



Llyr Gruffydd MS
Chair
Climate Change, Environment, and Infrastructure Committee
Senedd Cymru
Cardiff Bay
CF99 1SN

18 June 2025

Dear Llŷr,

RE: Follow-up to Stage 1 scrutiny of the Bus Services (Wales) Bill

Thank you for sending through further questions from the Committee. I hope that you find the following response of use to you in offering further clarification on the issues raised.

Key Concepts and General Objectives

1. How did the Welsh Government consider the distance criteria in section 1(3) might impact rural services where settlements may be more than 15 miles apart?

1.1 Under the Bill a “local bus service” is a service with one or more stopping places in Wales; using one or more public service vehicles; for the carriage of passengers by road at separate fares, where passengers are picked up and set down within 15 miles (measured in a straight line).

1.2 The definition in the Bill gives no limit to the number of stops which a service can contain, nor does it give any limit to the amount of distance that a service can cover. Driving distances regulations set out in existing legislation, such as within the PSV regulations will still apply to services. <https://www.gov.uk/drivers-hours/passenger-carrying-vehicles>

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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.

- 1.3 The definition in the Bill aligns with the existing definition so that it remains recognisable within the industry and will not cause any unnecessary issues on cross-border services.
- 1.4 Stops between settlements exist in the current bus network and will continue in the new network.

2. How does section 1(3) apply to flexible bus services?

- 2.1 As long as there is the opportunity for embarkation and disembarkation within the 15-mile limit within the geographical boundary of the service, then the flexible service meets the conditions set out in section 1(3). Users will have options for embarkation and disembarkation points when booking their journey on the app or when they call to book the service.

3. How can “hail and ride” services – which have a fixed route but limited if any fixed stops, be accommodated?

- 3.1 Many “hail-and-ride” services currently operate throughout Wales. They operate as part of a local bus service and are registered by operators as part of a local bus service. Operators must inform the Traffic Commissioner, as part of this registration, if they have “Hail and Ride” sections within the route being registered. We want to see these continue under the Bill.
- 3.2 Whether any particular service is accommodated under the Bill depends on its precise nature given the need to apply the specific requirements such as the definition of a local bus service. We are currently reviewing the range of services to be offered to ensure they align with the definitions set out in the Bill.

Reporting and Evaluation

4. What monitoring framework or metrics will the Welsh Government use to assess progress towards the objectives set out in the Bill?

- 4.1 Monitoring frameworks are currently in development and will be based around the following:
 - An evaluability assessment will be completed soon after the Bill's passage, setting out a programme for assessing its implementation and impact.

- An independent process evaluation will occur during the first two to five years of the Bill becoming law to assist Welsh Ministers with reporting on the progress made in rolling out the Bill.
- An independent impact evaluation will then be conducted between the three-year and ten-year anniversary of the legislation receiving Royal Assent to determine whether the legislation has had the desired impact on objectives.
- Building on from the impact evaluation, during years five to ten following Royal Assent it is anticipated a Value for Money assessment will examine cost-effectiveness, including time savings, health, and environmental impacts.

5. In relation to section 20, why are broader reporting matters such as franchising steps and future policy aims not explicitly included in the Bill?

- 5.1 The approach that we have taken in the Bill balances the need to focus on making progress towards the objectives and the need to demonstrate how the functions have been exercised.
- 5.2 The report should highlight which functions provided by the Bill have been relied on to make progress, as well as the way in which those functions (primarily the core duties, although the report would not be limited to those) have been exercised to make such progress.
- 5.3 We want to make the process as pragmatic as possible whilst ensuring that we hold Transport for Wales (TfW) to account and enable the Senedd to hold Welsh Ministers to account. Further information in the report may include matters that are connected to the wider delivery of bus services that don't relate directly to the objectives such as actions that we intend to take going forward. They are not included in the Bill because we need to allow for flexibility to understand exactly what they would be.

