



About CaBAC

The Coach and Bus Association Cymru (CaBAC) is a not-for-profit organisation specifically set up, and by Welsh bus and coach operators, for Welsh SME, Independent and Municipal Coach and Bus operators. Its purpose is to offer our sector representation, advice and support. Providing a link between SME independent and municipal Coach and Bus operators and all Government local and national, industry stakeholders or institutions on all matters relating to road passenger transport, ensuring the SME market in Wales is fully recognised for their significant value serving local communities in Wales. While simultaneously promoting the study and exchange of knowledge in all aspects of road passenger transport operations with a view to improving the quality and status of Coach and Bus services in Wales.

Introduction

The Coach and Bus Association Cymru welcomes the opportunity to respond to the Welsh Governments Bus Services (Wales) Bill via the invitation to provide written and oral evidence to the Climate Change, Environment and Infrastructure Committee.

CaBAC represents the many SME bus and coach operators across Wales who serve their customers providing vital bus services for home to school, leisure, commuting to work and reducing community isolation, giving essential local employment, expertise and support in both rural and urban settings.

Bus Services (Wales) Bill and the Regulatory Impact Assessment

It is important to state that CaBAC believes the Transport Act of 1985 and the subsequent Regulations 1986 being forty years old needs review and structural change, this being a once in a lifetime opportunity to ensure longevity for the industry thus providing certainty to the travelling public of Wales now and into the future. While we recognise that this bill is intended as high-level primary legislation it is considered that several important opportunities have been missed in the Bill and we have some serious concerns stemming from the RIA.

RIA costs

These appear to be underestimated with some very important factors being missed which will have a significant impact on the outturn of the RIA costings.

National Insurance increase

This commenced on April 1st 2025, but was well documented for months prior to the RIA being completed so one is unsure as to why this significant increase would not be included or at the very least referenced.

Home to School Transport

This element of bus public transport is vital to the viability of local services and provides transport to the children of Wales, therefore, to not be included with solutions in the Bill or the RIA appears to be a serious omission. If for instance while franchising is being rolled out the home to school provisions are not included in such plans (which is how it stands today) and the local bus provider who is not guaranteed to win any franchise tenders potentially finds their business collapse then home to school provision supplied by that operator will also collapse, leaving communities without any home to school provision. As many of our members provide local bus services and home to school transport this is an outcome with significant consequences.

Patronage Increase Measures

It is stated in the RIA the many measures that will be implemented which appear to be relied upon to provide massive patronage increase which is used to justify franchising and offset the costs of implementation. However, many if not all the measures cited are currently being provided by bus operators across Wales now, so one is at somewhat of a loss as to how these existing measures played out in the RIA as new will provide the increase in patronage and therefore revenue claimed.

Congestion

The travelling public who uses or who have considered using bus as their travel option simply look for a safe and efficient mode of travel from A to B, with minimal journey time however, the main detriment to this is congestion which again is growing lengthening bus journey times and in Urban settings being a major detriment to bus travel. In the rural starting point of a service minimal congestion but as the services nears the main employment centres of Wales congestion builds, so both rural and urban are affected. No where in this Bill or the RIA is congestion solutions mentioned.

There is a once in a lifetime opportunity to do something better with bus public transport, but the major component of patronage stagnation congestion is not being tackled. One wonders would the time between now and franchising potentially implemented not be better spent laying the foundations of better bus infrastructure and tackle the major barrier to patronage increase which is congestion, and therefore have franchising as a success and not simply take over the status quo with all costs being borne by Welsh Government and no real plan to increase the revenue the RIA relies upon to justify the outrun costs to government.

Protection for SME bus operators

It has long been stated and welcomed that the true value of SME bus operators across Wales is recognised by Welsh Government with the word protection during franchising being used, however the Bill and the RIA misses the opportunity to explain in the way this will be achieved, leaving our members fearful of wholesale business confiscation. It has been mentioned that Wales has looked to Transport for Greater Manchester (TfGM) for solutions and ideas to franchising, and yes, the SME market in the TFGM were given similar assurances, but the outcome was far more concerning as no SME bus operator achieved any franchised tenders from TfGM.

