

Agenda – Y Pwyllgor Menter a Busnes

Lleoliad:	I gael rhagor o wybodaeth cysylltwch â:
Ystafell Bwyllgora 1 – Y Senedd	Gareth Price
Dyddiad: Dydd Iau, 3 Rhagfyr 2015	Clerc y Pwyllgor
Amser: 09.15	0300 200 6565
	SeneddBusnes@Cynulliad.Cymru

Rhag-gyfarfod preifat

(09.15–09.30)

1 Cyflwyniad, ymddiheuriadau a dirprwyon

2 Gwasanaethau Bysiau a Thrafnidiaeth Gymunedol yng Nghymru: Tystiolaeth Academaidd a Llywodraeth Leol

(09.30–10.15)

(Tudalennau 1 – 71)

Yr Athro Stuart Cole, Athro Emeritws mewn Trafnidiaeth, Canolfan Ymchwil

Trafnidiaeth Cymru, Prifysgol De Cymru

Stephen Pilliner, Pennaeth Trafnidiaeth a Pheirianeg, Cyngor Sir Caerfyrddin

Dogfennau atodol:

Y Briff Ymchwil

Briff Cyfreithiol am bwerau'r Cynulliad mewn perthynas â rheoleiddio

gwasanaethau bysiau yng Nghymru (Saesneg yn unig)

EBC(4)–29–15 (p.1) Tystiolaeth gan yr Athro Stuart Cole (Saesneg yn unig)

EBC(4)–29–15 (p.2) Tystiolaeth gan y Fforwm Trafnidiaeth Rhanbarthol ar gyfer De
Orllewin Cymru

Egwyl

(10.15–10.30)



3 Gwasanaethau Bysiau a Thrafnidiaeth Gymunedol yng Nghymru: Polisi Bysiau Lloegr

(10.30–11.30)

(Tudalennau 72 – 111)

Tobyn Hughes, Rheolwr Gyfarwyddwr, Gweithrediadau Trafnidiaeth, Awdurdod
Cyfun Gogledd-ddwyrain Lloegr / Nexus (Saesneg yn unig)

Kamal Panchal, Uwch-gynghorydd, Y Gymdeithas Llywodraeth Leol

Charles Loft, Cynghorydd (Trafnidiaeth), Y Gymdeithas Llywodraeth Leol

Stephen Joseph, Prif Weithredwr, Ymgyrch dros Drafnidiaeth Well

Dogfennau atodol:

EBC(4)–29–15 (p.3) Tystiolaeth gan Awdurdod Cyfun Gogledd-ddwyrain Lloegr /
Nexus (Saesneg yn unig)

EBC(4)–29–15 (p.4) Tystiolaeth gan y Gymdeithas Llywodraeth Leol (Saesneg yn
unig)

EBC(4)–29–15 (p.5) Tystiolaeth gan Ymgyrch dros Drafnidiaeth Well (Saesneg yn
unig)

4 Gwasanaethau Bysiau a Thrafnidiaeth Gymunedol yng Nghymru: Sustrans Cymru

(11.30–12.15)

(Tudalennau 112 – 120)

Jane Lorimer, Cyfarwyddwr Cenedlaethol, Sustrans Cymru

Chris Roberts, Pennaeth Materion Allanol, Sustrans Cymru

Dogfennau atodol:

EBC(4)–29–15 (p.6) Tystiolaeth gan Sustrans Cymru (Saesneg yn unig)

Egwyl

(12.15–13.30)

5 Gwasanaethau Bysiau a Thrafnidiaeth Gymunedol yng Nghymru: Llywodraeth Cymru

(13.30–14.30)

(Tudalennau 121 – 123)

Edwina Hart AC, Gweinidog yr Economi, Gwyddoniaeth a Thrafnidiaeth
Rhodri Griffiths, Dirprwy Gyfarwyddwr, Polisi Trafnidiaeth, Cynllunio a
Phartneriaethau, Llywodraeth Cymru

Dogfennau atodol:

EBC(4)–29–15 (p.7) Tystiolaeth gan Lywodraeth Cymru

6 Papurau i'w nodi

6.1 Memorandwm Cydsyniad Deddfwriaethol ar y Bil Menter

(Tudalennau 124 – 125)

Dogfennau atodol:

EBC(4)–29–15 (p.8) Llythyr gan Leighton Andrews AC, y Gweinidog Gwasanaethau
Cyhoeddus ynghylch y Memorandwm Cydsyniad Deddfwriaethol ar y
darpariaethau ardrethi annomestig yn y Bil Menter

Ôl-drafodaeth breifat

(14.30–14.45)

Eitem 2

Mae cyfyngiadau ar y ddogfen hon

Mae cyfyngiadau ar y ddogfen hon

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 23	BCT 23
Yr Athro Stuart Cole	Professor Stuart Cole

CYNULLIAD CENEDLAETHOL CYMRU – Y PWLLGOR MENTER A BUSNES

Gwasanaethau Bysiau a Thrafnidiaeth Gymunedol yng Nghymru

Tystiolaeth o'r Athro Stuart Cole CBE BA MSc FCILT FICE

Athro Emeritws mewn Thrafnidiaeth, Canolfan Ymchwil Trafnidiaeth Cymru, Prifysgol De Cymru

NATIONAL ASSEMBLY FOR WALES – ENTERPRISE & BUSINESS COMMITTEE

Bus and Community Transport Services in Wales

Evidence from Professor Stuart Cole CBE BA MSc FCILT FICE, Emeritus

Professor of Transport, Wales Transport Research Centre, University of South Wales

Q1: The current position of bus and community transport sectors in Wales

Sector definition

There is a need to define what is meant by 'bus' services and by 'community transport' services.

The **bus network** includes those services operated profitably by private companies or municipal operators and which require no subsidy. This sector of passenger transport provision also includes subsidised services provided by the same private and municipal companies who, when local authority subsidy is included, are profitable for the operator. These are tendered services. 'Bus services' also includes but in a different form, *TrawsCymru* which is wholly funded by the Welsh Government currently through local authorities but with the Government's new procurement powers through the national transport company. *Bwcabus* the associated brand for demand responsive services is funded jointly by the Government, ERDF and Carmarthenshire / Ceredigion county councils in partnership with the University of South Wales.

These services operate as a 'business' with a clear corporate management style and lines of communication. The use of the term 'commercial' to distinguish them from community transport is a phrase recently taken up by some economy department civil servants which could be confusing as in the transport sector 'commercial' means a 'profitable' (i.e. a no subsidy requirement) service. This is not the case for most rural services and some urban routes.

Community Transport (CT) is in the main a volunteer driver based service. There are some exceptions in the larger operations where there is a more 'business' – style approach. Most CT operators are small local service providers. These can be in rural or urban areas and tend to be a demand responsive service with some timetabled operation. They operate in a closely defined area and do not as a matter of course provide passenger connectivity outside their locality and connections into a wider bus and rail network.

The service they provide in that locality is vital but many of them who receive public subsidy do need to examine their services to make full use of their vehicles for twelve or more hours each day. One way to do this is to feed spare bus capacity at agreed times into a sophisticated Bwcabus operation. This will reduce the cost per passenger trip in respect of seat capacity and so make better use of the capital invested in the vehicles

Financial Performance

Operating margins for bus companies during the mid – noughties (2004 – 2007) were between 2% and 4%. Since then Welsh bus companies' profit margins have been between 6.5% and 8%. This is well below the margins of the 1990's and before of up to 15%. Profit levels of bus companies are below those required by most companies to prosper and grow.

It is understood that the Welsh subsidiaries of UK companies did better than most with profit levels of around 10%. The profitability of the two major municipal operators, Cardiff Bus and Newport Bus, will be affected by partial social service objectives set by their owners.

Bus operating costs

An analysis of selected bus company accounts in 2004 and in 2014 show the costs split as:

Labour	60% (65 – 70%)
Fuel	17% (3%)
Overheads	8%
Insurance	3%
Maintenance	4%
Other	8%

(Source: Applied Transport Economics 3rd Edition Cole, S Publishers: Kogan Page; current bus industry statistics)

Figures in brackets are for 2004

Fuel costs for bus companies even with the benefits of hedging have risen by over 250% from 1999 to 2014. Prices have fallen more recently.

Driver productivity measured by miles operated has fallen due in the main to increased congestion particularly on urban roads

Q2: Reasons for a decline in bus service numbers and of bus passenger numbers in Wales.

Two separate casual factors are implied in this question but both are part of a vicious circle. The decline in bus passengers led to fewer bus services returning a reasonable profit level (considered to be 15% at the time (1960's – 1990's) and thus services being reduced despite subsidy being provided. This service reduction led to less accessible bus services in particular in rural areas but also on urban evening and Sunday services leading to passengers finding more convenient modes or not travelling at all.

Spatial changes

There has been an historic decline in bus usage since the 1960's following increased car ownership which gave wider opportunities to travel. This modal change has undoubtedly been the cause of most of the passenger loss. Simple journeys by young people based on the availability of the 'parent taxi driver' and the parental choice not to allow younger children to travel alone have reduced bus travel.

Other spatial changes which have contributed to the decline include:

- The development of housing estates with larger land plots per house (a change from terraced housing to detached and semidetached properties). In consequence a geographically compact population more easily served by buses was replaced by a pattern with a lesser critical mass.
- the creation of internet shopping (making travel to shop unnecessary); out of town shopping centres which unlike town centres do not have the critical mass of shoppers who can be brought to one central point in a town centre.
- fewer retail jobs exist;
- The development of employment centres and regional hospitals on the edges of towns or based at motorway junctions. These have made travel for shift work increasingly difficult or impossible by bus
- location of other health facilities

- The current procedure at major health centres where patients are asked to arrive at 09.00 when it may not be necessary to do so until later in the morning. This makes some journeys impossible by bus
- in those areas where community transport is provided, travel to doctor's surgeries and social service centres may have transferred from the bus service
- the decline of the cinema and theatre and other live entertainment both for sports fixtures and evening activities and the expansion of television channels and other home activities have led to fewer people 'walking the streets' of an evening.

'Fiscal changes'

- reduced petrol prices led to people returning to car use (140p > 101p > 132p > 104p) as prices changed
- a reduction in the use of concessionary passes (down 4% from 2014 to 2015)

These have reduced the bus market share and in turn have made it more difficult for bus operators to provide the previously wide range of service destinations. This led to the withdrawal of evening services by most companies with journeys after 19.00 either having reduced frequency or requiring subsidy or not operated at all

Bus operations have also received more of a negative press than a positive image. The comments have been about unreliability, high fares, old uncomfortable vehicles and unhelpful staff. This only reflects a part of the bus business with considerable investment by many companies in new vehicles along with customer care training for drivers. The role of the Traffic Commissioner and of Bus Users Cymru is to monitor the timekeeping and cleanliness / physical condition of the bus; the Traffic Commissioner also has statutory powers of enforcement through financial penalties and changes in or withdrawal of bus operating licences. But a combination of those projected views (whether accurate or not) and often a single bad experience can dissuade existing and potential passengers from using bus services.

Detailed analysis of some factors

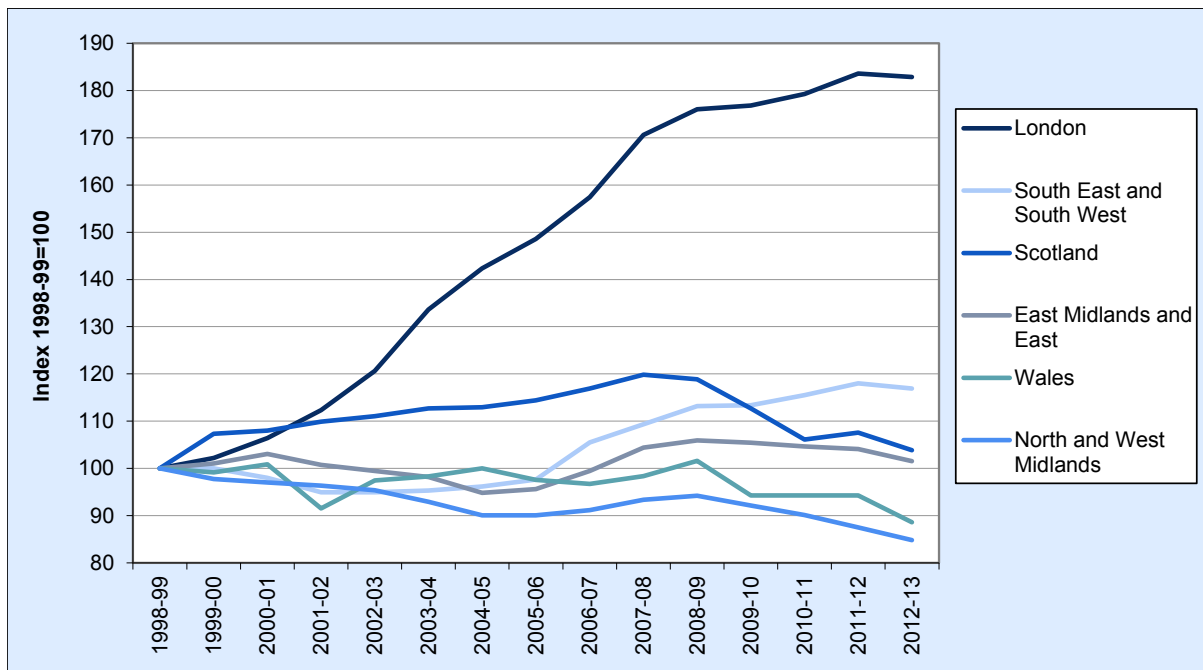
The bus market in Wales (according to DfT figures) has contracted more than elsewhere in Great Britain. Between 2008 and 2014 it was down 15.9%. In Scotland the fall was 13.6%; 3.1% in the English shires but a growth in London of 5.2%.

