



Bus Users response to One network, one timetable, one ticket: Planning buses as a public service for Wales

Q1: Do you agree that change is required in how we deliver bus services to meet the needs of Wales' citizens and respond to the climate emergency?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Comments:

Bus Users Cymru welcomes the long-term vision and objectives to dramatically improve bus services in Wales and deliver a bus system that boosts social equity. We welcome recognition that these measures need to be accompanied by significant investment and funding, both capital and revenue, supplemented by measures to tackle congestion and provide priority measures for bus services.

We are in the midst of a climate change crisis. The Intergovernmental Panel on Climate Change (IPCC) has highlighted in various reports that the next 10 years are crucial. The Welsh Government Net Zero Wales Carbon Budget 2 recognises this and sets out an overarching plan on how to achieve this. To do nothing is not an option.

The UK Government messaging that demonised public transport throughout the pandemic means we are in real danger of witnessing a car-led recovery. Modal shift from car dependency to more sustainable forms of transport is now urgently needed in order to cut carbon emissions and move towards net zero.

Communities need to be part of the decision-making process to determine which services and frequencies are required to meet their needs and encourage them to switch from the car to more sustainable forms of transport. Passengers need bus services that are affordable, accessible, reliable and punctual.

A number of reports highlight the importance of public transport to communities and show that people are willing to change their transport habits if other options are available.

The National Federation of Women's Institutes published "A New Route for Bus Services" report in 2021 which looked at people's experiences of using local buses and the impact of cuts to bus services.

- 52% in Wales said that their bus service had reduced with 9% saying it had ceased all together.
- 55% said that they would use the bus more if they could access a frequent, reliable service.
- 60% said they would use the bus more if timetables met their travel needs.
- 33% said they didn't use the bus due to the lack of services.

In "Making the Connection", Sustrains Cymru reported that 23% of the population of Wales do not have access to a car. In view of the present cost of living crisis this makes it crucial that communities are able to access affordable and reliable public transport. The report goes on to say that since 2010, bus vehicle numbers have reduced by 17.8% and that 12% of people do not have access to any public transport in their local area. The issue of transport poverty in Wales continues to impact on the lives of many leading to social isolation and loneliness.

In its 2020 report "Accessible Public Transport for Older People", the Equalities and Human Rights Commission commented: "Older and disabled people told us that they found the public transport system in Wales largely inaccessible. They faced a broad range of barriers to travel within a system that did not conform to the social model of disability, or support their independence. Consequently, they felt their opportunities had been limited, and that they had been left behind."

Q2: Do you agree that franchising is required to deliver the depth and pace of change to the bus network that is required in the context of the climate emergency?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Comments:

Passengers are not concerned by which regulatory system is in use. They want an easy-to-understand network with a simplified fare structure; better service frequencies during the core daytime hours with services operating 7 days a week from early morning to late evening to accommodate changing work and lifestyle patterns; and bus stops and shelters with clear information and raised kerbs to facilitate access to buses.

Bus Users has previously favoured Enhanced Quality Partnerships as the best way to deliver these aims. However, the climate change emergency requires urgent action and

we are therefore fully supportive of these ambitions to improve bus services for passengers. Indeed, the case for franchising in this document is well-made. There are concerns, however, regarding the level of funding required and how to address the failure of a franchising scheme.

We are particularly concerned about the funding requirement that a franchising network will require and whether this will be available or sustainable. We live in a climate in which we are encouraged to do more with less. As settlements from Westminster to Welsh Government have become tighter, so the pot of funding available to local authorities has reduced, requiring cuts to the services they provide in order to maintain their statutory services provision. A number of local authorities have cut their revenue support for bus services and in some cases have removed it entirely. The impact on individuals and communities has been devastating, as has the inevitable increase in social isolation with all the attendant costs.

Financial settlements in future years are predicted to be challenging as we start to repay the sums borrowed to tackle the pandemic, with further pressures on budgets due to recent announcements of significant overspend on the South Wales Metro Project. Our concern is that the franchising model may become unsustainable due to the substantial ongoing capital and revenue investment required.

We fear that decisions may have to be taken on where resources will be targeted resulting in frequencies being reduced in order to redirect resources to other parts of the network. This could lead to a reduction in the amount of income generated, as previously strong revenue-earning services become less attractive once frequencies are reduced. This in turn could lead to a decline in usage and revenue which will not be offset by the revenue from the newer services set up. Minimum service provision standards and ring-fenced funding would be essential.

The London model of franchising is often used as an exemplar of bus service provision, but there are significant differences to bus services in Wales. Buses are far more efficient in servicing areas of high population density and there is a greater density of population in London than Wales. It should also be noted that ridership in London has fallen steadily since 2014 and TfL required significant funding to continue operating throughout the pandemic. TfL is now consulting on a large number of cuts to bus services so this model is certainly no panacea.