Many of our members are small family run normally born and breed in the area which they operate and simply provide bus services to their local communities with as minimum overhead as possible in order to simply survive, they don't have lawyers on speed dial, layers of staff to deal with massive complex franchise documents, and will just struggle to comply to what is in effect a complicated process, but nothing in the RIA recognises this element or cost to our members.

Fleet

The RIA states the plan in which the bus fleet would be replaced and rightly recognises the importance of the environmental benefit of changing the diesel fleet to battery electric buses, but the costs of doing so has been underestimated. The RIA lets the reader believe that electric has parity with diesel in terms of whole life costs of fleet, this is simply not true five years ago, nor today and will not be any time soon. The expectation is that the capital purchase of battery electric buses will reduce over time, but evidence over the past five years has shown the complete opposite to be true, then what happens if the UK increases demand and supply chain can't cope prices will rise. There is simply not enough capital exposure for initial bus purchase nor battery replacement costs being considered into this franchising metrics. CaBAC supports the move to zero emission at the tail pipe bus fleet and some of our members already run battery electric fleet, but it is essential that the proper capital and revenue costs are reported in line with current experience on the ground in Wales.

Municipals

The Bill allows for more of these types of organisations to be developed in local authorities wish to do so, but there is nothing in the Bill or the RIA that gives confidence to the two municipal bus operators in Wales of business survival when the franchised procurement process commences, these entities have massively invested in battery electric fleet and depot electric infrastructure while growing the bus networks with significant increase in patronage. One of which has recently come out top in Wales for customer service, but all that hard work and investment (mainly from DfT and WG) is at risk if these two organisations do not survive. Ironically back in post Transport Act of 1985 many municipals were sold off to larger corporate bus companies, with only a hand full surviving, two of which are in Wales and now after surviving many attempts by larger companies buying them now are faced with the very real prospect that WG policy will aid those exact larger companies to pick them off some forty years later but this time for nothing.

Operating Costs and Revenue

The RIA makes the reader believe that more can be achieved with the same amount of funding provided by Welsh Government currently siting the use of on bus revenue, however if you look closely at the actual provision to the current bus funding model you have various sources BNG currently £39 million per annum and BSSG £27million this equates to £66million of funding from WG to bus operators. Yes, they also receive revenue foregone payments for the WG Concessionary Fare Scheme of £51million and yes provide tenders for home to school transport, (although a significant proportion of this is paid out for SEN travel, the latter two concessionary and school transport is in fact paying for a service and is a vital source of revenue for bus operators to maintain the current network. By simply franchising all these current revenue streams pass across to Gov but maintains the current network that is often sited as poor by those who do not understand it, so where is all the additional revenue going to come from to do more with the same amount of funding, congestion will stagnate your revenue potential as it currently does, the population of Wales is 3.13 million across a vast area, with nothing new suggested in the RIA to grow patronage and therefore revenue, the idea has been suggested of cross subsidy of services to support less profit making services but where is the population to achieve this. The constantly sited comparison model is TfGM with a population of 2.83million in a very urban environment, different demographic completely. Therefore, we seek that the financial calculations in the RIA are urgently reviewed to give a true and proper cost of franchising so that Senedd Members can accurately and confidently make decisions about the bus industry in Wales.

One simply needs to look at what the Traws Cymru network of services (15 services) currently costs Welsh Government then extrapolate that figure across the many hundreds of bus services across Wales, these figures stated in the Ria do not come close to the actual cost of bus operation which will be borne by WG post franchising.

Operational Detail

While we fully understand that these documents are designed to be high level there is so much operational detail missing from the RIA which in effect will significantly impact the cost of operation across Wales, that surely this detail needs to be worked up and costed before any proper decision can be made to the viability of bus franchising in Wales.

Concluding

In concluding CaBAC is not against change nor do we agree the 1985 Transport Act is fit for purpose in 2025, but we all must be presented with accurate costs in the RIA with realistic outcomes for the Senedd to carefully with dispense of their duties in scrutinising this Bill and RIA.

The Coach and Bus Association Cymru thanks the Climate Change, Environment and Infrastructure Committee for giving this opportunity to present our thoughts to you and for you taking the time to read and consider.

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