Bus fares in Wales rose by 1.0% above inflation in 2014 compared with 0.6% in England and 0.3% in Scotland over the last year. But this is not the full story as historically this would result in an annual demand reduction of 0.3%.

Numbers of routes (and route mileage) has fallen by 25% between 2005 and 2014. This is not the same factor as reduced patronage. It can be the result of

- Rationalisation through combining routes and thus reducing mileage.
- through a hub operation where passengers interchange
- changing the route structure to avoid time consuming diversions off the main direct route or as a means of reducing operating cost
- maintaining frequency or reducing operating costs but at the expense of a longer walk to the bus stop
- In urban areas reducing a 15 minute frequency to a 20 minute frequency with little impact on the travelling public. Such a frequency reduction would be preferable to a one hourly service being reduced to a two hour frequency in a rural area. Both would result in eliminating one bus working (with associated staff reductions)

Fig 1: Bus passengers: Trends in bus passenger numbers 1998-99 to 2012-13, Wales, Scotland and English regions



Source : Welsh Government Transport Statistics (Ref Fig. 410)

There is a close correlation between car ownership and bus use and in the most recent over 60's generation there are far more women drivers than 10 years ago. Also some passengers are wealthier than they used to be and are likely to use their concessionary passes less – but this important bus market segment requires more research.

Fewer evening journeys has reduced passengers because they may go *into* the entertainment and retail area but often have no return service after 7 pm so make neither trip by bus. Bristol has successfully increased services and demand on some

evening routes. Cardiff has market potential from a major retail offer, thriving night life, a major railway station and the Cardiff – Newport market. Swansea, though smaller, has a potential student market growth from SA1 to Oystermouth through the city centre.

Reduced frequencies, unreliable timekeeping, lack of information particularly for those not internet savvy, many people not knowing how to use the system or having the one bad experience have all played a part.

The change in demographics, internet shopping, store home deliveries and click and collect retailers has also led to a fall in demand. For many the car is more convenient with perceived costs (fuel and parking) being lower per person compared with a bus fare. Out of town, car based shopping parks with free and convenient parking; major chain stores and long opening hours are harder to serve than a traditional town centre. Llanelli's Parc Pemberton / Parc Trostre is an exception, served by existing inter – town services.

Q3: Social, Economic and Environmental impact of recent changes in bus and community transport service levels

Generalisations should not be made here. Each set of reductions in service level should be considered individually. It may be that some services have been removed as part of a rationalisation process and that a new set of services have been introduced to compensate. In many counties all services were assessed on the basis of a recognised process used in various forms in other countries.

In principle those services with the highest cost per passenger trip (cppt) are the first to be considered for closure. The reason for the high cppt is low usage. However the decision has to be tempered with accessibility to (usually) rural settlements.

In urban areas there may be a withdrawal of services but only through reducing frequency from every 15 minutes to every 20 minutes. This has often been done to achieve higher profitability. The risk to the company is a loss of patronage through a regular change in timetables. Generalised cost is a means of measuring in economic terms the impact on the passenger.

Generalised cost

The private company is interested in market success. This can (and seen by government authorities to) be achieved through:

- a professional approach to the management of the business
- achieving profitability so able to fund future investment

- customer care and satisfaction – this has to be a first priority; seen to be so; measured and the results published (as in the rail industry)
- high quality vehicles (as suggested above)

Generalised Cost is an economics concept developed (by Dr David Quarmby CBE a previous London Transport managing director) in the 1960's. Using this technique avoids a purely financial analysis which is appropriate for private sector project evaluation but not as a means of measuring output benefits from public sector investment or revenue account expenditure.

The public authority interest lies in the comparative cost in terms of different elements comparing a journey by car to that by bus. Only by reducing the bus generalised cost can we begin to reverse the trend. The elements of generalised cost are:

In vehicle time is the actual time travelling from e.g. Gorseinon / Pontybrenin (GP) to Swansea (High Street) Railway Station (SRS). It applies to bus and car but is longer by bus because of frequent stops, passenger time on and off the bus; driver time collecting fares; traffic congestion. Many passengers will allow extra time for possible road congestion.

Walking time for the car is zero. There is walking time at work / home end of the journey for the passenger to / from the bus stop / railway station

Waiting time for car is zero. For bus time at the stop can be disproportionate to the total journey time; passengers will often arrive early at the stop and have to face unpleasant elements (rain, wind, cold) with no shelter; uncertainty about the bus arrival as real time information is invariably lacking (Gwynedd and Cardiff at two ends of the population density do provide electronic timetables at bus stops). Often there are no up to date timetables at stops. Walking time is high value as it is non – productive

Money cost for the car is petrol and parking and is divided by the number of occupants so cost per person can be reduced to down to 25%. Sunk costs for car purchase are rarely considered. Bus fares reflect the total operating cost

Crowding factor – none for car. Crowding; queueing, general hassle; poor perception of bus users by others.

The journey between GP and SRS a distance of 6 miles will require a bus journey time (uncongested off peak) of 30 minutes plus 3 minutes walking and 4 minutes waiting time – a total of 37 minutes; by car 15 minutes. Cost by bus using DfT values of time is £3.75 plus bus fare (£2.50); by car £1.52 (plus possible parking charges (£variable) and petrol (81p) which can be divided by occupants).

The reduction in generalised costs for bus users relative to car users and in other ways would:

- reduce wasted time (through robust bus priority schemes which improve reliability and reduce bus journey time) and increase labour productivity from scarce resources
- Increase car costs through increased car parking charges. Future legislation could allow local authorities to set charges for privately owned car parks and workplace parking and top slice the excess for public transport investment
- positive environmental and health effects if more people modal - switched to bus (or train or walking or cycling)
- improve market image leading to modal change to bus
- reduce subsidy or obtain higher service levels for the same public funding
- improve commercial viability of non - subsidised services

Elements of Integrated Transport

If the analysis is confined (for the moment) to passenger transport then the elements identified below can be integrated (with a trade-off in expenditure between them based on a single multi-modal evaluation technique). The elements are:-

- road investment
- rail investment (infrastructure, rolling stock)
- bus investment (terminals and vehicles)
- public transport interchanges
- walking/cycling facilities investment
- traffic management (physical and fiscal)
- public transport fare levels) and consequent
- public transport service level) contractual payments

Rationale

The key objective of integrated transport for Wales would be to provide for a split between accessible and affordable modes of travel which are both sustainable and become the preferred modes of travel.

Wales, as indicated above, has a variety of spatial characteristics:

- densely populated urban areas (e.g. Cardiff, Newport, Merthyr, Ebbw Vale, Swansea, Wrexham),
- major towns (e.g. Neath, Port Talbot, Llanelli, Aberystwyth, Llandudno)

- important rural centres (e.g. Carmarthen, Haverfordwest, Castell Newydd Emlyn, Llandeilo, Brecon, Newtown, Ruthin, Denbigh)
- Deep rural Wales (e.g. Ceredigion, Powys, Gwynedd).

The potential for journey modal transfer from car to public transport therefore varies between urban and rural areas.

However this difference can be narrowed through a radical new approach to rural bus services. Regular-interval fixed-timetable operations suit urban areas with high patronage levels but have only limited value in rural areas. The Bwcabus computer/satellite/GPS and flexible scheduling bus system responds to demand and has enabled a radical and successful (in increased patronage terms) approach to rural public transport.

Generally there is a need for improvements in the public transport system before car users can be persuaded to change, and non-car owners are able, to make reasonably timed and priced journeys.

4I's Concept

The 4I's concept identified the following as the integration equation for passenger transport:

Information + Interchange + Investment + Imagination = Integration

The absence of any of these elements will hinder or even prevent the development of an integrated passenger transport system. The means of delivery for integrated public transport and an explanation of competitive franchising – see Appendix 1

Conclusion

The primary objective of any transport policy given the current state of the economy has to be Wales' ability to trade, remain competitive, generate jobs and increase social and economic inclusion. The last is dependent on successful achievement of the first three.

For that reason the order of priority for Wales is as follows:

- an efficient and effective transport network to make us internationally competitive;
- urban congestion solutions;
- Easy and affordable access to jobs and services by car, bus and rail services particularly from low-income communities and rural areas.

Achieving this requires a revolutionary change in public transport provision.

Q4 & Q5: Actions needed to reverse this trend in Wales

- **by Welsh Government**
- **by local authorities**
- **by bus companies and CT operators**

The challenge of reversing the trends suggested above can best be met through agreements between all bus and community transport providers and joint transport authorities, whether for county or region, using the Transport (Wales) Act 2006 and the Government's new public transport procurement powers.

One element not yet available, that of bus re-regulation, is dealt with under Q7

Reversing the trend

Over the period 2009 – 2013 there were several areas where the trend was reversed. In Bournemouth the recession impact was slight and where the buses are operated by RATP (Paris transport authority) increased demand by 16.7%. In Brighton parking charges and reduced spaces helped achieve passenger growth of 10.5%. Edinburgh, directly comparable with Cardiff saw growth at 7.6%, partly through Transport for Edinburgh which controls buses, trams and all local roads in the Scottish capital.

The significant increase in bus usage in London stems (please see Fig 1) from an expanding population, physical and fiscal car restrictions, a buoyant economy with TfL control over most of the road network thus putting car and bus regulation in the same hands.

Cardiff and Newport could become as successful in reducing car use through bus priority schemes on a similar scale to Bristol where £44m has been spent. The Capital Region Metro has to be part of a wider strategy to encourage public transport use through a joint transport authority franchising bus services and managing local roads, motor traffic, cycling and walking as an integrated whole. The closure of Cardiff Bus Station will result in a loss of about 10% of bus passengers. This was an unnecessary situation as my column predicted four years ago that it could have been avoided with a stand – alone development north of the station funding the bus element of the interchange now being planned.

In Wales for example, the *TrawsCymru* national bus network, the local *Bwcbus* operations in rural areas, the tourist based *Gower Explorer*, First's *Cymru Clipper*

and Arriva Bus Cymru *Sapphire* service have shown how passenger numbers can grow in Wales and reverse the national trend.

Actions by Government and local authorities have to be matched by operators providing a high quality service as suggested under Q2 as counteractions to decline. These include:

- Fare levels
- Reliability, frequency
- Ease of getting on and off the bus especially those who are mobility impaired, elderly or frail, or adults with children or buggies.
- Improving the bus stop environment. Waiting in the rain is not going to encourage bus use. Bus companies and different local authorities have to work together to achieve this.
- Designing easy and convenient interchanges e.g. at Carmarthen, Aberystwyth, Rhyl, (please see Appendix 2 on Cardiff Bus Station closure). Swansea has its bus hub and rail hub about two miles apart; well connected by bus services between 07.00 – 19.00 but requires a major covered bus interchange investment at the railway station.
- Public transport integration between all forms of public transport. This should encourage integrated timetables and in particular encourage CT to be a part of a connectivity agreement. Making this a condition of funding by WG or local authorities would bring this aspect into being quickly
- Signage and waiting facilities at the railway station for bus passengers are less than acceptable for Wales' second city.
- Availability of information; particularly real time at bus stops or even easy to read hard copy.
- Create more bus priority measures
- Simple regular-timed frequent, punctual and reliable services
- The ambience of bus travel – new, clean buses, friendly staff with a customer care approach. Investment in new vehicles has been more apparent in recent years.
- Tickets which can be used throughout an urban area or throughout Wales (our population is less than that of London which has one ticket and Wales pioneered the national multi journey over - sixties bus pass)
- Under current legislation creating quality bus partnerships (but preferably the far stronger quality bus contracts)
- Establishment (currently in progress) of the national transport company to manage *TrawsCymru* and *Bwcabus* as an integrated bus business and through the new national transport company integrate fully with the new Wales (& Borders?) rail franchise.
- Coherent well designed promotional material (within an overall marketing plan)

- Consideration of the public transport implications by planning authorities when approving or rejecting subject to conditions any new housing, retail and commercial land development. This particularly applies to town centres which could be well served by bus until an out of town shopping centre was constructed.

Reversing the trend – A Case Study: *TrawsCymru* and *Bwcabus*

TrawsCymru is Wales' newest bus operator. It is one of an increasing number of medium sized bus companies owned in Wales. Phase 1 in the creation of a long distance inter – regional luxury bus network is complete and its vehicles operate in all parts of Wales (including the *Cardiff Airport Express*). The brand is owned by the Welsh Government.

TrawsCymru is franchised to several operators by the Welsh Government (WG) currently through county councils but with its new transport procurement powers directly by WG. These routes operate as an integrated whole. Under the tendering process the public transport authority (Welsh Government) maintains controls over the quality of service offered through the strategy and brand values. Tenderers would have to comply with all operational, safety, maintenance and financial requirements under the public service vehicle licensing arrangements (controlled by the Traffic Commissioners) and under the terms of the *TrawsCymru* franchise contracts.

The author's vision is one of integrating long distance bus (*TrawsCymru*) and local demand responsive services (*Bwcabus*) across Wales with local tendered routes. This enables the Government to begin a franchised / contracted network providing evidence of how it can be successfully operated. Following the awarding of the new rail franchise in 2018 (or earlier if the present contractor agrees) rail (*Wales Rail Cymru*) routes would be marketed as an integral part of this pan – Wales national public transport network. Standard fares would be charged and all of the following would be accepted – concessionary passes; the national public transport (*GoCymru*) card; all other similar tickets valid on Wales' buses. Contracted *TrawsCymru* bus and *Bwcabus* feeder services already apply the appropriate brand to their own vehicles as well as Government owned buses. (Please see Appendix 1 for more detail)

The success of *TrawsCymru* and *Bwcabus* has been achieved by applying the actions described above through a unique three part business model:

- **Marketing** (the four P's) has been centrally organised by *TrawsCymru* and *Bwcabus* management teams (drawn from county councils, Welsh Government, University of South Wales and Traveline) who determine **price** (fares and through ticketing); **product** (vehicle quality,

timetables); **place** (the routes to be operated) and **promotion** (advertising and travel deals). Market research into demand patterns formed the basis of bus service provision in timings, prices and routes. But this is founded on local knowledge and information provision through a partnership.

