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Llyr Gruffydd MS
Chair of the Climate Change, Environment, and Infrastructure Committee

1 May 2025

Dear Llyr Gruffydd MS

To aid the Climate Change, Environment and Infrastructure Committee's scrutiny of the Bus Services (Wales) Bill, I am writing to you to outline our joint vision, in partnership with the Welsh Government, for a new bus system that plays a key role in creating a truly integrated transport network for the people of Wales.

We believe that Wales deserves a bus network that is reliable, affordable, flexible and easy to use, as well as one that contributes towards the achievement of Welsh Government's sustainability targets. I want to use this opportunity to evidence our proposed approach to bus franchising, the work that we have already begun to prepare for its roll out across Wales and the key industry relationships we're developing in order to shape bus reform.

One Network, One Timetable, One Ticket

In March 2022, the Welsh Government published the White Paper 'One Network, One Timetable, One Ticket' that sets out proposals to transform bus services in Wales. In this document, it was stated that 96.1% of respondents agreed that change is required to deliver bus services that meet the needs of people in Wales and respond to the climate emergency. Welsh Government have also set out ambitious sustainability targets and if Wales is to meet these, we must help people make sustainable transport decisions by ensuring that bus is an accessible and attractive mode of travel.

Alongside the Welsh Government, we are building an integrated transport network that brings together walking, wheeling, cycling and public transport to make sustainable transport the easiest way to travel. Buses are a key part of this vision and we have three objectives for the new bus system which support our modal shift ambitions:

- A bus network which is linked in with the rest of public transport in Wales and easy to navigate (One Network).
- Coordinated timetables which are easy to use and allow connection across public transport in Wales (One Timetable).
- Simpler ticketing which enables travel across public transport in Wales with affordable and consistent fares (One Ticket).



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Around 190,000 journeys in Wales are made by bus every day and three quarters of the total journeys made on public transport are made by bus. This makes them a vital service for the 19.4% of households in Wales without a car. However, we don't believe that the current Welsh bus network is fulfilling its potential, with many barriers discouraging people travelling by bus altogether. For example, the current network is considered to be unreliable; tickets are not accepted across multiple operators; information on journeys is hard to find and trust; and services lack integration with other modes of transport. Other less visible barriers also exist, such as concerns regarding personal safety when using the bus network.

The shortcomings of the current bus network are driven by wider systemic issues including deregulation, historic planning decisions that have left communities without public transport connectivity, and the Covid pandemic changing the way people travel. However, we believe our approach of 'One Network, One Timetable, One Ticket' will greatly support the breaking down of these barriers and transform bus services in Wales.

Our Approach

Our approach to redesigning bus services is whole product, which means we are considering everything that impacts the customer experience when travelling by bus. From the appearance of buses and the timetables we produce, to the arrangements we have with operators behind the scenes.

It's been agreed between Welsh Government and Transport for Wales that we will roll out franchising across four zones which overlay with the Corporate Joint Committee (CJC) footprint. In 2024, the Cabinet Secretary for Transport and North Wales, announced the following timetable for the roll out:

- South West Wales 2027
- North Wales 2028
- South East Wales 2029
- Mid Wales 2030

The key considerations made when agreeing the sequencing of franchise areas includes the complexity of the network, such as cross-country and cross-border movements; current levels of control and competition within those zones; ability to grow revenue in the area; and the bus decarbonisation opportunities available. Our engagement with key stakeholders, including Local Authorities, the Welsh Local Government Association (WLGA) and CJsCs, was integral to these considerations and have greatly informed our thinking for this timeline.

As part of our continued partnership with CJsCs and Local Authorities, we've jointly agreed a methodology for how we'll work together in preparation for Bus Reform. This way of working provides opportunities for Local Authorities and Transport for Wales to enhance passenger experience and encourage behaviour change at a regional and local level. The methodology has also been approved by the WLGA and the transport cabinet members from across all 22 Local Authorities. This stakeholder endorsement has been a central aspect of shaping the methodology.