Learner travel

6. Learner travel is not provided for in the Bill. What assessment have you made of the potential impact of this Bill on learner travel provision, and what discussions have you had with local authority representatives on these matters?

- 6.1 Local authorities have the statutory responsibility for assessing the learner travel needs in their area and arranging transport for eligible learners through the Learner

Travel (Wales) Measure 2008. We do not intend to make any alterations to the Measure through the Bill.

- 6.2 The Bill allows us to consider opportunities to further integrate learner travel with public bus services. There are already good examples of local authorities doing this in Wales, but this does not happen consistently and by taking control of the bus network we can do this more strategically and effectively. We recognise that using the public bus network is not the right solution for learner travel everywhere, or for every child or young person. Therefore, it is important that local authorities retain responsibility for the entirety of this complex policy area, and we will work closely with them to take full advantage of the opportunities the Bill provides.
- 6.3 We have been clear that it will take time for us to see significant changes to the way learners access education, which is why it is so important that we continue to work closely with local authority partners in the implementation of bus reform. Local authorities in South West Wales, where we will begin the rollout of the new model, have been central to the development of the Welsh Bus Network Plan (the Plan) – we recognise the huge amounts of knowledge and expertise they have, and want to work closely with them to deliver an effective network. We will continue to work with local authorities and TfW to explore how the Plan can be developed further to maximise the opportunities for learners (compulsory and non-compulsory learner transport) to use the public service network, as per the provisions in the Bill.
- 6.4 Engagement with local authorities on all aspects of the Bill is continuing and will do so indefinitely.

Delivery capacity and expertise

- 7. TfW is not referenced in the Bill, although it is expected to undertake operational delivery of many of the provisions. Could you outline which powers, duties, and functions conferred on Welsh Ministers will be exercised by TfW, and which will remain with Ministers and civil servants?**

- 7.1 It is important to note that, ultimately, responsibility for the exercise of the Welsh Ministers' functions remains with the Welsh Ministers. TfW, on behalf of Welsh Ministers, are working with local authorities and other stakeholders to develop the Plan and will manage the network.

7.2 TfW, on behalf of Welsh Ministers, will:

- Deal with the administration and delivery of contracts and permits.
- Manage the collection of data from operators and local authorities and the development of the system for enabling access to relevant data to the public.
- Inform the Traffic Commissioner of breaches under section 22 of the Bill.
- Exercise the direct provision of services under section 17.

7.3 The making of regulations under the Bill will remain with the Welsh Ministers.

8. Can you provide more detail on how TfW is developing the necessary contractual and franchising expertise to deliver the reforms set out in the Bill?

8.1 TfW has an experienced internal team with in-depth knowledge of the procurement and contract management processes required for successful franchising, together with experts in all relevant aspects of bus operations. These experts are part of the TfW bus programme workstreams that are set up to deliver the reforms set out in the Bill. TfW programme governance also includes the Welsh Government Policy Leads for bus reform and Bill development.

8.2 Work on the Template Franchise Agreement is led by members of TfW's Commercial Contracts team, the members of which develop and manage the current contracts TfW has for rail, infrastructure and bus services. They have extensive experience of designing and managing transport services contracts. The team is working closely with subject-matter experts throughout the bus team to ensure that contractual requirements are correctly captured in the development of an initial draft template contract, engaging also with the TfW Executive team and Welsh Government leads to sense-check the franchise proposition in its entirety and make sure that decisions align with Welsh Government policy and the bus reform agenda.

8.3 Welsh Government officials and TfW are seeking to identify best practice from Transport Authorities in the UK and internationally, which has been assisted through a series of Spotlight sessions arranged by the Wales Centre for Public Policy (WCPP). The sessions have recently concluded and a full report from WCPP is expected later this year. These sessions have brought valuable insights into critical success factors as well as potential pitfalls that we need to avoid. Ongoing engagement with local authorities and bus operators on our proposals for bus reform is also crucial.

8.4 Bus franchising and the rollout of contracts will benefit from TfW's in-house expertise and ongoing planned engagement with the bus industry and stakeholders.

