

Cynulliad Cenedlaethol Cymru	National Assembly for Wales
Y Pwyllgor Menter a Busnes	Enterprise and Business Committee
Gwasanaethau Bysiau a Thrafnidiaeth Gymunedol yng Nghymru	Bus and Community Transport Services in Wales
BCT 44	BCT 44
Cymdeithas Swyddogion Cydgysylltu Trafnidiaeth Cymru	Association of Transport Coordinating Officers Wales

ATCO Cymru

Chair: Richard Cope



William Graham AM
Chair, Enterprise & Business Committee
Welsh Assembly

Date 21 October 2015

Response to Bus and Community Transport Services in Wales consultation

Dear Chair,

Please find attached our response to your consultation on bus and community transport services in Wales.

ATCO, the Association of Transport Coordinating Officers, is the professional body for local authority officers whose work involves responsibilities for passenger transport. In their authorities ATCO members are responsible for the provision and promotion of bus services and supporting associated infrastructure, rail issues, securing or providing education and / or social services transport services and developing and implementing policies under which passenger transport services are secured or promoted. Our response is based on the practical experience of members in securing and managing local public transport services.

If you have any further questions please do not hesitate to contact us. We are looking forward to appearing in front of you committee again.

Yours faithfully,

Richard Cope
ATCO Cymru Chair

Consultation questions

Question 1 –How would you describe the current condition of the bus and community transport sectors in Wales?

The bus and community transport sector in Wales is not fulfilling its full potential. While in some parts of Wales services are good, performance (by operators and councils) is variable and lacks consistency. There are some examples of very good practice, and whilst we can build on this to provide and facilitate services that allow more persons to access employment, education, etc, there are also examples leave a lot to be desired.

Reduced Welsh Government and local authority funding has led to less resources being allocated to provide ongoing support to the non commercial services that are vital to the social, economic and environmental wellbeing of Wales. Council-supported journeys make the commercial offer more attractive through the provision of services during evenings or Sundays, or by connecting communities with transport hubs for example and help maintain the viability of commercial bus services, such that any reduction in local authority support undermines the viability of commercial services, particularly at the margins. More importantly, for passengers, supported services enhance networks and provide more journey choices, which can facilitate access to employment, education and health etc.

Question 2 – why do you think the number of bus services and the number of bus passengers is declining in Wales?

In our view the key reasons are:

- Lack of funding
- Fares increases
- Lack of consideration when decisions are taken that affect bus and CT services
- Long-term socio-economic reasons

Concerning the lack of funding, this refers to both revenue & capital, and funding by both Welsh Government and by councils which has been reduced significantly in the last three years as public sector finance has been constrained. As an example, there was a 25% cut in nominal Welsh Government funding for Regional Transport Services Grant¹ (between 2011/12 and 2013/14) – and further real term cuts since. Rhondda Cynon Taf CBC has cut its local bus support budget by £400k in 2015/16 and is looking to reduce a further £100k in 2016/17.

Concerning fares increases, there have been substantial fares increases above inflation over the past couple of decades, and in some places these are still continuing though some operators have lately frozen fares, e.g. Stagecoach South Wales last increased their fares in April 2014 and have held them throughout 2015.

Concerning lack of consideration when decisions are taken that affect patronage, this refers both to location of services (e.g. out-of-town business and retail parks, proposed removal of certain health-related service to new out-of-town site in Cwmbran) as well as the difficulty introducing and maintain well-designed bus priority measures.

Concerning long-term socio-economic trends, these include growth of car ownership. These trends can be overcome, especially in urban/metropolitan areas but this requires consistent transport, economic and land use policies and practice in favour of public transport.

¹ Now called Bus Services Support Grant, previously Local Transport Services Grant and Bus Services Operator Grant (originally the Fuel Duty Rebate)

Other reasons include

- Public transport organisation – there is insufficient network integration
- Funding stability and efficiency – a lack of funding stability makes it difficult to plan, the methods of channelling funding into industry could be improve
- Network stability – in some places the network lacks stability but where partnerships add value (such as selling college season tickets on local bus services) the network has been insulated and encouraged to grow
- No Green Bus Fund in Wales

Concerning regulatory issues, see answer to question 7.

