



Ein cyf/Our ref KS/PO/288/2025

Peredur Owen Griffiths MS Chair,
Finance Committee
Senedd Cymru
Cardiff
CF99 1NA

12 June 2025

Dear Peredur

Bus Services (Wales) Bill

Thank you for inviting me to give evidence on the Bus Services (Wales) Bill to the Committee 7 May 2025. I am writing to provide you with the further information requested by the Committee.

1. As requested, please find a technical briefing note covering the “Generalised Journey Time Approach” used in the RIA.

Generalised Journey Time (GJT) is a standard term used in transport planning and economics – and is effectively the ‘perceived’ journey time rather than the actual journey time.

GJT = JT + PWT

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Gohebiaeth.Ken.Skates@llyw.cymru
Correspondence.Ken.Skates@gov.wales

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.

JT actual journey time from embarking to disembarking of a bus or the actual intended journey time denoted on a timetable.

PWT perceived wait time which is the headway (for example a bus every 30 minutes) divided by half

So, for example a bus journey of 20 minutes that comes every 30 minutes would have a **GJT** of 35 minutes (20+15).

Journey Time Benefits, within the RIA, means the difference between the 'existing' baseline network (in 2020) and the proposed optimised network. It includes perceived benefits i.e. it is not just 'actual' journey time.

Main journey time benefits are attributed to:

- Reduced waiting time
- Better connection with other services and hence quicker 2-leg journeys
- Reduced boarding time due to having a simpler ticketing system that covers all buses
- Perceived quality improvements – such as easy-to-understand network information (following rationalisation / simplification), and a better, integrated ticketing system

In the RIA document itself, 'journey time' is generally referring to the 'actual' journey time.

There are also multiple references to Generalised Journey Time (or GJT) - and there are explanations in the RIA of why and how perceived values of time are used to assess benefits.

2. The Committee asked that I share some detail on the bus fleet in Wales which was given in the meeting.

Please find the table below which details the current fleet ages across Wales.

Current Understanding of Welsh bus fleet							
	More than 16 years old	13 - 15 years old	10 - 12 years old	7 - 9 years old	4 - 6 years old	Less than 3 years old	Total
Total	261	150	425	328	110	273	1547
%	16.9%	9.7%	27.5%	21.2%	7.1%	17.6%	

3. I offered to provide a briefing note on the research being undertaken by the Wales Centre of Public Policy, please find that below:

Welsh Government officials and Transport for Wales are working with a range of key stakeholders, including researchers and international tendering authorities, to understand best practice, and to understand what parts of contracts have had the best effect on producing a successful and sustainable network. As well as informing the development the expected contract content, this is also providing invaluable engagement opportunities with authorities across the world on all aspects of bus reform.

The Wales Centre for Public Policy (WCPP) are currently developing a research piece titled "Success factors for contracting and awarding bus franchising in Wales". The research aims to answer two overarching questions:

- In bus franchising, what practices or features of contracting and awarding show promise in achieving desired quality improvements and policy outcomes whilst delivering value for money?
- How can contracting, including incentives, help to enable: modal shift by increasing bus patronage; Net Zero 2050; transport integration; and transport poverty reduction?

This piece of work, coproduced with Welsh Government officials and Transport for Wales, has welcomed input from various experts and franchising authorities across the world, all of which have successfully implemented and sustained models like the one we are suggesting with the Bill.

We have had presentations from transport authorities in Sweden (Västra trafik), Norway (Ruter), Ireland, Jersey, Queensland Australia, and Singapore. Also, UK cases from Liverpool City Region and Cambridgeshire and Peterborough CMA.

We have also had presentations from the following experts - the Institute for Transport and Logistics Studies in the University of Sydney, Prof Peter White at the University of Westminster and Dr Van de Velde from TU Delft in the Netherlands.

The research paper will be available to share in late June and I will share this with the Committee as soon as possible.

4. I offered to invite Transport for Wales to provide a technical note covering the methodology for the work in South West Wales

Transport for Wales have produced a technical note on the methodology being used in South West Wales in the development of the network in this region. This note is attached to this briefing.

5. I offered to Committee that an update would be carried out on the RIA for stage 2, to capture the change in estimated salaries for Transport for Wales to reflect the change in roll out plans from the original 9 zones, to the now agreed 4 zones.

In line with standard procedure, and with relevance to your request, I have instructed officials to update the RIA by the end of stage 2.

As part of the update, they will be looking in particular at the staffing figures in order to show a more accurate account of what the staffing costs will be going forward, especially as the original figures were based on a 9-zone roll out.

Once again, I want to thank the Committee for their time and if you have any further questions, please let me know.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ken', enclosed in a thin black rectangular border.

Ken Skates AS/MS

Ysgrifennydd y Cabinet dros Drafnidiaeth a Gogledd Cymru
Cabinet Secretary for Transport and North Wales

Technical Note – Bus Franchising Zonal Methodology

29th May 2025

Transport for Wales (TfW) provide this technical note to support the Committee’s consideration of the Bus Bill. It provides specific details in relation to the regional working that is underway to develop regional blueprints for Bus Reform.

Zonal methodology

The zonal methodology, developed in April 2024, sets out a process which enables TfW to work in partnership with Welsh local authorities to create detailed and robust plans to support the joint implementation of franchising in each respective zone.