As noted in the White Paper, there will be a significant lead time before the changes proposed will pass through scrutiny and onto implementation. In the meantime, the Bus Cymru document sets out the proposed roadmap of partnership working with operators and local authorities. Taking into account the climate change emergency, Welsh Government's commitment to invest in improvements in the bus industry and in service provision must be recognised as a key priority.

Q3: Do you agree with the Welsh Government's preferred franchising model as described above?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Comments:

We have some concerns here. A long chain from the local authority, to the regional CJC, to the all-Wales body could lead to priorities identified at grassroots level being watered down at each stage, resulting in a service being delivered which does not meet the needs of the community. If the process is too time-consuming it could also lead to stagnation and decisions not being made quickly enough.

Having just one public transport representative on the proposed supervisory board could mean they are only familiar with one part of Wales. There will need to be checks and balances in place to ensure that meaningful consultation takes place across communities in Wales to determine the priorities and bus networks required to meet their needs and aspirations. Bus Users runs regular "Let's Talk Buses" events across Wales and would be willing to extend these to gather passenger feedback.

Wales is a diverse Nation with a mix of urban and rural areas. SE Wales, for example, is primarily urban whilst mid Wales is primarily rural. It needs to be clear whether bus fare revenue would be retained in each region or contained in a central funding pot to be allocated to all areas of Wales.

Q4: Do you agree that this model provides sufficient local input for designing local bus networks?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Comments:

We would like to see more consultation with, and the involvement of, users and non-users at grassroots level to understand their travel needs and aspirations so that any plans developed meet the needs of local communities. As detailed elsewhere, there is no guarantee that what is determined at a local level will be approved at a national level.

It is important that procedures are put in place to ensure meaningful consultation occurs including face-to-face and online events to avoid digital exclusion. We are happy to offer our assistance in gathering this feedback.

In the 2020 EHRC report 'Accessible Public Transport for Older and Disabled People in Wales' it was noted that: "There was a lack of engagement with representatives for or with older and disabled people, who are experts by experience, in the development of strategies and policies. Engagement is required to align with legislation and conventions such as The Wellbeing of Future Generations (Wales) Act (2015) and UNCRPD Article 4.3. Where engagement was evident, there was no clear demonstration of how it had informed the equality impact assessment, or equality considerations in the strategy overall".

Q5: Do you agree that there is a need for regional consideration and coordination of bus network plans by Corporate Joint Committees, before combining them at a national level?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Comments:

Network plans are best coordinated at a local level where appropriate. Meaningful consultation can be undertaken with communities to develop services that meet community needs. Our concern is that plans developed with local communities become diluted or altered as they are processed and combined at a national level and no longer meet the needs and aspirations of those communities.

Q6: Do you agree that letting and managing contracts at the national level by the Welsh Government through Transport for Wales offers the best opportunity to pool franchising expertise, deliver economies of scale?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Comments:

We remain to be persuaded of the benefit of this given the experience with the rail franchise. Transport for Wales needs to demonstrate and ensure that lessons have been learnt.

Standard contracts can be written by Welsh Government and agreed by each CJC/LA which has the benefit of knowledge of operators and community requirements at the local level. We are concerned that adding in another tier of administration may lead to unintended consequences and expense without any tangible benefit for passengers.

Q7: Do you agree with the need for a duty to ensure plans are designed to be affordable?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Comments:

Following the experience of the rail franchise, it is important to manage the expectations of passengers. It would be a mistake to overpromise and under-deliver on the level of services that could be provided. Plans should be affordable but this, in turn, could restrict what can be provided for passengers and not meet their needs and aspirations resulting in less modal shift.

Given that local authorities may not have an exact cost of services, initial franchise networks will be designed without the costings required and only once bids are received will it be determined if plans are achievable or not. There needs to be a degree of confidence that an affordable franchise network offers better services than what is presently available, or could be provided within the present framework.

Q8: Do you agree that the proposed powers to make regulations and guidance are suitable to ensure franchises are let successfully and sustainably?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Comments:

We do not feel that we can comment on this based on the information provided.

Success will depend on a number of factors, such as: the minimum standards set for buses; infrastructure; passenger satisfaction levels; how easy it will be for local authorities and operators to achieve them; and how they differ from existing provision.

Sustainability will be determined once the franchise system is in operation and it can be seen whether the benefits and aspirations anticipated can be delivered.

However, there needs to be evaluation of franchise schemes and a criterion devised with which to measure success or failure. Improvement plans need to be developed for those schemes which are judged to be failing.