9. You highlighted the important role of local authorities. To what extent have local authorities been involved in the development of the proposals? What specific measures are being taken to retain and enhance their operational capacity?

9.1 Officials have consulted on bus reform extensively and continue to work closely with local authorities and other key stakeholders to inform policy on bus reform, for which the Bill will provide the legislative structure.

9.2 Discussions with the industry have been on-going since 2017 and have taken place in the form of bus summits, working groups and public consultations. The provisions in this Bill have been shaped by these discussions, consultations, and publications.

9.3 Engagement and policy development for the Bus Services (Wales) Bill 2020 (Withdrawn), Llwybr Newydd: the Wales transport strategy 2021 and Bws Cymru all heavily involved local authorities and the Welsh Local Government Association (WLGA). Highlights of these engagements are detailed in the Explanatory Memorandum [HERE](#) (pages 27-33).

9.4 These engagements informed the early development of the White Paper: One Network, One Timetable, One Ticket. In recognition of the key part that we want local authorities to continue to play within bus reform, officials established the Bus Legislation Working Group in early 2022, which consisted of representatives from local authorities, TfW and Welsh Government policy officials. This group met fortnightly to discuss the policy topics going into the White Paper and recognised the knowledge and understanding that local authority officers have of the bus networks in their areas and the skills they possess to help develop the proposals.

9.5 Welsh Government, along with TfW, continues to engage regularly with local authorities as we advance towards planning for implementation and beyond. Meetings are held fortnightly to discuss issues, and to help guide decisions, recognising the local knowledge and expertise. There is also local authority representation from each Corporate Joint Committee region at TfW's Bus Reform Industry Panel, which includes all key stakeholders.

Public and stakeholder engagement

10. How will local authorities, the public and stakeholders be consulted on operational details such as timetables, fares, and vehicle quality?

- 10.1 Local authorities and TfW are working together to develop the Plan in preparation for Bus Reform.
- 10.2 In the South West preparations are continuing for the launch of public engagement on a draft Proposed Base Network, which has been co-created with the 4 local authorities in the region. To reach this point, TfW has held various engagements including:
- attending informal Cabinets with Carmarthenshire and Neath Port Talbot;
 - all-Member Briefings with each local authority in South West Wales;
 - engaging with the South West Corporate Joint Committee.
- 10.3 TfW are currently working with each local authority in South West Wales to engage their Members ahead of commencing the public engagement.
- 10.4 As we begin the work to roll out franchising in each zone, TfW will publish a regional engagement commitment that details the plans to involve local communities in bus network design. The commitment will focus on capturing the views of local service users and potential service users to ensure we build a network that local people want and can use. The Commitment to Community Involvement has now been published for the South West Wales region and provides detailed information on our engagement: [Bus Reform: South West Wales](#)
- 10.5 As the transition to franchising will take place over several years and owing to the complexities across the network and diversity of our communities, we will publish a revised regional engagement plan ahead of franchising being rolled out for every zone, bespoke to each.
- 10.6 As we progress closer to implementation, TfW will communicate any service changes, and undertake localised community engagement where they and local authorities identify a new network/timetable change which would benefit from such localised engagement.
- 10.7 In a 'Business as Usual' operational context, this collaborative working between local authorities, TfW and Corporate Joint Committees will continue to ensure that the local

bus network, including timetables, meets local requirements. TfW will continue to make network changes and enhancements; they plan to undertake localised public and stakeholder engagement on local changes, hosted on the Have Your Say platform.

10.8 TfW has established a framework for stakeholder engagement, specifically dedicated to Bus Reform. To ensure a consistent, high quality customer experience across Wales, the approach to fares and ticketing, vehicle specifications and other key aspects such as customer information will be refined through this engagement framework. The TfW Engagement Architecture is also being used to provide advice to the development of bus franchising, for example using their Accessibility and Inclusion Panel. We will continue to engage with representative organisations for passengers in relation to these matters throughout the course of the transition to franchising.

