

Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith /
Climate Change, Environment and Infrastructure Committee
Teithio ar fysiau a'r rheilffordd yng Nghymru / Bus and rail transport in Wales
BRT06

Ymateb gan Tim Peppin, Cyfarwyddwr Materion Adfywio a Datblygu Cynaladwy -
Cymdeithas Llywodraeth Leol Cymru (CLILC)- ymateb swyddogion yn unig/
Evidence from Tim Peppin, Director of Regeneration and Sustainable Development,
Welsh Local Government Association (WLGA) – officer response only

WLGA Evidence: Bus and Rail Transport in Wales inquiry

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Tim Peppin

tim.peppin@wlga.gov.uk

Welsh Local Government Association - The Voice of Welsh Councils

The Welsh Local Government Association (WLGA); is a politically led cross party organisation that seeks to give local government a strong voice at a national level. The Association represents the interests of local government and promotes local democracy in Wales. The 22 councils in Wales are all members of the WLGA and the 3 fire and rescue authorities and 3 national park authorities are associate members.

We believe that the ideas that change people's lives, happen locally

Communities are at their best when they feel connected to their councils through local democracy. By championing, facilitating, and achieving these connections, we can build a vibrant local democracy that allows sustainable communities to thrive.

The main aim of the Association is to promote, protect, support and develop democratic local government and the interests of councils in Wales.

This means:

- Promoting the role and prominence of councillors and council leaders
- Ensuring maximum local discretion in legislation or statutory guidance
- Championing and securing long-term and sustainable funding for councils
- Promoting sector-led improvement
- Encouraging a vibrant local democracy, promoting greater diversity
- Supporting councils to effectively manage their workforce.

Introduction

1. The WLGA welcomes the opportunity to submit views in response to the Climate Change Environment and Infrastructure committee's call for evidence for its inquiry into bus and rail travel in Wales. Given the timing, it is an officer response drawing on discussions with Members prior to the recent local government elections. The WLGA's political spokespersons will not be confirmed until the WLGA Annual General Meeting on 24th June. Therefore, the views expressed in this submission are subject to change.
2. Comments are provided below on each of the three main lines of inquiry.

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



Priorities for post covid recovery for Welsh bus and rail

3. Covid-19 has had a devastating and long-lasting impact on rail and bus journeys in Wales. Restrictions on movement, the rapid expansion of working from home and ongoing fears about travelling in a confined, shared environment have all acted at times to deter people from using trains and buses. Welsh Government estimates that use of public transport overall declined by 95% in the early days of the pandemic compared to the same period the year before. Rail usage in the full year of 2020/21 was over three quarters lower than the previous year.
4. Whilst there has been some recovery over recent months, it has been slow and previous levels of usage have not been achieved. In April 2022 it was reported that bus journeys in Wales were only just over half their pre-pandemic level (12.1 million in the latest three-month period compared to 22.6m in the last three months of 2019). Without financial support from Welsh Government and local authorities many bus operators would not have survived. Similarly, Welsh Government took the decision to take rail services into public ownership with Transport for Wales acting as 'operator of last resort'.
5. The decline in patronage is doubly concerning for buses as, following a temporary boost from the introduction of concessionary passes back in 2002, passenger numbers reverted to steady decline again over the last decade. Rail passenger numbers, in contrast, had previously been growing in most parts of Wales.
6. Getting people back onto public transport and making best use of available capacity on bus and rail services is critical in terms of efforts to reduce and ultimately eliminate direct carbon emissions associated with transport. There are also important social benefits from sustaining a high quality and efficient public transport system. Around a quarter of households, including many people on low incomes, do not own a car and many older people rely heavily on public transport. Their quality of life would suffer if these services were allowed to continue in a downward spiral.
7. For these reasons, then, recovery of bus and rail service passenger numbers as a percentage of overall travel is vitally important in terms of 'building back better'. Priorities in this respect for bus and rail, including some that apply to both, are suggested in the table below. In terms of phasing, some of these can be progressed in the short term (e.g. publicity campaign) whereas others require long term funding commitments which would give a clear signal of intent to the travelling public (e.g. planned and continuous investment in the highway and rail networks).