It also needs to be realised that performance varies. In Wrexham, for example, there is no evidence of a major decline in bus use. There have been increases from 2003 to 2011, and it has remained largely stable since then with the possible exception of some small decline over the last year or so as cuts to supported services have kicked in. It is likely that areas where the economy has been in general decline and where services have actually been significantly reduced have borne the brunt of the passenger reduction.

Question 3 – what do you think is the social, economic and environmental impact of recent changes in bus and community transport service levels?

As bus services are generally more efficient in transporting large numbers of passengers, there are economic costs for Wales. Higher public transport modal share generally means less spend on transport overall which means more spend on other things. Underperforming buses are in particular weakening key economic centres which, because of their high transport demand, are reliant on good public transport. Enhanced bus services should be seen as a tool in the regeneration of town and city centres.

That bus and community transport services are not fulfilling their potential means a reduced quality of life of those reliant on buses and CT services. For example, Age Concern Cymru's study "Buses – a lifeline for older people study" describes how bus services are vitally important to older people. In many parts of Wales, supported non-commercial services are often tailored to respond to the needs of older people, yet public spending cuts mean that such life-line non-commercial services are under significant threat.

Work undertaken by the Welsh Government funded Regional Travel Planning Coordinators has also found that access to jobs can be a major particular problem for unemployed and that bus services are often the only option available – and the lack of bus services at the required times can be an insurmountable barrier for taking up some job opportunities.

There are also quite direct costs to the health and education sectors, that is health boards and education services spend more on transport than they would need if bus services were better (e.g. through poor alignment of catchment areas and with existing bus services.)

A better bus network should also lead to more trips on buses, which would mean less car journeys and a reduction of negative environmental consequences to those exposed to traffic.

Question 4 – what do you think the Welsh Government should do to support bus and community transport in Wales?

The key issues where Welsh Government could lead are funding, network integration, policy integration and sector organisation.

In terms of funding, Welsh Government should provide additional funding through an independent

and secure funding stream. There should be multi-year capital allocations for bus and CT-related projects, with clear structures to ensure that benefits are maximised (e.g. peer reviews) and an independent revenue funding stream. It should be noted that this is true for councils and council funding too – further slicing of budgets will not enable support and investment in local economies and may undermine the proposed Metro system for south-east Wales and comparable initiatives in the other city-regions.

Effective network integration is an essential part of any high-class public transport system, and would benefit the buses in Wales too. With some additional funding and better organisation there is no reason why, for example, full ticketing integration as set out in the Metro proposals could not be a quick win, and be delivered within a year or so.

Welsh Government could also ensure that buses and community transport are properly considered in wider decision making (e.g. in economic development and enterprise zones, in spatial planning, in the set-up of health services and education) and that there are mechanisms that ensure that the implications on the public transport network are sufficiently weighted in decision making.

The Welsh Government should also ensure that there are separate bodies/body focussing on public transport strategy and leading on delivery – as set out in our response to your consultation on an integrated city-region transport network. This could be regional bodies or a single national body or a mixture, and whilst there are options for set-up / structure / framework, there is no example of a successful public transport system without such a body. Such a body, once established requires organisational stability, a certain medium term funding stream, a partnership approach and the ability to administer funding more efficiently. (The current system of WG-operators-council working groups and WG-led delivery does produce some results, but is not very effective and on its own is not efficient. It should be noted that such bodies/body would be expected to lead and coordinate, with day-to-day delivery to continue with councils and operators. It should further be noted that Traveline Cymru is already undertaking some of the functions that such a body would be expected to lead on.)

Concerning regulatory issues, see answer to question 7.

Question 5 –what do you think Welsh local authorities should do to support bus and community transport services?

As stated above, councils should also provide additional funding. It must be noted though the current financial environment makes it extremely difficult for councils to dramatically improve performance. One option that may be worth reviewing is to ring-fence council bus / public transport expenditure.

