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Llywodraeth Cymru
Welsh Government

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Consultation Document

BUS SERVICES POLICY DISCUSSION

Improving local bus services in Wales

Date of issue: 8 March 2017

Action required: Responses by 31 May 2017

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.
This document is also available in Welsh.

OVERVIEW

The purpose of this consultation is to begin a discussion with bus operators, local authorities in Wales and passengers about how local bus services can be organised in the longer term.

HOW TO RESPOND

The consultation period begins on 8 March 2017 and ends on 31 May 2017. Please ensure that your response reaches us before the required closing date.

The document is available on the internet at <http://gov.wales/consultations/?lang=en>

Please respond by:

- Completing the consultation response form at Annex A; or
- Emailing or posting your response to the contact details below.

FURTHER INFORMATION AND RELATED DOCUMENTS

Large print, Braille, audio CD and alternative language versions of this document can be made available on request.

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DATA PROTECTION

How the views and information you give us will be used

Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about. It may also be seen by other Welsh Government staff to help them plan future consultations.

The Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. This helps to show that the consultation was carried out properly. If you do not want your name or address published, please tell us this in writing when you send your response. We will then blank them out.

Names or addresses we blank out might still get published later, although we do not think this would happen very often. The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 allow the public to ask to see information held by many public bodies, including the Welsh Government. This includes information which has not been published.

The law however, also allows us to withhold information in some circumstances. If anyone asks to see information we have withheld, we will have to decide whether to release it or not. If someone has asked for their name and address not to be published, that is an important fact we would take into account. However, there might sometimes be important reasons why we would have to reveal someone's name and address, even though they have asked for them not to be published. We would get in touch with the person and ask their views before we finally decided to reveal the information.

CONTENTS

Preface	page 3
Ministerial Introduction	page 6
Executive Summary	page 9
Section 1 The Current Landscape	page 16
Section 2 The Need for Change	page 37
Section 3 Proposals for Reform	page 52
Response Form	page 78

PREFACE

The Welsh Government has both a moral and statutory obligation for improving the social, economic, environmental and cultural well-being of Wales. This responsibility is not only enshrined within the Government of Wales Acts, but has been established by requirements introduced within the Well being of Future Generations Act 2015.

The 2015 Act requires that public bodies in Wales give more thought to the long term, working better with people and communities and each other to prevent problems before they arise. The Act recognises that we need to adopt a more joined-up approach as we seek to improve the delivery of public services to the people of Wales.

As part of this Act, there is an expectation that public sector organisations in Wales will:

- work together better
- involve people reflecting the diversity of our communities
- look to the long term as well as focusing on now
- take action to try and stop problems getting worse - or even stop them happening in the first place.

The Well being of Future Generations Act 2015 enshrines the need to deliver sustainability through co-operation and developing solutions, such as Active Travel arrangements that will stand the test of time.

In doing so, we must also exercise these functions having due regard to the need to eliminate unlawful discrimination, victimisation and harassment that continues to blight our society.

The Public Sector Equality Duty introduced by the Equality Act 2010 requires that we involve all people who share the protected characteristics, and people who do not, when decisions are taken that affect how we can tackle discrimination in all its forms.

Continued inaccessibility to public transport continues to impose barriers on people's ability to live their lives independently.

Delivering the climate change provisions under the Environment (Wales) Act is a key priority for the Welsh Government over the next two years. Our programme of activity is focussing on the delivery of the requirements under the Act which are:

- Defining what emissions are counted in our Welsh account and looking at mechanisms for delivery;
- Setting the decarbonisation pathway in Wales, including setting the interim targets (for 2020, 2030 and 2040) and the first two carbon budgets (for 2016-2020 and 2021-25)
- Setting out how we will achieve our emission reduction targets covering the first carbon budget (2016-2020).

The approach being adopted to advance decarbonisation must be considered as one of the tools to modernise the Welsh economy and strengthen our ability to compete in the global market.

Buses and public transport more widely in Wales contributes to the low-emission mobility strategy published by the European Union, which demonstrates how initiatives in related fields are linked and how synergies can be achieved to improve environmental sustainability.

Taken together, our obligations under these Acts will ensure that we develop solutions not only to challenges that we face today, but the challenges facing our society tomorrow and into the future.

Increasing the efficiency of the transport system by making the most of digital technologies, smart pricing and further encouraging the shift to lower emission transport modes will be vital to our continued global success.

MINISTERIAL INTRODUCTION

On 23 January, I hosted the Welsh Bus Summit as promised in the five point plan I announced at the end of 2016. In collaboration with bus operators, local authorities, equality groups and passenger groups, the summit provided an opportunity to explore the short and medium term weaknesses and strengths that characterise the local bus network in Wales.



Action will be taken to address some of the issues emerging from the summit, but in the longer term, there is a need to establish a framework for the delivery of local bus services that benefits all: Better services for passengers, a fair deal for bus operators and clearer arrangements for local authorities to plan and organise local transport in their areas.

On 20 September 2016, the First Minister published our programme for Government for the next five years giving our commitment in continuing to build a united and connected society. To help realise this ambition, we have committed to the delivery of a multimodal integrated transport system for the whole of Wales, including the south and north Wales Metros, which will act as the blueprint for integrated systems across Wales.

Fundamental to our ambition, and to support our objectives for well being and future generations, will be the delivery of a more effective network of bus services. Local scheduled bus services are, and will continue to be, the foundation of our public transport system. It is a fact that more people in Wales use buses as a public transport alternative to the private motor vehicle for their daily commute to work and for leisure.

Although we have witnessed a downward trend in the number of passenger journeys made on local bus services over the past decade, buses continue to account for more than 100m passenger journeys each year. This is significantly more than the number of journeys undertaken on our rail network.

So our long-term commitment to deliver a more effective network of buses is absolute, as is our commitment to support the bus industry in the short term. Together, we need to define what we want our bus services to deliver as part of an integrated public transport system and then design a framework that can deliver these quality services.

The improved devolved settlement offered through the Wales Act 2017 will be coming into effect soon, which will enable us to put in place a framework for bus services that can deliver the improved network quality, frequency, reliability and punctuality that we want to see in place.

The publication of the Voluntary Welsh Bus Quality Standards in March 2016, setting out clearly for the first time the quality standards that we want to see in place for local bus services, is a good starting point.

It is important that passengers can have confidence that the quality of local bus services will be universally applied to local scheduled bus services across the whole of Wales. The quality of service delivered in the more rural areas should be no less favourable than those provided within the metro or more urbanised parts of the country.

This is a challenge that we in the Welsh Government, together with local authorities and the bus and community transport sectors, must address.

Together, I am confident that we can deliver a quality, equitable and sustainable bus network that provides communities and individuals across Wales with services they need and deserve.

So on that basis, I am extending an opportunity for the bus industry, the public sector and most importantly passengers, to consider and offer suggestions and observations on the range of proposals set out in this policy paper.

Ken Skates AC/AM
Cabinet Secretary for Economy and Infrastructure

EXECUTIVE SUMMARY

The main body of law in relation to bus and coach services in Wales is set out in the Public Passenger Vehicles Act 1981, the Transport Act 1985, Transport Act 2000, Transport (Wales) Act 2006 and the Local Transport Act 2008.

Matters relating to bus services are within the National Assembly's legislative competence, subject to exceptions which include the construction and use of vehicles, public service vehicle operator licensing and the registration of local bus services. It is expected that the registration of bus services and the relevant functions of the Traffic Commissioner will be devolved to Wales by 2018.

Under these Acts Welsh Ministers are able to;

- Make Regulations for reimbursement arrangements for operators as a result of providing mandatory travel concessions.
- Make grants under certain conditions to operators of eligible bus services towards their costs in operating services and to local authorities to enable them to discharge their transport functions.
- Make regulations, and issue guidance, about bus Quality Partnership Schemes and bus Quality Contract Schemes.
- Secure the provision of any public passenger transport services which it considers appropriate for the purpose of meeting any public transport requirements within Wales which would not in its view otherwise be met and enter into agreements providing for service subsidies for such services.

Local authorities are able to

- Secure the provision of such public transport services as they consider appropriate to meet any public transport requirements which would not otherwise be met.
- Enter into an agreement providing for service subsidies where the service in question would not be provided, or would not be provided to a particular standard, without subsidy.
- Establish a Quality Partnership Scheme and a Quality Contract Scheme, subject to the commencement of the relevant legislation. Under Quality Partnership Schemes, bus operators invest in higher quality services (including new vehicles), whilst local authorities invest in traffic management schemes. A Quality Contract Scheme involves the suspension of the deregulated market for bus services in an area, with the local transport authority letting an exclusive contract to an operator to run the services specified by the scheme.
- Make ticketing schemes.
- Reimburse bus operators for providing concessionary travel when the passenger is issued with a concessionary travel permit (as required by the Transport Act 2000).
- Determine what local bus information should be made available to the public and the way in which it should be made available.

The Traffic Commissioners for England and Wales are responsible for the licensing and regulation of those who operate heavy goods vehicles, buses and coaches, and the registration of local bus services.

They are assisted in this work by deputy Traffic Commissioners, who preside over a number of public inquiries. It is expected that the registration of bus services and the relevant functions of the Traffic Commissioner will be brought within the legislative competence of the National Assembly for Wales by the Wales Act 2017 .

In relation to bus services in Wales, the Traffic Commissioner for Wales has responsibility for:

- The licensing of the operators of buses and coaches, or public service vehicles (PSVs)
- The registration of local bus services
- Granting vocational licences and taking action against drivers of PSVs

Under these arrangements, a bus operator may register to run a bus service in any area on a commercial basis, or may withdraw the service, by serving 56 days notice to the Traffic Commissioner. The Traffic Commissioner is responsible for ensuring that bus services are operated to required standards and can impose penalties when standards are not met.

As at the end of March 2015, Statistics Wales reported that the bus industry in Wales employed 4,900 staff, operating about 2,600 vehicles. By March 2016, this enabled 104m 'live' vehicle kilometres to be travelled that delivered 100m passenger journeys. About 73% of the distance travelled was on routes determined by bus operators' commercial imperatives, the other 27% being on routes contracted or otherwise subsidised by local authorities to meet social needs.

The Welsh Government's programme for Government published in September 2016 sets out how we will deliver more and better jobs through a stronger, fairer economy, improve and reform our public services, and build a united, connected and sustainable Wales. Delivering a more effective network of local bus services, together with the development of seamless integrated and multi modal ticketing arrangements as part of the new travel arrangements for Wales is fundamental to our objective of building a connected and sustainable society.

In this policy discussion paper, we have set out a range of reforms, designed to deliver improved bus services, on which we are seeking the views of stakeholders. In this paper, we have set out suggested proposals to:

Require a local authority, or local authorities acting jointly, as part of their local transport plans, to set out the arrangements they must put in place to ensure that communities in their areas are provided with either local scheduled or demand responsive local bus services, and how these services will interface with the TrawsCymru® network and Passenger rail services.

Retain the power to make grants under certain conditions and to enter into agreements for service subsidies where services would otherwise not be provided. In this regard we propose to also explore the options for implementing a more consolidated and integrated approach to the establishment, imposition and funding of "Public Service Obligations" generally across all areas where compensation is currently being paid in recognition of such obligations being discharged by operators

Require local bus operators to consult with relevant local authorities before applications are made to the Traffic Commissioner to introduce new, vary or remove existing bus routes. Failure to do so will result in the availability of public funding being restricted.