10.9 Alongside this TfW have an established Social Partnership Framework of meetings, to look at both operational and strategic requirements.

Permits and contracting

11. How, in practice, would Part 3 of Schedule 1 services be included in the Welsh Ministers' plans under section 18?

11.1 It is unlikely that these types of services will be relied upon on a regular basis.

However, we wanted to ensure that it is possible to rely on current services that are part of the existing network where this would be beneficial.

11.2 In practice, we could use, for example, a work shuttle service to satisfy the duty under section 5(1)(c), where appropriate. For example, a service that operates in Newport under Part 3 of Schedule 1 picks up Amazon employees from various pre-determined locations and takes them all to the Amazon warehouse. This service is not open to the public but satisfies a local transport need.

12. Can you provide examples of circumstances where Welsh Ministers would rely on the provisions of section 18?

12.1 It is unlikely that we would use this provision on a regular basis. Our policy intention was to ensure that we avoid unnecessary duplication of these services that were already being provided to serve a public need.

13. Can you provide examples of the further services which might be added using the regulation-making power in section 21(3), and the circumstances where this might be used?

13.1 Section 21(3) makes provision for Welsh Ministers to effectively vary the list of excepted services in the restriction. There are no current plans to exercise this power. However, it is recognised that the power may need to be used in future; in an evolving market of public transport there may be, for example, types of bus services that are not envisaged to form part of the core scheduled network but may still be captured by the definition of local bus services.

14. You referred to developing incentives to increase patronage. Can you provide more details on these mechanisms and how they will be embedded in contracts?

14.1 A range of different metrics are being considered for suitable incentive regimes that may be included in franchise contracts. Among others, these may include measures related to punctuality, ticketless travel, customer satisfaction and patronage.

14.2 In terms of patronage specifically, it is intended that franchise contracts will be “gross cost” contracts, with revenue risk residing with the Welsh Ministers. Consistent with that, it is intended that TfW will set fares and ticket types that operators will sell on board or can be purchased through the app. Tickets will become increasingly multi-modal and unified across rail and bus. This aligns with the policy of “One network, one timetable, one ticket”.

14.3 However, there are a number of levers that may influence patronage that will remain under the control of operators to ensure delivery of a safe and reliable journey, with good customer service. This will be vital in the franchised context, as it is operators that know their customers and are well-versed in meeting their needs.

14.4 Suitable benchmarks or targets for measures of patronage or other performance indicators will be set on a case-by-case basis as relevant to the routes included in each franchise package. In some cases, it is likely that these will drive financial bonuses and/or penalties; in other cases, the achievement of targets may influence decisions to confirm the full franchise term for the operator.

14.5 We are seeking to identify best practice from Transport Authorities in the UK and internationally, which has been assisted through a series of Spotlight sessions arranged by the Wales Centre for Public Policy (WCPP). Incentives have been a key topic in these sessions which have recently concluded, and the full report from WCPP will further inform our thinking in this area.

Welsh Bus Network Plan

15. You explained the Bus Network Plan will be reviewed regularly. Could you clarify how revisions will be consulted on and communicated, including how public views will be taken into account?

15.1 Section 7(6) of the Bill requires updated versions of the Plan to be laid before the Senedd. Prior to these updates being laid, the Bill requires the Welsh Ministers to consult with specified stakeholders on the revised draft Plan, unless the conditions in section 8(1)(a) or (b) are met. Alongside this a report/statement will be published to describe the national picture of bus network changes.

15.2 We appreciate that the bus network is dynamic, it will change over time, and as such some proposed localised changes will require localised engagement. As referred to in the response to Q10, it is the intention to undertake engagement on a route level in relation to a small network (a collection of local bus routes) where proposed changes would benefit from such localised engagement. The scale of these would be proportionate to the scale of the proposed change. It is expected that TfW and local authorities would offer online and in person opportunities to facilitate engagement where possible, following a similar model to recent TrawsCymru engagement events.

