

Cynulliad Cenedlaethol Cymru / National Assembly for Wales

Pwyllgor yr Economi, Seilwaith a Sgiliau/ Economy, Infrastructure and Skills Committee

Effeithiau tagfeydd ar y diwydiant bysiau yng Nghymru / Impacts of congestion on the bus industry in Wales

Ymateb gan Cymdeithas Cydgysylltwyr Trafnidiaeth Cymru / Evidence from Association of Transport Co-ordinators Wales

ATCO Cymru welcomes the opportunity to submit written evidence to the National Assembly for Wales' Economy, Infrastructure and Skills Committee in connection with the above consultation.

How does congestion affect the bus sector in Wales and how does this compare to other parts of the UK?

In response to this question, it is appropriate to refer to the findings of a study published in 2016 by the Greener Journeys organisation entitled "The impact of congestion on bus passengers". This study undertook research into the impact of rising traffic congestion on the bus sector over several decades and was able to demonstrate the link between traffic congestion, rising operating costs for bus companies, fare levels and declining passenger usage.

Using evidence gathered from across Great Britain, the study found that for urban bus services there has been an increase in end-to-end journey times of between 0.5% and 1.5% per annum over the past 30 years. The primary cause of this increase being worsening traffic congestion along key arteries, which itself is caused by a number of factors such as the growth in delivery vans related to the proliferation of online shopping, increasing car ownership, uncoordinated roadworks and the growth in private hire vehicles associated with smartphone apps such as Uber.

This trend has translated into falling bus speeds with the study showing a direct correlation between bus speeds and patronage. Namely, it concludes that a 10% decrease in bus speeds reduces bus service patronage by at least 10% which, with longer end-to-end journey times, can also lead to an 8% increase in a bus operator's costs in order to maintain a service at existing frequencies which require using extra resources. These higher operating costs are often met by the passenger through the increased fares box or in terms of reducing service frequencies as the operator seeks to contain costs.

The Greener Journeys study states that congestion has been "corrosive to the bus sector" in which it has been caught in the "vortex" of three vicious downward spirals:

- Slower speeds leading to higher costs, higher fares, fewer passengers, service decline, fewer passengers.
- Slower speeds leading to increased end-to-end journey time, fewer passengers, service decline, fewer passengers.
- Slower speeds, punctuality and reliability decline, fewer passengers, service decline, fewer passengers.

In Wales, the situation is no different. A recent report identifying the South East Wales Regional Bus Infrastructure and Corridor Investment Strategy compared the peak and

off-peak journey times of a number of services between valley communities and Cardiff over a 5 year period. This report found that, in a number of instances, journey times had increased, with the bus operators experiencing similar difficulties and challenges caused by traffic congestion as are being felt in other parts of Great Britain. Similarly, over the same period, a significant proportion of the strategic services in North Wales have not only suffered from worsening journey times, but the main operator has tended to increase the number of vehicles and drivers required to run them or made modifications to specific routes in order to try to counter the effects of lengthening journey times. Both solutions are at the detriment of passengers and ridership.

How should policy be improved to address the impact of congestion on the bus sector?

In surveys undertaken by organisations such as Transport Focus and Bus Users Cymru, a punctual and reliable bus service is regularly highlighted by passengers as a 'priority for improvement'. The ability of bus operators to provide such a punctual and reliable bus service can also often affect the overall 'passenger satisfaction' rating given to a bus operator in these surveys (eg. Transport Focus Bus Passenger Survey Autumn 2016).

Under the right conditions and circumstances, local bus services are efficient 'people movers', with buses taking up significantly less road space, using less energy and emitting less pollution per mile than the motor car. A package of measures which can make better use of the limited highway space will create the conditions in which improved bus speeds and more reliable bus services can be delivered and enable the bus operators to offer a more sustainable, viable and attractive alternative to the motor car for journeys in urban areas. However, ATCO Cymru recognises that reallocating road space away from the motor car can be controversial and difficult to implement in certain areas.

In terms of improving policies to address the impact of congestion on the bus sector, ATCO Cymru argues that the focus should not just be on physical infrastructure measures along the highway. At a national level, tax and fiscal matters such as fuel duty can influence car ownership and use. At a regional and local level, Spatial Plans and Local Development Plans can ensure that new developments and facilities do not generate extra traffic by locating them along existing public transport routes.

As the local highway and planning authority, councils in Wales already have the legislative powers and mechanisms in place to implement various infrastructure measures that can influence traffic volumes and benefit bus services. These can be backed up through civil enforcement and new technology such as urban traffic control systems and CCTV monitoring.

Notwithstanding this, ATCO Cymru believes that these measures can only be effective in encouraging car users to switch modes if, at the same time, there are policies in place and a commitment on the part of the bus operator(s) to invest in raising service quality standards and reducing dwell times at bus stops.