Bus	Rail
Publicity campaign to encourage people back onto public transport generally, highlighting safety, environmental, economic and social benefits	
Short term incentives to encourage bus and rail use, such as reduced fare offers – prioritising trip substitution (e.g. targeting commuters) over additional trip generation (e.g. through tourism and leisure offers)	
Discussion with operators, unions and local authority transport officers to draw on their frontline experience and suggestions on steps that could be taken	
Ticket offers that recognise the impact of increased home working – e.g. reduced prices for multiple / season tickets that can be used over an extended period (as opposed to more restrictive offers based on regular weekly, monthly, annual travel patterns)	
Clarity over transport priorities: Support for electric vehicles and EV charging infrastructure versus promotion of active travel and public transport?	
Consideration of car scrappage schemes offering, in return, a period of free or heavily subsidised public transport travel (see e.g. West Midlands offers £3,000 'mobility credits' to scrap old cars - The Transport Network (transport-network.co.uk)0)	
Better integration between bus and rail services, where possible, with easily understood through-ticketing arrangements and integrated timetabling as well as linkages to active travel routes	
Investment in fleet/rolling stock to enable improvements in quality, reliability, safety and whole-life environmental performance of services	
Continued development of demand responsive transport, offering flexible public transport customised to meet individual needs	Consideration of extending concessionary fares to more rail journeys than currently included
Increased use of bus priority measures (including consideration of congestion / road user charging) in urban areas to reduce congestion and improve efficiency of bus networks	Investment in rail network, including electrification
Taking forward proposed bus legislation, informed by consultation feedback	Continued lobbying over HS2 consequential to enable additional investment within Wales



Action required to achieve Welsh Government targets for modal shift to these modes and behaviour change

8. The Welsh Government Transport Strategy, Llwybr Newydd, includes a target to increase the share of journeys undertaken by public transport and active travel from 32% to 45% by 2040. Substantial investment is going into active travel (rising from £5m to £75m during the Welsh Government’s current term of office) and an increase in walking and cycling will clearly have to play a significant role in displacing the car, especially for shorter journeys.
9. For those who cannot afford a car (let alone an electric car) or are unable to walk or cycle any substantial distance the bus (or a taxi) will continue to be the main alternative for most local journeys. Bus remains far more significant than rail in terms of numbers of passengers carried each year. Rail does provide an alternative for some relatively short journeys in those places fortunate to be served by railway lines and stations. Generally, though, rail offers a longer distance public transport option, along with some strategic bus routes such as those provided by TrawsCymru.
10. Notwithstanding pre-covid increases in rail use, attempts to encourage more people to shift their mode of travel from the car to public transport have struggled over many years to achieve significant change. Somewhere around 75-80% of commuters in Wales still use a car as their usual method of travel – a higher percentage than England or Scotland. By July 2020, car traffic in Wales had reached 80% of pre-lockdown levels whilst public transport usage has recovered to just 30% of previous levels.
11. Clearly, achieving major modal shift will be extremely challenging and will require a significant change in entrenched behaviour and social attitudes. For years, advertisers (and financiers) have encouraged (and enabled) people to strive for ‘bigger, better’ cars. The car someone drives still acts as a symbol of status in the eyes of many people.
12. Many of the actions suggested in the table above will need to be seriously considered and, indeed, most of them do feature somewhere in Llwybr Newydd. Increased recognition of the climate change emergency may help in taking them forward. More people (especially younger people) are recognising the personal responsibility to take action to help bring down greenhouse gas emissions. Changing attitudes to make travelling by public transport ‘the thing to do’, though, will require similar, high levels of sustained investment in public messaging. Getting that message right – stressing the importance for future generations – will be central to this. It will be important to avoid being ‘preachy’ but there is a need to set out choices clearly and the implications of these choices.
13. In this respect, steps to improve electric vehicle (EV) charging infrastructure in Wales could simply result in people (who can afford it, initially, and then as petrol and diesel cars are phased out) switching from internal combustion engine (ICE) cars to EVs. Whilst that will help to reduce tailpipe emissions, the overall impact



will depend on the extent to which the electricity used to charge EVs is from green sources. Furthermore, a straight switch from ICE to EV will do nothing to reduce congestion – one of the main factors slowing down bus journeys, increasing operators’ costs and impeding efforts to make travel by bus more attractive.