15.3 It would not be possible, nor proportionate, to undertake stakeholder and public engagement on every bus route/timetable change. For example, minor tweaking to timetables to ensure a more reliable service may not warrant a public engagement. Nonetheless, we are committed to ensuring that passengers are informed of these small changes, with targeted localised communications (such as via our future journey planning app, posters on buses, social media posts and at bus stops).

16. Why does section 7(3) set 14 days as the threshold for what constitutes a short-term revision?

- 16.1 We are only envisaging that the criteria in section 7(3) will be relied on in emergency circumstances, so we do not believe it would be appropriate or proportionate to place the Welsh Ministers under a duty to seek the views of local authorities and consult with stakeholders if it would restrict the pace at which we can act when we need to.
- 16.2 We consider that section 7(3) is justifiable as to not place the Welsh Ministers under a duty to revise the Plan because, in practice, it is only minor revisions or revisions required in emergency circumstances that would be under this section.
- 16.3 The information that the public will need to complete their journey will be updated in real-time on the app and website.
- 16.4 We consider that 14 days would be an adequate period of time to cover emergency circumstances. Changes lasting beyond this 14 day period would cause a longer-term disruption to passengers and would require a revision and subsequent publication of the Plan.

17. In relation to section 8(1), when would a revision be considered to have “no more than minor effect,” or when would it be “not reasonably practicable” to consult?

- 17.1 We need to be able to approach the Plan in a pragmatic and appropriate way. We, of course, need to make sure that the Plan is kept up to date. Potentially every event requiring change is going to be different. We need to be prepared for every eventuality and to be able to consult where appropriate. Under section 27 of the Bill, we will keep the public informed on how any changes will affect their journeys.
- 17.2 There may be some circumstances where a revision to the plan will have a very limited impact on passengers and providers of bus services. For example, if a route changed without affecting principal stopping points and with little impact on journey time, that would be considered a minor revision. These minor amendments should not trigger the consultation requirements because it would be disproportionate considering the limited impact on users. Similarly, there may be circumstances that make it impracticable to consult. For example, if emergency works have to be carried out on a road leading to a deviation in a service route it may not be practicable to consult on that change because the change might not last as long as the consultation or there is no choice as to action.

Cross-Border Services

18. How have you engaged with English authorities and stakeholders in the development of section 19?

18.1 TfW are in contact with English local authorities, particularly along the North Wales borders where they are engaged in discussions on cross-border services for the North Wales region (though they are engaging with English authorities along the entire border).

18.2 It is important that we protect and promote cross-border services on both sides of the border.

18.3 Discussions with colleagues in the Department for Transport are also on going with regards to cross-border services and the effects of both the UK's Bus Services (No. 2) Bill and our Bill.

19. Can you provide further written explanation of the rationale for section 19(5) and particularly how it avoids a risk of circularity?

19.1 Under section 19(1) a service is a cross-border service if it is included in the Network Plan and its route (or, for flexible services, the geographical area of operation) is partly in Wales and partly in England.

19.2 Under sections 19(2) to (4), the Welsh Ministers do not have to secure the English part of a cross-border service if the relevant transport needs of people in Wales will be met without it.

19.3 Under section 19(5), when considering whether those transport needs would be met without the English section of the service, the Welsh Ministers cannot take into consideration services provided by local transport authorities in England under section 63 of the 1985 Act. The duty on English local authorities to provide a service under section 63 applies if that service would not otherwise be provided.

19.4 Section 19(5) seeks to remove the possibility that both the Welsh and English duties to secure services could be considered in relation to the same service (the English part of a cross-border service). If that were the case and section 19(5) were not in place there is a risk an impasse could result with both a local authority in England and the

Welsh Ministers concluding that if they did not provide the service, the transport need would otherwise be met. This is because the English local authority could conclude that the section 63 duty does not apply, so it does not need to provide the service, because the Welsh Ministers are obliged under section 5 to provide it and similarly the Welsh Ministers could conclude that they do not have to secure that service because, in the absence of them securing it, the English local authority will be obliged under section 63 to provide the service.