There are 5 core phases to the methodology:

1. Initial Planning
2. Detailed Design
3. Zonal Assessments
4. Zonal Plan
5. Acceptance & Sign Off

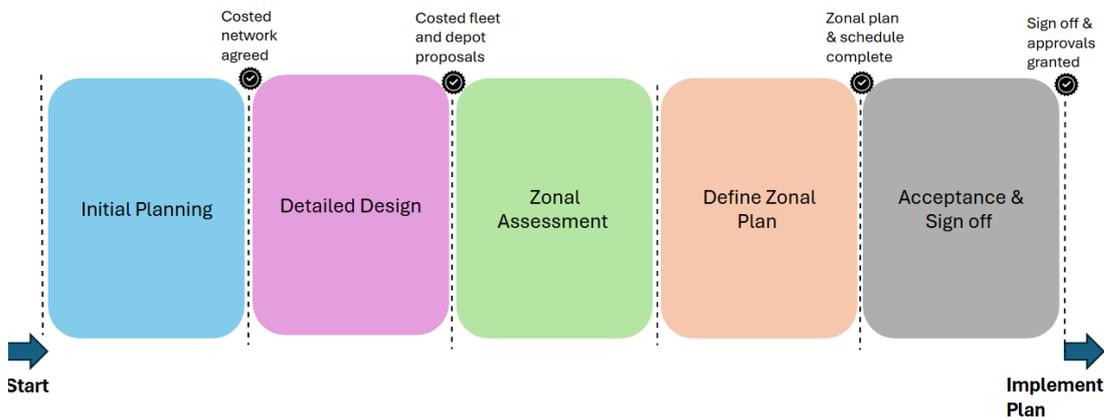


Figure 1: Zonal Methodology Overview

1. Initial planning

1.1 The initial planning phase primarily focuses on co-developing two iterations of a franchised bus network, integrated with rail and other modes.

1.2 The first iteration – the ‘Base Network’ – is a network based on the existing bus network with some improvements based on the network planning principles (such as coordinated headways, regular frequencies etc), whilst still meeting the current funding envelope.

- 1.3 The second iteration – the ‘Aspirational Network’ – identifies a network with greatly improved efficiency, accessibility and opportunity, but requires additional funding to deliver. It sets the vision for the network in the future.
- 1.4 Our current assumption is that an evolutionary approach would be taken to transition from the Base to the Aspirational position, phasing in improvements in line with a set of regional scaling principles. In the South West, the Aspirational Network assumes a c. 30% uplift in mileage.
- 1.5 Where available, we are using data to inform network planning. Primarily, demand and performance data is key, alongside qualitative input from stakeholders. We will shortly be undertaking a public engagement exercise to further inform network planning.
- 1.6 We have reviewed multi-modal transport flows in the South West, to undertake a ‘gap analysis’. This identified some flows that warranted some further investigation in the Aspiration Network. As we look to the future, and continue to refine the Aspirational Network, there are other datasets we plan to utilise. These include the measures of access, opportunity and integration.
- 1.7 As draft networks are designed, these are inputted into both a zonal cost and revenue model, based on TfWs national cost and revenue models, to determine the net operational cost of the network. This is then compared with current regional funding (including BNSG, BSSG, concessionary reimbursement and additional contributions to support the network) to understand the amount of subsidy required to deliver the network per annum. The Base Network is designed to be deliverable within the current funding envelope.

2. Detailed design

- 2.1 The detailed design stage of the methodology establishes three key zone-specific outputs: zonal depot proposal, zonal fleet proposal and provisional franchise procurement packages. This level of detail will further inform the revenue and capital costs associated with supporting the network, with a view to ensuring affordability and deliverability.
- 2.2 The depot proposal development process addresses the following:
 - Should we own a depot in this zone?
 - Is public-sector ownership of a given depot required to enable and accelerate decarbonisation?
 - Is public-sector ownership of a given depot required to generate competition for franchise packages?
 - If we do own a depot, where should it be located?
 - Based on the forecast Peak Vehicle Requirement (PVR), and allowing for future growth, what size should the depot be?
- 2.3 This process also involves the application of the requirements of a Minimum Viable Product for a depot facility to these locations. It also involves:

- Analysis of proposed sites
- Stakeholder and operator engagement around recommended depot locations
- Comparison against existing depots in zone

2.4 The fleet proposal development process uses the PVR (peak vehicle requirement) of the network designed in the initial planning phase to form a zonal fleet profile, including:

- Vehicle Type (capacity and fuel type)
- Number of vehicles and spares
- Replacement strategy

2.5 Franchise packages will be formed and tested alongside key stakeholders using market analysis data, on the principle that packages must:

- Be practical
- Enable replacement of the oldest fleet
- Encourage decarbonisation
- Support a thriving SME market
- Generate competitive procurement

3. Zonal Assessment

3.1 Following detailed design, zonal assessments will be completed. The aim of these assessments is to provide quality assurance and steer around the recommendations made for the zone and agree an approach. They will be agreed by TfW, LAs and WG, but will include representation for the relevant workstreams.

4. Plan definition and sign-off

4.1 Based on the outcomes of the zonal assessments, the TfW Programme Management Office (PMO) team will facilitate the development of a detailed schedule. The outcome of this process will be a clear critical path for the build and acquisition of depots, (where appropriate) purchase of fleet, (where appropriate) and procurement plan. It will also result in a clear plan for pooling regional funding for the zone and reviewing and monitoring the network during BAU.

4.2 Following completion of the zonal delivery plan, acceptance of the plan will be sought by the required accountable body. The body accountable for sign off is to be agreed but is expected to include representatives of TfW, the CJC and Welsh Government.

4.3 During this phase, the plan will be baselined and implemented. Baselining the plan means that the plan is signed off, and any changes will proceed through an agreed change control process. Implementing the plan includes procurement, contract award, mobilisation and communicating bus service changes to the public.