Simplify the arrangements for the development and delivery of the TrawsCymru[®] network, which will be brought under the control of the Welsh Government. Routes will be operated by bus companies under franchise agreements and removed from the commercial bus market.

Issue statutory guidance to establish the service quality expectations to be met by bus operators in relation to local bus services delivered in Wales.

Issue statutory guidance to establish the quality expectations for Infrastructure and the display of passenger information in relation to local bus services delivered in Wales. The proposed statutory guidance will establish standards to be applied to infrastructure designed to support local bus services, including but not limited to bus shelter and bus stop design.

Replace statutory Quality Partnership Schemes in Wales with Bus Improvement Partnership Schemes. Under these arrangements, one or more local authorities acting jointly may introduce a scheme designed to improve the quality of local bus services and bus infrastructure for a single bus route, or two or more routes forming a local bus network.

Enable a local authority, or two or more local authorities acting jointly, to submit proposals to the Welsh Ministers for the establishment of bus franchising on specific bus routes in their area, or two or more routes making a local bus network.

Require public transport operators in Wales to co-operate with arrangements that the Welsh Government puts in place to provide people with an effective and reliable public transport journey planning information service to fulfil our ambitions to deliver a fully integrated public transport system. The Welsh Ministers may issue directions requiring local bus operators to provide information about local bus services to the passenger travel planning provider.

Remove the restriction on local authorities being able to set up bus companies that are wholly or majority owned by the authority. We will seek to repeal section 66 of the Transport Act 1985 that introduced the exclusion of the powers of certain councils to run bus undertakings and enabled local authorities to form companies to operate public service vehicles for the purpose of delivering local scheduled bus services Wales.

Make provision to enable Welsh Ministers to make regulations as to the conduct of drivers, Inspectors, conductors and passengers in relation to the operation of Public Service Vehicles in Wales.

Make provision for regulations to be made that will set out the detail of the data and other relevant information that will be required from bus operators and other parties, including when and how it is to be provided.

Retain the existing powers for a local authority, or two or more local authorities acting jointly, to establish regional ticketing schemes to meet the needs of passengers in their areas. In respect of national ticketing schemes, we intend making provision that will enable the Welsh Government to establish a national ticketing scheme for bus, rail or a combination of transport modes for travel in Wales.

SECTION 1 – THE CURRENT LANDSCAPE

LEGAL FRAMEWORK GOVERNING LOCAL BUS SERVICES IN WALES

The main body of law in relation to bus and coach services in Wales is set out in the Public Passenger Vehicles Act 1981, the Transport Act 1985 Transport Act 2000, Transport (Wales) Act 2006 and the Local Transport Act 2008.

Matters relating to bus services are within the National Assembly's legislative competence, subject to exceptions which include the construction and use of vehicles, public service vehicle operator licensing and the registration of local bus services. It is expected that the registration of bus services and the relevant functions of the Traffic Commissioner will be devolved to Wales by 2018.

Under these Acts Welsh Ministers are able to:

Make regulations for reimbursement arrangements for operators as a result of providing mandatory travel concessions.

Make grants under certain conditions to operators of eligible bus services towards their costs in operating services and to local authorities to enable them to discharge their transport functions.

Make regulations, and issue guidance, about bus Quality Partnership Schemes and bus Quality Contract Schemes.

Secure the provision of any public passenger transport services which they consider appropriate for the purpose of meeting any public transport requirements within Wales which would not in their view otherwise be met and enter into agreements providing for service subsidies for such services.

Local authorities are able to:

Secure the provision of such public transport services as they consider appropriate to meet any public transport requirements which would not otherwise be met.

Enter into an agreement providing for service subsidies where the service in question would not be provided, or would not be provided to a particular standard, without subsidy.

Establish a Quality Partnership Scheme; and a Quality Contract Scheme, subject to the commencement of the relevant legislation. Under Quality Partnership Schemes, bus operators invest in higher quality services (including new vehicles), whilst local authorities invest in traffic management schemes. A Quality Contract Scheme involves the suspension of the deregulated market for bus services in an area, with the local transport authority letting an exclusive contract to an operator to run the services specified by the scheme.

Make ticketing schemes.

Reimburse bus operators for providing concessionary travel when the passenger is issued with a concessionary travel permit.

Determine what local bus information should be made available to the public and the way in which it should be made available.

The Traffic Commissioners for England and Wales are responsible for the licensing and regulation of those who operate heavy goods vehicles, buses and coaches, and the registration of local bus services. They are assisted in this work by deputy Traffic Commissioners, who preside over a number of public inquiries.

It is expected that the registration of bus services and the relevant functions of the Traffic Commissioner in relation to Wales will be brought within the legislative competence of the National Assembly for Wales by the Wales Act 2017.

In relation to bus services in Wales, the Traffic Commissioner for Wales has responsibility for:

- The licensing of the operators of buses and coaches, or public service vehicles (PSVs)

- The registration of local bus services

- Granting vocational licences and taking action against drivers of PSVs

Under these arrangements, a bus operator may register to run a bus service in any area on a commercial basis, or may withdraw the service, by serving 56 days notice to the Traffic Commissioner. The Traffic Commissioner is responsible for ensuring that bus services are operated to required standards and can impose penalties when standards are not met.

Under current legislation, local authorities may set up statutory Quality Partnership Schemes introduced by the 2000 Act. A local transport authority (or two or more, jointly) agree to invest in improved facilities at specific locations along bus routes (for instance bus stops or bus lanes). Operators who wish to use those facilities undertake to provide services of a particular standard (e.g. new buses, or driver training standards). In Wales, TrawsCymru services are delivered by a mix of commercially registered and contracted local bus services, provided under statutory Quality Partnership Schemes.

A statutory Quality Contract Scheme, of which none has been successfully set up in Britain, is a scheme under which local transport authorities determine what local bus services and any additional facilities or services should be provided in that area. Local bus services may be only provided in that area in accordance with quality contracts, although some minor exemptions can apply.

Effectively, a Quality Contract Scheme can be set up where no commercial services are operating. Legislation enabling these schemes is not yet in place in Wales, but could be commenced by Order should a local authority approach the Welsh Ministers with a proposal to establish a scheme.

The Transport Act 2000 introduced mandatory bus travel concessions outside Greater London. The legislation stipulates that the local authorities in Wales are responsible for administering the scheme in Wales, including for reimbursing bus operators for having carried pass holders for no fare. In doing so, local authorities are obliged to ensure that those bus operators are “no better and no worse off” as a result of their participation in the scheme.

Section 145B of the Act (as amended) requires that any person to whom a concessionary bus pass has been issued by a travel concession authority and who travels on an eligible service on a journey between places in the authority's area, and beginning at a relevant time, is entitled, on production of the pass, to be provided with free travel by the operator of the service. Passes can be issued to any person who has attained the age of 60 years, or is a disabled person or seriously injured member or veteran of the armed services or companions.

The arrangements for reimbursing operators are set out in the Mandatory Travel Concessions (Reimbursement Arrangements) (Wales) Regulations 2001. These Regulations are made under Sections 149(3) and 150(6) of the Transport Act 2000, which give the Welsh Ministers the power to make regulations with respect to such arrangements for making reimbursement payments to operators.

The Regulations also allow for applications to the Welsh Ministers by operators who consider that they may be prejudicially affected by local authorities' reimbursement arrangements (i.e. who think that a local authority is under-reimbursing them).

Under these Regulations, bus operators should not be financially better or worse off as a result of providing mandatory travel concessions, and reimbursement payments must meet the costs incurred by operators in providing mandatory travel concessions.

Transport authorities are required to adopt a standard method for determining the total number of journeys made by those entitled to the concessions and the fare values to be attributed to those journeys and to review those calculations.

The Learner Travel (Wales) Measure 2008 places a range of statutory responsibilities on local authorities in relation to the provision of home to school transport – the principal provisions are set out below:

to provide free transport to primary learners who live 2 miles or further from the nearest suitable school

to provide free transport to secondary learners who live 3 miles or further from the nearest suitable school

to assess the comparative safety of routes to school

to assess the travel needs of learners under the age of 19 (or who have reached 19 but started a course when under 19 and continue to attend the course) who receive education or training and who are ordinarily resident in the authority's area

to promote the All-Wales Travel Behaviour Code (The Travel Code) which sets common standards of behaviour and discipline when travelling to school and

to take account of the suitability of a school or institution, including the child's age, ability, aptitude and any learning difficulties when making travel arrangements

The provision of post-16 transport is discretionary. Local authorities have discretion under the 2008 Measure to provide free/subsidised transport to learners who do not qualify to receive free home to school transport.

The 2008 Measure, as amended by the Safety on Learner Transport (Wales) Measure 2011, requires local authorities and Governing Bodies of maintained schools to ensure that every bus used for dedicated learner transport has a seat belt fitted to every passenger seat (the provision had to be implemented by 1 October 2014)

WELSH BUS SECTOR

As at the end of March 2015, Statistics Wales reported that the bus industry in Wales employed 4,900 staff, operating about 2,600 vehicles enabling 107m 'live' vehicle kilometres to be travelled that delivered 101m passenger journeys.

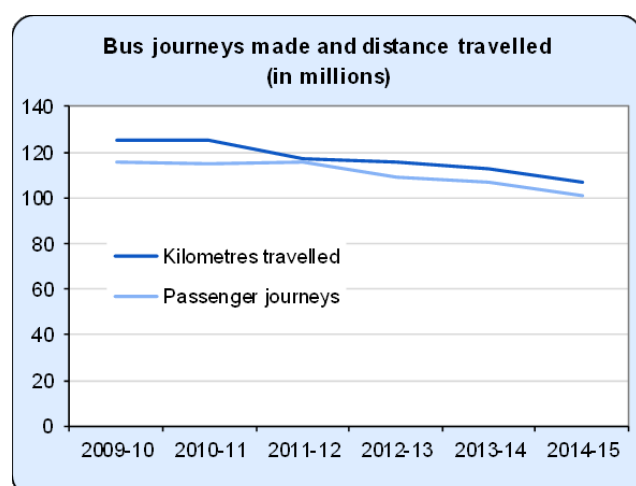


Figure 1 Bus journeys and distance travelled in decline in Wales

Latest statistics published by the Department for Transport show the number of 'live' vehicle kilometres travelled had fallen to 104m in the year ending March 2016, with 100m passenger journeys undertaken.

About 73% of the distance travelled was on routes determined by bus operators' commercial imperatives, the other 27% was on routes contracted or otherwise subsidised by local authorities to meet social needs.

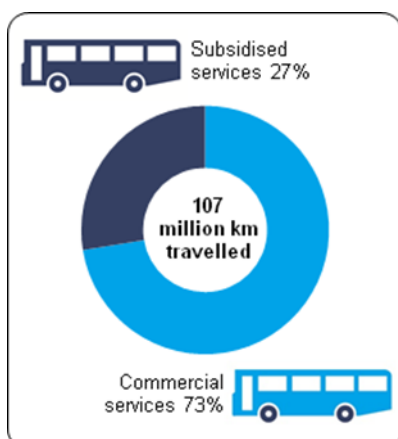


Figure 2 Local bus services that are registered with the Traffic Commissioner on a commercial basis

A local service is defined as a bus service using Public Service Vehicles to carry passengers at separate fares over short distances. The route can be of any total length, as long as throughout its length passengers may alight within 15 miles (measured in a straight line) of the place where they boarded. The number of local registered bus services in Wales declined by approximately 46%, from 1,943 services in March 2005 to 1,058 in March 2015.

