-2022?clip_start=14:51:40&clip_end=14:53:12> [↑](#footnote-ref-4)
6. <https://twitter.com/patrickharvie/status/1430963016015679497> <https://twitter.com/Ross_Greer/status/1428717979747893255> [↑](#footnote-ref-5)
7. <https://foe.scot/wp-content/uploads/2022/08/Response-202200305716-1.pdf> [↑](#footnote-ref-6)
8. https://www.spt.co.uk/media/hmybrt5l/bus-scoping-study-final-report-january-2022.pdf [↑](#footnote-ref-7)
9. https://www.manchestereveningnews.co.uk/news/greater-manchester-news/what-andy-burnhams-bus-reforms-24583134 [↑](#footnote-ref-8)
10. https://foe.scot/press-release/scottish-government-using-500mill-bus-cash-to-stop-councils-competing-against-private-bus-companies/ [↑](#footnote-ref-9)