We're committed to facilitating the co-development of the bus network with Local Authorities, CJs and other key partners, as was stated in the republished 'Our Roadmap to Bus Reform' (March 2025). This ensures that the future network is strategically joined up across Wales and integrated with other modes of travel by prioritising the use of their local and regional knowledge. We've already begun our work with Local Authorities to develop bus network proposals and we're providing our network planning expertise, data and insights to support the process.

Using a data led approach, we want to understand the three key aspects of the network:

- Access: How convenient is the network?
- Opportunity: How well does it connect people to where they want to go?
- Connectivity: How well does it connect people to other transport services?

This will allow us to measure the success of the network in terms of improvement to access (being 400m from a bus stop, railway station or interchange with hourly or more frequent services); access to opportunity (where and what can you access by public transport within a given time from your home); and measure of connectivity (multimodal integration). We've already begun to implement this methodology in the South West, as this is the first zone in which we plan to franchise, and also supporting in Powys in their network development as part of the 'Bridge to Franchising' in Mid Wales.

Further to this, we're basing our approach on key network planning principles, which are intended to act as a foundational guide and shape network design. As we continue on the journey to bus franchising, they will be supplemented with wider input from key partners, public engagement and data insights to develop the future local bus network. The principles are as follows:

- Plan as a single unified network: Bus services are planned and arranged to offer a unified transport network that is intuitive, easy to understand and co-ordinated, based on realistic timetables that deliver reliability.
- Establish a core network connecting key destinations: the core network should form the backbone of an integrated local or regional network.
- Develop secondary and local feeder networks around the core: formed around and to support the core network, with lower frequency and/or demand responsive services.
- Deliver service directness for the core network: arranged as straight-line routes with minimal diversion.
- Provide consistent routing: services should operate along the same routes throughout the day wherever possible to improve understanding of the network and reduce operational complexity.
- Deliver co-ordinated services on common corridors: timetables on common corridors rationalised to provide regular headways, avoid duplication and simplify the network.
- Achieve integration and co-ordination of services: services should be co-ordinated with other bus and rail services to create an integrated transport network that maximises the connection opportunities and the range of destinations accessible.



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- Provide clock face departures: departure times for services should be at consistent times past each hour to support passenger understanding and confidence wherever possible and consistent with other objectives.
- Provide consistent operating hours: to support an integrated transport network and wider journey opportunities, timetables need to be complementary in terms of coverage through the day.

Engagement

As I've already briefly touched upon, we're committed to maintaining open and honest dialogue about bus provisions by engaging with people across Wales and the borders. Understanding the priorities of our stakeholders and communities is key to building the bus network that Wales needs. An important way in which we uphold this is through our multimodal travel advisory architecture that bring together representatives from customer groups, government, industry and people with protected characteristics. They provide feedback, scrutiny and advice. As part of this advisory architecture, we've established a comprehensive framework for engaging and consulting with key stakeholders relating to bus franchising which has resulted in the co-creation of a dedicated Bus Industry Forum.

Our bus reform framework, and multimodal transport advisory architecture is helping us to:

- Partner with stakeholders, benefitting from their local knowledge and insight.
- Understand the needs of the public to deliver a passenger-centred bus network.
- Reach those who currently face barriers to using public transport and prompt modal shift.
- Ensure all partners are clear on their roles and responsibilities.
- Bring partners together to set a joint strategic direction for the future of bus services in Wales.

I'm pleased to say that engagement with key stakeholders is already underway in South West Wales and we've delivered activities including sessions on franchising for elected representatives. Colleagues in TfW have also attended formal and informal cabinet meetings to provide updates on our progress.

In preparation to lay the Network Plan before the Senedd in 2026, we will be launching a programme of both online and in-person public engagement in Summer 2025 for stakeholders, customers and bus operators to have their say on how the bus network should look. This engagement will continue as we move closer to the first roll out milestone, as we refine our approach to franchising and build passengers the best possible network using these key insights.

Engagement with Local Authorities and Corporate Joint Committees

As well as prioritising public engagement, our work with Local Authorities plays a pivotal role in shaping bus reform. Local Authorities have an integral part in our bus reform engagement framework and we hold twice monthly meetings, alongside Welsh Government, with Transport Officers and Managers from all 22 Local Authorities across Wales. These meetings, which have been taking place for almost two years, focus on agreeing forward engagement topics and plans; providing interactive sessions led by



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workstream leads to draw on Local Authority experience; creating opportunities for question and answer sessions to develop FAQ documents to share more widely; and developing engagement plans with cabinets, locally elected members and wider colleagues within the Local Authority. In particular, as South West Wales is the first zone to be franchised, we've been working very closely with Local Authorities in the region.