The South East Wales Transport Alliance had develop an outline framework of how to improve performance through regional strategies, whilst still taking account of local circumstances but was not provided with funding to progress many of the aspects of the work.

In terms of bus quality, this work has been carried forward in south east Wales, and an outcome based quality standard system has been introduced as part of the Bus Services Support Grant (BSSG) process in the region which incentivises operators to improve standards. However because of funding cuts and corresponding reductions in mileage in the more urban areas, the pence per kilometre payments for the highest quality operators are actually lower in 2015/16 than for all operators in 2014/15, which somehow dampens the systems' ability to turn funding into quality improvements. Additional funding for bus quality should be ring-fenced.

Some councils look to incorporating bus service improvements (infrastructure and services) in travel plans (e.g. Wrexham), and this is an area where others could follow and us to improve services.

In practice councils can also have discussions with bus operators and make suggestions that can influence commercial service provision to some extent. However, without adequate funding this is

more difficult.

Question 6 - what do you think about proposals to devolve bus registration powers to Wales? How should these be used?

In our view the Traffic Area Office dealing with Welsh bus service registrations in Leeds is not fit for purpose. A new system for Wales could see Traveline Cymru become owner of all registration data, which would improve the quality of information provided, efficiency of data management and may enable better coordination of information provision between Traveline Cymru and councils. However to enable Traveline Cymru to undertake this work would require it to be more financially and organisationally stable. Furthermore, new powers are not actually required to deliver this objective, as it could be achieved through the BSSG process. We note that the Traffic Commissioner for Wales is also in favour of such devolution.

Question 7 – please tell us whether you think further powers to regulate the bus industry in Wales are required and why?

In our view the regulation of bus services is not currently biggest obstacle to improved bus and CT services.

It must be noted that regulation is a tool to achieve other objectives such as better quality, integrated ticketing / fares, higher frequency, better evening/Sunday services, management of competition, network stability, etc., and that there are alternative delivery mechanisms that can also deliver many of these objectives.

For example, improved quality could be delivered through BSSG quality standards, though more funding would be needed to do this (see question 5).

For the other objectives it is more difficult to see how they can be delivered in the current regulatory environment without more funding, for example frequency enhancements.

Some existing alternative delivery mechanisms, such as Quality Contracts, are in our view not workable in the current organisational and financial framework in Wales. Full franchising and a more regulatory framework is likely to require substantially more money than is currently being provided by WG or councils at the moment.

A partnership approach as exemplified in South Yorkshire, can also deliver such objectives, and whilst it would still require some additional funding, it should be less. Partnership though still requires a two way approach – while operators are investing in new buses and services, Welsh Government and councils must deliver infrastructure and other projects as set out in questions 4 and 5.

It should though be noted that further powers to regulate the bus industry does not need to mean (and should not mean) going back to the pre-1985 system or adopting a London-style system. Any change in the regulatory framework should allow a range of approaches to be applied in partnership by Welsh Government, councils, operators and public transport agencies working together. As current performance varies across Wales, and indeed the needs and requirements of bus and CT services differ across Wales, there is no one-size-fits-all system. Where bus operators act in their own interests without considering the overall picture, some influence over the commercial bus network could indeed be helpful.

Furthermore, additional regulatory powers on their own will have limited impact, but with increased funding and partnership working will support (and improve the impact) of other proposals set out in question 4.

Question 8 – what other action can be taken to ensure that bus and community transport services

meet the needs of people in Wales?

Delivery of integrated ticketing now should make a noticeable difference, though there are examples where this has stalled in multi-operators corridors due to resistance of the individual operators

Please tell us anything else you would like to mention this topic, thank you for contributing to our inquiry.

There appears to be a suggestion that bus operators in Wales currently enjoy very high profit margins – e.g. the Public Policy Institute for Wales’s report on “A Fare Deal? Regulation and Financing of Bus Services in Wales” states that operators were “earning monopoly rents” and enjoy “supernormal profits”. We do not believe this to be the case. The TAS Bus Industry Monitor shows that profit margins for the largest operators are on average substantially below the UK average.