

National Assembly for Wales
Enterprise and Business Committee

Bus and Community Transport Services in Wales

March 2016

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



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Enterprise and Business Committee

The Committee was established on 22 June 2011 with a remit to examine legislation and hold the Welsh Government to account by scrutinising its expenditure, administration and policy, encompassing economic development; transport and infrastructure; employment; higher education and skills; and research and development, including technology and science.

Current Committee membership:



William Graham (Chair)
Welsh Conservatives
South Wales East



Mick Antoniw
Welsh Labour
Pontypridd



Mohammad Asghar
Welsh Conservatives
South Wales East



Jeff Cuthbert
Welsh Labour
Caerphilly



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Welsh Liberal Democrats
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Welsh Labour
Neath



Joyce Watson
Welsh Labour
Mid and West Wales

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Chair's foreword

Buses are the most widely used form of public transport in Wales, yet the industry is facing an uncertain future. Falling subsidies, falling passenger numbers and reductions in services across Wales, appear to represent a downward spiral – particularly in rural Wales.

That spiral has a human cost as individuals, particularly the most vulnerable, find themselves unable to attend social events and feel increasingly isolated.

In England, areas like Essex, Cornwall, Nottingham and the North East are all undertaking interesting initiatives which could offer valuable lessons for Wales. Made-in-Wales initiatives like Bwcabus and Traws Cymru show what can be done with a marketing budget, investment in vehicles, and better passenger information, while the Welsh Government's proposed Bus Quality Standards offer a real opportunity for improvement.

Community Transport has a powerful role to play, but those planning transport networks need greater clarity about what that role should be. We also need to ensure the regulations are enabling it to deliver, and reimbursement rates allow it to run without making a loss.

There are also a range of policy issues which undermine the Welsh bus industry. The need for a dedicated Wales-only Traffic Commissioner based in Wales and accountable to the Welsh Government is widely acknowledged, but not delivered. Planned devolution of bus registration powers cannot come quickly enough.

While our inquiry has exposed the need for further powers to be devolved, it has also suggested that Wales is not making full use of the powers it has. Other areas of the UK with the same, or fewer powers, are making more of their situation.

We need ambition – which is why we recommend setting a 2018 deadline for a Wales-wide integrated ticket, like London's Oyster Card. It is technologically possible and passengers want it. The incoming transport minister will need to drive this initiative from day one.

It will be difficult to address declining bus use without additional investment. The industry in Wales is already heavily subsidised. There is little prospect of additional money – so smarter spending and a clearer focus will need to be the order of the day.

William Graham AM,
Chair, Enterprise and Business committee.

The Committee's Recommendations

The Committee's recommendations to the Welsh Government are listed below, in the order that they appear in this Report. Please refer to the relevant pages of the report to see the supporting evidence and conclusions:

Recommendation 1. The Welsh Government should develop a Community Transport Strategy in consultation with the sector to clarify its role in an integrated network and work with local authorities to promote understanding of community transport and what it can and cannot do. (page 21)

Recommendation 2. Welsh Government should review good practice in the provision of financial and policy support for bus services and Community Transport from across Britain to consider what lessons can be learnt and applied in Wales to promote greater stability and partnership working in Wales. In particular if Total Transport proves effective in England, then serious consideration should be given to adopting a similar model in Wales. (page 21)

Recommendation 3. We believe the Welsh Government could explore the current approach to eligibility for concessionary fares to ensure that scarce resources are being targeted most effectively to help those in greatest need and consider how any change might impact on the Community Transport sector. (page 25)

Recommendation 4. Welsh Government should urgently review the reimbursement rates available to Community Transport operators to ensure they are not losing money and ensure that future funding settlements for concessionary fares provide the greatest possible certainty for both bus and Community Transport operators. (page 26)

Recommendation 5. The Committee supports the Welsh Government's calls for greater powers over buses. In the meantime, we urge the Welsh Government to consider examples from other parts of the UK and ensure Wales makes the best possible use of the Executive powers it currently has. (page 35)

Recommendation 6. The Committee notes with concern that proposals for areas of England could see cities and regions of England granted powers over public transport which are greater than those available to Wales. We recommend urgent talks with the UK Government to ensure Wales is not disadvantaged in seeking the powers needed to improve bus services for the people of Wales. (page 35)

Recommendation 7. Wales should, as a matter of urgency, have its own dedicated Traffic Commissioner, based in Wales and accountable to Welsh Ministers and the National Assembly for Wales. (page 37)

Recommendation 8. Welsh Government should move quickly to create a fully resourced transport planning unit within Transport for Wales to oversee effective planning and integration of bus travel in Wales. (page 39)

Recommendation 9. The Minister should ensure that there are sufficient resources available to support the introduction of Welsh Bus Quality standards in a realistic timescale, and ensure standards are mandatory across Wales. (page 45)

Recommendation 10. Given the clear need to improve both policy and network integration, the Welsh Government should revisit the recommendations in our 2013 Integrated Public Transport report and increase its efforts to implement a fully integrated Welsh transport network. (page 45)

Recommendation 11. Welsh Government should set a deadline of 2018 (to coincide with the introduction of the rail franchise) for implementation of an all-Wales integrated ticketing system to be used on all commercial bus, rail and Metro services. (page 45)

Recommendation 12. We recommend that guidance issued in support of the Well-being of Future Generations (Wales) Act 2015 should set out a clear role for Public Service Boards in ensuring effective integration of bus and Community Transport services with wider policy areas. (page 45)

1. Introduction

1. The Committee decided to look at bus and community transport in the Autumn of 2015, noting that bus services and the number of passengers using them has declined in Wales.
2. The [Traffic Commissioners' Annual Reports](#) indicate that the number of registered bus services in Wales declined by approximately 46%, from 1,943 services to 1058 between March 2005 and March 2015. Department for Transport (DfT) annual bus statistics show that bus passenger journeys in Wales have also declined by just under 19% from their recent peak in 2008-09 to March 2015. This decline in passenger journeys is greater in Wales than any other part of Britain. By comparison bus journeys in England outside London declined by just over 6% in the same period, and just under 15% in Scotland.
3. The reasons behind these trends are complex. In particular, reductions in registered services do not always mean loss of service and will include, for example, rationalisation and amalgamation of services. Equally, the rural nature of Wales in comparison to other areas of Britain is a factor in declining passenger numbers. However, the significant downward trend in Welsh passenger numbers is clear and registration data supports the view we heard in evidence gathering that there had been a significant loss of bus services in Wales.
4. In addition to these statistics, the Committee was aware that the Assembly's Petitions Committee has received three petitions concerning buses.
 - [P-04-475 Wanted - Buses for Meirionnydd](#) (174 signatures)
 - [P-04-513 Save the Wrexham/Barmouth X94 bus service](#) (494 signatures)
 - [P-04-515 Increase Funding for Welsh Bus Services](#) (246 signatures)
5. All three petitions relate to reductions in service levels and/or funding, and the impact on communities. The Petitions Committee requested that we look at these issues in our inquiry.

6. The Committee has received 53 written consultation responses¹ as part of this inquiry. In addition, a short public survey² was undertaken focusing on respondents' views on the current condition of the bus and community transport (CT) sector, and the impact of any changes.

7. The survey highlighted a reduction in services and an increase in fares as trends in the last few years. It also highlighted a town versus country divide: 58% of urban respondents strongly agreed that they could usually get to where they wanted to go, at a time they wanted to go by using bus services. In rural areas the figure was only 48%.

8. The Committee took oral evidence from a range of organisations at the end of 2015.

¹ Webpage listing all [written consultation responses](#).

² [Full survey results](#) [PDF].