14. A ‘car scrappage for public transport credits’ scheme may be the ‘nudge’ needed to encourage people to re-evaluate and make a switch. Ensuring that good ‘end of life’ measures are thought through and in place for the cars traded-in under such a scheme would be important though. Other ‘nudges’ that are being brought in include the introduction of a workplace parking levy, as in Nottingham ([Workplace Parking Levy - Nottingham City Council](#)). There, the employers are responsible for paying the charge but they can choose to reclaim all or part of the cost from their employees.
15. It is encouraging that Llwybr Newydd commits to: “develop a range of behaviour change projects to make *smarter* travel choices *to reduce congestion and increase use of sustainable modes of transport*”. Alongside looking to expand public transport services and improve customer experiences of such journeys, the strategy also commits to encourage more car sharing. That would reduce the number of single occupant vehicles, helping to tackle congestion.
16. Road-user charging is also mentioned. Whilst this always generates controversy it does offer a way of reducing the incentive to make unnecessary journeys and encouraging use of public transport as a cost saving measure.
17. Overall, then there are various actions that could be taken involving a mix of ‘stick and carrot’. Some would provide an incentive to change whilst others would ‘penalise’ those choosing to continue to drive their car. Ultimately, the measures that are used are political choices and it will be for government and elected politicians at all levels to take these difficult decisions. They will need to monitor carefully to see what works, what doesn’t and assess if change is taking place at the rate required to contribute to emissions reduction targets for transport. Sharing of good practice and learning from other areas can play an important role here. However, measures are not always transferable from place to place and solutions in urban areas, for example, are likely to be totally different to what is needed in rural areas.



Views on proposals for bus and rail reform – including UK Government rail plans and the Welsh Government Bus White Paper

Bus White Paper

18. Welsh Government is currently consulting on its White Paper: [One network, one timetable, one ticket: planning buses as a public service for Wales \[HTML\] | GOV.WALES](#). WLGA is working with local authorities to develop its response to the proposals in that White Paper and will need to seek the views of the newly elected administrations. However, some initial headlines from work to date can be offered here, as follows:

- Overall, there is agreement that improvements can be made to current arrangements and support for the general principles behind the proposed changes, including the important potential contribution to tackling climate change
- Some of the practical steps required to put those principles into practice will be challenging for councils. Local authorities contribute significant amounts of funding from a variety of sources to bus services, but those contributions vary significantly. Those inputting the highest amounts currently will have concerns about the impact locally of effectively pooling resources with areas that have provided lower amounts of funding. Similarly, without significant additional funding, councils in areas with strong commercial networks at present will be wary that franchising could see a redistribution of resources to improve services in areas poorly served.
- Moving to complete, all-Wales franchising comes with risks and having 'other tools in the box' would be beneficial (e.g. the ability to agree partnerships with operators outside of franchise arrangements)
- Consideration is needed as to whether concessionary travel will extend to more rail journeys than at present. If franchising results in greater integration between bus and rail routes and some bus routes terminate at railway stations, bus-rail connections will have to become part of some every-day journey plans. If the rail part of a journey is not on a concessionary basis, many travellers currently making journeys using concessionary passes could face new travel costs
- There are concerns over the proposal for centralised control of the letting and managing of bus contracts. Over time, Transport for Wales may be in a position to assist with many aspects relating to contracts, but current knowledge and experience sits within local authorities. Building capacity in TfW is likely to be achieved, at least in part, by recruiting knowledgeable and skilled staff from local government. Given that these staff undertake numerous roles supporting other services (e.g. home to school transport) that will impact on the ability of councils



to meet their statutory duties in a number of areas. The perceived economies of scale that can be achieved by centralising functions could, therefore, come at a cost elsewhere in the whole system.