Q9: Do you agree with the proposed requirement to consider the impact on SME bus operators when franchising?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Comments:

SMEs play an important part in the Welsh bus sector, especially in rural areas where they are often the only operator. They may consider the prospect of moving to a franchising model overwhelming or, indeed, a threat to their business and may decide to exit the industry. This could lead to a shortage of vehicles, particularly in rural areas, and an increase in contract prices for marginal and school services. Some SMEs will need business guidance during the transition to enable them to understand the opportunities or threats to their business of investing in new zero emission vehicles.

The franchising model for London ensures that operators, regardless of size, are not disadvantaged in the process of being able to bid for single services as well as a whole network. Wales has a variety of operators reflecting the diversity of requirements ranging from one-bus operators and small, family-owned independents, to publicly owned municipal operators. Many SMEs may not have the capacity to operate over a wide geographic area, resulting in very small franchises which are disproportionately costly and labour intensive.

Franchise contracts need to reflect this diversity and recognise the differences between operating bus services in rural, semi-rural, suburban, urban and city areas, in order to ensure seamless travel for all passengers in Wales.

Q10: Do you agree with the benefits of establishing a mechanism to allow a public service operator of last resort to ensure services keep running if a franchise fails?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Comments:

This would serve to reassure communities whose residents fear the complete loss of transport options when a franchise fails and an operator announces a large withdrawal of services. An agreement needs to be in place with the office of the Traffic Commissioner to ensure that sufficient operating discs can be made available in a timely manner to plan and deliver replacement services, having first consulted with existing users to ensure that these meet their needs.

There could be potential issues with regards the transfer of assets. In the rail industry, most rolling stock is either owned by the Government or leasing companies. However, buses and depots are frequently owned by an operator which, in the case of SMEs, may also run coach services from these depots. If a franchise was lost it wouldn't be possible to transfer the assets, so the operator of last resort would need swift access to additional vehicles from leasing companies.

Q11: Do you think further specific legislative provisions are needed for the transitional period until franchising is introduced?

The Bws Cymru document sets out the roadmap for the journey and clearly the transition to franchising will be critical. The concern would be if an existing operator of commercial services who was unsuccessful in becoming the operator of the replacement franchised bus service, then decided to cease operating the service resulting in a gap in service provision for communities.

Administrative procedures and bridge funding would be required to operate interim services of at least similar quality and frequency.

Q12: Do you agree that local authorities should be able to run bus services directly?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Comments:

It is in the interests of communities if special provision is made for local authorities so they could, for example, take control of service provision in an area where there is wholesale withdrawal by commercial operators. Regulatory authorities would need to be tasked with ensuring that sufficient operating discs are made available in a timely manner to plan and deliver replacement services. This would serve to reassure communities whose residents fear the complete loss of transport options where a main operator announces a large withdrawal of services.

Q13: Do you agree that local authorities should be able to set up arms-length companies to operate local bus services?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Comments:

Local authorities should be required to demonstrate how they have considered alternative provision; what their proposals are to achieve better value-for-money for the public benefit; and/or what solutions they have for improving local bus service provision where commercial operators have failed to meet the needs of their communities.

Q14: Do you agree that local authorities should be able to invest in or acquire bus companies?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Comments:

The local authority must demonstrate value-for-money in making the investment and/or show where this benefits passengers within their local authority boundary area in terms of securing or enhancing services for passengers.

Q15: Do you agree that municipal bus companies should be able to raise funds by borrowing or selling shares?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Comments:

At present a municipal operator is dependent on its local authority owner being able to raise funds for investment in new fleet vehicles. This may not provide the level of funding that is required or may be at a punitive interest rate compared to what is available on the financial markets.

Nottingham City Transport in 2000 sold 18% of the company to Transdev PLC, the UK arm of the French multinational transport operator. This has enabled a continuous investment in new vehicles, achievement of 95% passenger satisfaction levels and a reduction in fuel used from 8m litres of diesel to 4m litres of diesel and 3.24m kg of biogas.

Any share sale should still leave the respective local authority owner with a controlling interest of at least 51% of the shares of the municipal operator. Alternatively, each local authority could be issued with a 'Golden Share', giving its shareholder veto power over changes to the company's charter. A Golden Share holds special voting rights, allowing the holder to block another shareholder from taking more than a ratio of ordinary shares.

Q16: Are there any additional safeguards you would like to see applying to the use of these powers?

Yes, municipal operators should be able to borrow funds at the same levels of existing PLCs.

Q17: Are there any further comments you would like to provide on the content of this white paper?

Franchising alone will not improve bus services. To succeed, franchising requires investment in bus priority measures along with significant funding for services.