2. The state of the industry

9. During evidence to the Committee in July 2015 Jonathan Bray, Director of the Passenger Transport Executive Group, gave his view of bus services in Wales:

“I think the picture is not good for buses outside London in Great Britain, but, looking at the statistics, it’s particularly bad in Wales; Wales is doing worse than the shires and city regions in England. Putting London to one side—it’s a totally different system with a lot of money going in—even by the worrying standards of what’s going on across the piece, the situation in Wales is not good. So, we’ve seen fares going up in real terms by 41 per cent between 2005 and 2015, and passenger numbers falling from 123 million to 103 million. From the last figures I saw, there was a decline of 4.1 per cent in one year alone. So, to me, this is a crisis, I would say, on the buses.”³

10. Department for Transport (DfT) quarterly bus statistics show that bus passenger journeys have declined by just under 19% from their peak in 2008-09 to March 2015.

11. The Traffic Commissioner’s annual reports show the number of registered Welsh bus services declined by approximately 46% between March 2005 and March 2015 (though a number of these will be service rationalisations rather than withdrawals).

12. The Campaign for Better Transport (CBT) has provided us with the most recent (fifth) update to its annual *Buses in Crisis* (2010-2016) report. This is based on a survey of local authorities, including all 22 Welsh local authorities. The report notes that “In Wales a total of 53 [local authority supported⁴ bus services have been reduced, altered or withdrawn in 2015-16.” Some 32 of these bus services have been reduced or altered while 21 have been withdrawn altogether. It also found that local authority funding reductions for these ‘socially necessary’ services in Wales in 2015/16 were the second highest in England and Wales at 11.4%, and the highest outside the South East of

³ Enterprise and Business Committee, Meeting transcript, 15 July 2015, Para 146.

⁴ CBT’s data relates to local authority supported services – i.e. those socially necessary services subsidised by local authorities – as opposed to all services including those operating commercially without subsidy.

England (13.9%) where population density might be expected to make services less dependent on local authority support.

13. CBT's research was supported by the Welsh Local Government Association which told us that:

"A number of local authorities such as Wrexham and Neath Port Talbot have ended their subsidies to local bus operators and a number of other local authorities have reduced the level of subsidy and are consulting on further reductions."⁵

14. At the same time, we are aware that the Welsh Government's Bus Services Support Grant (BSSG), administered through Welsh Local Authorities, has remained frozen at £25m since its introduction in 2013-14 representing a real terms cut.

15. Professor Stuart Cole, Emeritus professor at the University of South Wales indicates that bus fares are rising more quickly in Wales than the rest of Britain:

"Bus fares in Wales rose by 1.0% above inflation in 2014 compared with 0.6% in England and 0.3% in Scotland over the last year."⁶

16. In her evidence, the Older People's Commissioner noted that fewer bus and CT services have a real impact on people. Her evidence implies that service reductions may increase pressure in key areas like health and social care. She said:

"The social impact of reducing bus and community transport services is devastating for older people across Wales. As I have previously mentioned, the reduction of these crucial services will leave older people more susceptible to loneliness and social isolation, and a range of physical and mental health problems, including cardiac arrest, stroke, diabetes, anxiety and depression."⁷

17. The Committee also received evidence from individuals. Several people noted the lack of services in the village of Rowen, in the Conwy

⁵ Written evidence from the Welsh Local Government Association.

⁶ Written evidence from Professor Stuart Cole.

⁷ Written evidence from the Older People's Commissioner for Wales.

Valley, and the isolating impact this was having on residents without access to a private car.

18. Alma Colclough wrote:

“The 19 bus used to travel through Rowen every two hours both to Llanrwst and to Llandudno...

“My mother used to attend a Luncheon Club in Conwy every week after her hospice day care finished and used Community Transport. Community Transport ceased in Conwy two years ago and she now has no way of going to the club and is missing all her old friends.”⁸

19. Free bus travel for older people and people with disabilities began as a social policy to address isolation. Increasingly it has become absorbed in to transport policy and is paid for from the transport budget.

20. While there was a widespread acknowledgement that indicators were not good, many of those involved in the sector were reluctant to admit there was a ‘crisis’.

21. Margaret Everson, director of Bus Users Cymru in Wales, told us:

“I read several reports from Campaign for Better Transport and PTEG saying that buses are in crisis. In my view, they are actually only looking at one side of the story. ... if you look at the north-Wales coast, where Arriva operates, and if you look at Swansea Stagecoach area, and if you look at Cardiff and Newport, and at Richards Bros, perhaps, in west Wales, and look at TrawsCymru, you would say that it’s thriving. So, there are two sides to this coin.”⁹

22. We recognise that there is good performance in many parts of Wales, but across the country as a whole the decline in bus travel is significant and worrying. The Committee has expressed strong concern that this could deteriorate further.

⁸ Written evidence from Alma Colclough.

⁹ Enterprise and Business Committee, Meeting transcript, 11 November 2015, Para 12.

Bus policy in England

23. The Committee heard from experts based in England, who highlighted emerging examples of good practice.

24. Stephen Joseph, Chief Executive, Campaign for Better Transport, said:

“...we think that what Cornwall is doing might merit some study by the Welsh Assembly Government, because it feels quite comparable to some of the situations in the more rural parts of Wales.”¹⁰

“Nottingham are operating in a context where the wider policies—the transport and planning policies for the city—are pro bus. In particular, they have been the only city in the UK so far to implement a workplace parking levy so that employers in the city with more than 10 parking spaces pay a levy on that. The funding from that is exclusively ring-fenced for transport and it has paid for an expansion in the tendered bus networks, with electric bus services on their Link network, and particularly for an extension to their tram network.”¹¹

25. The Traffic Commissioner highlighted successes in and around Birmingham as another positive story.

26. Justin Davies, Chair of the Confederation of Passenger Transport (CPT) said:

“Let’s not pretend that there haven’t been changes in the remainder of the United Kingdom as well. However, if I talk to my colleagues in England, for example, whilst there may have been reductions in the equivalent to the bus service support grant that we get here in Wales—there’s been an equivalent reduction in England—in England there have been a number of schemes to encourage partnership working with operators and to encourage greater use of bus services. So, if we look to the better bus services scheme No. 1, better bus services scheme No. 2, local transport support funding and the green bus fund

¹⁰ Enterprise and Business Committee, Meeting transcript, 3 December 2015, Para 132.

¹¹ Enterprise and Business Committee, Meeting transcript, 3 December 2015, Para 145.

in England, all of which work on the basis of a partnership arrangement between the local authorities, the operators who work with that local authority and the UK Government.....

“....So, where you see those partnership approaches working in other parts of the country, you see that there may have been a switch in funding style but the money is still coming in and being used to generate more transport usage. Now, we have not got, in Wales, that type of funding available.”¹²

27. Stephen Joseph highlighted the potential of “Total Transport”, whereby local areas look at whether contracts for education or health transport could be procured alongside mainstream public transport. Mr Joseph said:

“I think it is clear that the separate commissioning of transport wastes funding.”¹³

“Having been involved a little bit in the Northamptonshire pilot ..., I think we’ve concluded there probably is a crock of gold at the end of that particular rainbow, but not just in terms of funding, but in terms of efficiencies.”¹⁴

28. Kamal Panchal from the Local Government Association in England (LGA) told us that “all councils would agree that longer term certainty around funding is very helpful so they can respond flexibly.”¹⁵

29. CBT told us that “one of the features of the English devolution settlement is a move to multi-year funding which is one of the main reasons why so many authorities are so keen on this.”¹⁶

30. In contrast John Pockett of CPT told us that in Wales operators have “been confronted for a number of years now with a lack of stability in bus funding.”¹⁷

¹² Enterprise and Business Committee, Meeting transcript, 19 November 2015, para 61-63.

¹³ Enterprise and Business Committee, Meeting transcript, 3 December 2015, Para 130.

¹⁴ *ibid*, Para 127.

¹⁵ *ibid*, Para 108.

¹⁶ *ibid*, Para 109.