Analysis of the Welsh bus fleet undertaken by the TAS Partnership illustrated that there are about 69 passenger carrying vehicle operators in Wales operating bus services as part of their main business. Three quarters of these companies operate fewer than 20 vehicles and only 13% operate more than 50 vehicles accounting for 73% of the Welsh bus fleet.

With the exception of two municipally owned bus operators, larger operators are privately owned commercial undertakings operating mostly in south east Wales. The TAS partnership estimates the numbers of operators by service type as shown below.

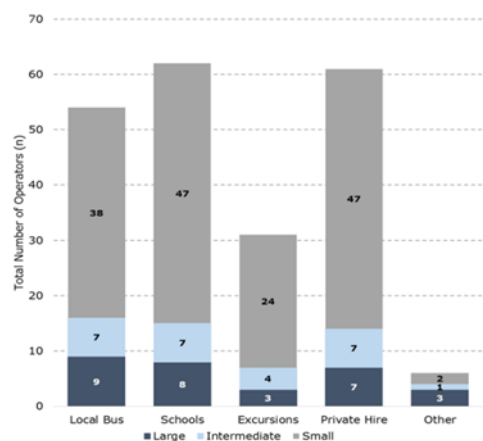


Figure 3 bus operators by service type

The larger operators, those operating 50 vehicles or more, predominantly specialise in providing local bus and schools services, with some offering private hire but fewer excursions and tours. This group typically operates ‘other’ types of service, including park and ride and express services. The smaller operator group predominantly operates contracted bus services, such as school services, together with excursions and private hire. Most of the smaller operators’ fleets comprise mixed coach/bus fleets, hence the emphasis on these contracted operations.

The larger operators account for the majority of local bus operations in Wales, and have the most ‘modern’ fleets. In the TAS 2014 report to the Welsh Government on procurement issues, TAS noted that over the past five years, these operators have invested more than £38m in new vehicles, representing about 80% of their total capital expenditure. These sustained levels of investment have contributed to lowering the average age of the Welsh bus fleet to an average age of 8.4 years.

In comparison, the intermediate and smaller bus operators – more numerous and diverse – have businesses focused largely on contract and private hire service provision.

Despite some investment in new vehicles, these operators have tended to purchase their vehicles second (or third) hand – those vehicles being fully depreciated, on the basis of offering lower tender prices for their bus services.

Many parts of Wales, mainly in rural and remote areas, continue to experience limited or no scheduled local bus services where demand responsive or community transport plays a vital role in improving accessibility for residents. Even so, there are some parts of Wales where no community transport or demand responsive transport provision exists.

The Welsh Government's policy is that demand responsive or community transport, provided under a PSV operators licence or community transport permits, remains a coherent and valuable part of the wider bus network and should generally complement conventional bus services. This approach was endorsed by the Bus Policy Advisory Group in its 2014 report to the Minister for Economy, Science and Transport.

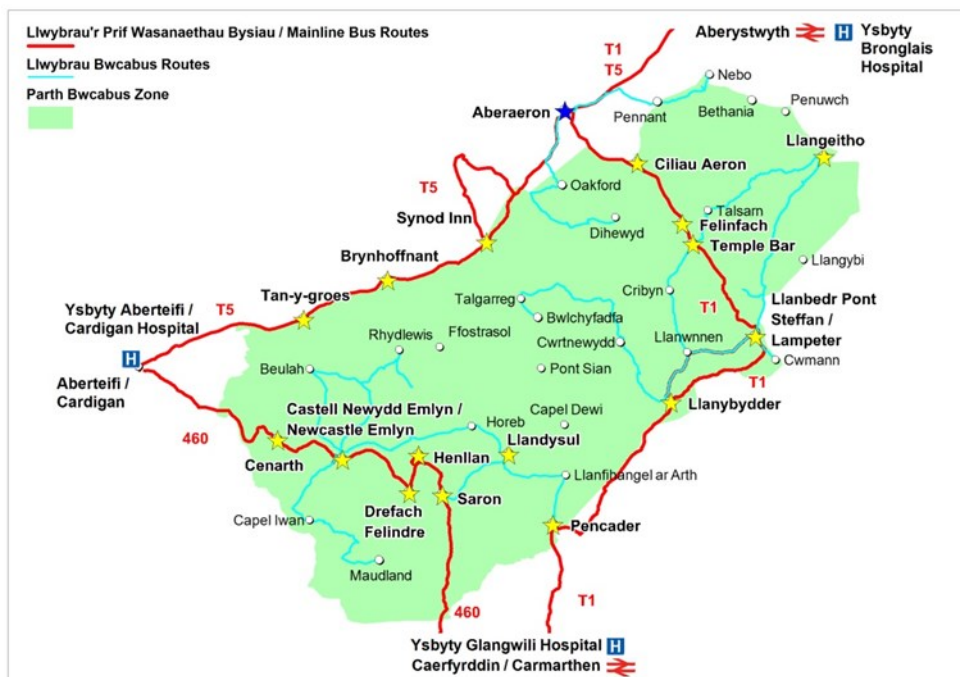


Figure 4 Bwc-a-bus operating area Carmarthenshire 2015

One such example operating in Carmarthenshire and Ceredigion is Bwcabus. This is a fully accessible local bus service which is tailored to the needs of the passengers by operating in response to pre-booked journey requests. The service operates from 7am – 7pm Monday to Saturday within a defined operating area as illustrated in figure 4 above.

The service enables people to travel between local towns and villages within the Bwcabus zone or connect to the core scheduled bus services to travel further afield to places such as Aberaeron, Aberystwyth, Cardigan and Carmarthen.

Longer distance public transport, where rail services are not available, is provided by the TrawsCymru® bus network, the operating name of the Welsh Government funded longer distance bus network. A selective number of key strategic bus services are provided under the TrawsCymru® banner, typically serving key strategic corridors which do not have a rail service. The current network consists of seven key strategic routes focused in mid and west Wales where the rail network provides little or no coverage.

The majority of services are operated under contract until 2018 and have carried more than 2m passengers in 2015-16. A new service operating between Swansea and Brecon was set up in 2016, with a possible further extension to Newport via Abergavenny and Chepstow being considered. The success of the TrawsCymru® service network is attributed to improved service frequency, quality of vehicles, distinct branding and improved marketing.



Figure 5 Traws Cymru Network 2016

THE COST OF OPERATING BUS SERVICES IN WALES

In Wales, 87% of bus company income is generated from payments for passenger journeys: that is fare paying passengers and mandatory concessionaires. When reimbursement for mandatory concessionary pass journeys is deducted, it is estimated that about 58% of operating revenue is generated from fare paying passengers.

It is estimated that staff costs account for about 60% of a bus company's operating costs, with the remaining 40% being split equally between fixed costs (vehicles and overheads) and variable costs, mainly the cost of fuel. The Confederation of Passenger Transport (CPT) Cymru estimates that the cost of operating a bus each year in Wales is about £127,000. Meanwhile, statistics published by the Department for Transport estimates the operating cost per vehicle kilometre operated in Wales at £1.76.

Operating margins for bus companies between 2004 and 2007 ranged between 2% and 4%, more recently increasing to between 6% and 8%, especially in 2014/2015 with a significant fall in fuel prices. The operating profits of the two major municipal operators, Cardiff Bus and Newport Bus, are affected by social objectives set by their owners.

Welsh Government funding for local bus services comprises:

Mandatory concessionary bus travel scheme - currently some £59m¹ annually. £3 per live pass issued under the scheme is paid to local authorities annually to meet their administrative costs.

Bus Services Support Grant - £25m annually.

Young Persons Discounted Bus Travel Scheme Pilot - £14.75m over two financial years from 2015/2016 to 31 March 2017.

TrawsCymru® bus network estimated at £2m per annum.

Bus Users Cymru – £275,000 in 2016-17, including funding for three full-time Bus Compliance Officers who monitor bus services.

Community Transport Association – £190,000 in 2016-17.

¹ £59m is made available to local authorities to meet the cost of the all Wales scheme whilst £10.5m for concessionary bus travel reflecting local authorities' own concessionary bus travel schemes prior to establishment of the all Wales scheme.

In respect of learner travel, the 2016/17 settlement is estimated to be £81m although local authorities have reported that expenditure in 2015/2016 on learner travel had reached £105m. Within this expenditure, 30% was defrayed on transport for learners with Special Education Needs (SEN) who make up less than 10% of the learner population. This higher rate reflects the greater use of taxis and one to one transport.

Data provided by local authorities in 2013/14 reported that the annual average cost per pupil of transport was;

Primary	£994.06
Secondary	£718.46
SEN	£3,604.23

Additionally, Welsh local authorities provide funding for supported scheduled bus services estimated to be in the region of £16.4m in 2015/2016², as well as providing funding for community and social services transport. The RSG includes some £10.5m for concessionary bus travel reflecting local authorities' own concessionary bus travel schemes prior to establishment of the all Wales scheme.

Non-emergency patient transport services are funded by the eight Local health Boards in Wales, whilst the Welsh Ambulance Service Trust provides emergency and other transport related services to ensure that patients can access the healthcare that they need. Local health boards provide funding of around £21m annually to the Trust to provide non-emergency patient transport services across Wales. In addition, the local health boards have provided around £4m annually for discrete patient transport services often with alternative providers.

² Estimation is based on research undertaken by the Campaign for Better Transport – evidence to the National Assembly's Enterprise and Business Committee inquiry into bus and community transport published March 2016

There are more than 738,000 non-emergency patient transport journeys annually in Wales and about 500,000 of these journeys are for patients not needing transport by ambulance, but who meet the eligibility criteria for free transport where no alternative bus or community transport is available. Plans for transforming the provision of non-emergency patient transport services include a new service model that requires the Trust to work in collaboration with local authorities, community and voluntary sector transport providers to deliver the service.

In addition, the Welsh Government provides funding of around £720,000 per annum to help meet the travel costs of eligible patients in receipt of certain benefits or registered under the Low Income Scheme. Under the scheme, eligible patients are reimbursed for the costs of travelling by scheduled local bus or community transport services

MANDATORY CONCESSIONARY FARES SCHEME

The Welsh Government was the first Government in the United Kingdom to introduce universal free bus travel for older and disabled people, with the aim of radically improving access to key services and facilities. The free concessionary bus travel scheme was introduced in April 2002 for persons resident in Wales. At that time, it enabled disabled people meeting certain eligibility criteria, together with women aged 60 and over and men aged 65 and over to travel on any local bus service in Wales and on some cross border bus services - but this does not include onward travel using bus routes starting in England - free of charge to the passenger.

In April 2003, the age of entitlement was standardised for women and men at age 60 and over. It was further extended in 2011 to seriously injured armed service personnel and seriously injured armed service veterans, subject to the eligibility criteria.

Disabled people meeting certain eligibility criteria are able to apply for a pass for free bus travel. These are identified in legislation as:

- People with sight loss.
- People who are “profoundly or severely” deaf.
- People who cannot speak.
- A person with an impairment or injury that has a substantial long term adverse effect on ability to walk.
- People without arms or the long-term loss of the use of both arms.
- People with a cognitive impairment.
- A condition such that if the person were to apply for a licence to drive a motor vehicle under Part III of the Road Traffic Act 1988, that application would be refused pursuant to section 92 of that Act (physical fitness) other than on the ground of persistent misuse of drugs or alcohol.

Disabled people who have been issued a pass because of their disability may ask their local authority to exchange their “standard” pass for a companion pass to allow free travel for one companion when travelling with them, if they satisfy their local authority that a companion is necessary to assist the pass holder in making their bus journey. It is not necessary for the pass holder to be accompanied by a companion on every journey because it is accepted that their condition(s) will vary.

