



Cydffederasiwn Cludwyr Teithwyr Cymru
Confederation of Passenger Transport Wales

Cydffederasiwn Cludwyr Teithwyr Cymru/The Confederation of Passenger Transport Wales (CPTCymru) is the professional trade association of the bus and coach industry in Wales and is part of CPT UK. Its members in Wales include operators forming part of large multinational transport operators, municipally owned operators, medium sized independent operators and small family businesses. CPTCymru members provide over 80% of all bus journeys and some 70% of all public transport journeys made across Wales. Our members are often significant local employers, especially in the rural parts of Wales, and make major contributions to their local economies. The bus and coach industry as a whole employs some 4000 people across Wales.

CPTCymru governance includes the Bus Commission Cymru, Coach Commission Cymru and also its Committee for Wales, all of which all members may attend, and members are consulted widely on the whole range of issues affecting road based public transport.

We are pleased to be able to contribute this submission to the enquiry by the Economy, Infrastructure and Skills Committee of the National Assembly for Wales. We have no objection to this being placed within the public domain.

Formal and brief responses to the specific questions set out in the Committee's consultation invitation are provided at the end of this submission and they form part of our overall written response.

The industry recognises that the future of urban road transport lies with ultra-low and zero emission vehicles. Operators and bus manufacturers are now developing the next generation of such vehicles that will help improve air quality and address climate change through carbon reduction. However the industry needs appropriate levels of financial support and a realistic time frame to make the transition. Electric vehicles are currently priced at around 100% premium to a standard Euro VI diesel vehicle and there will be initial outlay for depot electrical charging equipment and supply connection. It will be necessary to ensure that bus depots have electricity supply with sufficient capacity to support overnight charging of their fleets. Changes to depot layout might also be necessary to allow simultaneous charging of the whole fleet. We have estimated the cost of upgrading a single depot of at least fifty vehicles, at around £1.5m-£2m. There will also be additional, unknown and unpredictable supplier connection charges which vary from place to place. Operators also have to factor in the cost of battery replacement for electric vehicles; there is as yet insufficient operational experience to be able to predict

battery life. This represents significant upfront costs for operators looking to move to zero emission fleets.

Prosperity for All: A Low Carbon Wales does not set out the modelling against which the target of 2028 has been set. CPT has been working with its members on a bus strategy for England, which will be launched in the autumn. In this strategy, operators will pledge to purchase only next generation ultra-low or zero emission buses from 2025 (from 2023 in some urban areas). But the strategy recognises that, to deliver this pledge, the industry needs support from Government, including a commitment to:

- Support for the extra purchase cost of ultra-low and zero emission vehicles until prices progressively align with comparators and where the range can match that of diesel, to obviate the need for extra vehicles
- Work with the electricity and fuel supply sectors to ensure the electric and other alternative fuel infrastructure is in place to connect bus depots and strategic locations. In particular, key bus depots will need to be cost-effectively supplied with high capacity network connections sufficient to charge the entire fleet
- Ensure the provision of quick rapid charging infrastructure at transport hubs; new facilities need to include charging points and new bus depots need to include future proofing with EV infrastructure in mind
- Put in place a clear plan under the Government's Industrial Strategy that will support the UK's manufacturing and supply chain in improving and developing important technologies, including clean diesel, battery and low carbon technologies
- Acknowledge that with today's technology, not all bus routes will be able to be converted to EV operation and some may have to rely on ultra-low emissions diesel, bio gas or other fuels; in future hydrogen fuel cell technology may overcome this but the capital costs are currently prohibitive
- CPT UK has carried out some modelling of potential fleet replacement timeframes and costs, in order to inform the Department for Transport of the likely levels of capital expenditure support necessary to deliver the pledge in England. There is nothing to suggest that the results for England will be different for Wales. This modelling shows that even delivering on this ambitious pledge will not result in entire fleet replacement by 2028 in England. Bus operators have invested £1.3bn in new, cleaner, greener buses over the last five years such that the UK now has the youngest, cleanest ever bus fleet. The latest Euro VI diesel buses have very low emissions (emitting less NOx per vehicle than the latest Euro 6 diesel cars and having to achieve this on the road, not just under test conditions). These provide the most practical short-term solution for meeting clean air strategies and implementing Clean Air Zones. However, buses typically have a 15 year (or longer) life and investment is written off over this period. What happens to cascaded diesel buses which, in many cases, will have a residual value that may not be achieved if the market is flooded with such buses, there is a potentially considerable cost implication here? It is also important to recognise the useful life and value of these buses, and it would make no environmental sense to scrap a low emission bus with years of life remaining.