¹⁷ Enterprise and Business Committee, Meeting transcript, 19 November 2015, Para 60.

31. However, the LGA was “not sure” that the English approach to funding drove partnership, suggesting that “the funding itself we feel, certainly as the LGA, is a broken system.”¹⁸ Toby Hughes from Nexus told us that “what drives partnership working is will and co-operation between the local authority and the bus company.”¹⁹

32. None the less, Mr Panchal’s paper highlighted how English councils seek to mitigate the impact of funding reductions by:

- working in partnership with operators to restructure the network and reprioritise council supported bus services;
- working with the wider public sector in planning a more cost-effective and coordinated public transport service through a ‘Total Transport’ approach;
- consultation with public and bus users on the best ways of minimising impact;
- identifying commercialisation opportunities in partnership with bus operators;
- exploring alternative opportunities to scheduled bus services.²⁰

33. Evidence from the Minister for Economy, Science and Transport showed how work to improve support for bus services is underway in Wales:

“In January 2014, I established a Bus Policy Advisory Group to advise on how best we can work with public authorities and the bus industry to improve the longer term sustainability of local bus services in Wales. I am considering their detailed advice and in particular the introduction of a Bus Quality Standard which can be introduced to improve bus service quality.”²¹

34. We recognise and support the good work which has been undertaken to date by Welsh Government through the establishment of the Advisory Group, and particularly on the Bus Quality Standards (discussed further in chapter 6). We believe this is an important step towards improved services in Wales. We also recognise that while we

¹⁸ Enterprise and Business Committee, Meeting transcript, 3 December 2015, Para 121

¹⁹ *ibid*, Para 120

²⁰ Written evidence from the Local Government Association.

²¹ Written evidence from the Minister for Economy, Science and Transport.

have heard about good practice, the evidence on the effectiveness of policy in England is mixed.

35. However, given the scale of the decline in passenger numbers in Wales renewed efforts must be made to absorb all possible best practice and seek to apply it in Wales.

Growing pressures on Community Transport

36. While bus journeys and passenger numbers have fallen, the Community Transport Association's (CTA) 2014 [State of the Sector](#) report indicates that the number of passenger miles for CT in Wales increased from 4.3m (2010) to 6m (2013), and the number of journeys from 1.2m to 2m in the same period.

37. However, the evident rise in demand, is stretching providers to their limits. There are concerns in the sector that the rising pension age will encourage people to work later, meaning there will be fewer retirees who can volunteer to drive community transport vehicles.

38. Ms Summers-Rees said:

“In terms of staff, we've seen an increase in organisations relying on volunteers, and I suppose from an operator's perspective, it's very difficult to recruit additional volunteers. We've got more difficulties as the pension age goes up because there is less of a pool of people able to offer their services.”²²

39. Powys Association of Voluntary Organisations noted in their written evidence:

“With the cuts in Local Authority budgets and less bus services available to meet the needs of the public it would surely make sense that the call upon CT [Community Transport] will increase! Unfortunately with cuts also made in the financial support to CT, the capacity to deal with additional journeys may not be there.”²³

40. We heard that the ringfenced provision for Community Transport in the Welsh Government's key bus funding mechanisms had reduced from 10% to 5 %, although Welsh Government continues to recommend

²² Enterprise and Business Committee, Meeting transcript, 11 November 2015, Para 209.

²³ Written evidence, PAVO.

10%. It has been suggested that the impact of this change has been compounded by the abolition of Regional Transport Consortia.

41. Phil Taylor, Transport and Education Manager for the Aberfan and Merthyr Vale Youth and Community Project, told us:

“The distribution is looked at depending on the population living within that area. Throughout Wales it varies, and throughout the counties it varies..... [In] some areas they might have a kind of large 5 per cent, in some senses, it could be.....£50,000 or £60,000, but there’s only one or two operators in that area. In another area that comes to £60,000, but it has to be broken down between 17 [operators].

“Previously, the idea being that the regional transport consortia were in place and the vision for the future was that the regional transport consortia controlled all the 10 per cents from the local authorities within that area, and then they looked at the needs of that area and distributed the money correctly to the needs and the requirements.”²⁴

42. We noted comments from a range of sources in the Community Transport sector, but also others such as RNIB Cymru, that capital funding for vehicle replacement is a particular concern. We are also aware that changes to the driver licencing regime, as a result of EU driver licensing harmonisation, has meant that an increasing number of drivers who first passed a driving test from 1997 onwards do not have the necessary entitlement to drive 9 to 16 seat vehicles affecting volunteer recruitment.

43. Finally, the CTA told us:

“In response to complaints raised by commercial operators the EU Commission has started infraction proceedings against the UK Government in relation to the permit regime. The permit system has worked for over 30 years, serving both community transport organisations and passengers. The community transport sector is currently facing challenges which threaten its very existence.”²⁵

²⁴ Enterprise and Business Committee, Meeting transcript, 11 November 2015, Para 230.

²⁵ Written evidence, Community Transport Association.

The role of community transport

44. Failure to understand (or agree) what Community transport is, and what it can and cannot do was a consistent theme during our inquiry.

45. Justin Davies, chair of the Confederation of Passenger Transport Wales Bus Commission, and also managing director of First Cymru Buses, based in Swansea, said:

“I think there has been a bit of a diversion from what community transport’s real call is, and it’s being seen, I think, in some places, as the cheap way to do bus services.”²⁶

46. Sarah Leyland-Jones, Senior Officer Community Transport/ Training, Powys Association of Voluntary Organisations said:

“We’ve got to be clear that community transport is there to complement existing services. We are seeing cuts in public transport services. The expectation is then raised on our community transport.”²⁷

47. Given the constraints the sector operates under, we were concerned to hear evidence suggesting Welsh Government and local government officials appear not to understand these constraints, or engage effectively with the sector. For example, Powys Association of Voluntary Organisations said:

“...depending on what’s requested by the community, we’ll try to develop the appropriate type of service, and we have to look at the cost associated with doing that. One of the issues that we have in county is that our local authority doesn’t always engage with us appropriately about which services they’re likely to remove, and which services they’re likely to develop.”²⁸

48. Our Integrated Public Transport report²⁹ recommended that Welsh Government should “Work with relevant stakeholders to deliver consistent and high quality community transport provision across all the Regional Transport Consortia.” While we have heard evidence of

²⁶ Enterprise and Business Committee, Meeting transcript, 19 November 2015, Para 52.

²⁷ *ibid* 11 November 2015, Para 213.

²⁸ *ibid* 11 November 2015, Para 213.

²⁹ Integrated Public Transport Report, Enterprise & Business Committee, May 2013.

good practice, notably in Monmouthshire Council, we are disappointed that we have not found evidence of improved engagement across the board.

49. The CTA has called for the Welsh Government to produce a Community Transport Strategy as one way of addressing this issue. The CTA made a similar suggestion in evidence to our Integrated Public Transport inquiry. While we did not recommend a strategy at that stage, our concern about lack of progress in engagement with the sector has led us to believe it is essential.

The Welsh Government should develop a Community Transport Strategy in consultation with the sector to clarify its role in an integrated network and work with local authorities to promote understanding of community transport and what it can and cannot do.

Welsh Government should review good practice in the provision of financial and policy support for bus services and Community Transport from across Britain to consider what lessons can be learnt and applied in Wales to promote greater stability and partnership working in Wales. In particular if Total Transport proves effective in England, then serious consideration should be given to adopting a similar model in Wales.

3. Concessionary Fares

50. The Welsh Government's concessionary fares policy – which allows over 60s and many disabled people to travel for free on local buses – is partly intended to tackle isolation and allow people to travel for employment, leisure and social opportunities. A new scheme allowing 16-18 year olds to receive 1/3 off their fares has also been launched. Where there are no buses, or infrequent services, neither scheme can have the intended social or economic impact.