Seriously injured armed service personnel or seriously injured armed service veterans in receipt of an award under tariffs 1-8 of the War Veterans Compensation Scheme or the Armed Forces Compensation Scheme are also able to apply for a pass.

All the criteria about applying for a Welsh concessionary bus pass can be found on our website under Public Transport at:

<http://gov.wales/topics/transport/public/concessionary/?lang=en>

Passes may be used at any time of the day whenever services are operating and Wales's pass holders are able to use cross-border services if – subject to certain criteria - their bus journey starts or ends in Wales.

This limited, free cross-border travel into and from England is permitted at local authorities' discretion to allow those residents living on the Wales-England border to access key facilities such as doctors, dentists, post offices, and so on, that perhaps are not available within reasonable travelling distance in their own area. Pass holders are unable to transfer between bus services in England.

In early 2010 the Welsh Government confirmed that the age of eligibility for older people in Wales would not rise in line with changes to the State retirement age, as is happening in England, but would remain at 60 . Local authorities are obliged through legislation to reimburse bus operators for having carried pass holders for free, consistent with authorities' obligation to ensure that those operators are "no better and no worse off". Local authorities and the Welsh Government bear the cost of administering the scheme and of reimbursing bus operators for the journeys recorded. Since the scheme started, it has cost the public purse around £840m

Prior to the introduction of the mandatory concessionary bus fare scheme for older people, bus use in Wales declined from 133m journeys in 1996-97 to 108m journeys in 2001/02. The introduction of the scheme has resulted in a significant increase in the annual number of concessionary journeys undertaken and initially stemmed the decline in bus use in Wales. Since 2008/2009 however, the decline in bus use has continued and now stands at an estimated 101m passenger journeys in 2014/15.

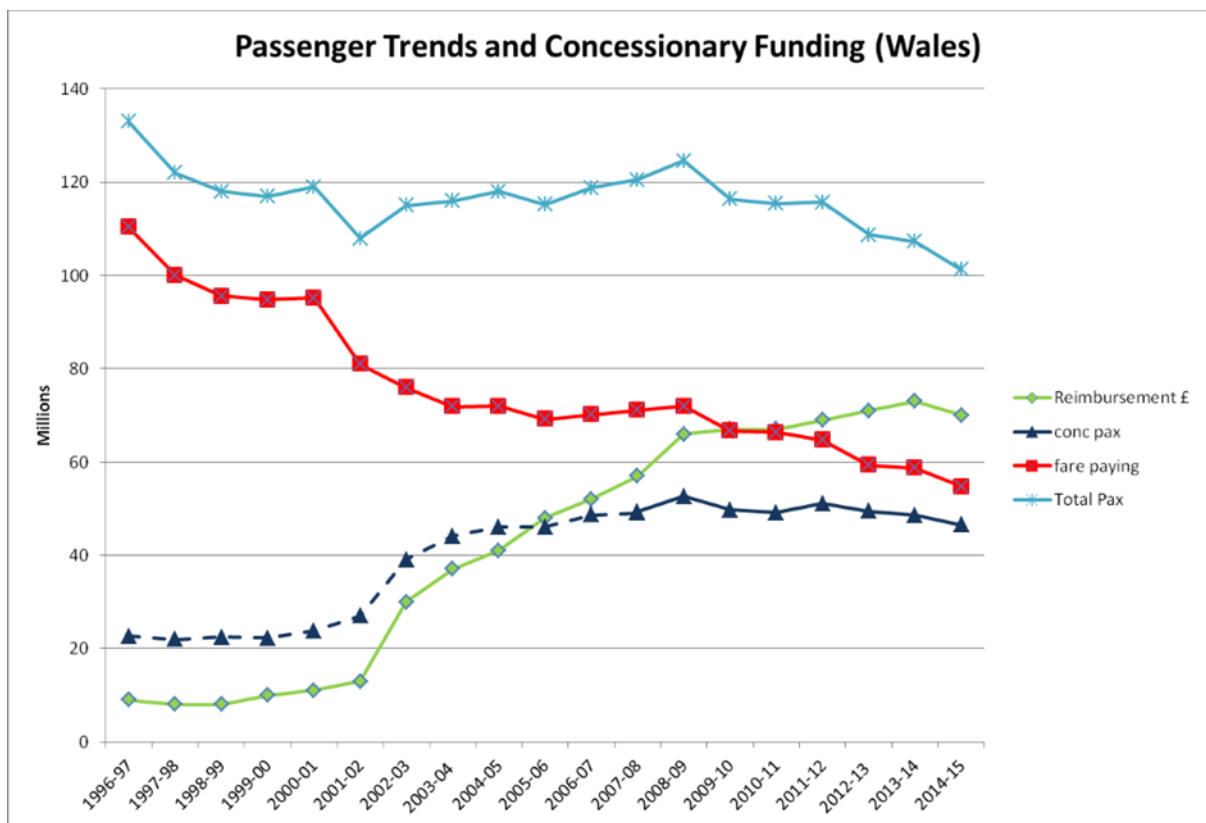


Fig 6; Relationship between bus journeys undertaken in Wales and concessionary fares usage

There a number of factors that contributed to this increase in journeys. The introduction of the all Wales scheme removed the need for a fee to be paid by applicants, resulting in an increase in the proportion of eligible persons applying for a free travel pass. The introduction of Smartcard technology in 2006 has revealed a significant number of passes that have been issued but are used infrequently or not at all.

A further factor that contributed to the increased applications for free travel passes and bus journeys, at least initially, was the introduction of the ability to travel anywhere in Wales at no cost to the pass holder. Previous local authority schemes had been limited to travel within local authority boundaries, and offered free or discounted travel on local services. The universal availability of free bus travel is one of the key drivers attributed to increased bus journeys when the all Wales scheme was introduced.

The number of “live” passes in use in Wales has continued to increase, rising from 587,517 in 2007/08 to 696,874 in 2012/13³. In itself, this illustrates the continuing demand for free bus travel and the success of the scheme in stimulating demand amongst older people and disabled people. The number of concessionary bus journeys, as a proportion of all journeys is significantly higher in Wales when compared to England and Scotland.

	England exc.London	Scotland	Wales	GB	England
2007-08	32	32	41	32	32
2008-09	33	32	42	33	34
2009-10	34	34	43	34	36
2010-11	34	34	43	34	36
2011-12	34	34	44	35	36
2012-13	34	35	45	35	36
2013-14	34	36	45	34	36
2014-15	34	36	46	34	35

Fig 7 – concessionary fare journeys undertaken in Great Britain expressed as a % of all bus journeys undertaken

³ Welsh Government data collected on Mandatory Concessionary fare passes issued by local authorities in Wales

FARES

In 2014/15, bus fares in Wales increased by 4.2% compared with the previous year, but when adjusted for inflation (real terms) the increase was 3.3 %⁴. Over the same period, bus fares in Great Britain increased at a slower rate of 3.2% in current prices, which when adjusted for inflation is a 2.3% increase.

In general, over the long term, bus fares in Wales have moved broadly in line with those for Great Britain as a whole, but that there can be substantial differences between prices changes in Wales, as compared with the rest of Great Britain, over shorter periods.

One of the factors that could account for above inflation increases in bus fares in Wales is the method of calculating operator reimbursement rates in respect of the mandatory concessionary fare scheme.

Prior to 2016, the representative concessionary fare, the amount payable to operators for carrying free bus travel pass holders, was initially calculated on the average adult single fare. This influenced pricing structures, as there was a direct incentive to charge a higher single fare in order to maximise the concessionary revenue.

⁴ Stats Wales Public Service Vehicle Statistics published January 2016

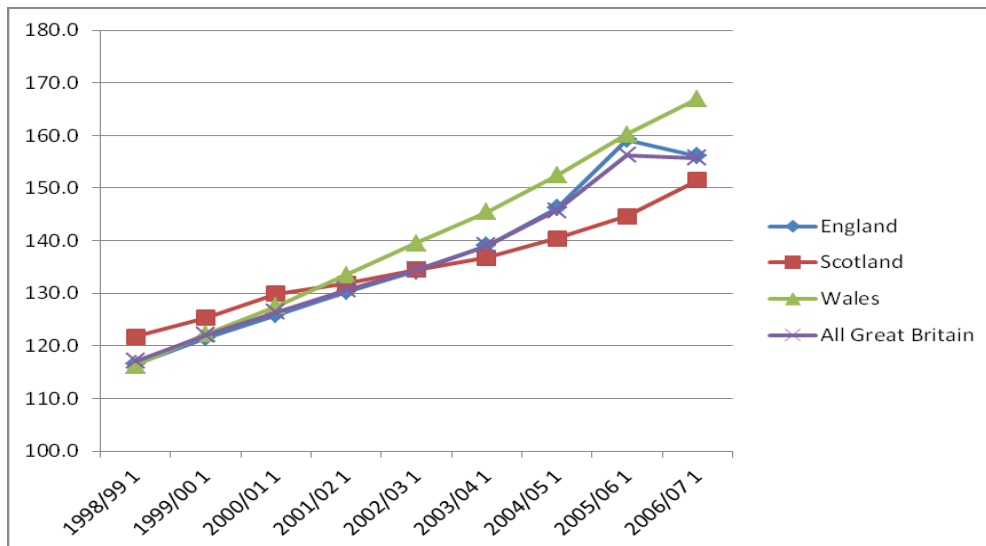


Fig 8 Increases in bus fares in Great Britain: source Department for Transport fare index

Evidence suggests that the reimbursement arrangements have contributed to bus fare inflation in Wales, to a point where in some areas, the fare paid by passengers for a single adult journey is only marginally less, or in some cases greater, than the cost of a day travel ticket. Although the average adult single fare has more recently been replaced by an average depot rate, evidence suggests that bus fare inflation remains higher than in England and Scotland.

SECTION 2 – THE NEED FOR CHANGE

The Welsh Government's programme for Government published in September 2016 sets out how the Government will deliver more and better jobs through a stronger, fairer economy, improve and reform our public services, and build a united, connected and sustainable Wales. Our programme for government will further advance our objectives under the Well-being of Future Generations (Wales) Act 2015.

Delivering a more effective network of local bus services, together with the development of seamless integrated and multi modal ticketing arrangements as part of the new travel arrangements for Wales is fundamental to our objective of building a connected and sustainable society.

There are opportunities to better use the current arrangements in place for the provision of bus services. The current law allows for voluntary agreements, statutory quality partnership schemes and services to be contracted by local authorities where there is a reasonable expectation that services would otherwise not be met. It is using these provisions that the Welsh Government has worked with local authorities and bus operators to encourage them to improve services through grant funding schemes linked to voluntary standards. In some cases, these arrangements have worked well in some areas.

Local scheduled bus services are, and will continue to be, the foundation of our public transport system. Significantly more journeys are undertaken on our buses compared to our rail network, providing an accessible and cost effective alternative to the private motor vehicle for the daily commute to work and for leisure.

About half of these bus journeys have been undertaken by disabled and older people as part of our free travel concessionary scheme. This illustrates the important contribution our local bus services make in maintaining independent living, social cohesion and general well being.

The Welsh Government's ambition is to support the delivery of a quality, equitable and sustainable bus network that provides communities and individuals with services they need and achieves value for money for the public funding we provide.

In the short term, action is taking place to support bus companies in Wales in meeting the challenges of the current economic uncertainties presented by the UK decision to leave the European Union, and the ongoing pressures on public sector finances.