19.5 This demonstrates that without section 19(5), there is a risk (referred to as the risk of circularity) that a particular service is not provided because both the Welsh Ministers and the English local authority think the other should secure its provision.

20. On 7 May your legal advisor outlined how the risk of duplication is avoided as a result of section 19(5) in relation to an English section 63 service which is cross-border. How will the risk of duplicating an English section 63 service which is not cross border and is wholly in England be avoided in the English part of a Welsh cross-border service if the Welsh Ministers are unable to take account of it?

20.1 Coordination on cross-border services is essential with English bordering local authorities. We have had discussions with colleagues in Cheshire West and Chester on the potential implications of the new legislation on both sides of the border, and we will do the same with all relevant English authorities.

20.2 Engagement with all relevant English local authorities is ongoing.

Information and Data Sharing

21. Why is the retrospective data access period under section 25(2)(b) limited to five years, given the relevance of longer historical trends in service cancellations?

21.1 The time period in relation to the request for retrospective data is in line with current legislation - section 143A(4) of the Transport Act 2000. It also falls in line with data retention practices and reflects the fact that some operators, especially SMEs, may not have access to data beyond this point. On this basis it seems unreasonable to ask for data over longer periods.

Local Authority powers

**22. What are the practical implications of the new subsidy rules under section 34?
How will this change the current subsidy regime in practice?**

22.1 Section 34 enables local authorities in Wales to give financial assistance in relation to local bus services (as defined in section 1 of the Bill), free from the requirements of sections 88(1) and 89 to 92 of the Transport Act 1985. This means, for example, that there will no longer be an obligation to invite tenders for subsidised services. Local authorities will need to consider any financial assistance granted under section 34(1) in the context of subsidy control legislation to ensure compliance where necessary. It allows municipalities to compete fairly against commercial operators in the market.

23. Stakeholders have raised the issue of the Teckal provision in procurement law in relation to this Bill. Can you clarify whether this is a matter the Welsh Government has considered and what conclusions you have reached?

23.1 Consideration has been given to the application of procurement legislation, particularly the Procurement Act 2023, and concepts such as *Teckal*. Compliance with the relevant legislation will also need to be assessed as part of exercising functions under the Bill.

Employment protections

24. On section 35 and its relation to TUPE and the Pensions Act, how significant do you expect staff transfers to be, and how does section 35 ensure adequate protection for staff?

24.1 The Bill places a duty on the Welsh Ministers to make regulations identifying circumstances in which arrangements made under the Bill will be treated as giving rise to a relevant transfer under TUPE. This approach provides the protections offered by TUPE and certain provisions of the Pensions Act 2004.

24.2 The Bill is about building bus back up and not about further contraction of services. We want to retain front line staff, especially drivers and want to encourage more to join the industry.

24.3 We have an aspiration to work in partnership for the benefit of the people of Wales throughout the further development of the Bill, the regulations and through to implementation. We will continue to engage with unions and operators to work through

the details of these regulations and ensure that we are protecting frontline jobs where required, which will protect the industry.

24.4 We recognise that all front-line staff work hard in the industry, and we do not want to lose this.

Clarity of legislation

25. You noted that amendments to the Transport Act 2000 will be brought forward at Stage 2. What will these amendments seek to achieve, and will you ensure there is no duplication or conflict with existing local authority powers?

25.1 Any amendments to the Transport Act 2000 would seek to ensure that the requirements of that Act and the new regime established by the Bus Services (Wales) Bill, including in respect of local authority powers, operate effectively alongside each other. Some changes may be substantive (for example, amending particular powers) whilst others would be more technical in nature (for example, to ensure redundant provisions are removed).

Once again, I want to thank the Committee for their time and consideration of the Bus Services (Wales) Bill.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ken Skates', is 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