We welcome the recognition that the key to decarbonising transport is modal shift away from car and onto sustainable forms of transport, including public transport and active travel. As the statistics in *Prosperity for All: A Low Carbon Wales* show, carbon emitted by buses in Wales is very substantially less than a third of that emitted by cars (2% for buses **and** heavy trucks compared with 7.7% for cars), and one double decker bus could take up to 75 cars off the road. Buses should therefore be seen as part of the solution, not part of the problem.

By improving the service on offer we can tempt people away from their cars and onto the bus. However, many of the hurdles to increasing patronage, such as improving journey times, reliability and value for money, can be tackled only in partnership with local and national government. In particular, we need ongoing investment in measures to tackle congestion. This committee produced an excellent report on the effect of congestion on buses in July 2017, and it is disappointing that the bus industry has seen little change for the better following the report, despite the acceptance by the Government of the various recommendations made.

Buses have a vital part to play in reducing or managing congestion in urban areas, but they are particularly badly affected by it themselves, with negative impacts on journey time and reliability affecting both running costs and patronage. It is thought that congestion has slowed bus speeds by, on average, 10% per decade, and that a 10% decrease in speed reduces patronage by at least 10%.¹ In order to provide the efficient and reliable service that existing bus passengers deserve and that will increase patronage by tempting car users onto the bus, we need investment in measures to tackle congestion which include bus priority measures. Evaluation of past schemes shows that every £1 spent on investment in local bus priority measures can deliver up to £8 of economic benefit.² This includes direct benefits to users such as access to jobs, training, shopping and leisure opportunities, as well as benefits which accrue to society at large, through decongestion, reduced pollution, lower accident rates, and improved productivity.

We also welcome the recognition that sustainable transport needs to be factored in to planning decisions and the sustainable transport hierarchy for planning set out in Planning Policy Wales which seeks to prevent car dependent developments that discourage the use of active and sustainable transport. Development planning also needs to recognise the requirements for the delivery of sustainable bus services, in particular the establishment of demand “churn” along the length of the route, and the need to avoid diversions that are short on distance but long on time due to road configuration and junction design.

Prosperity for All: A Low Carbon Wales talks about “proposals to legislate to improve the effectiveness of bus services including establishing Joint Transport Authorities, Enhanced Quality Partnerships, use of franchising, enable local authorities to run their own bus services”.

¹ Professor David Begg for Greener Journeys (2016) *The Impact of Congestion on Bus Passengers*

² KPMG (2015) *An economic evaluation of local bus infrastructure schemes*

There are numerous examples across the UK where local authorities and bus operators have worked together to improve bus services (the responsibility of operators) and improve the infrastructure supporting buses (the responsibility of local authorities). Partnership agreements have brought increases in passenger numbers to towns and cities from Brighton (up 21% over the past decade) to Bristol (up 50%) and Liverpool (up 16% in just four years). Compare this with the situation in London, where passenger numbers fell, under the franchised regime, by 2% last year.

What all of these successful partnership agreements have in common is a focus on putting the bus first on our congested road network. Local authorities have invested in measures to reduce bus journey times enabling operators to run more frequent, more reliable services. The principal reason people do not use buses is that congestion means they are too slow and journey times too unpredictable. Fixing that is the real key to a better deal for passengers.

The Committee raised four specific points in the consultation invitation/terms of reference:

- *Are the transport emissions reduction targets, policies and proposals (set out in Prosperity for All: A Low Carbon Wales) achievable and sufficiently ambitious?*
These targets are extremely high, and we would question whether they are at all achievable in the stated timetable without immediate and considerable investment. This investment would not only need to cover the cost of new vehicles, but also the significant cost, and work, of providing sufficient charging infrastructure, retraining and retooling at maintenance facilities/depots. There are also questions on the longevity of batteries, and the cost of their replacement and whether the technology will achieve realistic maintenance cost reductions, and the current ability to serve all routes and duties with the battery powered vehicles. These need to be robustly tested and proved.
- *Is the Welsh Government's vision for the decarbonisation of transport sufficiently innovative, particularly in terms of advocating new technologies?*
Prosperity for All : A Low Carbon Wales gives little detail on technology or on the provision of the infrastructure needed even remotely to achieve the ambitious targets set by 2028.
- *What action is required, and by whom, to achieve the targets, policies and objectives?*
We have described in our submission the importance of cooperation in this work and how good, effective partnerships will be key to ensuring substantial carbon reduction. We also feel that *Prosperity for All: A Low Carbon Wales* is very short on costings and on how these will be covered.
- *How should the new Wales Transport Strategy reflect the actions needed to decarbonise transport?*
Again, this needs to have due regard to the practical difficulties of setting such ambitious targets and of how realistic it will be to attain them. Unrealistic targets

will surely serve as a deterrent and have the opposite effect, and could, in effect, demoralise everyone striving to reduce carbon in Wales.

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