51. While the Welsh Government's concessionary fares policy has become an important support for many routes and operators, it is arguable whether it is a transport or social policy. We will look at other issues including the limits to the powers of the Welsh Government in the following chapter. However, it is clear that the concessionary fares scheme is an important source of operator revenue so that, social policy or not, its administration has a profound impact on bus and Community Transport operations.

Concessionary fares policy

52. Welsh bus operators are particularly dependent on income from concessionary fares which make up 46% of their income in Wales. This is significantly more than in Scotland, where the figure is 36%.³⁰ So reductions in the reimbursement rate have a major impact on operator income levels.

53. Written evidence from Hywel Dda University Health Board suggested introducing a charge for the card:

“They should introduce a charge of £10 per annum for each individual accessing concessionary fares. This income estimated at £4.1 million per year could then be reinvested into bus and community transport across Wales.”³¹

54. Similarly, the Regional Transport Forum for South West Wales suggested “a small charge” could be made for the concessionary fares pass which “would guarantee an income to [local authorities] to allow

³⁰ Enterprise and Business Committee, Meeting transcript, 3 December, Para 27.

³¹ Written evidence from Hywel Dda University Health Board.

them to generate the investment required to sustain (and improve) services.”³²

55. When asked about introducing an administrative charge for bus passes Steve Pilliner of Carmarthen Council calculated that a £20 charge on each of the 750,000 passes issued at present could generate around £15million a year.³³

56. In her evidence, the Minister was clear that she was committed to the scheme and opposed to introducing a charge. She said:

“Well, I have to say that this has been one of the most successful policies of any Government, with the support of the majority, I think, within the Assembly—the free bus passes, in terms of older people and now, of course, the youth concessionary fares.”³⁴

“Well, it’s not something I’d consider at this time at all, because if you recall when we had the discussion about free prescriptions, sometimes the administration of a matter is—. You know, you get the money in for your pound and then you have to administer it all. So, there’s a balance there. And who would administer it for us? Would it be the local authority that would administer it? Bearing in mind my experience with blue badges, that’s not necessarily a route I would like to go down.”³⁵

57. With regard to administration, we note the comment from Professor Cole that the administration of any charge would be simpler if there was a single all-Wales travel card, like the London Oyster Card.

58. We also note that entitlement for concessionary travel in England is tied to increases in the pensionable age for women. We are also aware that in the last few years Age Scotland suggested that extension of the Scottish concessionary fares scheme to community transport could be paid for by raising the overall age of eligibility. When this was put to organisations, there was a natural reluctance to agree anything which might result in a reduction in the current situation.

³² Written evidence from Regional Transport Forum for South West Wales.

³³ Enterprise and Business Committee, Meeting transcript, 3 December, Para 27.

³⁴ Enterprise and Business Committee, Written transcript, 3 December, para 271.

³⁵ Enterprise and Business Committee, Written transcript, 3 December, para 279.

59. However, we felt Graeme Francis, Head of Policy and Public Affairs at Age Cymru, gave a measured view when he told us:

“Whereas I don’t believe it’s for us to be arguing for the diminishing of rights for older people, I think the eligibility age for the scheme would, potentially, be a reasonable compromise to make sure that that could be extended to community transport. We know already that it’s happening in England, whereby the eligibility age for an older person to get the pass is rising in line with female state pension age. To be perfectly honest, that doesn’t seem like an unreasonable position to take. However, I think, in order for us to support that kind of policy, then something like the extension to community transport—which I think is really important and would, as I said earlier, help to address some of the funding uncertainties faced by community transport—would need to be in place.”³⁶

60. Community Transport representatives suggested that any change would need to be made in consultation with users and prospective users. We note and understand comments from Rhyan Berrigan, Policy Officer with Disability Wales, when she said she did not think any campaign to increase the eligibility age should be undertaken given the importance of independent living.

Concessionary fares and Community Transport

61. Age Cymru noted the anomaly that some of the most vulnerable older people in society who can’t access mainstream buses have to pay to access community transport. They called for free travel eligibility to be extended to include all Community transport.

62. CTA said that the situation had pressured some organisations to change their status, leading to financial difficulties. Ms Summers-Rees said:

“Because you cannot use your concessionary fares pass on the section 19, some organisations, in some circumstances, have felt that they’ve been forced to look at section 22 and, unfortunately, that’s led to some financial instability as well.”³⁷

³⁶ Enterprise and Business Committee, Meeting transcript, 11 November, Para 155.

³⁷ Enterprise and Business Committee, Written transcript, 11 November, para 223.

We believe the Welsh Government could explore the current approach to eligibility for concessionary fares to ensure that scarce resources are being targeted most effectively to help those in greatest need and consider how any change might impact on the Community Transport sector.

Reimbursement rates and funding certainty

63. Under the Transport Act 1985 not-for-profit Community Transport is run under a permit regime. Permits under section 19 of the act, allow services to be provided for members. Under section 22 permits, services are provided as a community bus service, which is open to the public.

64. So a disabled pass-holder cannot use their bus pass on a service run by a Section 19 operator, but might be able to if it's run by a Section 22 operator. This is confusing for service users, who are generally unconcerned with how the service is provided or regulated.

65. Community transport operators have argued that the reimbursement rate – a percentage reduction applied to an average single fare for each operator to reflect the principle that operators should be “no better and no worse off” – may be appropriate for profit making commercial services but not for non-profit making community transport services. We heard that the rate is insufficient to cover their costs when operating a section 22 service.

66. Phil Taylor, from the Aberfan and Merthyr Vale Youth and Community Project, said:

“Unfortunately, the difficulty you have there is that the concessionary fares reimbursement rate does not cover the full cost of operating that service, and that's where many services have fallen down and operators have not been able to continue to operate that kind of service.”³⁸

67. From the perspective of bus operators we also heard concerns about reductions in the concessionary fares reimbursement levels, and Huw Morgan of Caerphilly Council, and Chair of the South East Wales Bus Working Group, said:

³⁸ Enterprise and Business Committee, Written transcript, 11 November, para 255.

“As you know, we’re coming to the end of the three-year deal [on concessionary fares funding], and next year is being discussed at the moment, but as it stands, there’s quite a deficit in that budget for next year. That’s going to have an impact, again, on services on the street, whether it’s CT or whether it’s mainstream operators, because any cut to the income is going to translate to them reviewing marginal services and reviewing the network they provide.”³⁹

68. The Welsh Government’s move to fund concessionary fares through three year funding agreements from 2011-12 was a welcome development. However, we were concerned to hear that there was uncertainty in the funding available in 2016-17, the final year of the current three year deal. While we understand that agreement may be close, we believe efforts should be made to avoid any repetition in future years to ensure the greatest possible certainty and stability for both sectors.

Welsh Government should urgently review the reimbursement rates available to Community Transport operators to ensure they are not losing money and ensure that future funding settlements for concessionary fares provide the greatest possible certainty for both bus and Community Transport operators.

³⁹ Enterprise and Business Committee, Written transcript, 19 November, para 190.

4. Bwcabws services

69. Although often spoken of as community transport the Bwcabws service in Ceredigion and Carmarthenshire is not such a service. It is a commercial service providing demand responsive connections to timetabled services. When asked whether Bwcabus is a Community Transport or a commercial service, the Minister told us:

“It’s just Bwcabus to me. As far as I’m concerned, it’s something that’s aiding people. I don’t care what it’s badged as, or anything. The important thing is it’s working as a service, it’s got excellent patronage, we are prepared, through the moneys that are available, to put money in, and, as far as I’m concerned, I don’t care what your identity is, as long as it’s working, it’s is a good thing for me, in rural areas.”

70. We understand and support the Minister’s focus on outputs rather than labels. However, it is clear that the distinction between the operating framework of for-profit bus operations and not-for-profit Community Transport is significant. As we have noted elsewhere the failure to understand this is increasing pressure on the Community Transport sector.

