



Ein cyf/Our ref KS/07186/19

Janet Finch-Saunders AM
Chair of the Petitions Committee

Government.Committee.Business@gov.wales

15 August 2019

Dear Janet,

Thank you for your letter of 17 July regarding petition P-05-899 Buses for people not profit.

Most bus services across Wales are provided in response to bus operators' analysis of demand, cost and profitability. Neither the Welsh Government nor a local authority is able to require a bus operator to run a particular service without subsidy. Under the current legislative framework, local authorities are able to enter into contracts to pay subsidies to support local bus services where bus services are not available or not provided to the required standard without public funding.

Each local authority is responsible for determining which services – bus or community transport – to subsidise, based on its assessment of local circumstances and priorities. Local authorities use whatever budgets they have set aside for that purpose, supplemented by our grant funding. It is important to emphasise that the Welsh Government's funding is provided to supplement local authorities' expenditure in support of bus and community transport services from their own budgets, not as a replacement.

The Bus Services Support Grant (BSSG) is allocated in accordance with an agreement reached by all 22 local authorities about how much of the total each region and local authority should receive. Although we determine the overall total for Wales, local authorities decide amongst themselves how much of the grant each will receive. For 2019-20, I have agreed BSSG funding of £25m to local authorities, matching previous years' allocations, despite challenging budget settlements by the UK Government. One requirement of this year's allocations is that local authorities must confirm the sum they have committed to subsidise bus and community transport services from their own budgets. From next year we will link each authority's BSSG allocation to its funding from its own budget, to ensure that Welsh Government allocations are not being used to replace authorities' own funding.

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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.

It is clear that local scheduled bus services are the foundation of our public transport system. On 16 July the First Minister confirmed in his legislative statement that we will introduce a Public Transport Bill in this Assembly term, building on the proposals in the 'Improving Public Transport' White Paper that was launched for consultation last year. The Bill will be a key part of wider reforms to bus services in Wales and will help us to achieve our ambition of creating an integrated public transport network, planned and provided in the public interest, and which meets the needs of the travelling public. The Bill proposals will provide the Welsh Government and local authorities with the tools needed to drive change.

Bus is a critical component of public transport and remains a key focus for both the Welsh Government and Transport for Wales (TfW). We have commissioned TfW to review how bus services could be delivered in future to ensure that urban and rural communities across Wales benefit from a modern, integrated public transport service. TfW is engaging with local communities, local authorities and bus operators to discuss how they participate in and benefit from an integrated regional transport system, and its work will be taken into account in taking forward the Bill proposals.

In April, I announced up to £1m of funding for four pilot projects that will test innovative forms of demand responsive bus travel across Wales. Two of the four trials will take place in north Wales, with the other two in west Wales and in the Valleys Taskforce area. I will shortly be providing an update on developments with these pilots.

These trials will test different models of demand for bus services and where appropriate, build on existing delivery models. TfW will be assisting us with these pilots and the findings from these initiatives will inform the development of integrated demand responsive travel services in Wales over the next few years.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ken Skates', written in a cursive style.

Ken Skates AC/AM

Gweinidog yr Economi a Thrafnidiaeth
Minister for Economy and Transport