Under the five point plan announced in September 2016, bus companies in Wales have been offered dedicated professional assistance through Business Wales and Finance Wales. Local authorities have been urged to make every effort to protect their funding for bus services in the current challenging economic climate. It is important that smaller bus companies have access to the advice and support that will help them become better and more resilient businesses.

Together with local authorities, the Welsh Government has been working to identify vulnerable bus services and to put local strategies in place to respond to any planned withdrawal of services considered vital to the sustainability and wellbeing of the local community.

Work has been ongoing to explore how our municipal bus companies have been operating their bus networks ensuring that investment in services and vehicles is maintained. The Welsh Government is keen to enshrine the best characteristics of the private commercial sector with the social responsibility of the public sector operators in Wales.

Funding for two new bus co-ordinator posts, one in north Wales and one in south Wales, has been provided to bring together the various strands of policy and investment to develop the existing statutory bus Quality Partnership Scheme model. The Welsh Government has encouraged and supported more formal agreements between local authorities and bus operators for the delivery of local services, preferably through these schemes.

Looking to the future, the bus services summit announced in September and held in January brought together local authorities, bus operators, groups representing passengers and disabled people together with the Community Transport Association and other partners to consider how best bus services that are financially viable and sustainable in the longer term can be delivered.

Whilst this action plan has been needed to deal with the very real threats posed to our local bus services in the short term, the summit offered an opportunity to focus on the future – rather than on the past.

In the longer term, the Welsh Government's aims for bus services are:

1. To increase the number of people of all ages using buses for their daily commute to work, for education, access to health services and for leisure activities.

2. The availability of good quality and accessible local bus services, for passengers as part of an integrated Welsh public transport system comprising a mix of demand responsive or scheduled local transport, together with longer distance express bus services that complement passenger rail services.
3. The establishment of national and regional integrated ticketing products to better enable seamless multi modal transportation.
4. Enable bus operators to contribute to the development and the delivery of the south east Wales and north east Wales metro public transport systems.
5. A fair deal for passengers, staff, bus operators and the public sector - a financially viable and sustainable bus network underpinned by an effective, integrated and transparent approach the imposition of Public Service Obligations with appropriate level of compensation to operators and stable public funding arrangement generally that provide value for money and complements the best characteristics of the commercial bus sector.
6. Contribute to safeguarding the wellbeing of future generations by tackling poor air quality zones and supporting a sustainable and thriving economy.

THE CASE FOR CHANGE

Reversing the contraction of the local bus network and declining passenger journeys undertaken in Wales. As recognised by the National Assembly for Wales Enterprise and Business Committee in its report following the inquiry into bus and community transport in Wales, the Traffic Commissioners' Annual Reports indicate that the number of registered bus services in Wales declined by approximately 46%, from 1,943 services to 1,058 between March 2005 and March 2015.

The Welsh Government's statistical report on public service vehicles illustrates a decline in bus passenger journeys of about 19% between 2008 and 2015. By comparison, bus journeys in England outside London declined by about 6% in the same period, and just under 15% in Scotland.

By contrast, local bus services in London, where bus franchising has been in place since deregulation in 1985, the number of bus journeys has more than doubled, increasing by 107%. As illustrated in figure 6, the number of fare paying passengers, overall, has declined in recent years whilst at the same time, public expenditure on socially-necessary bus and community transport services has been constrained by challenging public sector budget settlements.

But in this environment, there are examples where direct government and local authority intervention has safeguarded routes and, through improved quality and marketing, the decline in patronage has been reversed. The Cardiff to Pontypridd transport corridor is one of the most important corridors in south Wales, with typically 10 buses per hour running between Pontypridd and Cardiff using the A470 and parallel local roads.

Following introduction of a mix of junction improvements, bus lanes and priority measures, road widening, changes to traffic lights and bus stop improvements at key points, journey times have been reduced and fare paying patronage has increased.

Similarly and working with public sector and commercial partners using a mix of contracted and commercial services under the current quality partnership framework, services provided under the TrawsCymru® initiative have also witnessed increased passenger journeys. The majority of TrawsCymru® services are operated under contract until 2018 and carried more than two million passengers in 2015-16.

Further services are being introduced, such as the Swansea and Brecon service introduced in 2016, with a possible further extension to Newport via Abergavenny and Chepstow. The success of the TrawsCymru® service network is attributed to improved service frequency, quality of vehicles, distinct branding and improved marketing.

The report published following the review of the TrawsCymru® bus network in 2013 made a number of recommendations about the network's development, although a number of circumstances had changed since the report was written in August 2013 and its publication early in 2014.

In 2013, three of the five TrawsCymru® routes were operated wholly commercially by privately owned bus companies, but in October 2013, the operator of these services announced that they would cease with effect from 21 December 2013. The Welsh Government and local authorities put in place replacement services until June 2014, with the effect that all five TrawsCymru® routes in place at that time were dependant on public funding for their continued operation.

Although funded by the Welsh Government, the routes are managed by four different local authorities and operated by seven different bus companies. The report's author recognised that these arrangements fragment the strategic, all-Wales approach that TrawsCymru® requires and blur accountability.

Additionally and as noted by the Campaign for Better Transport⁵, 53 bus services have been reduced, altered or withdrawn in 2015-16, comprising 32 services being reduced or altered and 21 being withdrawn altogether.

The situation in relation to the TrawsCymru® strategic bus network and the contraction of local commercial bus services noted by the Campaign for Better Transport illustrates some fundamental weaknesses in the commercial bus market.

Current competition legislation inhibits the willingness of bus companies to subsidise loss making routes with income generated from more profitable routes. Unless local authorities are prepared to subsidise the loss making routes, they are discontinued with the effect of isolating communities and undermining network structure. We therefore need to consider whether we need a far more holistic approach to the imposition of and compensation paid for, Public Service Obligations.

Bus companies can discontinue or alter services 56 days after serving notice with the Traffic Commissioner, leaving insufficient time for local authorities to organise and contract replacement services that may be needed, leaving communities isolated and without a regular scheduled local bus service.

⁵ Campaign for Better Transport submission to the National Assembly's Enterprise and Business Committee's Inquiry into Bus and Community Transport in January 2016

Under current arrangements, local authorities and the Welsh Government may contract services only when there is a reasonable expectation that these services would otherwise not be met by the commercial sector.

Other than in some localities in south east and south Wales, competition on bus corridors between the larger operators is limited, with operators focusing on their existing areas of operation. There are some notable exceptions, such as the development of local services by New Adventure Travel, whereby direct competition with municipal operators in Cardiff and Newport, and smaller operators in other areas in south Wales has resulted in increased service provision and lower passenger fares. In the longer term, if the number of passenger journeys does not increase, the competition could undermine the bus network in these areas and could have a negative impact on passengers.

Frequent changes in the timetabling of local bus services undermines peoples' confidence to use public transport, especially when services are withdrawn at relatively short notice and where passengers depend on connecting services to complete their journeys.

Once contracted services are established and passenger numbers increase, commercial operators can register to operate services along a route, which can have the effect of undermining network sustainability and in the longer term, result in excessive passenger fare inflation.

Bus routes that are registered on a commercial basis with the Traffic Commissioner attract public funding through mandatory concessionary fares, payments from the Bus Services Support Grant designed to assist operators meet the cost of running services, or by part of the "commercial" route being contracted by the local

authority in cases where a social requirement has been identified. The nature of annualised public funding settlements can constrain longer term route and network planning, which in turn can inhibit privately owned operators willingness to invest in services.

Improving the resilience of local bus networks and reducing the risk of business failures in the bus sector. Wales' biggest independent bus operator, with depots and contracts in Wales and in England, went into administration in July 2016 following a winding-up petition from HM Revenue and Customs for unpaid taxes: reported to be for around £700,000. Press coverage at the time also highlighted a fine imposed by the Health & Safety Executive. The company employed almost 400 staff, operating from depots in Ruabon, Macclesfield, Shrewsbury, Ruthin, Winsford and Tarvin.

The closure followed shortly after another operator established in 1882 ceased trading, with the loss of 40 jobs, with a further 50 staff transferring to a different company.

Since deregulation in 1986, local authorities in Wales have reported there has been less competition for bus service contracts. Larger groups have emerged through takeovers and buy outs of smaller companies, and a number of smaller operators have simply come to an end. Larger operators are more able to sustain lower bids, enabling them to influence competition. Smaller operators need to bid at levels close to or below that required to sustain a service.

The themes emerging from the current arrangement includes:

Less competition, with a risk of longer term cost increases.

Services become unsustainable at the quoted price leading to a poor service to reduce operating costs.

Surrender or cancellation of the contract, requiring retendering often at a higher cost.

Inconsistent public sector contracting arrangements to secure local bus services, usually needing to be put into place at short notice.

Ensuring universal coverage and quality expectations – The larger nine operators, mainly operating in the more urbanised areas of Wales, predominantly specialise in the provision of local bus and schools services, with some offering private hire but fewer excursions and tours.

More than three-quarters of the routes are registered with the Traffic Commissioner on a commercial basis and the fares are set by the operator. These can be withdrawn or varied however, with only 56 days notice to the Traffic Commissioner. Reasons given for substantial frequency changes were mainly: to respond to head-to-head competition from other operators, to reduce costs, meet punctuality requirements, or to stimulate patronage⁶.

Operators are able to register services with the Traffic Commissioner on a commercial basis, and whilst an operating profit is returned, public subsidy is payable by the local authorities in the area by way of the Welsh Government funded Bus Services Support Grant. Few bus services in rural areas are operated without public subsidy to maintain services and tend to be contracted by the local authority, on the basis that the lower patronage levels and longer service distance required on a rural route, makes their operation less attractive to privately owned operators. The result is that most services in rural parts of Wales are contracted by the local authority.

⁶ CMA report into competition in the bus industry 2011

Taken together, the characteristics of the bus market that have emerged since deregulation are that

privately owned operators effectively design and deliver profitable bus networks in urban areas over which the local authorities in those areas have less influence to maintain network integrity

Income generated by more profitable routes cannot be accessed to offset routes that are loss making, and this lack of cross subsidisation inflates the cost to the public sector funding arrangements

Whilst the cost to the public sector of maintaining bus services in rural areas is greater than in urban area, local authorities are better able to maintain a degree of control over network development and maintenance

The quality of local bus services delivered across Wales is not consistent. The Transport Act 2000, as amended by the Transport Act 2008, introduced statutory Quality Partnership Schemes. These are formal agreements between local authorities and local bus operators to work in partnership to improve bus route infrastructure and service quality. This form of agreement has been the basis on which the TrawsCymru® services have been developed in Wales, but statutory Quality Partnerships have not been established in Wales outside of this network. The absence of these schemes in Wales has led to a variation in the quality of local bus services delivered across Wales.

In March 2016, the Welsh Government in consultation with local authorities, bus operators and passenger groups, published the Voluntary Welsh Bus Quality Standard as a first step in designing a national quality framework universally available to passengers. The policy objective is that bus passengers in less densely populated areas are not treated less favourably in relation to the bus services when compared to passengers in the more densely populated urbanised areas and cities. Maintaining eligibility for payments from the Welsh Government's Bus Services Support Grant for bus operators is to be dependant on achieving the core requirements that are applicable nationally, together with any enhanced requirements agreed locally between local authorities and bus operators.