- **A partnership** of the Welsh Government, Carmarthenshire, Ceredigion and Powys county councils, Traveline Cymru, the University of South Wales and private bus operators involved (First Cymru, Stagecoach, NAT, Express Motors, Lloyds Coaches, GHA, Brodyr Richards, Mid Wales Travel, Lewis Llanrhystud) and with more to come . This form of close working between government, academia and the private sector has for many years been encouraged by the business sector. This partnership in the next phase of Bwcabus will extend to Pembrokeshire CC and Community transport operators so strengthening the involvement of the communities themselves and local businesses. This will further expand the integrated rural bus network.
- **Integration** of public transport services is a key element in both Welsh Government and local authority policies through the 4 I's for which this column has pressed – information + interchange + investment + imagination

Bwcabus concept – reversing the trend

Bwcabus is a demand responsive service feeding into and out of a fixed time core bus route. In the first area of operation between Carmarthen – Newcastle Emlyn – Aberteifi (Cardigan) it connects into route 460 – to be a *TrawsCymru Connect* service. This operation, as with the more recent *TrawsCymru* T1 (Carmarthen – Lampeter - Aberaeron – Aberystwyth) and T5 (Haverfordwest – Fishguard – Aberteifi – Aberaeron – Aberystwyth) services, has to be seen as network of *TrawsCymru* and *Bwcabus* working with local county council tendered services.

The service is based on a sophisticated booking (by phone) mapping, routing and GPS behind the scenes structure. This enables passengers to simply book by phone the service / route they require (with a potential on – line facility to come) and be unaware of the control mechanism behind the scheme.

Bwcabus has been welcomed in the areas which it currently serves both as a connecting service (which is guaranteed though high technology) and as a local service connecting settlements in the licenced area.

The delivery model characteristics which have made *Bwcabus* and *TrawsCymru* so successful are:

- Connectivity / integration – rail and bus
- High quality service – new vehicles; fully DDA compliant
- Frequent service (replacing a once weekly service to 5 journeys per day with up to 24 journey travel options from 07.00 – 19.00 daily Monday – Saturday)
- Through ticketing – affordable travel
- Local and long distance traffic
- An improved public transport system

Performance: Passenger numbers / Subsidy levels – per passenger trip

Bwcabus / 460 integrated service operation (Carmarthen – Aberteifi)

2009 – 10: £2.83

2014 – 15: £2.33

Bwcabus / 460 / T1 integrated service

2015: £1.59

TrawsCymru (2015)

T4 (Cardiff – Newtown) £0.09

T1 (Carmarthen – Aberystwyth) £0.60

Annual Passengers carried (000.s)



	2010*	2012	2014**
<i>Bwcabus / 460</i>	12.6	23.7	27.9
(*first full year of operation / ** most recent full year of operation)			
	2007/8	2010/11	2014/15
<i>TrawsCymru (T1)</i>	101.2 (x40)	102.0 (x40)	234.6 (T1)

TrawsCymru™

Cysylltu pobl a chymunedau • Connecting people and communities




www.TravelineCymru.info
 0871 200 22 33 Gwybodaeth teithio didrafferth
 Trouble free travel info

- | | | | |
|---------------------|---|-------------------------------------|--|
| TrawsCymru Services |  | T1 Aberystwyth to Carmarthen | T4 Cardiff to Newtown |
| Rail Services |  | T2 Aberystwyth to Bangor | T5 Aberystwyth to Haverfordwest |
| | | T3 Barmouth to Wrexham | T9 Cardiff Airport to City Centre |

Cartographics: ML/93/14.15 TrawsCymru 2014



TrawsCymru T4 service Cardiff – Newtown illustrating the national brand.

Q6: Devolved bus regulation / registration powers

The publication of the UK Government white paper 'Towards a lasting devolution settlement' in March was a disappointment in terms of this current discussion. The Wales Bill was not available at the time of writing

The Silk Commission report published exactly a year ago recommended the transfer of bus regulation policy and the traffic commissioner's bus role to the National Assembly. This would undoubtedly mean the end of the current free market competition and subsidised services based on the demand side model. In its place we need a TfL type body which researches the market, procures the services from the private sector and takes the revenue risk. This might be called TiG (Trafnidiaeth I Gymru) or TfW (Transport for Wales)

If my interpretation of "transferring powers to regulate buses (*in respect to bus service registration*)" is correct the UK Government has ignored the Silk recommendation on bus policy transfer to the Welsh Government despite the National Assembly having voted in the past to end the deregulated bus market.

The white paper does make changes to the role of the Traffic Commissioner and to bus service registration which allows 'the Assembly to determine how this function should be carried out. So it seems we can fill in the forms but not make the policy changes which the Minister needs to introduce an integrated transport policy.

It needs a clear statement on bus service regulation in Wales or we are nowhere near to seeing all public transport policy transferred to the Welsh Government so creating a stronger framework for bus, rail and taxi services in Wales.

Changes proposed in the white paper do not pass to the National Assembly the right to determine Wales' bus regulatory framework. The answer to Q7 addresses the future requirements to best provide this on the same footing as London. The question posed is why was the London regulatory system (which is similar to the position in Northern Ireland) not copied elsewhere in Wales, Scotland and England (please see Appendix 3).

Q7: Devolution of further powers to regulate bus services in Wales

The current legislation; problems and solutions

Set out below is the case for transferring powers in this area. This would for example propose the repeal of Part 2 of the 1985 Transport Act and its replacement with Welsh legislation. This is an essential prerequisite to an integrated transport policy.

Deficiencies in the current arrangements

The current provisions could be argued to have the following deficiencies:

- any subsidised service is prevented from competing with a commercial service
- but commercial services are generally cherry picked
- bus companies choose to operate profitable sections / times / days
- non-profitable sections or times of day and Sundays are subsidised by county councils
- the inability to cross subsidise means that counties' expenditure is increased
- The provision in the Transport Act 2008 for statutory quality bus partnerships (SQBP) and statutory quality bus contracts (SQBC) gives an opportunity for LA's to 'make' (set up) a SQBP / SQBC on any route or in any geographical

area. These go part of the way to helping government achieve integrated public transport but this paper suggests a more robust and efficient process is required

Consequences

Damaging consequences to passenger services and the travelling experience and easy of travel have frequently followed from the 'free market provides' philosophy of the 1985 Act

- Instability in the market (no control of timetable changes)
- Competition facing Welsh SME bus companies from large bus operators with dominance in a local market make the latter more able to spread the risks of a contestable market and reduce opportunities for Welsh SMEs. Changes in the economics of bus operation have recently seen changes in this position but supply-side competition will still remain the preferred means of operating for many SME companies.
- no coordination of timetables
- no cross subsidy

The fact that the implementation of part of the Welsh Government's National Transport Plan, the trans-Wales long-distance bus/coach service, *TrawsCymru*, on its T1 Aberystwyth – Carmarthen route, was stopped (2011 – 13) provides an example of the unfortunate consequences of the current arrangements.

Solutions

Arriving at the solution of the problem entails consideration of the question of who should own and / or control public transport in Wales.

The ownership and control of public transport in Great Britain (but not Northern Ireland) has changed considerably over the last fifty years. A largely state-owned function took over from a mix of private and public ownership in the 1960s but was replaced by an almost entirely private ownership structure in the 1980s and subsequently (see Appendix 3)

Statutory Quality Bus Partnership (SQBP) Statutory Quality Bus Contract (SQBC) Schemes

LA's are empowered to make a SQBP / SQBC scheme under provisions contained in the Transport Act 2000 (as amended by Transport Act 2008). These are made on a route commercially operated by a bus company and which receive no subsidy from WG or a LA.

The SQPC scheme is a stronger version in terms of governmental specification. The SQB Partnership scheme is described here.

The schemes set out minimum standards which typically include vehicle quality, service frequency, hours of operation, service reliability, minimum acceptable connection times between services at key interchanges, through and area ticketing, service timetable change dates, marketing and publicity, customer care and infrastructure improvements at key stops / interchanges.

Any new operator on a route or in an area has to meet these standards and an existing operator has to improve service standards to the defined level for that scheme. Those not doing so can have their registration declined or removed by the Traffic Commissioner who has a key role in the process and in enforcement.

The weakness in the system compared with franchising lies in two areas:

- The lengthy process to make a scheme
- The need to either obtain agreement from an incumbent operator (unless that operator puts in an admissible objection within the statutory period). If it fails to do so the LA can then make a SQBP in any event.

The SQB Contract provides for greater powers of enforcement. But both have to be 'made' i.e. set up.

A route or network franchise (of the *TrawsCymru* format) or tendered contract has conditions attached to it. Non-compliance can result in financial penalties or the withdrawal of the contract by the WG or LA. Thus in these circumstances a SQBP / SQBC scheme is not required.

Bus Franchising

The principles set out in this paper recognise that by its very nature private control of the bus industry cannot achieve certain key objectives. The SQBP / SQBC described above deal with some of the issues but not all.

Those outstanding issues can be dealt with through private ownership of the bus companies, but operating in a government-run competitive franchising context covering the whole of Wales through the consortia / JTP's (local bus services) and the Welsh Government (Wales & Borders rail, *Bwcabus* and *TrawsCymru*) working together. Branding could be on a regional basis but incorporating the national ticket brand *GoCymru*

This is the position in the Transport for London / Mayor of London administrative area and has been shown to work well. In this paper it is argued that that an opportunity can be created in Wales to tender bus services under the operational and financial aspects of such a public transport network outside the London context.

Powers and responsibilities currently held in wales (by the Welsh Government (WG) and/or local authorities (LA's))

(These are provided for in the Government of Wales Act 1997; Transport Act 2000; Railways Act 2005; Transport (Wales) Act 2006; Transport Act 2008).

Bus

- Bus service subsidy/contract payment levels: (WG, LA's)
- Bus service frequencies / routes: shared between bus companies (commercial routes) LA's and WG (tendered services).
- User group representation is through Bus Users UK Cymru Wales – semi autonomous body.
- 'Making' statutory quality bus partnerships (SQBP) or statutory quality bus contracts (SQBC): LA's. (See more detailed note below)
- Bus Services Advisory Group – preparation of ad hoc reports

Powers to be transferred

In order to achieve an integrated transport policy for Wales, key responsibilities, powers and functions should be transferred to the National Assembly which could then consider the transfer of some of these powers/obligations to Joint Transport Authorities or local authorities. The policy-making role and power to finance would therefore be located within Wales. In all cases any responsibilities transferred to the Assembly would require a commensurate transfer of additional financial provision via the Welsh Block grant.

Generally speaking, it would be logical for any powers conferred on local authorities in previous legislation to also be ascribed to the National Assembly. The making of quality bus partnerships / contracts is an example where they may be made by LA's but not by WG. Any further powers would be devolved to the National Assembly which could then as appropriate devolve them further or by statute to both levels of government. This would assist in cases, for example, where WG is procuring bus services under the terms of the Transport (Wales) Act 2006 but is unable to manage the route structure directly.

(Note: Organisation names in brackets in the following section indicate current holders of the responsibility where this has not been conferred upon the National Assembly.)

Public Transport Policy

- public transport policy generally (from DfT)

Bus

- bus industry regulation (DfT) – see Appendix 1
- current powers of the Traffic Commissioners (.DfT)
- Aspects of traffic reduction/traffic management policy and regulation currently retained by DfT.
- personal safety of pedestrians, cyclists and provision for those groups
- Bus user group representation (The operation of Bus Users (UK) Cymru Wales originates from Bus Users (UK) an England based body. It is however funded in Wales by the WG. It is a statutory consultation body but has no powers of direction over bus companies (see Appendix 1).

Q8: Other actions needed to meet the bus passenger transport and CT needs of travellers in Wales

The primary actions which the Government should follow are summarised above.

One further aspect which involves fiscal policy is a 3 / 5 year funding period for bus subsidy either direct or indirect through county and city councils. This would put bus service provision on the same financial agreement footing as the Wales and Borders rail franchise where the financial commitment has been up to 15 years. This provides the stability to develop the service product and build up passenger numbers to assist in reducing the cost per passenger trip and in the longer term a reduction in subsidy.

More important is the confidence it gives to the traveller particularly those who use the bus as a means of getting to and from work. For them to be able to arrive on time and to know they have employment which they can reach a guarantee of travel is vital. Thus the employment aspect of bus operation and subsidy is an economic factor in local areas.

APPENDICIES

Appendix 1: Competitive Franchising in Wales – an alternative framework for competition

The author's vision is one of integrating long distance bus (*TrawsCymru*) and local demand responsive services (*Bwcabus*) across Wales with local tendered routes. This enables the Government to begin a franchised / contracted network providing evidence of how it can be successfully operated. Following the awarding of the new rail franchise in 2018 (or earlier if the present contractor agrees) rail (*Wales Rail Cymru*) routes would be marketed as an integral part of this pan – Wales national public transport network. Standard fares would be charged and all of the following would be accepted – concessionary passes; the national public transport (*GoCymru*) card; all other similar tickets valid on Wales' buses. Contracted *TrawsCymru* bus and *Bwcabus* feeder services already apply the appropriate brand to their own vehicles as well as Government owned buses. (Please see Appendix 1 for more detail)

The *GoCymru* card would then be available on all franchised or tendered local authority services (Bus, Wales and Borders rail, *TrawsCymru*, *Bwcabus*). All vehicles operating the network and all stops / stations would be identified through the *GoCymru* brand. Multi-journey travel on all participating modes is then made easy and convenient for users.