Funding needs to be ring-fenced, sustainable and long term. We are concerned that the White Paper refers to uncertainty around the availability of long-term funding to deliver the franchising model.

The cost of delivering services in rural areas will be higher than in urban areas. However, it is vital that rural areas receive the investment required to deliver the service improvements needed by their communities.

Q18: Do you have any comments on the draft Regulatory Impact Assessment published alongside this paper?

On page 55 of the document, the projected costs of services operating under a statutory partnership are £182.6m whereas under franchising they are £171.8m.

Subject to the outcome of the consultation, however, the draft RIA will be updated to reflect the policy as presented in the proposed Bill. Further analysis will be undertaken to test the robustness of the modelling results to changes in the key assumptions in the document.

In terms of timeframe (page 31), it is assumed that the earliest the Bill would receive Royal Assent would be January 2024, coming into force in April 2024. These timescales seem ambitious.

If contracts are to be let for 10 years, clarification is needed as to whether they will include annual increases in line with inflation.

The costs for low emission buses phased in with OPEX modelling (page 61) states that: "Additional lease costs included for low emission buses [...] are offset by cheaper running costs of electric buses compared to Diesel." In February 2022 Ralph Roberts, MD of McGill's Buses in Scotland, reported that the increase in electricity costs meant it would be cheaper to use diesel to charge their fleet of electric buses.

<https://www.bbc.co.uk/news/uk-scotland-scotland-business-60356432>

Decarbonisation benefits of zero emission bus fleet quantified (page 74).

"Franchising is likely to have an economy of scale cost reduction benefit if buses are purchased via franchising authorities." This is equally true for operators under a statutory partnership.

“An organised, Wales wide programme for transitioning to zero emission buses would potentially provide a basis for a planned cascading of zero emission buses throughout Wales.” Cascaded vehicles will also require refurbishment/replacement of batteries and a costing model/strategy for recycling of end of life batteries.

2.4.2.8 regarding operational costs for operators states: “For example a network review could take place with opportunities for stakeholders to comment. As this is not a requirement, costs for such periodic reviews have not been estimated as part of this exercise”. Consultation with passengers is a vital part of this process and costs for such periodic reviews should be included.

2.4.4.1 states that “Bus reform under a franchising scenario would also include provisions for new bus infrastructure and expansion of service frequency and coverage. These types of investments have not been included in this RIA analysis for franchising this far as they are not direct requirements of the legislation.” These costs should be included, particularly given that page 61 of the document states: “as multiple door boarding is rolled out across the fleet”. Current infrastructure at bus stops is not set up to accommodate multiple-door vehicles so significant costs will be incurred updating it.

Q19: We would like to know your views on the effects that the proposals would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English.

What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?

Although existing legislation covers bilingual timetables/information/audio-visual displays, rarely does this happen. These requirements should be included in any franchising agreements to remind operators of their obligations and to facilitate compliance.

Q20: Please also explain how you believe the proposals could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

Please see Q19

Q21: We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:

Driver Shortages – This issue has not been mentioned and is now leading to last-minute service cancellations and a loss of confidence in services. This is likely to continue for a

number of years and unless addressed, will limit aspirations and provision of services. Recruitment pilots are taking place but intervention by Welsh Government is needed to develop apprenticeship schemes to attract younger, more diverse bus workers.

Passenger Consultation – Presently an operator can change a commercial service without having to consult with passengers or relevant local authorities. An obligation should be included to notify and consult with affected communities where changes are to take place.

Complaint Handling – Clarity is needed as to whether complaints are to be handled by operators or a separate body. The procedure needs to be clear, properly signposted and bilingual. Bus Users has ADR (Alternative Dispute Resolution) status with CTSI and would be pleased to discuss this further.

Workplace Parking Levy – We believe Welsh Government should strongly consider introducing a workplace parking levy on employers who provide workplace parking. Nottingham City Council successfully introduced such a scheme to tackle congestion and provide funding for improvements to public transport.

About Bus Users

Bus Users is a charity that campaigns for inclusive, accessible transport. We are the only approved Alternative Dispute Resolution Body for the bus and coach industry and the designated body for handling complaints under the Passenger Rights in Bus and Coach Legislation. We are also part of a Sustainable Transport Alliance, a group working to promote the benefits of public, shared and active travel.

Alongside our complaints work we investigate and monitor services and work with operators and transport providers to improve services for everyone. We run events, carry out research, respond to consultations, speak at government select committees and take part in industry events to make sure the voice of the passenger is heard.

Bus Users UK Charitable Trust Ltd is a registered charity (1178677 and SC049144) and a Company Limited by Guarantee (04635458).

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