As previously mentioned, we've also engaged with all four Corporate Joint Committees to discuss Bus Reform, the Zonal Methodology, core principles, the engagement framework, regional and public engagement in South West Wales, school transport, and funding. The Zonal Methodology formalises this engagement and provides a framework that supports collaborative working with Local Authorities and Corporate Joint Committees, helping to define a zonal delivery plan.

One of the main outputs from our engagement with Local Authorities in the South West so far is the production of a 'base network'. This co-created 'base network' uses the application of the network design principles to the current network in order to improve the customer offer, whilst also being deliverable within the current funding and resources available in today's system. Following the bus operator and public engagement taking place this summer, we will re-introduce the 'base network' to the CJC for the region and all four individual Local Authority Cabinets. Our approach ensures that our network proposals are not static, and by maintaining open dialogues with Local Authorities on the effectiveness of this 'base network', we're able to review network performance and develop our evidence base for proposed changes and enhancements over time. The progress being made in relation to network design in South West Wales and on the Mid Wales Bridge to Franchising is planned to be reflected in the All-Wales network plan when it is laid in the Senedd following Royal Assent in 2026."

So that we uphold this standard of engagement, the Zonal Methodology commits us to our partnership with Local Authorities, codifies the requirements for locally elected members to approve network and service provision, and allows each Local Authority/region to adapt the methodology to their specific requirements. Local Authorities across Wales and the Association of Transport Coordinating Officers (ATCO) have had the opportunity to provide feedback and develop the methodology collaboratively. We view this partnership working as an essential element to creating a bus network that reflects the needs of local communities in Wales and will continue to prioritise these relationships in the other zones as we progress through the timeline for bus franchising.

Engagement with Bus Operators

Another key stakeholder group we're working with is bus operators. Our engagement strategy for operators has been centred around a two monthly structured engagement session with the operators that have shown an appetite for franchising opportunities. Promoting engagement opportunities through industry bodies and other channels has brought together a diverse group of operators from various regions and sizes, with about 25-30 operators participating in each session so far. The content of these sessions has been driven by previous feedback and so far, we've focused on the introduction of legislation, the strategy for fleet and depot ownership and our wider commercial and procurement strategy for the delivery of franchising in Wales.



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As well as engaging with operators so they are aware of the bus franchising process, we're committed to learning from their experience and are keen to use these sessions to gather feedback to help inform our forward planning. For example, their experiences delivering previous transport contracts both within Wales, and further afield, are key insights that will help us shape franchising from a commercial and procurement perspective.

Although our engagement with bus operators so far has been productive, we're aware that as the zonal approach takes shape, our approach to engagement with bus operators will need to be further tailored. The engagement will need to account for the differing needs of the larger national organisations and the local Small or Medium-sized Enterprise (SME) market in Wales, as well as catering for those who, due to their geography, require greater detail and guidance at an earlier stage. Again, we recognise the need to be dynamic and flexible in the ways we're working in order to ensure we're not creating a 'one-size fits all' approach.

Engagement with Community Transport Operators

We appreciate the important role of Community Transport (CT) and the need to closely engage with the sector as we develop our network proposals. We are working with the Community Transport Association (CTA) and local authorities to hold engagement sessions with CT Operators in South West Wales to share their views about network design, and how it can be improved moving forward. We will seek to replicate this across Wales as we move through the rollout process.

It's key to note that CT services will be able to continue operating without a franchise contract and community transport operators will not be expected to meet the conditions of franchised services by default. However, CT operators will also be able to bid for franchise contracts where appropriate. We're engaging with the sector to understand how franchise opportunities can be accessible to CT Organisations that wish to bid for franchises. Although CT operators can attend the operator engagement framework, we're also working with the CTA to hold separate sessions with CT Operators to ensure we take account of the unique challenges facing the sector.