This process is very different from the current approach under the 1985 Transport Act and the Competition Act whereby market forces determine the network, with competitive tendering restricted to loss-making services only. Rather it follows the 'London technique' which takes competition firmly *off* the road and keeps it as a supply-side competitive tendering process.

The advantages of this will be continuity of service, integrated services and standard fares, but achieved at a lower cost than either direct ownership by the public sector (other than at arms-length not-for-dividend options) or the present mix of market-led profitable 'cherry-picked' routes with subsidised loss-making services.

Franchising therefore provides the best of both worlds:

- public control and service-specification
- private operation of the services through supply-side competition

It recognises that a free market is unsuitable for surface public transport operations because:

- they are unlikely to meet key objectives such as social inclusion, reduction in congestion and environmental sustainability
- the real competitor is not often bus or rail companies but the motor car, a factor that is clearly not recognised by the current competition legislation emanating from both the UK Government and the European Commission
- It is difficult to combine the profit motive (an appropriate financial objective within a mixed economy) and the public service objectives referred to above.

The network has much in common with National Express. They are operated by locally based private companies under contract using high quality new vehicles on a series of strategic routes. The network is based on integration of bus and rail timings so enabling easy through travel – an essential part of the attraction for car users to become passengers

TrawsCymru and the Wales and Borders rail franchise, operated by Arriva Trains Wales, and funded by WG, will form the core of a long distance national public transport network and linked with local bus services in particular at Cardiff, Pontypridd, Merthyr, Llandrindod, Newtown, Carmarthen, Haverfordwest, Aberystwyth, Machynlleth, Bangor and Wrexham. There are also key bus inter change stations at Brecon and Dolgellau

The form of competitive tendering currently in use is intended to apply to loss-making routes for which revenue support is required. However, the perfectly competitive market conditions envisaged for other services under current legislative provisions however result (outside London) in a number of problems:-

1. Instability

It is possible under the free market arrangements for companies to enter and leave the market relatively quickly. A period of notice is required but a company leaving the market because of low or no profit is unlikely to wish to continue to operate at a loss for the notice period. Even with an enforced notice period, movements into and out of the market, especially in the early years when companies are testing market potential and profitability, will lead to instability.

Passengers need stability and continuity of service in terms of routes, services, operators, fares and times. However under current arrangements these will all be subject to change at short notice. This instability may last for some considerable period of time before a new equilibrium is established. Instability resulting from service reorganisations has been shown to have a retrograde effect on levels of patronage.

2. Lack of co-ordination

The registration period envisaged is unlikely to provide Welsh Government / county councils with sufficient time to produce up-to-date, reliable timetables and online information. Such timetables are of particular value to tourists, who are important contributors to the Welsh economy and their loss would be a particular inconvenience to them.

Co-ordination of services along individual corridors or on common routes prevents “bunching” of vehicles at certain popular times, and provides for a more regular headway between buses. And while the Traffic Commissioner has a vital role in quality and safety within the bus and freight sectors, and in adherence to bus timetables, the office cannot determine adequate demand levels and service provision or the associated financial commitment.

3. Competition on subsidised routes

The majority of rural routes are usually (i) radial routes from a town centre extending beyond the urban area or (ii) inter-urban routes which also service urban areas at both ends of the route. A small proportion may be services operating solely within a rural area (e.g. Gower Explorer, Bwcabus) and connecting into a through route.

The highest revenue yield per bus mile is in the urban areas; consequently any competition with subsidised rural services will be met on these sections of route. Deregulated competition will also be concentrated on high-yield times of the day (e.g. from 7.30 am to 5.30 pm Monday to Friday) but may not supply the total capacity required. These competitors will abstract revenue from the subsidised rural service and the latter will have two possible options for its fares policy:-

- If the subsidised service fares remain high passengers will tend to wait for the lower-fare vehicle. This will reduce patronage on the subsidised service and the subsidy level will need to rise if the service level is to be maintained.
- If the subsidised service reduces its fare to compete on the urban section of the route, the internal cross subsidy within the route will be reduced and public subsidy will have to be increased.

Where services are operated on a purely commercial basis they will be limited to the more heavily populated sections of such urban-rural routes. Any services into a town centre will be limited to those roads which are suitable for bus operation. It is likely, therefore, that subsidised and commercial services will operate along the same sections of road and both operators will pick up and set down along that road. The tendering operator for the subsidised service will find it relatively easy to forecast the costs of operation, but revenue will be dependent on the extent of the competition and this will be very difficult to predict, especially at the start of the scheme.

A county council would therefore have to choose between the two fares-policy options for subsidised services described above. This would result in either the withdrawal of services considered socially necessary or a new round of tendering with a possible increase in subsidy, unless the commercial operator considered that the return was insufficient (because the route did not yield enough revenue for several operators), and in the meantime gave notice of withdrawal.

4. Establishing demand patterns

If the powers of public authorities are restricted solely to registration through the Traffic Commissioners, the county council will have no role in collecting and making available market data... Smaller companies, especially in early years, will not have the resources or the expertise to carry out the type of market analysis which the big groups have undertaken. The passenger will not be fully aware of what services are available (despite the development of electronic and telephone information systems such as Traveline Cymru), and will not be able to demonstrate what the

demand pattern might be. Frequent changes resulting from an unstable range of services will lead to a proportion of them seeking alternative travel modes.

A Competitive Franchising System – Objectives

The objectives of such a system would be in line with those of competition legislation

- enabling bus services to be provided in a competitive market
- reducing operating costs and revenue support levels
- making bus operations more demand-sensitive
- improving value for money
- preventing large companies from dominating the market

Such objectives could be achieved within a competitive framework while reducing the instability referred to above. The franchises would be issued by the Welsh Government or a local transport authority – the regional consortium, a JTA - which would also be the coordination and subsidy authority for a route, group of routes, travel corridor or small area. This is similar to Transport for London bus route / network tendering and the Great Britain railway franchising process. This is closer to commercial retail franchising than to deregulation, and its adoption suggests that there are variations between the two which could provide a better competitive framework than the one currently in use.

Competitive franchising will prevent a return of the pre 1930s situation when there were many operators' no multi-operator tickets, constant changes in timetables, together with confusion and inconvenience for the passenger. In the present state of the bus passenger market and given the presence of the car as an alternative (unlike the 1920's) many passengers are likely to change modes. Competitive franchising will take competition *off* the roads and instead establish pre-operational (supply-side) competition under the aegis of the franchising authority. A form of competitive franchising can meet many of the operation and financial problems inherent in the current competition-based approach established by the 1985 Transport Act. It would:-

- allow competition;
- provide a more secure market for restructuring bus service provision;
- prevent instability
- enable the retention of the county council (JTA or Consortium) co-ordinating function, and the continuity of timetables and regular operations;
- provide value for money;
- take competition off the roads, but allow its full value to be realised through the franchising process;
- enable a phased introduction of its proposals;
- allow alternative forms of competitive franchising to be pursued;
- allow for an integrated bus network;
- enable the subsidising authority to predict its subsidy expenditure more accurately;
- Achieve efficiency without the existence of an unstable market.

Characteristics of a Competitive Franchising System

- Routes would be specified by the franchising authority and tenders invited from potential operators. Such routes might be profitable or unprofitable.
- The operator awarded the contract would not have to face subsequent competition on the routes specified during the contract period.
- The franchise would be granted on the basis of the lowest subsidy requirement for a specified group of services. (An alternative would be to allocate a specified amount of money for the service package and award the contract to the operator providing the highest service level.)
- The subsidy would be awarded for the whole of the contract period.
- The contract period would be three to five years. The minimum period would be determined by the operators' requirements to make a reasonable return on investment and the maximum period would allow for competitive re-advertising sufficiently frequently to encourage the contractor to provide the quality of service required by the passenger and the franchising authority.
- The right to develop subsidiary interests such as vehicle maintenance, advertising etc. as profit-making functions would be assured.
- An operational plan and financial forecasts would be provided at the application stage. Performance could then be monitored against this plan.
- Assets such as buses and garages, as well as employees, could, if required, be transferred from an operator losing a contract to the newly contracted operator at the end of the franchise period. This would provide further encouragement for a higher quality of capital equipment to be included in an operator's investment programme.
- All revenue and profit together with the agreed subsidy figure could be retained by the operator in a shire-county franchising arrangement. Alternatively the present Transport for London (TfL) process could be used. TfL receives all fares revenue and the operator receives an agreed sum for running the services.

The size of each franchised operation would be small enough to enable companies of varying size to compete, so achieving the competition objective of the 1985 Transport Act.

Such a system of competitive franchising has features in common with that currently operated by the Department for Transport (previously the Strategic Rail Authority) for rail services. It has also been accepted as a suitable method for London's buses and has already been shown to be a workable framework for competition and subsidy. In the free competitive market it is a common means of selecting operators for food retailing outlets. This parallel with the highly competitive and profitable franchised operations used by familiar high street companies such as MacDonald's (fast food retailing) or Holiday Inn and Marriott (hotels) or production outsourcing (Mark& Spencer) suggests that it is suitable for the competitive aspects of bus operations.

It would achieve the benefits of competition whilst providing greater stability and co-ordination of services. Such a scheme has wide support amongst a variety of organisations in Wales but also in England and Scotland.

Competition in public transport is accepted as a valuable means of achieving better defined value for money from bus subsidies and the alternative outlined here is essentially about the detailed implementation of a competitive scheme.

The passenger railway has been franchised as a part of the privatisation of train services. Considerable discussion took place on the form of privatisation and the belief was that network benefits (e.g. integrated timetables and tickets interchangeable between companies) could only be achieved if a franchising authority (OPRAF, then the SRA and now the Rail Directorate DfT and the Welsh Government) was in place.

Appendix 2: Powers of the Northern Ireland Assembly; Scottish Parliament and Westminster in comparison with the national Assembly for Wales

Power / Responsibility	Wales	Scotd	NI (1)	Eng (DfT)	Eng (PTE) (3)	Eng (Lond) (2)	GB (DfT)
BUS							
Subsidy contract payments	Y	Y	Y	Y	Y	-	-
<u>Frequencies, fares</u>							
Commercial routes - deregulated	Y	Y	N	Y	Y	N	-
Tendered (WG,SG,CC, PTE)	Y	Y	N	Y			
Franchised (London)	-	-	-	-	-	Y	-
State owned and controlled	-	-	Y	-	-	-	-
<u>User groups</u>							
PTUC / PVS	Y	Y	-	-	-	-	-
Passenger Focus	Y	Y	N	-	-	N	-
London Travelwatch	-	-	-	-	-	Y	-
Bus Users (UK)	Y	Y	N	y	-	-	-
NI Consumer Council	-	-	Y	-	-	-	-
<u>Bus Industry Regulation</u>							
Traffic Area (Nation specific)	Y	Y	Y	Y	-	Y	-
Traffic Commissioner responsible to Senior Traffic Commissioner	Y	N	N	Y	-	Y?	Y
Traffic Commissioner appointed by domestic minister	N	Y	Y	Y	-	Y	-
Concessionary fares policy determined internally	Y	Y	Y	Y	Y	Y	-

Appendix 3

Up to the 1960s the structure of the UK bus industry was as follows:-

- Tilling Companies (state owned Transport Holding Company)
- British Electric Traction (BET Federation - private company)
- Municipal operators (state sector)
- Independent companies (private companies)
- Alexander/Scottish (state-owned Transport Holding Company)

This structure was replaced as from 1969 when parts of the previous structure were nationalised

- Tilling Group became the National Bus Company (NBC) which also took over British Electric Traction (BET)
- Municipals operators were taken over by in some areas by Passenger Transport Executives (PTEs) while in others they were retained by the Local Authorities. There were no PTEs in Wales
- Alexander/Scottish along with Tilling Group companies in Scotland became the Scottish Bus Group
- Independents, generally small companies, remained independent

The Transport Act 1985 led to two policy developments

- Deregulation of bus services
- privatisation of state-owned (National Bus Company subsidiaries; Scottish Bus group companies; Passenger Transport Executive bus operations; municipally owned bus departments/operations) bus companies/operations.

In Wales Cardiff Bus and Newport Bus still remain in public (local authority) ownership

The consequence in terms of ownership in Wales was to create dominant private groups reflecting the pre-nationalisation (1946) position with regard to the percentage of buses in major private sector groups

1946 (50% private):

- BET
- Tilling
- Red & White

1980 (5% private)

The big groupings were PTEs, NBC, SBG and Local Authorities. The private sector was represented by smaller independents

2013 (90% private)

- First

- Stagecoach
- Arriva
- Go Ahead
- National Express
- Veolia (to 2012)
- SME (often family owned private sector companies)

This reflects the trend towards a few large privately-owned groups alongside many very small companies in the bus industry.

Appendix 4: Cardiff Bus Station –

This has been covered extensively in my column in the Western Mail. Two relevant articles are included here

CARDIFF TRANSPORT INTERCHANGE - ARE WE THERE AT LAST?

(Western Mail, Wales in Motion column by Professor Stuart Cole CBE. Wednesday 5 August 2015)

A state of the art Cardiff Transport Interchange (CTI) at Cardiff Central Station discussed for ten years has seen over recent months, negotiations and complex documentation (now almost finalised) which will complete the jigsaw.

Last Friday saw the final transfer of the land now occupied by Marland House and the NCP car park (both in private sector hands with the latter having a complex ownership) transferred into city council ownership. The Network Rail land is in advanced transfer discussions.