71. The Bwcabuws service was the brainchild of the Wales Transport Research Centre at the University of South Wales and has been widely praised as an innovative attempt to address the difficulties of connecting sparsely populated rural communities.

72. We are in no doubt that the service works for passengers. However, we heard contrasting evidence on the cost of the service.

73. This was most clearly shown in evidence from Bus Users Cymru. Margaret Everson, Director of Bus Users Cymru, told us the organisation has divided opinions. While she felt Bwcabus offered a link “to the wider world” for rural areas, her colleague Robert Saxby told us that in the absence of a regulated network “it can be an expensive way of serving areas that the commercial operators can’t be bothered to do or don’t want to do.”⁴⁰

⁴⁰ Enterprise and Business Committee, Meeting transcript, 11 November 2015, Para 32.

74. The committee is grateful to those responsible for Bwcabus for providing additional commercially-sensitive information, which is not publically available to help us understand how the service is funded and operates. We note in particular that as passenger numbers increase, demand for public funding is expected to reduce. We also note how Bwcabus forms part of a wider integrated network. Nonetheless we were still unable to reach a firm conclusion about the value for money offered by the scheme. If it is cost-effective, the committee believes – as we recommended in our 2013 report on Intergrated Public Transport⁴¹ – there is a compelling case for replicating a Bwcabus-style service in other rural areas of Wales.

75. The Committee notes that the Welsh Government’s National Transport Finance Plan commits to undertake a value for money study of Bwcabus. We fully support this proposal. We also identify a need for greater transparency in the funding and operation of Bwcabus.

⁴¹ Integrated Public Transport Report, Enterprise & Business Committee, May 2013, Recommendation 20, page 39.

5. Powers

The effectiveness of current approaches to bus regulation

76. There are three primary statutory approaches to regulating the bus industry outside London:

- Voluntary partnership schemes: where bus operators agree to meet certain standards in return for investment from the local authority. These are not enforced by the Traffic Commissioner and operators not party to the agreement may use any facilities.
- Statutory quality partnership schemes: similar to voluntary schemes, although operators must adhere to the agreement and the traffic commissioner can enforce standards.
- Statutory Quality Contract Schemes, similar to franchises / regulation but are generally seen as cumbersome to implement.

77. Bus operators are generally opposed to full re-regulation via franchising. CPT referred to the benefits of partnership approach in Sheffield commenting:

“What’s resulted is that the scores on the bus service provision have been rising, the number of passengers have been rising, fare levels have gone down, and a better service overall exists. That is a real partnership working together, but, again, they’ve drawn down national funds to enable it to happen. Now, that is where we are not. All that’s happening in Wales is cut, cut, cut and cut, and there’s no incentive.”⁴²

78. The Welsh Government’s Deputy Director of Transport Policy, Planning and Partnerships, Rhodri Griffiths, told us:

“We have encouraged local authorities to join in voluntary partnerships. There are no statutory partnerships [in Wales], which are far more administratively burdensome, and they’ve not proved to be particularly useful in other parts of England.”⁴³

79. This view of statutory partnerships is surprising.

⁴² Enterprise and Business Committee, Written transcript, 19 November, para 63.

⁴³ Enterprise and Business Committee, Written transcript, 3 December, para 326.

80. A number of witnesses pointed to the benefits of the statutory partnership approach in England, for example, the Traffic Commissioner has pointed to the benefits of this approach in the West Midlands.

81. However, ATCO, WLGA and CPT all highlighted the difficulties experienced by Nexus in implementing a Quality Contract Scheme in Tyne and Wear. The Quality Contract Board, chaired by the Traffic Commissioner, found that the schemes proposed by Nexus failed to meet the statutory tests.

82. In their written evidence Nexus discussed this opinion and refuted the Board's conclusions:

"The North East Combined Authority is reflecting on its position, and the way forward will emerge following this pause. We remain of the view that our Quality Contract Scheme is financially sound and brings real benefits to bus passengers in Tyne and Wear that outweigh the adverse effects. We suspect that the QCS Board's opinions are founded on the portrayal of the benefits and risks of the Scheme as presented by litigation experts in a highly charged and adversarial cross-examination environment, rather than inherent weaknesses in our Scheme. We therefore believe that there remains a strong case for bus franchising, be it in Tyne and Wear or elsewhere."⁴⁴

83. Witnesses have been critical of the current Statutory Quality Contract powers. The Traffic Commissioner told the Committee:

"It can be summarised perhaps by saying that it's a long process. The way that the statute is formed, it has got limited prospects of success. Certainly, there are easier ways to bring about the changes. And there are considerable legal obstacles that those who promulgated the legislation probably didn't anticipate, because of the Human Rights Act 1998 challenges, because of the property rights involved."⁴⁵

84. Similarly, Prof Stuart Cole describes "the weaknesses in the system"⁴⁶ compared to a fresh approach to franchising. Nexus describes the Quality Contract Scheme Board process as "a time

⁴⁴ Written evidence, North East Combined Authority/NEXUS.

⁴⁵ Enterprise and Business Committee, Written transcript, 19 November, para 271.

⁴⁶ Written evidence, Professor Stuart Cole.

consuming and unnecessarily adversarial requirement of the current legislation”⁴⁷.

85. The requirement to convene a Quality Contract Board in England, chaired by the Traffic Commissioner, does not apply in Wales where approval would be given by the Welsh Ministers. However, once all provisions of the Transport Act 2000, are in force in Wales, Welsh local authorities would still have to be satisfied that the scheme meets the same tests that apply in England, and must also give notice and consult on the same basis. Similarly, the Welsh Ministers must apply the same criteria as a Quality Contract Board in reaching their decision.

86. While the powers exist, no Quality Contract Scheme has been brought forward to date in Wales, and the Minister in her evidence implied that they were of primary use as a big stick with which to encourage operators to enter in to voluntary partnership approaches with local authorities.⁴⁸

Arguments for and against regulation of the bus industry in Wales

87. Unsurprisingly, CPT and bus operators oppose moves to regulate the bus industry in Wales. CPT’s argument can be summarised as follows:

- As London is a special case there is no evidence that regulation works elsewhere. London benefits from congestion charging limiting car use, and significant investment;
- Customer growth has been achieved without regulation across the UK using the partnership approach;
- Regulation will restrict supply and put up prices in some areas to provide below cost services in others; and
- Regulation would bring a transfer of risk to Government or local authorities, a loss of innovation and customer focus and will increase cost to local government / Welsh Government.

88. However Robert Saxby, North Wales Representative for Bus Users Cymru challenged much of this analysis:

⁴⁷ Written evidence, North East Combined Authority/NEXUS.

⁴⁸ Enterprise and Business Committee, Written transcript, 3 December, para 325-328.

“I know that franchising also works in a non-London context, because I did it in Gwynedd in 1986, when we had a very large part—it was the whole of Dwyfor and Meirionnydd—that had no commercial services. I designed a network and procured it. Franchising, some people think, means that you’ll squeeze out the little operators, but we didn’t there, because I put out tenders for individual bus workings, and had 20 different operators. You didn’t need to know, as a passenger, who operated what bus; you knew it was going to have a red front on it, the fare was going to be £1 and it was number so-and-so, and you knew the times because the information was good, and you had an end date on all of the timetables so that you knew when it was likely to change....

“...It worked really well until operators started to cherry-pick the best bits, the best routes. Some of them thought they were saving the council money; they weren’t, because it cost us just as much to pay for the evenings and Sundays and the poorer routes.”⁴⁹

89. Also, while Welsh local government appears to be wary of re-regulation, both the English Local Government Association and Nexus do see a need for it. However, this support is not unqualified or seen as a universal solution.

90. Referring to the Buses Bill, which the UK Government is planning for 2016, and is expected to offer a range of options regarding bus services including franchising powers for Local Government, LGA suggests a “suite of regulatory reforms, perhaps through the forthcoming Buses Bill [will help]...the bus network deliver better value for the financial support it receives.”⁵⁰ However the LGA also refers to benefits from partnership working with bus operators.