Variation in passenger fares and ticketing – In 2014/15, bus fares in Wales increased by 4.2% compared with the previous year, but when adjusted for inflation (real terms) the increase was 3.3 % . Over the same period, bus fares in Great Britain increased at a slower rate of 3.2% in current prices, which when adjusted for inflation is a 2.3% increase. The fare and ticketing examples illustrated below provides some context to the variation in the bus fares available in Wales.

Example 1 – Typical bus fares available in Wales ⁷

In the Swansea Bay area, passengers can purchase a day to ride ticket from the local operator for £5, or £4.20 in the Swansea City area. Single adult fares are available only during the evening. In the Bangor or Wrexham area, a day to ride ticket purchased on line will cost £4.50. In Newport and Cardiff, bus operators offering day to ride tickets retail at between £3 and £3.60, but single journey adult fares are available from the driver ranging from £1.60 and £1.80. A passenger wishing to travel between Merthyr and Treharris will pay a £2.80 single fare or £4.80 return. Alternatively, a day ticket for travel on any service in the Vale of Merthyr will cost £4.70. In Carmarthenshire, a day ticket on the operators' network will cost passengers between £6 and £4.20

⁷ Bus fares advertised on line and available from bus operators as at 10 October 2016

Most operators offer season tickets for their own services. Local authorities can set up statutory bus ticketing schemes which can require all operators of local bus services in the area to provide integrated ticketing. The types of tickets that may be covered by a ticketing scheme include: multi-journey tickets; through tickets entitling the holder to make a particular journey using two or more local services (whether or not they are run by the same operator); 'multi-operator individual tickets'; and tickets for connecting local bus and rail or tram services. A statutory ticketing scheme has to satisfy the Part 1 Competition Test, or otherwise can be provided as an arrangement under the block exemption.

Under competition law it is normally unlawful for businesses to come together and agree prices or agree to share customers and markets. This reduces incentives for businesses to compete against each other, which can mean customers end up paying inflated prices and getting a poorer quality service as a result.

In some circumstances however, agreements that can be beneficial, such as where they enable consumers to travel on more than one operator's services with only one ticket, can be reached. The law provides a block exemption for this, in recognition of the clear benefits to consumers. Such schemes must meet specific criteria to be exempt.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/553467/cma53_a_short-guide-transport-ticketing-schemes-and-competition-law.pdf

No statutory local ticketing schemes have been developed in Wales, but more recently in south east Wales, operators now take part in local authority designed multi operator ticketing schemes as part of the SEWTA regional quality standards.

These are set up by agreement with local operators who participate on a voluntary basis. Participation in national and regional ticketing schemes has been included in the Voluntary Welsh Bus Quality Standards as an enhanced requirement within the standard.

Although the availability of multi operator ticketing schemes has improved, at least in south east Wales, efforts to introduce multi modal through ticketing using smart card technologies has not been implemented to date. Transport for London's Oyster Card model combined with pay as you go contactless payment systems are considered as essential components for the successful introduction of metro schemes in both south east and north Wales.

Complexity in arrangements for the delivery of the mandatory concessionary fares scheme- Local authority returns to the Welsh Government confirm the number of live passes in circulation. The Welsh Government pays £3 per pass to each authority each year until the pass is cancelled. Allocations of funding made by the Welsh Government to local authorities reflect returns which are subsequently audited.

Operators are reimbursed by local authorities based on the average single adult fare for each depot. Any change to move away from local authority reimbursement would require a change to current legislation. To enable reimbursement systems to work on Welsh Government back office data, operators would be required to set up a unique code (if ITSO often referred to as CPCC or CPICC code) to help identify the reimbursement route within the ITSO system criteria. This was set up at the beginning of the scheme's life, however as operators change ticket machines this has failed to be introduced in line with the original specification.

The Customer Management System (CMS) is managed by Applied Card Technologies Ltd (ACT). Active card reports are produced for local authorities who also have access to the system to extract data in their areas, but system support is not in place to ensure that the technology keeps pace with service operation.

As with any national scheme, the Welsh Government has arrangements in place to safeguard against potential misuse of free bus travel passes issued in Wales, either by individuals intending to travel using a pass not issued to them, or by operators inflating the number of journeys undertaken by pass holders. The conviction of two persons employed by bus operators in 2016 for fraudulent activity, demonstrates that despite measures being in place to safeguard public funding, weaknesses in the current arrangements can be exploited for financial gain.

The availability of smart card data has enabled more robust audit and compliance arrangements to be put in place and the Welsh Government continues to work with local authorities and criminal justice agencies to prevent and detect fraud. The introduction of revised arrangements for free bus travel and payments to local operators under a more unified system of Public Service Obligations could further reduce the risk of fraudulent activities.

SECTION 3 PROPOSALS FOR REFORM

On 20 September 2016, the Welsh Government's programme for Government for the next five years was published, giving our commitment continuing to build a united and connected society. Our programme for government will further advance our objectives under the Well-being of Future Generations (Wales) Act 2015.

As the United Kingdom leaves the European Union, we must not lose sight of the progress that has been made on the low-emission mobility strategy that frames the initiatives that the European Commission is planning in the coming years. It demonstrates how initiatives in related fields are linked and how synergies can be achieved to improve environmental sustainability.

The approach being adopted to advance decarbonisation must be considered as one of the tools to modernise the Welsh economy and strengthen our ability to compete in the global market.

The Welsh Government has led the way in developing Active Travel solutions making a contribution to this agenda. Increasing the efficiency of the transport system by making the most of digital technologies, smart pricing and further encouraging the shift to lower emission transport modes will be vital to our continued global success.

To help realize our ambitions, we have committed to the delivery of a multimodal integrated transport system for the whole of Wales, including the south and north east Wales Metros, which will act as the blueprint for integrated systems across Wales.

The delivery of a more effective network of bus services is essential for the delivery of our plans for metro systems in Wales.

The Welsh Government is committed to the availability of good quality, local bus services that are more sustainable and financially viable in the longer term. Local scheduled bus services are, and will continue to be, the foundation of our public transport system.

It is important that passengers can have confidence that the quality of service, universally applied to local scheduled bus services across the whole of Wales. The quality of service delivered in the more rural parts of Wales should be no less favourable than those provided within the metro or more urbanised parts of the country.

As we enter the second stage of the programme to implement our metro proposals in south Wales and start to consider the development of the metro concept for north east Wales, it is time to consider the framework that is currently in place, on which the delivery of local bus services depends.

Stakeholders are invited to consider and comment on these policy proposals, designed to deliver improved bus services

THE ROLE OF LOCAL AUTHORITIES

Section 110 of the Transport Act 2000 introduced a requirement on local authorities to prepare a document to be known as the bus strategy containing their general policies as to how best to carry out their functions in order to secure bus services to meet the transport requirements of persons within the authority's area.

Additionally, bus strategies included the standards to which the authority consider that bus services should be provided, together with any additional facilities and services connected with bus services the authority considered should be provided. This requirement was removed under section 10 of the Local Transport Act 2008.

Section 108 of the Transport Act 2000 (local transport plans) as amended by the Transport (Wales) Act 2006 requires local authorities to develop policies for the implementation in their area of the Wales Transport Strategy, and to carry out their functions so as to implement those policies.

Local bus services are now, and shall continue to be, the basis of a fully integrated public transport system in Wales. Removing the requirement of local authorities to develop and publish as part of their local transport plans, how local bus services in their area will be developed and delivered, has undermined the importance local bus services play in connecting people and communities to places and employment.

Under our proposals, we will require a local authority, or local authorities acting jointly, as part of their local transport plans, to set out the arrangements they must put in place to ensure that communities in their areas are provided with either local scheduled, or demand responsive local bus services, and how these services will interface with the TrawsCymru® network and Passenger rail services.

Local Transport Plans will therefore include:

- Arrangements to deliver local bus services in a local authority area

- Where scheduled local bus services are assessed as being not viable in an area, arrangements that will be put in place to deliver demand responsive local services
- Arrangements that are to be put in place to secure bus services, either on a commercial basis, as part of a Bus Improvement Partnership Scheme, the franchising of local bus routes or networks, via a regional or local system of imposing public service obligations, or the establishment of a bus company wholly owned by the local authority, or local authorities acting jointly.

FUNDING

Under current arrangements, local authorities have powers to enter into an agreement providing for service subsidies where the service in question would not be provided, or would not be provided to a particular standard, without subsidy i.e. the imposition of a PSO in return for compensation.

The Welsh Government may make grants under certain conditions to operators of eligible bus services towards their costs in operating services and to local authorities to enable them to discharge their transport functions. Additionally, the Welsh Ministers can also impose PSO's to secure the provision of any public passenger transport services which it considers appropriate for the purpose of meeting any public transport requirements within Wales which would not in its view otherwise be met and enter into agreements providing for service subsidies for such services.

Under our proposals, the power to make grants under certain conditions and to enter into agreements for service subsidies where services would otherwise not be provided will be maintained. However, there is need to explore the options for more integrated and transparent system to for imposing and funding all forms of Public Service Obligations.

As discussed in section one, the majority of bus services, predominantly in south east Wales, are registered with the Traffic Commissioner for Wales on a commercial basis based on decisions taken by privately owned bus undertakings. Whilst these services are registered on a commercial basis, public funding continues to be made available by local authorities based on the number of “live” kilometres operated by the bus company.

Thus in Wales, all eligible local scheduled bus services receive public funding, but operators can on occasion, take commercial decisions that directly affect the provision of local bus services in communities without consultation with the relevant local authorities. In such cases, the availability of public funding to local bus operators is maintained.

Passengers need to be at the heart of decision making on the delivery of local bus services and bus companies need to consult passengers also before any changes to local bus services are proposed.

Under our proposals, local bus operators will be required to consult with relevant local authorities and passengers before applications are made to the Traffic Commissioner to introduce new, vary or remove existing bus routes. Failure to do so will result in the availability of public funding being restricted.

STRATEGIC LONGER DISTANCE BUS SERVICES

The review of the TrawsCymru® bus network undertaken in 2013 by Dr Victoria Winckler of the Bevan Foundation concluded that the network should be broader and more ambitious, providing medium to longer distance bus services (of more than 25 miles) between towns and substantial communities.

The rationale for this is that people's expectations of personal mobility are rising, yet at the same time services are being concentrated into facilities at main settlements, as in the NHS. The need for a network of good quality bus services to connect them is more, not less, pressing than in the past.

TrawsCymru® should, without question, complement and not compete with the rail network. Where appropriate and justified by demand, it should provide good connections to onward rail services, but it should not be driven by or secondary to the rail network.

Since 2013, the TrawsCymru® network has been developed in line with the recommendations made by Dr Winckler using a mix of commercial and local authority contracted bus services using a Quality Partnership framework, with network management being co-ordinated and partially funded by the Welsh Government.

We are proposing to simplify the arrangements for the development and delivery of the TrawsCymru® network.

Under our proposals, the development and management of the TrawsCymru® network will be brought under the control of the Welsh Government. Routes will be operated by bus companies under franchise agreements.

As part of this proposal, the Welsh Government will be required to

- Consult, publish and keep under review a five year business plan for the development and management of the TrawsCymru® bus network in Wales – clearly establishing the outcome focused objectives to be delivered by the bus network as part of an integrated Welsh public transport system. The plan will include a statement about the arrangements to be in place for the franchising of bus services as part of the network;
- Publish a report, not less than annually, setting out how the network has performed against the standards set out in its business development plan
- Invite bids, assess and award franchise agreements for the operation of Bus services to be delivered as part of the TrawsCymru® network.