This is the only site which can be considered as it faces the central business / retail district and the land south of the station is too small in area and Network Rail has its own plans

For many years some political elements within the city council put the southern site forward as an alternative plan but it was a hopeless case from the start as shown in a 2010 SWOT analysis (of which I was an author).

A serious consideration for relocating the bus station to the Marland House / NCP site was not possible to achieve by the city council until it was able to acquire all the land. The move to ownership of all the land around the present bus station was essential to negotiate with any developer.

A major city centre building scheme requires a clear specification from the city council which now appears to have been agreed; a competition to determine the developer (with the required expertise not available within the city council), architects

and a traffic and bus operations designer and final discussions on the fine detail of the architectural and transport proposals. Rightacres, a local experienced and successful property developer prepared to take the risk of acquiring the land interests believe that satisfactory revenue streams to repay the loans can be delivered.

This column has consistently suggested that the scheme has been developer – led rather than transport – led through a developer with a clear specification from the city council. It remains developer - led in financial terms but several new factors (set down in this column as pre-requisites of a successful interchange) have arisen which enables the proposal to be transport – led. But this depends on passenger needs being put first and the master plan being amended in terms of land use to achieve that.

An upturn in the economy providing a more buoyant office and residential market has helped. The BBC Broadcasting House plan for the existing bus station site for a while was a catalyst and remains a major accelerator to the development; it raises the profile of the area and highlights the most accessible location in Wales by public transport but the CTI is a standalone development.

The same principle of a stand - alone development was suggested by this column four years ago and would have avoided the inconvenience passengers will encounter during the demolition and construction period planned for completion in early 2018.

The key transport elements have to meet passenger needs. The land footprint allocated to the bus operations has to include all the ground floor area; the use of 'dynamic' bus stands is not popular with operators or passengers. They have been used in other development proposals to fit a bus station into the land available but that is not acceptable in Cardiff

The design must encourage all bus operators to use the new interchange for the maximum number of routes; the future passenger demand increases have to be included as there will be no new facility for another fifty years. This is a *transport* interchange which also has to provide for park and ride, cycles, pedestrians, car pick up / drop of and those with mobility difficulties

It is clear that the future economic development of south east Wales requires a quite different transport approach than is presently available. The use of the car will not be efficiently achievable because of limited road space and apart with few opportunities possibilities for increased capacity. The modal split target for travel into central Cardiff has to be at least 50% by public transport.

Electrification of the rail network with traditional trains or trams; the Metro and an integrated bus network centred on the Cardiff Transport Interchange meets the needs of our capital city.

The CTI must also present a modern dynamic image of Wales to inward investors and tourists many of whom arrive by train. The present uninspiring buildings and bus station from the 1960's came nowhere near achieving that.

CARDIFF SQUARE – DEVELOPMENT LED OR TRANSPORT LED

(Wales in Motion column Western Mail by Professor Stuart Cole CBE 2 July 2014)

Now that the euphoria about the new iconic building for a national institution designed by one of Europe's leading architects has passed it is time for Cardiff City Council to progress construction of the new bus station.

This becomes more urgent following approval last week of the Cardiff Local Development Plan (LDP) and its lack of clarity on how the residents of 40,000 new homes are to be moved without new infrastructure and an efficient central transport hub

The Welsh Government's policy of providing easy public transport interchanges within a wider integrated transport policy is not fully achieved in Cardiff because of an old style bus station which is not now fit for purpose and should be replaced. The opportunity to achieve modal switch from car to public transport is now within the grasp of Cardiff City Council.

However the rush to develop the land to the front of Cardiff Central Station (now to be called Capital Square) has been the subject of debate for many years within the city council where the development – led factors were getting the upper hand. There has been a 'fluid' master plan. Straws have been clutched at by the city council in a desperate bid to redevelop the bus station site; one only two years ago which did not go forward.

In 2010 a SWOT analysis (by an independent transport team of which I was a member) identified two acceptable bus station options in central Cardiff both north of the railway station. The preferred option was the redevelopment of the existing bus station and the demolition of unprepossessing buildings and the multi storey car park (east of Capital Square) which do not give an image of a successful capital city to inward investors and tourists. This would result in a state of the art bus station with an adequate operating area, buses facing into Capital Square (as in Swansea bus station) a high quality retail link to the railway station and above it attractive offices and a car park. An option for four separate terminals around the city centre was not acceptable to passengers.

The new bus station can be built before the closure of the existing site thus minimising passenger inconvenience and confusion on where to find particular

services. To persuade car drivers to change for at least part of their journey, public transport usage has to be easy. The current position also risks not achieving the Government and city council urban areas transport policies

Two years ago to the day this column set out this preferred site for the creation of a new bus station and did not underestimate the complex real estate challenge with agreement required from the existing leaseholders although the freehold is owned by the City.

The city council is to be congratulated on securing the land and with a developer is now able to construct a landmark bus station and business complex creating *Porth Caerdydd* – the gateway to Cardiff. Although the financial aspects are more challenging, a transport - led proposal is preferable since the new bus station would remain open while the present bus station site was redeveloped. City centre development architects and transport advisors indicate there is sufficient space for both in parallel and bus services could operate on event days.

All bus (including 'bus box'), train, long distance coach and taxis services could operate through the new hub with future Metro trams in adjacent St Mary's Street and secure bicycle storage and car pick up and drop off at the new south frontage of Central Station

A new bus station has been promised but no detailed plans or timescale appears (from recent comments by city councillors, officials and the developer) to have been produced. The decision on a public transport interchange given the nature of city politics and of the real estate market has to be certain. Consequently to be credible to travellers in Cardiff, construction has to be planned now, with funds allocated, developer named and contracts signed.

The Cardiff LDP has been finalised without detailed transport plans and before the Government's Capital Region Metro plan is published. These two plans are an essential pre-cursor to implementing the LDP as they will specify the transport requirements for south east Wales.

The development –led approach by the city council in Capital Square now requires a transport – led plan on an equal footing to give travellers into Cardiff's central business district an attractive public transport system

**Professor Stuart Cole CBE is Emeritus Professor of Transport, Wales
Transport Research Centre, University of South Wales**

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 26	BCT 26
Fforwm Trafnidiaeth Rhanbarthol ar gyfer De Orllewin Cymru	Regional Transport Forum for South West Wales

Cwestiynau'r ymgynghoriad

Cwestiwn 1 – sut byddech chi'n disgrifio cyflwr presennol y sector bysiau a thrafnidiaeth gymunedol yng Nghymru?

Mae'r sector Bysiau a Thrafnidiaeth Gymunedol yn cynnwys tair prif adran (yn fras): Gweithredwyr y Gwasanaethau Bysiau; Gweithredwyr Gwasanaethau Trafnidiaeth Gymunedol a thimau Cludiant Teithwyr yr Awdurdodau Lleol. Yn yr adran hon, bydd cyflwr pob un o'r rhain yn cael ei drafod ar wahân, ac yna ceir awgrym beth yw'r sefyllfa gyffredinol.

Gweithredwyr y Gwasanaethau Bysiau – y brif gost i weithredwyr y gwasanaethau bysiau yw cost llafur (60% o'r cyfanswm). Yn ail, y mae cost tanwydd, sydd bron yn 17%; mae'r gorbenion yn 8%, cost yswiriant a hawliadau yswiriant yn 3% a chost deunyddiau cynnal a chadw yn 4.5%. Mae'r costau eraill yn ymwneud â rhenti a phrydlesau, a dibrisiant asedau sefydlog. Yn ystod y 10 mlynedd diwethaf mae costau gweithredwyr y gwasanaethau bysiau wedi cynyddu 31.3% mewn termau real. Ond mae'r cynhyrchiant wedi disgyn, gyda nifer y cilometrau a weithredir gan bob gweithiwr wedi gostwng tua 14% mewn 10 mlynedd. Nid yw'r rhesymau dros hyn yn eglur. Mae pris tocynnau wedi codi o ychydig llai na thraean yn ystod y degawd diwethaf (ychydig llai na'r cynnydd ym Mhrydain gyfan, lle roedd y cynnydd yn 35.2%). Mae oedran y bysiau a ddefnyddir yng Nghymru yn hŷn na'r targed cenedlaethol o 8 mlynedd, er bod llawer o'r gweithredwyr yn cynnal a chadw eu cerbydau mewn cyflwr ardderchog, beth bynnag eu hoedran. Roedd elw'r gweithredwyr gwasanaeth bysiau mwyaf yng Nghymru yn ystod y 6 blynedd diwethaf rhwng 6.6 a 7.9%, ond mae hyn yn is na'r lefel sydd ei hangen i sicrhau y gall y diwydiant gyflawni disgwyliadau cynyddol y cwsmeriaid, mwy o gystadleuaeth gan geir preifat a symudiad tuag at gerbydau 'mwy gwyrdd'. Ond mae hyd yn oed y lefel hon o elw yn sylweddol uwch na'r hyn a wneir gan lawer o'r gweithredwyr llai, sy'n rhan greiddiol o'r farchnad yng Nghymru. Gwelwyd llawer iawn o newidiadau yn y farchnad gwasanaeth bysiau yn ystod y pum mlynedd diwethaf. Yn eu plith yr oedd:

- 3 dull gwahanol o ariannu'r hyn arferai gael ei alw yn Grant Gweithredwyr Gwasanaethau Bysiau
- newidiadau i lefelau ad-dalu tocynnau teithio rhatach
- cyflwyno tocynnau rhatach newydd i bobl ifainc yn ddiweddar
- llai o gymhorthdal gan Awdurdodau Lleol yn sgil gostyngiad yn y grant setliad refeniw
- llai o gymhorthdal gan Lywodraeth Cymru.

Ni chafwyd unrhyw gyfleoedd i sicrhau cyllid ar gyfer bysiau newydd nac unrhyw fesurau o bwys i roi blaenoriaeth i fysiau (megis cronfa'r Green Bus neu'r Bus Challenge yn Lloegr) mewn ardaloedd trefol; hefyd, yng nghyd-destun lefel y cyllid a gaiff Masnachfaint Rheilffyrdd Cymru a'r Gororau yng Nghymru a'r niferoedd tipyn llai o deithwyr sy'n defnyddio'r trenau o'u cymharu â'r bysiau, mae tuedd i weld y farchnad bysiau fel rhywbeth trydydd dosbarth (yn israddol i geir a threnau). Dylai bysiau fod yn greiddiol i'n cymunedau ac i bobl Cymru, yn cysylltu pobl a chymunedau â gwasanaethau a chyfleusterau sy'n sicrhau bywyd o ansawdd da ac yn fodd o hwyluso teithiau gwaith a hamdden, yn ogystal â rhai at ddibenion meddygol a chymdeithasol.

Gweithredwyr Gwasanaethau Trafnidiaeth Gymunedol – Mae 114 o fudiadau yn darparu Trafnidiaeth Gymunedol yng Nghymru, ac yn 2013 gwnaed dros 2 filiwn o deithiau wedi'u trefnu gan y mudiadau hyn. Y gwasanaeth mwyaf cyffredin a ddarperir ganddynt yw cynlluniau ceir yn y gymuned, ac yn ail gwasanaeth Galw'r Gyrrwr dan Adran 19 a chynllun Cludo Cleifion heblaw Cleifion Brys. Mae dros hanner y grwpiau Trafnidiaeth Gymunedol yng Nghymru yn seiliedig ar aelodaeth o'r grŵp ac mae ganddynt tua 83,000 o aelodau gweithredol (h.y. rhai sydd wedi defnyddio'r gwasanaeth yn ystod y 12 mis diwethaf). Mae'r aelodaeth wedi cynyddu 20% yn ystod y pum mlynedd diwethaf.

Mae'r sector Trafnidiaeth Gymunedol yng Nghymru yn cynnwys 1,140 o gerbydau i gyd – yn geir, bysiau mini hygyrch, a cheir a cherbydau hygyrch. Yn ystod y pum mlynedd diwethaf mae oedran cyfartalog y cerbydau hyn wedi codi, ac y mae i hyn oblygiadau o ran cynnydd yn y costau cynnal a chadw.

Y prif faterion sy'n wynebu'r sector Trafnidiaeth Gymunedol ar hyn o bryd yw:

- cyllid – mae'r arian sydd ar gael i newid neu uwchraddio cerbydau wedi lleihau yn ystod y pum mlynedd diwethaf wrth i gyllid y sector cyhoeddus gael ei gyfyngu ac i gyfleoedd cyllido eraill brinhau
- gwirfoddolwyr – codi oedran ymddeol, llai o ddiddordeb mewn bod yn rhan o gynllun mwy strategol, newidiadau i drwyddedu gyrwyr (dileu hawl awtomatig i yrru bysiau mini o 1997 ymlaen), cyflogwyr yn llai cefnogol i rai sydd am wirfoddoli
- tocynnau teithio rhatach – mae llawer o ddefnyddwyr gwasanaethau Trafnidiaeth Gymunedol yn oedrannus neu â phroblemau symud, a bydd llawer yn defnyddio tocynnau teithio rhatach. Ond ni ellir defnyddio'r tocynnau rhatach hyn ar wasanaethau Trafnidiaeth Gymunedol a weithredir dan Adran 19. Mae hyn yn golygu bod teithiau yn ddrutach i ddefnyddwyr bregus iawn.

Mae'r sector Trafnidiaeth Gymunedol yn dibynnu ar lawer o ewyllys da a gwasanaeth cyhoeddus anhunanol, ac mae'n darparu adnodd gwerthfawr drwy ganiatáu i rai o aelodau mwyaf bregus y gymuned barhau i fyw'n annibynnol i ryw raddau. Er hynny, mae'r sector yn ei chael yn anodd cwrdd â'r galw oherwydd diffyg cyllid i gynyddu nifer y cerbydau a chael rhai newydd yn lle'r rhai sy'n heneiddio, prinder gwirfoddolwyr ac yn y pen draw diffyg cefnogaeth gan yr Awdurdodau Lleol a'r Gymdeithas Cludiant Cymunedol, sydd i gyd yn wynebu cyfyngiadau cyllido llym.