91. Nexus said:

“Bus regulation and bus franchising is not a panacea for bus services everywhere. Taking control of bus services is only a benefit to the public if the public sector can generate the necessary funds – from growing patronage and growing bus

⁴⁹ Enterprise and Business Committee, Written transcript, 11 November, para 113-115.

⁵⁰ Written evidence, LGA.

fares, from diverted operator profits and from external sources – to fund measures that will arrest the decline in bus use.”⁵¹

92. Similarly, ATCO suggested that additional funding would be of greater use than regulatory powers.

93. However, Sustrans and Prof Cole support bus regulation for Wales. Sustrans comments that Quality Partnership and Quality Contract provisions do not “offer the opportunities for integration and infrastructure management that proper regulation would support and wider networks would deliver.” Deregulation limits scope for planning by local authorities and leads to timetable changes which “seriously damage people’s preparedness to trust the public transport network.”

Devolution: the scope of current and proposed powers to regulate

94. Since publication of [Powers for a Purpose: Towards a Lasting Devolution Settlement for Wales](#) the Minister has frequently called for further bus regulation powers. The Minister’s written evidence said:

“Devolution of bus regulation would complement our existing legislative competence in traffic management and service provision in seeking better value for money in improving the quality of bus transport for passengers in Wales.”⁵²

95. However, it was clear from Department for Transport’s evidence to the Committee in September 2015 that it believes the Assembly’s current competence is already sufficient to allow it to introduce bus franchising:

“So, if there were particular changes to the current arrangements that were felt needed to enhance integration, whether it was felt that the current quality partnership arrangements didn’t work quite properly or strongly enough, or indeed the quality contract mechanism that exists to actually go beyond that and to allow the deregulated market to be suspended, then we believe that those changes could be made already, should that be the decision that was taken.”⁵³

⁵¹ Written evidence from North East Combined Authority/Nexus.

⁵² Written evidence from the Minister for Economy, Science and Transport.

⁵³ Enterprise and Business Committee, Written transcript, 17 September, Para 11.

96. Legal briefing prepared for the Committee suggests that the current exceptions to the Assembly's powers under section 7 of the Government of Wales Act 2006 might prohibit legislating to amend Quality Contract Scheme arrangements or apply new arrangements for franchising as this would be caught by the exception "regulation of anti-competitive practices."

97. Similarly, the Draft Wales Bill 2015 includes reservations (areas in which the Assembly would not be able to legislate) which may be problematic if the draft bill is enacted. The Committee wrote to the Secretary of State to seek clarification on the scope of these reservations, we received a response which noted the concerns but contained no clarification. We await the publication of the final version of the bill with interest.

98. There are clear advantages in the Welsh Government having greater powers over buses and we support the Minister's call for a clearer devolution settlement in this area. We note that the current approach to regulation through quality contracts is unwieldy and ineffective.

99. However, we are not convinced that the Welsh Government is using the powers it has to their full potential. Our evidence shows that some English cities and regions are demonstrating more ambition and achieving better outcomes within the same regulatory regime. Some regions also look to be pushing ahead of Wales when it comes to negotiating additional powers from the UK Government.

Devolution of bus registration powers

100. We considered the implications of proposals set out in the UK Government's St David's Day Command Paper and Draft Wales Bill to devolve powers over bus registration (as distinguished from regulation).

101. There was overwhelming support for this from witnesses and consultation respondents. We heard of the limitations of the current arrangements for bus registration via Driver and Vehicle Standards Agency in Leeds, and the impact of poor service delivery on information provision via Traveline Cymru.

102. In particular Traveline Cymru told us that if it handled bus registrations it could have significant benefits:

“We have long argued that if the bus registration process was undertaken by Traveline Cymru in Wales it would:

- Speed up the time taken to process registrations – with benefits to bus users and operators;
- Offer a bi-lingual service to operators;
- Reduce duplication of effort, i.e. two different organisations handling the same information, saving overall cost;
- Keep the fees paid by operators in Wales (£60 per registration);
- Ensure the very best level of accuracy and up to date information is available to bus passengers in Wales.”⁵⁴

103. Given the widespread support for registration devolution, including from Welsh Government, we have not felt the need to make a recommendation. However, we look forward to rapid implementation of improved registration arrangements upon devolution. We believe this can significantly improve integration, particularly through better information provision.

The Committee supports the Welsh Government’s calls for greater powers over buses. In the meantime, we urge the Welsh Government to consider examples from other parts of the UK and ensure Wales makes the best possible use of the Executive powers it currently has.

The Committee notes with concern that proposals for areas of England could see cities and regions of England granted powers over public transport which are greater than those available to Wales. We recommend urgent talks with the UK Government to ensure Wales is not disadvantaged in seeking the powers needed to improve bus services for the people of Wales..

⁵⁴ Written evidence, Traveline Cymru.

The Traffic Commissioner for Wales and bus safety

104. The St David's Day Command Paper said:

“The Traffic Commissioner for Wales is currently responsible for overseeing the registration of local bus services in Wales. Devolving bus service registration would allow the Assembly to legislate to determine how this function should be carried out in future.

“The Commissioner would continue to undertake their remaining reserved functions in relation to Wales (including licensing the operators of buses). The UK Government also undertakes to consult the Welsh Government in respect of future appointments to the post of Traffic Commissioner for Wales.”⁵⁵

105. The Current Welsh Traffic Commissioner is based in Birmingham and services Wales and the West Midlands. The Committee heard compelling arguments for Wales to have its own traffic commissioner.

106. We were pleased to note the comment from Stephen Fidler, Deputy Director of the Buses and Taxis Division at Department for Transport in his evidence to us in September 2015 that:

“In terms of accountability and responsibility, the model, I would anticipate...[this]...being similar to that in Scotland, where the Scottish Traffic Commissioner has some direct responsibility and accountability over devolved matters to the Scottish Government.”⁵⁶

107. We were concerned to hear from the current Commissioner that low levels of enforcement have allowed operators to continue operating, despite having their licenses removed.

“There have been instances in Wales, in parts of south Wales, where I've suspended licences and the operators still continue

⁵⁵ UK Government, Powers for a Purpose: towards a lasting devolution settlement for Wales, February 2015, p32.

⁵⁶ Enterprise and Business Committee. Meeting Transcript, 17 September 2015, para 33.

to operate. I'm conscious of the fact that that stems, in part, from the levels of enforcement."⁵⁷

108. Mr Jones also told the committee that a Wales-only Commissioner would be better placed to educate operators and raise safety standards in those parts of Wales, where they are lower than across England and Wales as a whole. Nick Jones said:

"Clearly, at the end of the day, it's a political decision. I've expressed exasperation at the fact that the lack of a separate traffic commissioner has allowed the continuance of the lower standards, and I'm exceptionally frustrated at the lack of adherence to the Welsh language legislation, which, again, I've repeated in each and every one of my annual reports."⁵⁸

109. Mrs Hart said:

"We've no dedicated traffic commissioner. From my point of view, that is absolutely ridiculous. We want a dedicated traffic commissioner."⁵⁹

110. In our 2013 inquiry in to Integrated Public Transport the Committee called for the Traffic Commissioner for Wales to be "accountable to Welsh Ministers."⁶⁰ We are disappointed that this has not yet taken place, and though we welcome recent commitments from the UK Government, given the concerns around safety, we now feel the need to go further.

Wales should, as a matter of urgency, have its own dedicated Traffic Commissioner, based in Wales and accountable to Welsh Ministers and the National Assembly for Wales.

⁵⁷ Enterprise and Business Committee, Written transcript, 19 November, para 303.

⁵⁸ Enterprise and Business Committee, Written transcript, 19 November, para 288.