SERVICE QUALITY STANDARDS

In March 2016, the Welsh Government published the Voluntary Welsh Bus Quality Standards, setting out vehicle quality requirements bus operators in Wales are required to achieve to maintain their eligibility to claim payments under the Welsh Government's Bus Services Support Grant. The purpose of the Voluntary Welsh Bus Quality Standard is to ensure that the quality of local bus services that passengers can reasonably expect are consistently and universally available throughout Wales and local bus operators are encouraged to improve the quality of the services they provide to passengers.

The current Voluntary Welsh Bus Quality Standard can be viewed by visiting <http://gov.wales/topics/transport/public/bus-policy/voluntary-welsh-bus-quality-standard/?lang=en>

Under our proposals, the Welsh Government will, by statutory guidance, establish the service quality expectations to be met by bus operators in relation to local bus services delivered in Wales.

Bus operators registering services with the Traffic Commissioner will be required to demonstrate that the vehicles operating the proposed services meet the required quality within the Service Quality Standards.

The proposed Service Quality Standards shall establish quality standards to be achieved, unless an exemption is applied, in relation but not limited to;

- Vehicle cleanliness
- The presentation of passenger journey information and planned service changes
- Arrangements for passenger complaints and appeals
- Arrangements for staff training and customer care
- Passenger and driver safety
- Environmental sustainability and vehicle telematics
- Punctuality and reliability
- Fares and ticketing arrangements

- Passenger engagement and service accessibility

In developing the statutory guidance, the Welsh Government shall be required to consult with stakeholders including bus passengers and their representative groups, bus operators, local authorities in Wales and relevant public authorities in England, Traffic Commissioners and other stakeholders as appropriate.

INFRASTRUCTURE AND INFORMATION STANDARDS

In recognition of the variation across Wales in the provision of information to passengers and bus infrastructure, such as bus stops, as part of the Welsh National Transport Finance Plan 2015, the Welsh Government committed to the preparation and publication of design guidance for bus infrastructure and passenger information.

As with our proposals for Service Quality requirements bus operators in Wales are required to achieve to maintain their eligibility to claim payments under the Welsh Government's Bus Services Support Grant, we are proposing that it will be the duty of Welsh Ministers to publish guidance that establishes the quality standards in relation to the infrastructure required to deliver local bus services. The relevant responsible local or national authority will be required to provide bus infrastructure specified in the statutory guidance.

Under our proposals, the Welsh Government will, by statutory guidance, establish the quality expectations for infrastructure and the display of passenger information in relation to local bus services delivered in Wales. The proposed statutory guidance will establish standards to be applied to infrastructure designed to support local bus services, including but not limited to bus shelter and bus stop design.

In developing the statutory guidance, the Welsh Government shall be required to consult with stakeholders including bus passengers and their representative groups, bus operators, local authorities in Wales and relevant public authorities in England, Traffic Commissioners and other stakeholders as appropriate.

BUS IMPROVEMENT PARTNERSHIP SCHEMES

Statutory Quality Partnership Schemes in Wales are made under Part 2 of the Transport Act 2000, as amended by the Local Transport Act 2008.

The Quality Partnership Schemes (Wales) Regulations 2009 makes provision about quality partnership schemes which include requirements as to frequencies, timings and maximum fares of bus services in Wales.

A quality partnership scheme is a scheme made by a local transport authority, or two or more local transport authorities, under which the authorities provide particular facilities at specific locations along the routes used by local bus services, and operators of local services who wish to use those facilities agree to provide services of a particular standard.

The Bus Services Bill in England is introducing advanced quality partnership schemes, building on the existing quality partnership scheme arrangement. Under these new schemes, local transport authorities in England can introduce bus improvement measures as part of a scheme, and not be restricted to providing new infrastructure.

The categories of service standards which bus operators participating in a scheme must meet can include the availability of multi-operator tickets and their marketing, advertised in a clear and consistent manner by all operators in the scheme.

The Bus Services Bill is also introducing enhanced partnerships, designed to facilitate better joint working between local transport authorities and bus operators. These enhanced partnerships go further by:

- expanding the types of standards that partnership schemes can cover;
- specifically providing for more joined-up network planning; and
- allowing local implementation and enforcement of the scheme's requirements.

In other words, enhanced partnership make possible outcomes delivered as part of a bus franchising scheme, but without the need to establish a bus franchising model.

Under our proposals, the service quality standards taken together with the infrastructure and information standards we are proposing will offer the opportunity for local authorities and local bus operators to work together to common, nationally agreed standards that are available universally across Wales. These standards, once developed with the involvement of bus operators and local authorities, will apply to bus services provided on a commercial basis, or as part of a subsidised or contracted service. On this basis, Quality Partnership Schemes will no longer be required.

There is however, a need for a scheme to address circumstances when bus services provided in an area fall below the required standard, but the relevant local authority, or Welsh Ministers consider that bus franchising is not an appropriate solution.

Under our proposals, we will replace statutory Quality Partnership Schemes in Wales with Bus Improvement Partnership Schemes. Under these arrangements, one or more local authorities acting jointly may introduce a scheme designed to improve the quality of local bus services and bus infrastructure for a single bus route, or two or more routes forming a local bus network.

Bus Improvement Partnership Schemes may be introduced where the relevant local authority, or two or more local authorities acting jointly, or the Welsh Ministers reasonably consider that the standard of bus services provided fall below the standards set out in the Statutory guidance, or where otherwise local bus services may otherwise not be provided.

Bus services provided under Bus Partnership Improvement Schemes, whilst removed from the commercial bus market, will continue to be registered with the Traffic Commissioner for England and Wales. Bus Service Improvement Schemes will:

- Suspend the commercial bus market along a single route, or two or more routes making a local bus network

- Set out arrangements to ensure that service quality standards taken together with the infrastructure and information standards on the relevant routes within the scheme are achieved and maintained

Enable the payment of service subsidies to be paid to local bus operators that are parties to the scheme

Bus services that are subject to a Bus Improvement Partnership Scheme may be exempted for a specified period of time from the quality standards, or the standards may be amended or varied to meet the specific needs of a local area. But the purpose of a Bus Improvement Partnership Scheme is designed to improve the quality of services provided, so exemption or variation of the published quality standards will be exceptional and temporary.

As with the current model of statutory Bus Quality Partnership Schemes, bus operators not party to the scheme may, subject to the issue of a permit by the relevant local authority, or local authorities acting jointly, operate services on routes within a scheme, but will not be able to exploit the bus infrastructure facilities within the scope of a scheme, whether they are existing facilities or new facilities. Detailed arrangements for the establishment of a Bus Partnership Improvement Scheme will be set out by regulations made by the Welsh Ministers, which will include amongst other matters:

Circumstances under which a Bus Improvement Partnership Scheme can be made

Public involvement and consultation requirements before a scheme can be made

Arrangements for the amendment, extension or revocation of a scheme

Appeals against the making of a scheme and transitional arrangements

BUS FRANCHISING

The Transport Act 2000, as amended by the Local Transport Act 2008, made provision for Local Transport Authorities to set up statutory Quality Contract Schemes. A Quality Contract Scheme is a scheme under which a local transport authority or two or more such authorities acting jointly, determine the local bus services that should be provided in the area to which the scheme relates. The local bus market in that area is therefore, in effect, regulated.

As part of the consultation undertaken before the Bus Services Bill was introduced, the bus industry and local authorities made it clear that difficulty persists in fully implementing the existing regulatory provisions are confusing, despite the efforts the UK Government has taken previously to amend the Quality Contract Scheme arrangements to make the provisions more workable.

The Welsh Government agrees that a simplified method of contracting bus services, whilst retaining the most effective characteristics of the private commercial bus market is preferable. Bus franchising, similar to the arrangements in place in London, provides a useful starting point for the development of the bus franchising scheme in Wales. A franchising scheme is one in which the local authority identifies which local bus services should be provided in an area and what additional facilities should be provided.

Under our proposals, we will enable a local authority, or two or more local authorities acting jointly, to submit proposals to the Welsh Ministers for the establishment of bus franchising on specific bus routes in their area, or two or more routes making a local bus network.

Before an application to establish a bus franchising area is made, local authorities must consider alternative arrangements that could be put in place, either by local voluntary agreements with commercial bus operators, or by a Bus Improvement Partnership Scheme, that may secure improvements in local bus services needed to deliver services set out in the local transport plan and bus strategy.

Where a franchising scheme is established, local bus services should only be provided in accordance with the terms of the local service contracts awarded by the local authority or local authorities acting jointly. Commercial bus services will not normally operate in a franchise area unless:

- The operator has been granted a service permit by the authority to run an additional bus service

- The operator is providing an interim service in the situation where another operator has failed to provide or ceased to operate a bus service before the end of the franchise contracted period; or

- The operator is running a local bus service of a type that has been excluded from the franchising scheme

The Welsh Ministers will make Regulations that sets out the arrangements that need to be in place to ensure that local authorities undertake their assessment of the appropriateness of introducing bus franchising in their areas. Assessments will need to consider whether:

The proposed scheme would contribute to the implementation of the authority's transport policies and wider policies;

The authority has the capability and resources to operate the scheme

The scheme would represent value for money

JOURNEY PLANNING

The issue of local transport information was an issue considered by our Bus Policy Advisory Group in 2014. As the group noted, the lack of correct information is one of the most common complaints made by bus users, and it is hard to understand why some operators do not inform their customers more effectively about their services.

Passengers need concise, easy to understand information. When available, many people find that some standard bus timetables are not easy to read or understand. Information needs to be available in multiple formats, including a various digital platforms as well as paper and telephone. The group recognised that a more sophisticated approach to the provision of information is needed. For example, the quantity and format of information may need to vary with the type of stop. The most comprehensive information needs to be available at bus stations, whilst only basic information would be offered at less used bus stops.

For some time, the Welsh Government has invested on services provided by Traveline Cymru to develop the delivery of information to passengers digitally using web based and smart phone applications. Nevertheless the phone will continue to be an important passenger information service for blind people and people with sight loss.

The proposed Service Quality Standards shall establish quality standards to be achieved, unless an exemption is applied, in relation but not limited to the presentation of passenger journey information and planned service changes, and our proposals for infrastructure and information standards will define how information should be presented at bus stops.

To encourage non bus users to consider the local bus service as an alternative to use of the private motor vehicle to meet their transport needs for education, work and leisure, there is a need to provide people with a “one stop shop” that enables effective and reliable journey planning using public transport using scheduled or demand responsive bus services, or railways services.

Under our proposals, public transport operators operating in Wales will be subject to a duty to co-operate with arrangements that the Welsh Government puts in place to provide people with an effective and reliable public transport journey planning information service to fulfil our ambitions to deliver a fully integrated public transport system. Welsh Ministers may issue directions requiring local bus and rail operators to provide information about local bus services to the passenger travel planning provider.

The Welsh Government appreciates that there are a number of providers that may be able to provide the “one stop shop” travel planning service within the commercial market. Alternatively, in time, this is a public transport service that could be provided by Transport for Wales, the wholly owned subsidiary transport company of the Welsh Government.

In either scenario, the reliability, quality and resilience of the service to be provided will rely heavily on the accuracy and timeliness of the information provided by bus operators.

REGISTRATION OF LOCAL BUS SERVICES

As part of the new devolution settlement to be introduced by the Wales Act 2017, guidance to be issued to the Traffic Commissioners for England and Wales in relation to the registration of bus routes in relation to Wales is expected to be devolved to Wales.