Engagement with Trade Unions

Throughout our work on bus franchising so far, we have actively engaged with Trade Unions through a comprehensive approach rooted in Social Partnership. We've established a Social Partnership Framework, consisting of regular engagement opportunities with Trade Unions. This collaboration aims to ensure that the interests and insights of their members and bus operator colleagues are central to the development and implementation of bus services across Wales.

TfW is maintaining an ongoing dialogue with Trade Unions and bus operators to promote best practice, service provision and seek opportunities to improve the working environment, ensuring workers' rights and interests are upheld. This includes looking to agree a Trade Union proposed Neutrality Statement where operators commit to how they will approach working with Trade Unions. The statement would be signed up to by Franchising Bus Operators to demonstrate their acknowledgement of the right to freedom of association.



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The Franchising Process

I hope the above outlines our extensive work to ensure that our proposals for bus franchising reflect the needs of a range of stakeholders in Wales and gives you a good understanding of how we will be continuously engaging with both the industry and the public. I'd now like to provide you with further detail on the bus franchising process and how we propose this will work in practice.

Franchising brings together the strengths of private, municipal and community operators in efficient service delivery within a coordinated and planned public transport network. Bus franchising means that decisions about bus services in Wales, including routes, timetables, fares, hours of operation and service quality standards will be made by Welsh Government and Transport for Wales, working in partnership with Local Authorities and Corporate Joint Committees (CJCs). Bus operators can bid for contracts to run services to this specification.

We're currently developing our approach to how we will procure the franchised network, using our engagement framework to work closely with the stakeholders list above. Within each zone, the franchise network will be formed of a number of franchise packages, and these packages will be the specific elements of the network that operators will bid to deliver.

Three main principles were used to define how the franchise packages within a zone should be developed:

- Are packages operationally efficient?
- Do the packages generate acceptable competition?
- Do the packages support the existing SME market?

A range of variables will be considered when identifying franchising packages, including the routes in the proposed network, vehicle requirements to operate these routes, interworking of buses, depot locations and the profile of the market.

Our intention is to retain the richness of the current bus operator market in Wales that includes a high number of SMEs, community transport operators, municipal bus operators (in Cardiff and Newport) and larger multi-national operators. We are designing packages to be attractive to this diverse mix of operators and ensure that in a franchise network, all types of operators continue to deliver local bus services. As well as this, we are conscious of the important role that SMEs in particular have in delivering learner travel, and other important commercial services such as coach travel. Hence, we are looking to sustain the SME market to ensure that these other important services are not adversely impacted by franchising.

We've developed our initial plan for packaging the network in the South West, and have already worked with the Local Authorities in the region to further inform our approach based on their understanding of the routes and local operators. We intend to test our proposed franchises with the bus operators through our engagement framework to ensure they are attractive to operators and ensure that we generate sufficient competition.



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To further generate this healthy competition for franchise packages, it is expected that several strategic depots will need to be owned by TfW but most depots will remain owned by operators. We're currently in the early stages of identifying suitable locations for these depots which, in the South West, includes a potential new depot operating a fleet of hydrogen fuel cell electric buses supporting the Welsh Government's intent to move to zero emission vehicles and develop the hydrogen economy.

As previously mentioned, we're engaging with Local Authorities and bus operators on key features of franchise contracts and what performance standards might look like. As part of this, we're gathering feedback from operators on specific metrics and how effective they think these will be in encouraging the right behaviours and outcomes during procurement. Additionally, we've been working with other franchising authorities, such as Transport for Greater Manchester, to understand their lessons learned and review best practice.

Over time TfW will introduce new vehicles into the Welsh Bus Fleet, as we have already for several of the TrawCymru routes. This will include zero emission buses, with the majority being battery electric but some using hydrogen as fuel. At the outset of franchising, it's likely that the majority of buses will be those in the existing fleet, with a smaller number of new vehicles introduced at the start. These new vehicles will introduce a clear branding to create consistency and identity for the bus fleet across Wales.

We have also proposed to bus operators that a 'residual value' mechanism should be introduced, which allows TfW to buy vehicles from operators who are not successful in winning franchise contracts. This protects the investment operators have already made in their fleet, and ensures that we are able to redeploy the existing fleet in a franchised environment.