- If Small and Medium-sized Enterprises (SMEs) fail to win franchises in competition with larger operators it is likely to put their future at serious risk, with a range of potential unintended consequences locally. Moreover, the loss of SME operators will reduce competition in the market-place which, in an effective monopoly position, could result in increased wage and price demands. If SMEs do seek to continue operating having lost out in a bid for a franchise, they are likely to increase their costs for home to school transport, adding to the upward cost pressure already being experienced by councils
- The period between now and when franchising comes into play contains some significant risks. Operators could decide they do not want to participate in franchising. Larger operators could move their fleet to other parts of the UK or decide not to invest in their fleet until they know the outcome of franchise awards, thereby delaying necessary investment in low and zero carbon vehicles. Others may decide to cut services in advance of franchising, focusing only on the most commercial routes to reinforce their position in those areas
- In relation to the proposals to facilitate the establishment of council-owned/operated bus services, this would take time, expertise and substantial investment. Leaving aside the question of whether LAs have the financial and staff resources to enter into such investments in the first place, no LA would want to run the huge risk of investing and then not winning the franchise. Competition law and state aid issues would also be important considerations
- There is a risk, though, that the creation of Operator of Last Resort powers could become a self-fulfilling prophesy, if there is not the commercial capacity required to achieve the potential benefits of franchising.

UK Government Rail Reform Plans

19. The rail network connects Wales to the major cities of Great Britain with, for example, vitally important cross-border links from North East Wales into North West England, from Mid Wales to the Marches and the Midlands and from South Wales to Bristol and London.
20. At present, Welsh Government has statutory functions only for the Wales and Borders rail services contract. Services from three UK Government franchises have operated in Wales beyond its control. Welsh Government has called for a greater say in specifying rail services and in managing and developing rail infrastructure with a fair funding settlement. It has also called for arrangements



that recognise the diversity of UK devolution whilst maintaining an overall network that benefits all parts of Britain.

21. The William-Shapps *Plan for Rail* set out the UK Government's plan to return control of the railways across the whole of the UK to one authority. It will bring about what it claims to be the biggest change to the railways in 25 years, with the creation of a new public body, Great British Railways (GBR). GBR will own the infrastructure, collect the fare revenue, run and plan the network and set most fares and timetables. Under the *Plan for Rail* passenger franchises will be replaced by concessions ('passenger service contracts') which are expected to include incentives for operators to increase passenger numbers.
22. Devolved governments will continue to exercise the powers they currently hold in relation to rail, whilst supporting a single GB network. However, the Plan does not give any new or additional powers to Welsh Government or address fair funding (and the concerns that rail investment in Wales has been low compared to the size of the network with, unlike Scotland, no consequential from HS2 spending).
23. The Plan ends rail franchising (i.e. whereby private operators bid and then pay to run packages of services, subject to contractual conditions set by government). It replaces it with concessions (where, following competition, the government pays private companies to operate part of the network under a management contract but retains the commercial risk itself). Interestingly, a number of the arguments used by UK Government to justify the change are similar those being used by the Welsh Government to support its proposals for introducing bus franchising in Wales. These include simpler ticketing arrangements; benefits of economies of scale; unified branding; and more efficient, centralised planning of the network. There is even use of some of the same terminology, such as the 'guiding mind'. Whilst a new, unified brand and identity are proposed, though, there will be 'national and regional sub-identities'.
24. New National Rail Contracts will operate for two years as a 'bridge' to the new arrangements. These follow on from the emergency contracts introduced to run rail services because of reduction in travel due to Covid-19.
25. For Wales, the UK Government claims there will be greater collaboration, improved services, consistency and co-ordination across the whole of the UK.
26. It is understood that the Plan will require primary legislation and therefore will take time to proceed through the UK Parliament.
27. The full implications of the changes still need to be worked through. It is worth noting though, that for local authorities in Wales the running and operation of the railway also has important links to their management of the highway network (e.g. level crossings and bridges) and council-owned land adjacent to the railway. Rail-related investments are now being funded as part of economic 'deals' by UK Government and, potentially, via the Shared Prosperity Fund and Levelling Up Fund. Further funding could be made available linked to the Union Connectivity review. Supporting infrastructure, to assist and enhance the rail network, could include freight terminals, railway stations, active travel connections.



28. The *Plan for Rail* must therefore be seen as part of the wider UK Government drive for Union Connectivity and cross-border investment, facilitated by the Internal Market Act. Given the measures being taken to improve bus-rail integration as part of Welsh Government's Bus White Paper it will be vitally important that the *Plan for Rail* works in complementary ways. Strong links will need to be forged between GBR and all of the bodies working on bus improvements in Wales, from Welsh Government to Transport for Wales, to local authorities and the bus operators themselves.

For further information please contact:

Tim Peppin
tim.peppin@wlga.gov.uk