There is a statutory notice period of 56 days in England and Wales which starts from the day the Traffic Commissioner accepts a completed application. For community bus operators the required notice period is 28 days. This notice period applies also to the variation or withdrawal of a local bus service.

The Welsh Ministers will be given powers to issue (statutory) guidance to the Traffic Commissioners in relation to the registration of local bus services in Wales. This will be provided as part of the improved devolution settlement delivered as part of the Wales Act 2017 and functions exercised by the senior Traffic Commissioner in relation to local bus service registration will be subject to an executive transfer to the Welsh Ministers.

Specifically, Welsh Ministers shall be required to

- Prepare and consult on the guidance to be issued to the Traffic Commissioner in relation to the registration of bus services in Wales
- Keep the guidance under review and from time to time, amend or remake the guidance subject to consultation

The guidance issued to the Traffic Commissioner will include matters about

- The notice period that shall apply to the application to operate a new local scheduled bus service, vary or withdraw a service
- Local bus services that are exempt from registration requirements
- Function of the Traffic Commissioner in relation to the registration of bus services when quality partnerships or bus franchising is in place
- Quality standards to which local bus operators in Wales will be required to meet and maintain
- The publication of notices and proceedings
- The inclusion of conditions that may, or may not be applied to the operation of a local bus service
- Arrangements to be in place for the conduct of public enquiries
- Arrangements for the consideration of Traffic Regulation Orders
- The publication of guidance to bus operators in Wales

PUBLIC SECTOR BUS COMPANIES

The Transport Act 1985 introduced deregulation of local bus services. In some areas, the privatisation of the bus industry provided significant improvements in the delivery of local bus services. Some in the transport sector continue to argue that this improvement has been at the expense of less viable bus services in rural areas. In Wales and following deregulation in 1986, two local authorities maintained their corporation bus companies as wholly owned arms-length companies: Cardiff Bus and Newport Transport.

The Public Policy Institute for Wales studied the impact of privatisation on Welsh bus services and found that 'The overall impact of bus deregulation has been negative. Fares have increased whilst operator costs have gone down.' The report published in 2014 suggested that a significant element of government subsidy is being captured as profit by the bus industry in Wales, estimating that as much as £22 million more than a normal return on sales is being harnessed by commercial operators.

<http://ppi.w.org.uk/report-suggests-bus-operators-are-making-supernormal-profits-from-welsh-government-subsidy/>

Campaigners “we own it” estimate there to be 12 publicly owned municipal bus companies in operation in Great Britain and that as publicly owned operators, are more focused on service delivery than on maintaining profit margins. The largest of these is Lothian Buses, which is owned directly by local government and operates 70 routes in Edinburgh and the surrounding area. In 2014, more passengers than ever travelled on Lothian Buses. Levels of customer satisfaction are reported to be amongst the highest in the industry, and Lothian recently returned £5.5m profit to the public purse.

Reading Buses is another municipally owned bus services which can invest an additional £3m a year in the bus network (around 12-15% of its annual turnover) because it doesn't pay out dividends to private shareholders. The extra money means better quality buses, and is one reason – it is claimed - why more people take the bus in Reading.

The Welsh Government recognises that quality bus services are being delivered by both public sector and privately owned bus companies, noting also arguments put forward by their Lordships during the second reading of the Bus Services Bill in the House of Lords in June. Lord Whitty commented;

“The other restriction on localism and devolved decision-making relates to the prohibition on new municipally-owned or part-owned companies. I do not understand why. We still have a number of quite successful municipal bus companies operating in this country”

Lord True, speaking in respect of the bus services provided in Nottingham, said

“I can tell noble Lords, from my experience last week, that it does it (running buses) rather well. I hope that we can at least have a better explanation as to why that ban (maintaining the restriction of setting up municipal bus companies) should be in the Bill”

Under our proposals, we intend removing the restriction on local authorities being able to set up bus companies that are wholly or majority owned by the authority.

Under this proposal, we will

seek to repeal section 66 of the Transport Act 1985 that introduced the exclusion of powers of certain councils to run bus undertakings

Enable local authorities to form companies to operate public service vehicles for the purpose of delivering local scheduled bus services Wales; and

Allow funding for the establishment of local municipally owned bus companies

A local authority, or two or more authorities acting jointly, where the decision has been taken to establish a municipally owned bus company, in exercising their functions in relation to that company or in the provision of bus service infrastructure shall act in a manner that does not unreasonably inhibit competition between persons providing or seeking to provide public passenger transport services in their area.

Where there is a reasonable expectation and supporting evidence that competition on local bus routes are undermining the best interests of passengers and the wider local community, the Welsh Ministers may by order and subject to appropriate consultation, approve local restrictions to competition on individual routes, or a collection of routes making a local bus network.

CONDUCT OF PASSENGERS AND BUS OPERATING STAFF

The Public Service Vehicles (Conduct of Drivers, Inspectors, Conductors and Passengers) Regulations 1990 ('Conduct Regulations') set out the duties and expected behaviour of bus drivers, conductors, inspectors and passengers on bus and coach services operated around Great Britain. These Regulations re-enact, with amendments, the Public Service Vehicles (Conduct of Drivers, Conductors and Passengers) Regulations 1936, which were originally created using provisions within the Road Traffic Act of 1930.

In 2002, the Conduct Regulations were updated to include additional requirements for drivers, inspectors and conductors of all public service vehicles with respect to certain dogs that may accompany a disabled person and to passengers with respect to disabled people in general and to certain disabled people's dogs. At this time, new provisions including specific requirements with respect to wheelchair users and other disabled people, were added. Further revisions were made in 2015 following a public consultation undertaken by the Department for Transport to reflect the changes introduced by the Equality Act 2010.

These Regulations are currently made by the Secretary of State for Transport, in exercise of the powers conferred by sections 24(1), 25(1) and (4) and 60 of the Public Passenger Vehicles Act 1981(1) ("the 1981 Act"), and sections 23(2)(b), 134(1) and 137(1) of the Transport Act 1985(2). As these matters fall within the competence of the National Assembly for Wales, the Regulation making powers should reside with the Welsh Ministers in relation to bus services operating wholly in Wales.

Under our proposals, we will make provision to enable Welsh Ministers to make Regulations as to the conduct of drivers, Inspectors, conductors and passengers in relation to the operation of Public Service Vehicles in Wales.

PROVISION OF INFORMATION

The ability to provide passengers with the information they need to have the confidence to travel using local bus services, together with local authorities planning their local bus services, relies on the provision of accurate and timely information from local bus service operators.

As with the Bus Services Bill in England, we propose to require open data on all bus services in Wales by making provision by regulations under which new applicants registering bus services, existing operators, franchising authorities and in some circumstances Traffic Commissioners may be required to provide prescribed information.

This supports our objective to create a “one stop shop” wherein information about routes, timetables, fares and tickets for local buses including live information about bus arrival times can be stored. The information will be open to the public and could be used by software developers to create, for example, information applications for mobile devices through which passengers could access real-time bus arrival information.

Under our proposals, we will make provision for regulations to be made that will set out the detail of the information that will be required including when and how it is to be provided.

This section will only apply to services that run in Wales. Where an operator fails to comply with the regulations, the Traffic Commissioner for Wales may apply the existing sanctions available under section 155 of the Transport Act 2000.

TICKETING SCHEMES

Section 135 of the Transport Act 2000 introduced arrangements for a local transport authority, or two or more such authorities Joint and through acting jointly, may make a ticketing scheme covering the whole or any part of their area, or combined area, if they consider that the proposed scheme would be in the interests of the public, and would to any extent implement the policies set out in their Local Transport Plans.

A ticketing scheme is a scheme under which operators of local services are required to make and implement arrangements under which passengers may purchase, in a single transaction, a ticket (or tickets), such as:

- tickets entitling the holder to make more than one journey on participating local services or on local services of a class specified in the scheme

- tickets entitling the holder to make a particular journey on two or more local services

- where a particular journey could be made on local services provided by any of two or more operators, tickets entitling the holder to make the journey on whichever service the holder chooses, and

tickets entitling the holder to make a journey, or more than one journey, involving both travel on one or more local services and travel by one or more connecting rail or tram services.

The development of seamless integrated and multi modal ticketing arrangements as part of the new travel arrangements for Wales is fundamental to our objective of building a connected and sustainable society.

Under our proposals, we intend to retain the existing powers for a local authority, or two or more local authorities acting jointly to establish regional ticketing schemes to meet the needs of passengers in their areas. In respect of national ticketing schemes, we intend making provision that will enable the Welsh Government to establish a national ticketing scheme for bus, rail or a combination of transport modes for travel in Wales.

It is proposed that the arrangements for a national ticketing scheme will, subject to public consultation with appropriate organisations and passenger groups, be made by way of regulations in the National Assembly for Wales.

In carrying out their functions in relation to ticketing schemes, local authorities whose areas are in Wales must co-operate with one another, and have regard to the desirability, in appropriate cases, of having a ticketing scheme that facilitates journeys between the area to which the ticketing scheme applies and adjoining areas of Wales, or facilitates the adoption of similar ticketing arrangements in adjoining areas of Wales.

BUS SERVICES POLICY DISCUSSION

Improving local bus services in Wales

Consultation response form

QUESTION 1

Under current arrangements, local authorities are required to prepare and publish local transport plans. Do you agree that local transport plans should set out how local authorities are going to deliver local bus services in their areas? If you do not agree, please explain why.

QUESTION 2

Under current arrangements, bus operators are required to give not less than 56 days notice to the Traffic Commissioner before bus routes are added, varied or removed. Should the period of 56 days be lengthened, shortened or remain the same?

QUESTION 3

Do you agree that local bus operators be required to consult with local authorities before applications to the Traffic Commissioner are submitted to remove, vary or add bus routes?

QUESTION 4

Integrated ticketing arrangements enabling passengers to travel by bus or by rail in any area in Wales will help deliver our metro programmes and improve transport accessibility. Should local authorities and the Welsh Government have the power to set up regional and national ticketing schemes?

QUESTION 5

Do you agree that the development and delivery of the TrawsCymru® longer distance bus network should be brought under the control of the Welsh Government under franchise agreements? If you do not agree, please explain why?

QUESTION 6

Do you agree that local authorities should be allowed to set up bus franchising schemes in their areas and if so, what safeguards should be in place to ensure that the benefits of a competitive bus industry is not lost? If you do not agree, please explain why?

QUESTION 7

Do you agree that the Welsh Ministers should establish the quality of local bus services to be met by operators by issuing statutory guidance after consultation with stakeholders? If you do not agree, please explain why.

QUESTION 8

Do you agree that the Welsh Ministers should issue statutory guidance after consultation to establish the quality expectations for infrastructure (bus stops and bus shelters) and the display of accessible passenger information? If you do not agree, please explain why.

QUESTION 9

Do you agree that local authorities should be allowed to set up bus companies to operate local bus services? What requirements should be met before a local authority can set up its own bus company?

If you do not agree that local authorities should be allowed to set up their own bus companies, please explain why.

Question 10

Do you have any further observations that you would like to make known in relation to the provision of local bus services in Wales?

Your name/organisation and postal/email address

Please tell us which group you are responding on behalf of? (tick one)

Central Government		Public Transport User Groups	
Local Authority (Wales)		Environmental Groups	
Local Authority (England)		Disability Groups	
Rail Industry		Community Groups	
Commissioners / Ombudsman		Freight Operators / Users	
Advisory Groups		Bus Industry / Operators	
Media		Air Industry / Operators	
Emergency Services		Sea Industry / Operators	
Health Sector		Trade Unions	
Other (Please state)			