⁵⁹ Enterprise and Business Committee, Written transcript, 3 December, para 338.

⁶⁰ Integrated Public Transport Report, Enterprise & Business Committee, May 2013, Recommendation 3.

6. Governance

111. A recurrent theme of our inquiry has been the capacity of Welsh Government and local authorities to undertake effective public transport planning and to implement innovative proposals.

112. The demise of regional transport consortia and uncertainty about local government re-organisation has only added to the difficulty both in attracting and retaining talented transport planning experts to develop their careers in Wales, and in planning bus and Community Transport services. We recognise the weaknesses in the previous arrangements for regional transport planning, and support the Minister's desire to move away from this approach. However, a gap has been left which must be filled as a matter of urgency.

113. Mr Davies of CPT summed up our view on Regional Transport Consortia. He acknowledged that "there may well have been some questions about whether those regional transport consortia were appropriate", however:

"I think the taking away of the regional transport consortia was unfortunate in that it wasn't replaced with anything else."⁶¹

114. In our Integrated Public Transport report we identified a need to strengthen Regional Transport Consortia to improve their performance by providing them with executive powers similar to English Passenger Transport Executives. We are concerned that the abolition of the consortia, without an effective replacement, has left a significant gap.

115. Mr Davies highlighted the difficulties arising from skills gaps:

"There are some very good people in local authorities. Equally, there is, unfortunately, a bit of a dearth of talent in local authorities because a lot of people have left or taken early retirement or redundancy."⁶²

116. In the absence of the regional transport consortia, policy development has tended to rely on short-term Welsh Government-initiated working groups – although the groups are not then responsible for delivery.

⁶¹ Enterprise and Business Committee, Written transcript, 19 November, para 67.

⁶² Enterprise and Business Committee, Written transcript, 19 November, para 63.

117. Rhodri Evans, Senior Communications Advisor for the Federation of Small Businesses suggested the lack of progress on integration, which we discuss further below, is partly attributable to the absence of effective planning and delivery structures:

“I would certainly say that we’ve perhaps not seen the progress that we’d have liked to have seen [on integration]. You’re probably aware that in the FSB’s manifesto for the next Welsh Government, we’re actually calling for a body called ‘transport for Wales’ to head up integrated transport in Wales. We believe it requires that sort of approach—a professional and joined-up approach—in order to deliver these services.”⁶³

118. ATCO called for the Welsh Government to establish a body or bodies focused on public transport strategy and leading on delivery.

“This could be regional bodies or a single national body or a mixture, and whilst there are options for set-up/structure/framework, there is no example of a successful public transport system without such a body.”⁶⁴

119. The committee takes no view on whether this should be a single national structure, or regional bodies. The essential issue is that any such body is able to understand and meet the needs of all parts of Wales.

120. While the outputs of the Welsh Government’s bus working groups, such as the Quality Bus Standards, are welcome, the pace of delivery is too slow given the scale of the issues and level of need in communities.

121. We recognise that Welsh Government is establishing a Welsh Transport Company. Action is required now to ensure that this is resourced and empowered to ensure effective planning of bus and Community Transport services as part of an integrated network.

Welsh Government should move quickly to create a fully resourced transport planning unit within Transport for Wales to oversee effective planning and integration of bus travel in Wales.

⁶³ Enterprise and Business Committee, Written transcript, 11 November, para 129.

⁶⁴ Written evidence, ATCO.

7. Integration and accessibility

Accessibility

122. Disability Wales noted that while the accessibility of buses is improving “albeit at a slower rate than we would like” there remain barriers to using bus services. These include: lack of assistance / negative staff attitudes, lack of accessible buses operating services, and inconsistency among operators in the application of policies across Wales. Age Cymru also emphasised the importance of bus infrastructure and the street environment.

123. We were concerned to receive evidence from RNIB Cymru, referring to a survey from Guide Dogs Cymru, which suggested 81% of blind and partially sighted people said difficulties encountered in bus travel meant they felt unable to enjoy the freedom others take for granted. More concerning still 63% said they chose to stay at home on “at least a couple of occasions each month” rather than use the bus. In common with Age Cymru, RNIB Cymru stressed the need to consider accessibility of bus infrastructure.

124. RNIB Cymru expressed concerns that pressure on bus service provision is:

“having a disproportionate effect on the lives of many people with sight loss and whilst we recognise that hard financial decisions are having to be made by local authorities, we believe that subsidised bus and community transport provision is an essential resource for many people in Wales and that it should be treated as such.”⁶⁵

125. The Public Service Vehicle Accessibility Regulations (PSVAR) 2000 will require all buses, single and double deck, over 7.5 tonnes to be fully accessible by 1 January 2017. Disability Wales told us:

“The deadline’s great; it’s fantastic that disabled people will have peace of mind, knowing that it’s 100 per cent accessible on public transport, but we have to be mindful that some smaller operators may not be able to afford to carry on, and there could be gaps left in communities—urban communities

⁶⁵ Written evidence from RNIB Cymru.

as well as isolated communities. Community transport may or may not be able to step in, depending on their own finances.”⁶⁶

126. As we have noted elsewhere the Traffic Commissioners told us that bus operating companies in Wales tend to be smaller than in other parts of the Britain and consequently more vulnerable. We believe the Welsh Government should be mindful of the risks to operators and therefore the effectiveness of the network.

127. We note that the Welsh Government’s Welsh Bus Quality Standards address key accessibility issues such as PSVAR and driver training and particularly welcome the inclusion of the charter for disabled passengers. Monitoring and reporting on the implementation and impact of these standards will be essential.

Network integration

128. During our inquiry this inquiry, we sought not to repeat our work on integrated public transport from 2013, but rather to consider progress on the issues raised regarding bus and community transport.

129. It is clear from evidence we have received in this inquiry that progress on both policy and network integration since our report has been disappointingly slow. Rhodri Evans from FSB Cymru spoke for many when he said:

“Obviously, this committee looked at the issue [of integration]... a number of years ago. I would certainly say that we’ve perhaps not seen the progress that we’d have liked to have seen in that regard.”

130. From a network integration perspective it is clear that significant issues remain in, for example, provision of information and timetables, co-ordination of services and quality of infrastructure. Funding and other resource constraints among local authorities are likely to be a factor here.

131. Effective integrated ticketing also remains an objective rather than a reality. An integrated system of ‘through’ ticketing for all public transport in Wales – like the London Oyster Card which has been operating since 2003 – has been predicted in Wales for some time.

⁶⁶ Enterprise and Business Committee, Written transcript, 11 November, para 162.

132. Indeed, in 2013, this committee’s report recommended that the Welsh Government should:

Develop a fully integrated public transport ticketing scheme for Wales across all transport networks as a priority alongside delivery of the GoCymru e-purse.⁶⁷

133. Among many of those giving evidence there was an assumption that this would happen at some point in the near future. The success of London’s Oyster Card scheme – where 90% of bus journeys are paid with the card – shows the barriers are not technological. Indeed when the Committee visited Transport for London we heard how they are now moving beyond Oyster to contactless payments, increasing convenience and revenue.

134. ATCO noted in their written evidence:

“With some additional funding and better organisation there is no reason why, for example, full ticketing integration as set out in the Metro proposals could not be a quick win, and be delivered within a year or so.”⁶⁸

135. While there are clearly difficulties to be resolved in operating a system involving multiple operators, the benefits to the travelling public are considerable, and have the potential to make public transport more attractive (which would also benefit operators). We believe this should be a priority initiative and has the potential to transform public transport in Wales. It is an essential part of the South Wales Metro project.

136. The Quality Standards the Minister is proposing to introduce should raise the bar in terms of network integration. If properly implemented and resourced they will lead to improved information for passengers, audible and visible ‘next stop’ information, require participation in integrated network ticketing, and support digital ticketing.

