



Russell George AM  
Chair  
Economy, Infrastructure and Skills Committee

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Dear Russell

Following on from the Improving Public Transport White Paper, my officials have been working to develop the proposals for the Bus Services (Wales) Bill, which has been introduced today.

The Economy, Infrastructure and Skills Committee published a response to the White Paper in June 2019 and made a number of recommendations. At the Committee meeting on 12 February 2020, we discussed a number of the areas on which the Committee had made recommendations in its report, including taxis and private hire vehicles, regional working, mandatory concessionary fares and the draft Regulatory Impact Assessment. Following the introduction of the Bill, I would like to take the opportunity to update you and respond to the recommendations which were not discussed at the meeting on 12 February.

In response to Recommendation 3, work has been underway to develop a vision document which sets out the wider Welsh Government proposals for bus services in Wales. As Minister for the Economy and Transport, my vision for bus is to ensure that the investment in bus services in Wales offers passengers a stable and coherent network of services, fully integrated with other modes of public transport, which is reliable, affordable and accessible. At the heart of the vision is our ambition to grow bus use in Wales, which is good for individuals, good for communities, good for the environment, good for the economy and good for Wales. A summary of the vision is attached to this letter for your information.

In relation to Recommendation 2, the Committee expressed concerns that the community transport sector was not considered in the White Paper and that it is unclear how the Bill provisions would apply to the sector. The proposed legislative changes set out in the White Paper and developed for the Bill will not apply to the community transport sector and as such, the sector was not specifically referenced in the White Paper. However, Community Transport bodies contributed to the consultation process

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

undertaken in 2019 and the Welsh Government very much recognises the essential role that community transport plays in delivering an efficient and effective transport service in Wales and that in some areas, community transport is the backbone of the transport network.

Community transport services will play an essential role in the future of public transport and bus services in Wales. That is why one of our three Integrated Responsive Transport pilots is investigating how the valuable services provided for communities by not-for-profit transport organisations can be extended to offer a flexible public transport service. This pilot is a partnership between Transport for Wales, Pembrokeshire County Council, Pembrokeshire Association of Community Transport Organisations and the Community Transport Association (Wales). The project enhances existing community transport services to provide people around St David's with effective public transport. The result of the trial will be analysed and will be important in the development of responsive travel over the coming years.

In relation to Recommendation 4, the Committee recommended that the Welsh Government should publish draft guidance for franchising alongside the Bill. We recognise the concerns of some key stakeholders regarding the potential impact of franchising; therefore, the provision of detailed and effective guidance is a critical requirement of our legislative proposals. It is our intention that the guidance should be developed in partnership with those stakeholders and will require time and detailed work to complete to ensure it is robust and fit for purpose. As such, we are not going to be in a position to publish draft guidance alongside the Bill.

However, the Explanatory Memorandum sets out in detail the way in which franchising could work and how the powers in the Bill could be used. Furthermore, the Statement of Policy Intent for the Bill outlines the regulations and guidance that will accompany the franchising provisions and what they will achieve. These documents, tabled as part of the Bill introduction, provide detailed information to aid the National Assembly for Wales and others in understanding how we expect to see the franchising powers work in the future. The Statement of Policy Intent is being sent to you under separate cover.

It is also important to note the Bill does not prescribe when franchising (or any other measure) must be used. In respect of franchising, each authority will be required to prepare a business case that considers the needs of their area(s) and the associated risks and impacts if franchising is being considered as an option to address those needs. The business case is also subject to an independent audit to ensure it is based upon information of sufficient quality that has been properly analysed.

As previously stated, detailed work will be required to develop the franchising guidance. As well as engagement with key stakeholders in connection with the preparation of the guidance, there will also be a full consultation on the guidance prior to publication. Certain provisions within the Bill place a duty on the Welsh Government to produce guidance, and the consultation on the draft guidance will give the National Assembly for Wales and key stakeholders an opportunity to further input into and influence the final content.

To assist in understanding the Bill and what the legislation will do, we have prepared a Community Guide, which provides an overview of each of the provisions and gives an example of how they might be used to improve services. We have published the guide on the Welsh Government website. The guide can be accessed through the following link: [Bus Services \(Wales\) Bill Community Guide](#)

In addition to the costs and benefit impacts outlined in the Regulatory Impact Assessment, we have also considered a number of other potential impacts of the legislation as part of an Integrated Impact Assessment (IIA). A summary of the IIA has been included in Chapter 9 of the Explanatory Memorandum. We have also published the full IIA on the Welsh Government website. The IIA can be accessed through the following link: [Bus Services \(Wales\) Bill Integrated Impact Assessment](#)

I am very proud to have introduced this Bill and believe this legislation is an important step in our approach to transforming the provision of bus services across Wales. I look forward to working with the Committee as it considers the Bill over the coming months.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ken Skates', written in a cursive style.

**Ken Skates AC/AM**

Gweinidog yr Economi, Trafnidiaeth a Gogledd Cymru  
Minister for Economy, Transport and North Wales