In South East Wales, the ground-breaking Bus Quality Standards Scheme links the payment of enhanced kilometre support to the raising of quality standards by the bus operator. However, the freezing of Bus Services Support Grant funding meant that operators were being paid more in 2013 / 2014 for providing less fewer quality aspects when compared with those that are being provided by the bus operators who qualify for the highest level of pay enhancement at the present time.

Furthermore, ATCO Cymru also believes that, in parallel with these measures, quality improvements and demand management measures such as congestion charging, workplace parking levies, raising car parking charges and reducing car parking capacity in town and city centres need to be introduced. In other words, adopting a "carrot and stick" approach in order to reduce the impact of traffic congestion on the bus sector.

However, it is acknowledged that it is important to find the balance so that these combination of measures do not adversely impact on the vibrancy of town and city centres which need to remain in the light of the growth of online shopping and continuing popularity of out-of-town retail parks.

Every urban area has its own specific characteristics and a package of measures implemented in one urban area may not be effective in a neighbouring area. For example, the physical constraints and topography of a South East Wales Valley, as elsewhere, may restrict the ability of local authorities to provide priority for bus services along the highway and the only effective solution towards overcoming congestion is to improve the flow of traffic in general.

This measured approach indirectly benefits the operation of local bus services as does the Environment Act 1995 which places a statutory duty on local authorities to monitor air quality in their area and draw-up Air Quality Action Plans for communities where certain pollutants exceed the national guidelines. In most cases, the main source of these pollutants is vehicle emissions. Buses are often seen as the culprits but increasingly the newest ones meet Euro V and Euro VI standards and are far less in number than light goods vehicles that dominate the street scene. In addition, the emissions from HGV refrigeration units or auxilliary heaters must not be overlooked.

In other areas of Great Britain, a Green Bus Fund has previously enabled bus operators to bid for money to help them purchase new, low carbon emission buses which, as a consequence, has helped to accelerate the scrappage of their older, more polluting vehicles.

Taking the above observations into account, ATCO Cymru considers that it is difficult to identify where any further changes can be made to the existing policies covering Tax and Fiscal matters, Planning and Land Use, the Environment and Highways and Traffic Management that can address the impact of congestion on the bus sector. It is fundamentally a case of how the current policies and legislative powers available to both Central and Local Government are applied on a national, regional and local basis.

However, the effective implementation of these policies requires the commitment of a significant amount of resources, especially capital funding for highway infrastructure schemes. ATCO Cymru believes that under the WelTAG methodology, a strong business case can be developed for many bus priority schemes which can justify this level of funding. Through a Quality Partnership Agreement, there is an opportunity to lever in private sector capital investment in vehicle and service quality enhancements which can maximise the benefits of the funding that is committed by local authorities and the Welsh Government in terms of bus priority and other highways infrastructure.

It is also the case that effective implementation of these policies requires strong political will. For example, local politicians are more likely to receive more objections to a reduction in on-street parking or highway capacity than support for it and therefore need to be prepared to be resolute in promoting public transport policies to relieve congestion. Introducing a statutory requirement may remove the element of

political risk, assuming that the statutory requirement is not equally contentious to introduce in the first place.

However, it could be argued that both political and public support will be easier to achieve if the highway measures (such as bus priority) form part of an overall 'package' of public transport service improvements such as earlier and later buses, frequency enhancements, the introduction of new, higher quality, low emission buses etc.

Whether congestion has an impact on the need for public subsidy of bus services in Wales?

In a recent information release, the Confederation of Passenger Transport (Welsh Region) stated that the staff costs of its members have increased by over 18% above inflation over the last 10 years, mainly as a consequence of "the need for more staff to keep services going in the face of rising traffic congestion". This figure illustrates the impact of congestion on the finances of the local bus operators in Wales.

If the average speed of bus services in urban areas continues to decline, as examined in the Greener Journeys report, then ATCO Cymru believes that there may be a need for increasing public subsidy. This would be in order to maintain those local bus services which are marginally commercially viable at the present time but would become uneconomic to operate due to a combination of rising operating costs and declining passenger usage.

However, as revenue funding is most likely to decline further, either directly or through no inflationary increase, ATCO Cymru would advocate more capital funding to offset the revenue reduction in order to implement more priority measures. If an operator can save resources and increase patronage through more attractive journey times, then there is potential to halt the passenger decline and reduce the requirement for revenue support, enabling some of the new growth in revenue to be diverted into sustaining the less profitable, marginal routes. The net result of such an approach being to increase viability and reduce the overall need to subsidise services.

Conversely, if the trend in average bus speeds in urban areas is reversed, through the implementation of a package of measures discussed earlier, then ATCO Cymru believes that the "vortex" of the three downward spirals affecting the operation of local bus services, and highlighted earlier in the Greener Journeys report, will not occur.

The need for public subsidy to mitigate the impact of congestion on local bus services in Wales should only arise in order to fund the implementation of these congestion busting measures which, in turn, will reverse the downward spiral into a virtual circle of improvement. Bus operators will be able to generate more revenue from passenger growth which, in turn, will provide the funds for further investment in service improvements and quality enhancements.

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