Timau Cludiant Teithwyr yr Awdurdodau Lleol - Mae gwahaniaethau sylweddol o fewn y rhanbarth o ran nifer a lefelau sgiliau'r swyddogion sy'n gweithio i gefnogi trafndiaeth gyhoeddus neu gymunedol. Ond un peth sy'n gyffredin yw fod cryn wasgfa wedi bod ar wariant ar drafnidiaeth gyhoeddus yn ystod y pedair blynedd diwethaf. Gan nad yw'n wasanaeth statudol, mae trafndiaeth gyhoeddus a chymunedol wedi dioddef toriadau i'w chyllid. Mae hyn wedi cael effaith ar nifer ac amllder y gwasanaeth bysiau sy'n cael cymhorthdal ar draws y rhanbarth a hefyd wedi golygu bod llai o arian ar gael i gefnogi gwasanaethau Trafndiaeth Gymunedol. Er bod arbediadau ariannol sylweddol wedi'u gwneud drwy wella effeithlonrwydd, ail-dendro a pheidio â llenwi swyddi gwag, cafwyd gostyngiad mewn termau real yn y gyllideb ei hun yn ogystal â swyddogaethau'r llywodraeth leol yn cefnogi a chynghori. Ymddengys y bydd hyn yn parhau yn ystod y blynedd nesaf hyn, a chan fod nifer sylweddol o'r swyddogion cludiant teithwyr dros 50 oed, mae'n debygol y gwelir prinder sgiliau yn y 10 mlynedd nesaf oni bai fod cynllunio dros dymor hirach yn digwydd o fewn neu ar draws yr Awdurdodau Lleol.

Yn gyffredinol, nid yw cyflwr presennol y sectorau bysiau a Thrafnidiaeth Gymunedol yng Nghymru yn iach. Ceir rhai enghreifftiau o arferion da (system integredig i gludo teithwyr, yn cynnwys Bwcabus, Traws Cymru a gwasanaeth bws 460 yng ngogledd Sir Gaerfyrddin a Cheredigion, sydd wedi arwain at gynnydd yn y defnydd flwyddyn ar ôl blwyddyn; gwasanaeth bysiau cymunedol yn lle gwasanaeth bysiau yng ngogledd Gŵyr) a chynlluniau newydd (er enghraifft, cangen newydd o Wasanaeth Bysiau'r Brifysgol sydd wedi'i datblygu i gysylltu dau gampws Prifysgol Abertawe, sef campws Singleton a champws y Bae). Mae llawer iawn o ewyllys da yn bodoli, yn ogystal â pharodrwydd i geisio gwneud i bethau weithio'n well ar gyfer teithwyr presennol a rhai newydd, ond mae'r gefnogaeth yn lleihau ac nid yw'r cyllid sydd ar gael yn annog ail-fuddsoddi neu gynnydd yn y tymor hir. Mae gwir angen chwistrelliad o sefydlogrwydd a sylfaen ar gyfer twf i'r dyfodol er mwyn sicrhau y gall bysiau a Thrafnidiaeth Gymunedol ddarparu cyfleoedd teithio addas - o ran nifer ac ansawdd - i breswylwyr, busnesau ac ymwelwyr fel ei gilydd.

Cwestiwn 2 – pam ydych chi'n meddwl bod nifer y gwasanaethau bysiau a nifer y teithwyr ar y bysiau yn gostwng yng Nghymru?

Nid oes ateb syml i'r cwestiwn hwn gan fod nifer o achosion tebygol yn gyfrifol am y gostyngiad. Dyma rai o'r rhesymau mwyaf tebygol:

- Penderfyniadau cynllunio sy'n creu lleoliadau (ar gyfer tai, cyflogaeth, iechyd neu hamdden) sy'n anodd eu cyrraedd drwy ddefnyddio trafndiaeth gyhoeddus – gan arwain at fwy o ddibyniaeth ar geir
- Diffyg cyllid ar gael i fuddsoddi mewn bysiau o safon uchel
- Methiant i gyflwyno mesurau i roi blaenoriaeth i fysiau ar lwybrau allweddol, gan arwain at deithiau bysiau arafach a phrisiau tocynnau uwch
- Pryderon ynghylch hyfywedd canol trefi/canolfannau ardal, sy'n arwain at fwy o fannau parcio a pharcio rhatach ac felly'n lleihau unrhyw gymhelliad i deithio ar drafnidiaeth gyhoeddus
- Lleihau'r gefnogaeth i wasanaethau bysiau neu ddarparu cefnogaeth ansefydlog iddynt, gan olygu nad yw'r gweithredwyr yn cynnig gwasanaethau newydd neu arbrofol
- Oherwydd nad oes ganddynt strwythur o reolwyr canol, nid yw llawer o'r

gweithredwyr lleiaf yn marchnata eu gwasanaethau ac yn sicrhau'r nifer mwyaf o ddefnyddwyr

- Diffyg cystadleuaeth mewn rhai rhannau o Gymru, gyda gweithredwyr cryf yn amharod i geisio ehangu'r farchnad
- Cynnydd yn y nifer sy'n berchen car – unwaith y byddant wedi prynu car, mae gyrwyr yn tueddu i gyfrifo costau newidiol eu siwrnai (parcio a thanwydd) yn unig ac felly'n gyson yn gweld defnyddio'r car yn rhatach na defnyddio'r bws
- Poblogaeth sy'n heneiddio; mae mwy o bobl oedranus, sydd â phroblemau iechyd cymhleth, yn llai tebygol o allu teithio yn annibynnol ac efallai'n dibynnu ar wasanaethau Trafnidiaeth Gymunedol neu gludiant i deithwyr
- Cenhedlaeth o bobl o oedran gweithio sydd erioed wedi defnyddio trafndiaeth gyhoeddus, ac sydd ddim yn deall sut i gael gwybodaeth ynghylch gwasanaethau, prynu tocynnau, manau aros, ac yn y blaen
- Deunydd cynyddol o gyfryngau digidol i reoli bywyd cymdeithasol, gan arwain at lai o angen i deithio i gwrdd â phobl a mwy o amser cyswllt ar-lein
- Dim arweiniad clir yng Nghymru ynghylch gwerth a budd gwasanaethau bysiau i'n cymunedau. Mae angen cydnabod mewn modd mwy cadarnhaol y gall bysiau ddarparu mynediad dibynadwy i gyfleusterau, yn lleol a thros bellter hwy, yn ogystal â sicrhau mwy o gydweithio â gweithredwyr gwasanaethau bysiau o bob maint i sefydlogi ac ehangu'r farchnad
- Tafarndai a chyfleusterau lleol yn cau
- Diffyg marchnata a hyrwyddo

Cwestiwn 3 – beth, yn eich barn chi, yw effaith gymdeithasol, economaidd ac amgylcheddol y newidiadau diweddar mewn lefelau gwasanaethau bysiau a chludiant cymunedol?

Economaidd – Mae cwtogi'r gwasanaethau bysiau a thrafnidiaeth gymunedol yn effeithio ar allu'r rhai sy'n ennill cyflog isel neu'r isafswm cyflog (ac sy'n llai tebygol o fod yn berchen ar gar neu gadw car) i gael mynediad at gyfleoedd gwaith a hyfforddiant. Felly, gall gwasanaeth bysiau neu drafnidiaeth gymunedol gwael, cyfyngedig neu ansefydlog amharu ar dwf economaidd mewn cymunedau a'r ymdrechion i leihau'r ddibyniaeth ar fudd-daliadau. Mae llai o wasanaethau bysiau neu drafnidiaeth gymunedol hefyd yn arwain at gynnydd yn y ddibyniaeth ar geir, yn enwedig ymysg y rhai sy'n byw mewn ardaloedd gwledig. Golyga hyn fod unigolyn neu deulu yn gwario mwy ar deithio a bod llai o arian ar gael ganddynt i'w wario ar hamdden a chymdeithasu, ac felly gall hyn gael effaith niweidiol ar yr economi, yn lleol ac yn rhanbarthol. Yn y pen draw, gall llai o wasanaethau bysiau a thrafnidiaeth gymunedol greu neu ychwanegu at anghyfartaledd economaidd, gyda rhaniad clir o ran incwm a gallu gwario rhwng teuluoedd sy'n berchen ar gar a'r rhai sydd heb gar. Mewn canolfannau lleol/ardal, mae busnesau bach yn dioddef yn sgil llai o ymwelwyr o ganlyniad i gwtogi'r gwasanaeth bysiau a thrafnidiaeth gymunedol. Gall hyn gael effaith ar hyfywedd yn y tymor hir a chreu cylch o golli cyfleusterau a gwasanaethau lleol, gan olygu y bydd angen teithio ymhellach i'w cael.

Cymdeithasol – Mae cwtogi'r gwasanaethau bysiau a thrafnidiaeth gymunedol yn golygu nad yw'r bobl hynny sy'n dibynnu ar y gwasanaethau hyn yn gallu cael cystal mynediad at ystod eang o wasanaethau a chyfleusterau. Mae hyn yn berthnasol nid yn unig i gyfleoedd gwaith neu hyfforddiant (a'r budd a geir o fywydau cynhyrchiol) ond hefyd i ofal iechyd, ac yn arbennig i ofal iechyd ataliol a chyfleoedd cymdeithasol

a hamdden ehangach. Gall y gostyngiad yn y gwasanaethau bysiau a thrafnidiaeth gymunedol effeithio ar iechyd corfforol a meddyliol y rhai sy'n dibynnu ar y gwasanaethau hyn. Yn y tymor hir, gallai hyn arwain at gost economaidd sylweddol i'r gwasanaethau meddygol, a'r angen am ofal preswyl neu fwy o gefnogaeth seiciatryddol yn y gymuned.

Amgylcheddol – Mae llai o wasanaethau trafndiaeth gyhoeddus yn golygu bod yn rhaid i fwy o bobl ddefnyddio cerbydau preifat, gan arwain at fwy o dagfeydd, allyriadau nwyon tŷ gwydr, sŵn a dirgrynu, a gostyngiad yn ansawdd yr aer, yn enwedig ar lwybrau allweddol i ganolfannau lleol ac ardal, a chanol y trefi. Mae mwy o deithio unigol, sy'n hanfodol pan mae'r gwasanaethau bysiau a thrafnidiaeth gymunedol yn cael eu torri, yn cynyddu'r ymdeimlad o arwahanrwydd cymunedol mewn pentrefi a maestrefi, ac nid yw dulliau teithio cynaliadwy, megis cerdded a beicio, yn ymddangos mor ddeniadol. Mae hyn yn creu cylch anorfod o fwy o ddefnydd o gludiant preifat, llai o ddefnyddio trafndiaeth gynaliadwy ac effaith gynyddol negyddol ar gymunedau a chynefinoedd lleol.

Yn gyffredinol – mae achos cryf iawn dros gefnogi ac ehangu'r gwasanaeth bysiau a thrafnidiaeth gymunedol yn y rhanbarth. Mae'n gwneud synnwyr economaidd da i gefnogi cyfleoedd i bobl gael mynediad at waith a hyfforddiant, yn ogystal â'u galluogi i ddefnyddio gwasanaethau a chyfleusterau lleol er mwyn sicrhau eu bod yn parhau'n hyfyw. Mae'n gwneud synnwyr cymdeithasol da i sicrhau bod pobl yn gallu cael mynediad at gyfleusterau meddygol, siopau, a gweithgareddau hamdden a chymdeithasol fel eu bod yn iach ac yn heini, ac yn gallu cymdeithasu cyn hired â phosib. Mae sicrhau bod trafndiaeth gyhoeddus ar gael fel dewis amgen i fod yn berchen ar gar a'i ddefnyddio yn gwneud synnwyr amgylcheddol perffaith.

Cwestiwn 4 – beth ydych chi'n meddwl y dylai Llywodraeth Cymru ei wneud i gefnogi gwasanaethau bysiau a thrafnidiaeth gymunedol yng Nghymru?

Mae angen i Lywodraeth Cymru greu sylfaen gadarn lle gall y gwasanaethau bysiau a thrafnidiaeth gymunedol ffynnu a thyfu. Nid yn unig y dylid sicrhau cyllid sefydlog (er mor bwysig yw hynny), ond dylid sicrhau cefnogaeth a buddsoddiad cyson yng nghydestun dealltwriaeth eglur o swyddogaeth y gwasanaeth bysiau a thrafnidiaeth gymunedol drwy Gymru.

Yn ystod y 4 blynedd diwethaf, cafwyd nifer o newidiadau yn y ffordd y mae'r cyllid i gefnogi trafndiaeth gyhoeddus yn cael ei gyflwyno. Nid oes unrhyw ymdeimlad o ymrwymiad tymor hir na sefydlogrwydd yn y farchnad a allai arwain at greu'r sicrwydd fod Cymru o ddifrif yn cefnogi'r amodau hynny o fewn y gwasanaethau bysiau a thrafnidiaeth gyhoeddus a allai eu galluogi i gynnig gwasanaeth i'w cwsmeriaid presennol yn ogystal â denu rhai newydd.

Mae angen cefnogi'r symudiad tuag at gerbydau carbon isel, fel a wnaed yn Lloegr a'r Alban, ac mae angen i Lywodraeth Cymru fwrw ymlaen â'r cynllun i gael system integredig o brynu tocynnau drwy Gymru.