137. However, we are concerned that enforcement of the standards is achieved by making them a prerequisite for Bus Service Support Grant (BSSG) funding. In this respect they are, in a sense, voluntary. To

⁶⁷ Integrated Public Transport Report, Enterprise & Business Committee, May 2013, Recommendation 15, page 33.

⁶⁸ Written evidence, ATCO.

qualify for BSSG funding operators must demonstrate that the essential quality standards are being met. However, as the Welsh Government's Bus Policy Advisory Group itself noted in setting out the proposed standards, funding constraints present a "risk":

"The overall level of funding currently available may limit the incentive to provide more of the investment-intensive elements within the enhanced [bus standards] category."⁶⁹

138. We believe that other mechanisms may be useful in enforcing these standards. In particular, as noted above, Statutory Quality Partnership schemes may provide an opportunity to enforce implementation in appropriate areas.

Policy integration

139. The Committee heard significant evidence that there continues to be a lack of coordination between transport and other areas of policy – both nationally and locally.

140. ATCO noted:

"Welsh Government could also ensure that buses and community transport are properly considered in wider decision making (e.g. in economic development and enterprise zones, in spatial planning, in the set-up of health services and education) and that there are mechanisms that ensure that the implications on the public transport network are sufficiently weighted in decision making."⁷⁰

141. Disability Wales spoke for many witnesses and consultation respondents when the witness said a key priority for Welsh Government and local government policy was:

"A more joined-up approach would be good within local authorities' different departments themselves or education and leisure to think about transport and how to get to the different places, especially schools. So, their budgets are shrinking, but if they co-operate more at the local authority level, they could

⁶⁹ Bus Policy Advisory Group, Welsh Bus Quality Standard: a proposal from the bus policy advisory group, October 2015.

⁷⁰ Written evidence, ATCO.

do more with what they already have to improve transport services in that way.”⁷¹

142. We heard some welcome evidence suggesting that consideration of public transport may be improving in land use planning. For example, John Pocket of the CPT said:

“I think the mood has changed now and planning authorities are asked from the outset to consider public transport provision as an important part of the planning process. But, I mean, that’s not going to happen overnight. People are still living in the developments of the 1960s, 1970s and even the 1980s that have alienated public transport.”⁷²

143. We discussed the potential role of Public Service Boards (PSBs) established under the Well-being of Future Generations (Wales) Act 2015 with a number of witnesses who felt that integration of public transport with wider policy areas should be a key role for PSBs. For example, Graham Francis of Age Cymru told us:

“One of the key things that our research into buses, conducted a couple of years ago with the Bevan Foundation, found was that older people in some areas really struggled to access the essential services, particularly hospitals and other health services that they need, by public transport. We think that’s a place where public service boards, which will include membership from the right organisations, need to get together and make sure transport is on their agenda.”⁷³

144. We are aware that the Welsh Government has recently consulted on guidance for public bodies and Public Service Boards under the Act. We believe delivery of the Act is a real opportunity to enhance policy integration.

⁷¹ Enterprise and Business Committee, Meeting transcript, 11 November 2015, Para 176.

⁷² Enterprise and Business Committee, Meeting Transcript, 19 November, para 21.

⁷³ Enterprise and Business Committee, Meeting Transcript, 11 November, para 136.

The Minister should ensure that there are sufficient resources available to support the introduction of Welsh Bus Quality standards in a realistic timescale, and ensure standards are mandatory across Wales.

Given the clear need to improve both policy and network integration, the Welsh Government should revisit the recommendations in our 2013 Integrated Public Transport report and increase its efforts to implement a fully integrated Welsh transport network.

Welsh Government should set a deadline of 2018 (to coincide with the introduction of the rail franchise) for implementation of an all-Wales integrated ticketing system to be used on all commercial bus, rail and Metro services.

We recommend that guidance issued in support of the Well-being of Future Generations (Wales) Act 2015 should set out a clear role for Public Service Boards in ensuring effective integration of bus and Community Transport services with wider policy areas.

Annex A – Terms of Reference

The terms of reference for the inquiry asked for respondents' views on:

- The current condition of the bus and CT sector in Wales, including the reasons for the recent decline in both registered bus services and bus passenger numbers.
- The social, environmental and economic impact of the recent decline in bus services and passenger numbers.
- The potential benefits or otherwise of devolution of bus registration powers, proposed in the UK Government's Command Paper – '[Powers for a Purpose: Towards a Lasting Devolution Settlement](#)' in February 2015, and whether further powers to regulate the bus industry are desirable.
- The steps which should be taken to ensure bus and CT services meet the needs of Wales.

Annex B - List of written evidence

The Committee has produced [a summary of responses](#) [PDF] received to the Inquiry into Bus and Community Transport Services in Wales' survey conducted between 18 September 2015 and 2 November 2015.

The following people and organisations provided written evidence to the Committee. All written evidence can be viewed in full at <http://www.senedd.assembly.wales/mgConsultationDisplay.aspx?ID=188>

Organisation

Newtown and District Dial A ride

Hywel Dda University Health Board

Traveline Cymru

Powys People First

Templeton Community Council

Transport Focus

Confederation of Passenger Transport Wales

Federation of Small Businesses Wales

Brecon Beacons National Park Authority

Professor Stuart Cole

Diverse Cymru

Regional Transport Forum for South West Wales

Stagecoach in South Wales

Age Cymru

Chartered Institute of Logistics and Transport

Regional Transport Partnership on behalf of Ceredigion, Gwynedd and Powys Councils

Cardiff Bus

Janet Finch-Saunders AM

Powys Association of Voluntary Organisations (PAVO)

Sustrans Cymru

Older People's Commissioner for Wales

Community Transport Association
The Co-operative Party
Welsh Local Government Association
Bus Users Cymru
RNIB Cymru
Association of Transport Coordinating Officers Wales
Bevan Foundation
Disability Wales
North Pembrokeshire Transport Forum
Traffic Commissioner for the Welsh Traffic Area
Abergavenney People First Group
Local Government Association
Campaign for Better Transport
North East Combined Authority / Nexus
Carew Community Council

Individuals

Helen Blair
Alma Colclough
C Dixon
Penny Jones
Liz Sandres
Shirley Sperring
David Hall
Andrew Davies
Grahame Nelmes
John Davies
Philip Inskip
Mrs C Mainwaring
Joy Elsen
Sean Brand

Catherine Hart
Serena Daroubakush

Annex C - Witnesses

The following witnesses provided oral evidence to the Committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed in full at:

<http://www.senedd.assembly.wales/mgIssueHistoryHome.aspx?IId=1307>

11 November 2015

Margaret Everson MBE	Bus Users Cymru
Barclay Davies	Bus Users Cymru
Robert Saxby	Bus Users Cymru
Rhodri Evans	Federation of Small Businesses Wales
Rhyan Berrigan	Disability Wales
Graeme Francis	Age Cymru
Siân Summers-Rees	Community Transport Association Cymru
Phil Taylor	Aberfan Merthyr Vale Youth and Community Project
Sarah Leyland-Jones	Powys Association of Voluntary Organisations

19 November 2015

John Pockett	Confederation of Passenger Transport
Justin Davies	Confederation of Passenger Transport
Jane Lee	Welsh Local Government Association
Darren Thomas	Pembrokeshire County Council
Richard Cope	Association of Transport Coordinating Officers Wales
Huw Morgan	Association of Transport Coordinating Officers Wales
Nick Jones	Traffic Commissioner
Graham Walter	Traveline Cymru
Jo Foxall	Traveline Cymru

3 December 2015

Professor Stuart Cole

Steve Pilliner

Bwcabus

Stephen Joseph

Campaign for Better Transport

Tobyn Hughes

Nexus

Kamal Panchal

Local Government Association

Jane Lorimer

Sustrans

Chris Roberts

Sustrans

Edwina Hart AM

Minister for Economy, Science and
Transport