Customer Focus

As with all things we endeavour to deliver at TfW, customer needs and experience are at the centre of our approach to bus franchising. Although the first public engagement exercise in Summer 2025 will be focused on the South West, our intention is to create and maintain an open feedback loop with the public and our customers as we rollout franchising across Wales. We're also undertaking a range of surveys to understand customer sentiment and requirements, which includes the Transport Focus Your Bus Survey and use of our own existing engagement platforms. In March 2025, we launched our own Bus Network digital panel that encouraged participants to share their views on how they would like to 'have their say' on elements of bus franchising. This exercise identified that over half of participants noted that bus frequency discouraged them from using services more frequently and that leisure travel was the most common reason for journeys.

Franchising brings the opportunity to provide a more reliable customer proposition, and our approach will mean that we introduce consistency across areas including the availability of information to customers including timetables, journey planning and real time information. We'll also have a consistent approach to fares and ticketing across Wales, with the expectation that we move to a distance-based fares approach. Passengers will be able to either use Pay-as-you-go ticketing or purchase tickets through a range of mechanism including on bus or via an app that will cover all bus services in the network. Further to this, our approach to fares and ticketing will continue to support concessionary travel,



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accommodate promotional discounts and deliver a simpler, more equitable solution for customers.

Preparation for Franchising

Although the initial zonal roll out in South West Wales is not planned until 2027, we're aiming to achieve some partial benefits from bus reform ahead of legislation receiving planned Royal Assent in Spring 2026. There are opportunities to implement some of our ambitions for franchising early, given the nature of how bus services are currently delivered. This includes our work with Local Authorities in Mid Wales and our procurement of TrawsCymru services. For example, we're working closely with both Powys Council and Ceredigion Council on the 'bridge to franchising' initiative. Most of the Mid Wales network is already contracted which has provided us with an opportunity to test our plans and help boost bus provision in the region.

We're also keen to learn about the impact that bus reform will have on services so we're applying some of the franchising objectives around fares, ticketing, timetable and contracts to our TrawsCymru services. Additionally, we're partnering with Local Authorities, like Cyngor Gwynedd, on re-tendering and providing new vehicles for use in the Local Authorities' contracts.

Where we contract TrawsCymru routes, we have also implemented a number of features that allow us to test and understand the potential for franchising. The investment in the new fleet, improved timetables, simpler distance-based fare structures and increased connectivity with other services has seen a significant increase in passenger numbers. We continue to hold public engagement events on specific routes to understand needs and address issues. We have also fully integrated our tickets for Traws with the rail network, with customers able to buy tickets through National rail systems and, where relevant, buses display live train departures to support passengers to make bus to rail connections.

Specific examples I'd like to highlight of the success of TrawsCymru services include the flagship T1 service between Carmarthen and Aberystwyth that launched in March 2023 and saw the introduction of eight highly specified electric vehicles from a purpose-built charging depot in Carmarthen. A new timetable that integrated with trains at Carmarthen and Aberystwyth enabled us to launch an integrated rail/bus ticket which achieves sales of over 10,000 journeys a year. In the first full year of operation, the T1 saw a 60% growth in passengers.

In 2023, a further five routes were contracted directly by Tfw and in the 2024/25 financial year, passenger growth over the six routes was 11.8% compared to 23/24 (an increase of 153,000 passenger journeys), with a revenue growth of 13.1%. Our joint marketing initiatives and promotional activities contributed to growth in patronage across all TrawsCymru services in the 23/24 and 24/25 financial years, with uplifts in patronage ranging from 6.4% through to 43.5%. As existing contracts expire and we proceed with our preparations for Bus Franchising, we'll bring more TrawsCymru services into our portfolio and will continue to work in partnership to achieve this.



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I hope this letter gives the committee an initial insight into how Tfw is working with the Welsh Government and other key stakeholders to prepare for Bus Franchising. Our Executive Director for Regional Transport and Integration, Lee Robinson, will be joining the Bus Bill panel to give oral evidence on Thursday 19 June and is looking forward to further delving into the detail.

Kind regards,

James Price
Prif Weithredwr / Chief Executive