Mae angen i Lywodraeth Cymru ymatal rhag canolbwyntio ar yr angen i reoli gweithredwyr y gwasanaeth bysiau drwy gyflwyno mwy o reoliadau, a chydabod y manau lle cafwyd tystiolaeth o welliannau sylweddol a chynnydd yn nifer y

defnyddwyr. Digwyddodd hyn o ganlyniad i weithio mewn partneriaeth dymor hir rhwng y sectorau cyhoeddus a phreifat, a lle cafwyd ymrwymiad a buddsoddiad parhaus a chyson yn yr amodau sy'n arwain at weithredu gwasanaeth trafndiaeth gyhoeddus o ansawdd da. Gallai cyllid/buddsoddiad cyson alluogi'r Awdurdodau Lleol i ymrwymo i weithio gyda gweithredwyr y gwasanaethau i ddatblygu Partneriaethau Bysiau o Safon, sy'n gallu dylanwadu ar bob agwedd o ddarparu gwasanaethau a gwella profiadau'r cwsmeriaid.

Dylai Llywodraeth Cymru ystyried ymdrin â sectorau'r gwasanaeth bysiau a thrafnidiaeth gymunedol yn yr un modd ag yr ymdriniwyd â cherdded a beicio drwy gyfrwng y Ddeddf Teithio Llesol. Drwy gytuno bod defnyddio trafndiaeth gyhoeddus yn rhywbeth da ar lefel economaidd, gymdeithasol ac amgylcheddol, gallai'r Llywodraeth osod ffordd glir ymlaen, gan nodi'r disgwyliadau ynghylch pa lefel a pha fath o wasanaethau sydd eu hangen ar gyfer ardaloedd adeiledig drwy Gymru, a'i gwneud yn ofynnol i'r Awdurdodau Lleol ddarparu isafswm o wasanaeth bysiau neu dtrafnidiaeth gymunedol, a'i wella dros gyfnod o amser.

Bydd angen buddsoddi i gynnal ac ehangu'r gwasanaethau er budd tymor hir ac er mwyn cyfrannu tuag at leihau'r gost i'r sectorau Gwasanaethau Cymdeithasol ac lechyd yn y gwaith o ofalu am bobl sy'n cael eu hynysu yn eu cartrefi.

Cwestiwn 5 – beth, yn eich barn chi, ddylai awdurdodau lleol Cymru ei wneud i gefnogi gwasanaethau bysiau a thrafnidiaeth gymunedol yng Nghymru?

Yn yr hinsawdd ariannol bresennol mae'r Awdurdodau Lleol yn canolbwyntio ar y meysydd hynny lle ceir cyfrifoldebau statudol y mae'n ofynnol iddynt eu cyflawni. Er bod gan yr Awdurdodau Lleol gyfrifoldeb i ystyried anghenion trafndiaeth gyhoeddus eu cymunedau, nid oes unrhyw rwymedigaeth arnynt i ddarparu isafswm o wasanaeth. Yn anochel, golyga hyn fod arian ar gyfer gwasanaeth bysiau yn fwy tebygol o gael ei dorri nag arian ar gyfer plant ac oedolion bregus neu ofynion addysgol oedran statudol.

Mae rhai Awdurdodau Lleol yn gwneud cyfraniad sylweddol tuag at ad-dalu cost tocynnau teithio rhatach (lle roedd cynlluniau'n bodoli cyn i gynllun Cymru Gyfan gael ei gyflwyno), ac yn yr achosion hynny byddai'n ddefnyddiol gallu buddsoddi'r arian yn hytrach i ddarparu trafndiaeth gyhoeddus ychwanegol neu wella'r gwasanaeth. I wneud iawn am y cyllid a gollwyd, byddai angen cael rhagor o arian gan Lywodraeth Cymru tuag at docynnau teithio rhatach oherwydd bod gan tua 50% o'r defnyddwyr yn y rhanbarth yr hawl i docynnau teithio rhatach. Y dewis arall fyddai i'r Llywodraeth ganiatáu codi tâl bychan am y Cerdyn Teithio Rhatach; byddai hyn yn fodd o sicrhau incwm i'r Awdurdodau Lleol fel y gallent gynhyrchu'r buddsoddiad sydd ei angen i gynnal y gwasanaethau (a'u gwella).

Yn ddelfrydol, byddai cefnogaeth gan yr Awdurdodau Lleol yn arwain at ddarparu marchnad sefydlog y gallai gweithredwyr y gwasanaethau bysiau a thrafnidiaeth gymunedol weithio o'i mewn. Golyga hynny neilltuo cyllid cyson, wrth gwrs, ond, yn bwysicach efallai, byddai hefyd yn fodd o ddarparu seilwaith i gefnogi gweithredu gwasanaeth bysiau. Gallai hyn gynnwys sicrhau cysylltiadau hwylus, manau parcio i fysiau a choetsys, mesurau sy'n rhoi blaenoriaeth i fysiau, mynediad i fysiau i ddatblygiadau newydd, a dull cyson a phriodol ar draws y gwahanol Gynghorau o

ddarparu a rheoli cyfleusterau parcio.

Oherwydd nodweddion y dirwedd a'r ffaith fod y boblogaeth ar wasgar, bydd angen mwy o gefnogaeth ariannol i ardaloedd gwledig er mwyn sicrhau twf mewn trafndiaeth gyhoeddus a chymunedol yn yr ardaloedd hyn.

Hefyd, bydd angen cydweithio i wneud y defnydd gorau o'r adnoddau, gyda gweithredwyr y gwasanaeth yn gweithio gyda'r Awdurdodau Lleol i geisio diogelu'r farchnad bresennol a sicrhau rhai newydd, ymateb i newidiadau yn y galw a'r blaenoriaethau, a chadw'r ddeialog yn agored. Gellid gwneud hyn, yn ffurfiol neu'n anffurfiol, drwy Bartneriaethau Bysiau o Safon.

Cwestiwn 6 – beth yw eich barn am gynigion i ddatganoli pwerau cofrestru bysiau i Gymru? Sut y dylai'r rhain gael eu defnyddio?

Mae datganoli pwerau cofrestru bysiau i Gymru yn gwneud synnwyr a Traveline Cymru fyddai'r sefydliad gorau i reoli'r broses, cyn belled â bod adnoddau TG a staff priodol yn cael eu darparu.

Dylai gwasanaeth cofrestru mwy "lleol" sicrhau bod yr holl wybodaeth berthnasol am newidiadau i'r gwasanaeth bysiau neu wasanaethau newydd yn cael ei phrosesu a'i chylchredeg yn gyflym i'r bobl berthnasol.

Dylid cael Comisiynydd Trafnidiaeth i Gymru, a bydd hyn yn dod yn bwysicach fyth pan fydd yr awdurdod dros weithredu'r gwasanaeth bysiau yn cael ei ddatganoli i Lywodraeth Cymru.

Cwestiwn 7 – dywedwch wrthym a ydych yn credu bod angen mwy o bwerau i reoleiddio'r diwydiant bysiau yng Nghymru, a pham?

Ymddengys fel pe bai mater rheoleiddio pellach ar y diwydiant bysiau yn seiliedig ar y ffaith y byddai'r rheoleiddio ei hun yn arwain at welliant sylweddol mewn gwasanaethau bysiau yng Nghymru. Mewn gwirionedd, nid oes unrhyw dystiolaeth i brofi'r honiad hwn. Yn Llundain y ceir y gwasanaeth bysiau sydd wedi'i reoleiddio fwyaf yn y Deyrnas Unedig. Dyma'r ardal lle gwelwyd y cynnydd mwyaf yn y defnydd o fysiau, a bu'n rhaid cyflwyno llawer o wasanaethau newydd a chynnyddu'r oriau er mwyn cwrdd â'r galw am deithio ar fysiau yn y ddinas, gyda chefnogaeth nawdd cyhoeddus sylweddol.

Fodd bynnag, nid yw'r cysylltiad rhwng rheoleiddio a'r cynnydd yn y defnydd o fysiau mor syml â hyn. Mae a wnelo'r cynnydd yn y defnydd yn Llundain â pherfformiad economaidd a thwf ym mhoblogaeth y ddinas, yn ogystal â ffactorau eraill megis dwysedd y boblogaeth (sy'n llawer uwch na'r hyn ydyw yng Nghymru) sy'n cefnogi'r gwasanaeth trafndiaeth gyhoeddus; mae ffactorau rheoleiddiol eraill, megis tâl atal tagfeydd, ffyrdd coch, costau parcio uchel a phrinder manau parcio, hefyd yn berthnasol. Y ffactorau hyn i gyd gyda'i gilydd sydd wedi cael yr effaith fwyaf ar nifer ac ansawdd y gwasanaeth bysiau yn Llundain.

Y ffactor arall a arweiniodd at y cynnydd sylweddol a welwyd yn Llundain yw polisi cyson o gefnogi'r gwasanaeth trafndiaeth gyhoeddus; mae hwn hefyd yn ffactor

allweddol mewn rhai ardaloedd eraill o'r Deyrnas Unedig sydd wedi llwyddo i fynd yn groes i'r duedd o weld gostyngiad yn y defnydd o fysiau. Mewn ardaloedd megis Brighton a Nottingham gwelwyd cynnydd yn y defnydd o fysiau yn sgil polisi cyson a pharhaus yn ymwneud â bysiau, a blaenoriaeth i fysiau yn y canolfannau trefol.

Nid oes angen mwy o reoleiddio neu well rheoleiddio ar Gymru i gynhyrchu cynnydd (yn hytrach na gostyngiad) yn y defnydd o'r gwasanaeth bysiau. Yr hyn sydd ei angen yw sefydlogrwydd a chynllun tymor hir i geisio gwella'r "cynigion" ar fysiau. Mae'r gallu gennym eisoes i sefydlu Cytundebau neu Bartneriaethau o Safon sy'n cynnwys mwy o reoleiddio nag amodau'r farchnad rydd ar hyn o bryd. Er hynny, mae'r rhan fwyaf o Awdurdodau Lleol yn amharod i wneud unrhyw fath o gytundeb heb sicrwydd tymor hir y gellir cwrdd ag unrhyw ymrwymadau ariannol (pa un ai ar gyfer strwythurau newydd neu gynnal a chadw) y tu hwnt i'r flwyddyn ariannol gyfredol. Yn ychwanegol at hyn, mae'r broses o sefydlu Cytundebau o Safon yn awgrymu methiant i gydweithio â gweithredwyr y gwasanaeth bysiau i wella'r ddarpariaeth; yn gyffredinol, mae perthynas weithio dda gyda gweithredwyr y gwasanaeth bysiau drwy Gymru. Gallai'r gefnogaeth ariannol ganolog bresennol tuag at wasanaeth bysiau sy'n cael ei rhoi i Awdurdodau Lleol (Grant Cynnal Gwasanaeth Bysiau) gysylltu gwelliannau o safon i wasanaethau bysiau a thrafnidiaeth gymunedol â lefel uwch o ad-daliadau yn seiliedig ar nifer y milltiroedd – cynllun sydd eisoes dan ystyriaeth. Ond y pwynt allweddol yw y dylid osgoi gorgymhlethu neu wneud newidiadau sylfaenol i ddull ariannu sydd wedi newid bob blwyddyn yn ystod y pedair blynedd diwethaf, ac sy'n mynd yn groes i'r prif gais, sef cynllunio a sefydlogrwydd tymor hir.

Cwestiwn 8 – pa gamau eraill y gellir eu cymryd i sicrhau bod gwasanaethau bysiau a thrafnidiaeth gymunedol yn diwallu anghenion pobl Cymru?

- Ymrwymiad i lif ariannu 3–5 mlynedd i wasanaethau bysiau a thrafnidiaeth gymunedol
- Sefydlu cronfeydd ariannol penodol i annog newid cerbydau/sicrhau cerbydau gwyrdd a phrosiectau trafndiaeth arloesol
- Egluro rôl/statws grwpiau megis y Grŵp Cynghori ar Bolisi Bysiau / Defnyddwyr Bysiau Cymru / y Gymdeithas Cludiant Cymunedol / Grŵp Defnyddwyr Trafnidiaeth Gyhoeddus
- Datblygu / annog canllawiau cynllunio atodol a Nodiadau Cyngor Technegol er sicrhau bod datblygiadau newydd yn hwylus i fysiau
- Gweithio gyda gweithredwyr y gwasanaeth i godi proffil bysiau
- Gweithio gyda'r diwydiant i gefnogi cael tocynnau ar gyfer sawl siwrnai / gweithredwr gwasanaeth
- Buddsoddi mewn marchnata a hyrwyddo i ysgogi cynnydd yn niferoedd y teithwyr.

Nodwch unrhyw beth arall yr hoffech sôn amdano ar y pwnc hwn. Diolch i chi am gyfrannu at ei hymchwiliad.



Eitem 3

National Assembly for Wales

Enterprise and Business Committee

Inquiry into Bus and Community Transport Services in Wales

RESPONSE OF TOBYN HUGHES, NORTH EAST COMBINED AUTHORITY/NEXUS

In this paper I set out the background to the provision of, and funding for, bus services in Tyne and Wear, followed by an explanation of how bus franchising can contribute to meeting transport policy objectives. My experience is based on work over the last four years in Tyne and Wear, a metropolitan conurbation that is a different transport and operating environment to Wales in many ways. However there are some lessons from our work in Tyne and Wear that can inform the transport debate in Wales.

In this document I will variously refer to Tyne and Wear, the North East Combined Authority, and Nexus. Tyne and Wear is a metropolitan area of approximately 1.2 million people in the North East of England, comprising the council areas of Gateshead, Newcastle, North Tyneside, South Tyneside and Sunderland. The recently-formed North East Combined Authority covers Tyne and Wear, Durham and Northumberland. The North East Combined Authority is the local transport authority for the entire area. Nexus is the Passenger Transport Executive (PTE) covering Tyne and Wear, and acts as a delivery agent for the North East Combined Authority in the Tyne and Wear area.

In my role I am the Managing Director (Transport Operations) for the North East Combined Authority, which incorporates the statutory role of Director General of Nexus.

The Committee will no doubt be aware that bus patronage outside London is declining, a trend that has continued for several decades. There is much discussion about whether this decline is due to the deregulation of buses, due to the growth in car ownership or due to the different characteristics of people's home and work life – in reality it is likely to be a combination of these three inter-related factors, alongside many other influences.

What is evident though, is that if there is an objective to arrest and even reverse the decline in bus patronage, leaving things as they are will be very unlikely to meet that objective. It appears from your questions that this is the current experience in Wales.

In Tyne and Wear we have three objectives set out in our bus strategy – to arrest the decline in bus patronage, to maintain and improve the accessibility offered by the bus network, and to deliver good value for public money that we spend.

Accepting that the status quo is very likely to lead to further decline in bus patronage, and that is something to be avoided if possible, there are options that need to be considered. These generally boil down to:

- **working in closer partnership with commercial bus operators** to deliver service improvements, infrastructure improvements and other quality benefits that will encourage existing passengers to stay on the bus and new passengers to switch to the bus;

- **local transport authorities taking control of bus networks** in a more formal contractual framework, commissioning bus operators to provide services using the operational skills they have built up over many decades, and adding quality benefits through a franchising arrangement that allows the transport authority to determine networks, fares and service standards.

In England the Transport Act 2000 (and the subsequent amendments in the Local Transport Act 2008) made provisions for both of these approaches, by setting out the legislative framework for various forms of bus quality partnerships, and for quality contracts schemes.

In Tyne and Wear our challenge is similar to that faced by local transport authorities across the country - it is a story that is also mirrored by other forms of public service. At a time when the cost of delivering our statutory obligations¹ is growing, the funding available for providing those statutory services and other discretionary services is declining, or at best remaining steady in cash terms.

Concessionary travel reimbursements will grow because the population is growing older, but more significantly because bus fares are very likely to rise in line with the increasing cost of providing staff, vehicles and fuel to operate buses. Funding for bus services is being squeezed by public sector austerity, continuing the trend that has pushed down on transport revenue funding for many years. There are no signs that this trend is to be reversed in the foreseeable future.

In Tyne and Wear we are therefore faced with a conundrum. We want to deliver accessibility, we want to stop the decline in patronage, we want to give good value for public money - but the money that we have to spend on bus services is being increasingly consumed by the concessionary travel scheme. This means that discretionary spend is being squeezed, resulting in the disappearance of funding for secured bus services, child fare concessions, group travel for elderly and disabled people and other bus services prized highly by our political leaders. In Tyne and Wear we think this squeeze will be complete in 8-12 years' time when all discretionary services will have gone, depending on what assumptions one makes about trends in fares and concessionary travel usage. The first significant cuts will be happening in 2016 if left unchecked, and Nexus has only avoided these cuts in recent years by spending its reserves on securing bus services, something that evidently cannot continue for ever. Accessibility and patronage associated with bus services will decline, and our bus strategy will inevitably fail.

It is important to say that this decline is not simply "the commercial bus operators' fault". They have undoubtedly had a role to play in the decline of bus patronage, pushing up fares ahead of inflation, withdrawing less profitable services and focussing their attention on the most popular routes (and sometimes making startling profit margins in the process). However, factors such as growing car ownership and the decline of discretionary local government spending are clearly not in their control. But this background leads to the conclusion that if the current trend is to be reversed, relying on existing structures and funding streams is highly unlikely to be enough to deliver.

So what has Nexus done about this?

¹ In the case of bus transport, this is principally Nexus' statutory duty to reimburse bus operators for revenue forgone as a result of carrying eligible passengers in compliance with the English National Concessionary Travel Scheme.

Our discussions with bus operators in Tyne and Wear over the last three years have led to a draft Voluntary Partnership Agreement (VPA) that is widely seen as industry leading, in terms of a large-scale conurbation-wide agreement. It brings three operators together to work in partnership with the public sector (insofar as competition law allows) to agree shared objectives and work in partnership to deliver them, with the final commercial decisions on fares and networks lying with bus operators (who after all, receive the fares and are taking many of the financial risks). Bus operators will provide and develop bus services; local transport authorities will provide the roads and infrastructure for their operation as well as funding for socially necessary links. This is an enhanced version of the status quo.

Our draft VPA would bring benefits once enacted. It has secured a promise of new cheaper fare products for 16-19 year olds, a move towards integrated smart ticketing. It includes a commitment to operate some of Nexus' secured bus services as commercial routes without subsidy, as part of an annual network review process. It provides targets for investment in new buses. And it promises 50 additional buses on new and strengthened commercial services across Tyne and Wear. These initiatives will, as long as they are carried through², address to some extent the decline in bus patronage and accessibility that would otherwise occur.

But does that go far enough? The VPA does not provide simple, effective and integrated ticketing throughout the area, nor does it allow smartcards to be exploited to their full potential. It does not avoid the eventual removal of funding for, and the operation of, secured bus services, although it does delay it somewhat. It does not provide a commitment for a stable bus network that remains in place for the long term, allowing people to make life choices based on using the bus and not bothering with a car. It does not introduce real democratic control over the provision of such a vital public service, and it doesn't address the growth in bus fares that could squeeze out people on low incomes wanting to get to a new job opportunity, access a college course or visit their relatives and friends.

My sense is that while the geographies and social make-up of Tyne and Wear and Wales might be different, these underlying issues with working in partnership with operators in Tyne and Wear may well also apply to Wales. A voluntary partnership can be progressive and secure genuinely meant and achievable benefits – but it can't entirely address the underlying problems that lead to declining bus services and bus use, it can only delay them.

An alternative that we have considered in Tyne and Wear is to be more radical – to sweep away the current commercial freedoms in the provision of bus services, procure bus operators on low risk and lower margin service specification contracts and take the fare revenues directly into the public purse. Any growth in fare revenues that can be generated will then be matched with the revenues previously diverted to the more excessive profit margins of operators, and used to “buy” bus passenger benefits:

- **Reduced fares** - Nexus proposes to peg bus fares to inflation, whereas bus fares have in the last decade increased well above inflation.

² Nexus has some real concerns about the many termination clauses that operators can invoke to bring an end to the VPA, although they have recently said that these clauses can be revisited and reworked.

- **Simpler fares** – the current multiplicity of operators’ own fares and multi-modal fares will be swept away and replaced by one simple zonal fare structure that applies to any bus as well as any Metro train and ferry in Tyne and Wear.
- **A stable network** – the revenues generated will, we believe, allow us to maintain secured bus services (be they socially necessary links or child fare concessions) even in the teeth of declining funding from our district councils.
- **A democratic say** – bus boards and user forums will be established in order that elected members and the travelling public can bring their ideas to us for improving bus services and track those ideas through a business planning process.
- **Improved service standards** – achieving high levels of reliability (the bus turning up at all) and punctuality (the bus turning up on time) will be contractualised and incentivised, and a higher standard of vehicle will be specified in order to deliver air quality benefits and an improved passenger environment.
- **Technology advancements** – Nexus will work with its contracted bus operators to deliver further improvements to vehicles, information and the passenger environment as they become affordable, ensuring that the Tyne and Wear bus network is amongst the most advanced in the UK.

Members will be aware that our proposal for a Quality Contracts Scheme in Tyne and Wear has recently been examined by an independent panel, the QCS Board, a time consuming and unnecessarily adversarial requirement of the current legislation. That Board published its opinion in early November, and stated that it thought our scheme was not in the public interest. Their opinion (it is only an opinion, the final decision to progress, amend or halt the scheme rests with our political leaders) boils down to three issues:

- They considered that the **economic benefits** that we claimed for the scheme were not always supported by evidence - hardly surprising as we have no experience of other QCSs to draw upon, that’s the danger of “going first”. We don’t believe the Board’s criticisms are fair and we are considering whether additional evidence can be gathered in support our case.
- They considered that introducing a QCS could expose Nexus to **risk of spiralling costs**, and optimism bias should be applied on top of our assessment of the cost of operating bus services. Nexus has already said that it will establish a contingency that will see 6½p of every £1 of bus fares set aside to deal with unanticipated risks and shocks to our revenue, but the QCS didn’t appear to think that was enough. We respectfully disagree, but will review our risk management arrangements and consider any further recommendations.
- They considered that the **adverse effects on operators’ future profits** were so severe that the public benefits that arise from the QCS (or indeed any scale of public benefit that the Board could envisage) could not justify these lost future profits – in particular because compensation is not on offer, and the Scheme could not be considered proportionate. Nexus is clear that there is no legal requirement to compensate operators for their future lost profits³. In any event, who is to say what operators’ profits will be in ten years’ time, given that the bus market is fully commercial and open to competition from new market entrants and new technologies? Will new disruptive technologies such as Uber have halved Stagecoach’s profits in ten years’ time, for instance?

³ Operators are not being prevented from operating buses, Nexus is simply introducing a control on those operations.

The North East Combined Authority is reflecting on its position, and the way forward will emerge following this pause. We remain of the view that our QCS is financially sound and brings real benefits to bus passengers in Tyne and Wear that outweigh the adverse effects. We suspect that the QCS Board's opinions are founded on the portrayal of the benefits and risks of the Scheme as presented by litigation experts in a highly charged and adversarial cross-examination environment, rather than inherent weaknesses in our Scheme. We therefore believe that there remains a strong case for bus franchising, be it in Tyne and Wear or elsewhere, and it is gratifying to know that the Chancellor of the Exchequer evidently agrees with us as he brokers devolution deals with English regions willing to elect a mayor, deals that make provision for bus franchising in the future.

So what are the implications for Wales?

Firstly, bus regulation and bus franchising is not a panacea for bus services everywhere. Taking control of bus services is only a benefit to the public if the public sector can generate the necessary funds – from growing patronage and growing bus fares, from diverted operator profits and from external sources – to fund measures that will arrest the decline in bus use.

Secondly, bus franchising allows the local transport authority to receive and approve all bus service registrations, which can be a powerful way in which bus service standards can be driven up – but this can also be achieved through less intrusive means than franchising the whole network.

Thirdly, community bus service provision in Tyne and Wear is relatively modest, in contrast with many rural parts of Wales, so my experience in advising you in this regard is limited. However it is evident from my experience that when bus services decline around the margin, it is less profitable services operated by community transport providers that are often the first to go. So affirmative action to arrest the decline will be of benefit to community transport operators.

Finally, and perhaps most importantly, are the social and economic consequences of taking no action. As set out above, Nexus believes that in 8-12 years' time the child fare concessions and the socially necessary links that it subsidises will all be gone. While these bus services by their very nature carry relatively few passengers, it is still the case that this loss of service will affect numerous people: workers getting to the jobs; youngsters getting to school and college; older and disabled people getting the chance to interact and socialise and improve their quality of life; and people in isolated communities getting the chance to do basic things such as shop, socialise and meet up with their friends and relatives. Bus services are a vital social lifeline to many people, and the current trends, if left unchecked, will see those lifelines removed. Taking no action appears to me to not be an option.

Tobyn Hughes
Managing Director, Transport Operations
North East Combined Authority

November 2015

LGA submission to the National Assembly for Wales Enterprise and Business Committee inquiry into Bus and Community Transport Services in Wales 18 November 2015



1. About the Local Government Association

- 1.1. The Local Government Association (LGA) is the national voice of local government. We work with councils to support, promote and improve local government. We are a politically-led, cross party organisation which works on behalf of councils to ensure local government has a strong, credible voice with national government.
- 1.2. We aim to influence and set the political agenda on the issues that matter to councils so they are able to deliver local solutions to national problems. The LGA covers every part of England and Wales, supporting local government as the most efficient and accountable part of the public sector.

2. Key Messages

- 2.1. The LGA have long called for reform to the regulatory and funding rules associated with local bus provision. Our recent report, Missing the Bus?, which assesses bus provision in English non-metropolitan areas, provides further evidence of the need for policy reform. We have attached this report and present it as formal LGA evidence to the Committee's enquiry. For ease of reference, we have summarised the key messages and findings from the report below.
- 2.2. Buses are an essential public service but reductions in Government subsidies, changes to the way the English National Concessionary Transport Scheme is funded and reductions of 40 per cent to core council funding have put at risk those services supported by councils.
- 2.3. However, councils have been working hard to mitigate the impact of funding pressures and to ensure that bus users are able to access health, education, leisure services and jobs as well as preventing social isolation. Such measures include:
 - a) working in partnership with operators to restructure the network and reprioritising council supported bus services
 - b) working with the wider public sector in planning a more cost-effective and coordinated public transport service through a 'Total Transport' approach
 - c) consultation with public and bus users on the best ways of minimising impact
 - d) identifying commercialisation opportunities in partnership with bus operators
 - e) exploring alternative opportunities to scheduled bus services
- 2.4. Despite their best efforts, councils are finding it difficult to identify further innovations that can sustain existing services unless there are changes in rules and funding that support local public transport.

Tudalen y pecyn 85

Submission

For more information please contact:
Charlotte Taylor, public Affairs and campaigns Adviser
Local Government Association
Charlotte.taylor@local.gov.uk 0207 664 3060

2.5. The Local Government Association (LGA) believes the following measures will help to ensure that buses continue to play a vital role in connecting people to vital services and prevent social isolation and we have called on the Government and others to play their full part by ensuring:

- a) the lessons from the Total Transport pilots are rapidly disseminated and that councils are empowered to build on them
- b) that there are no further reductions to the Bus Services Operators Grant and that the grant is devolved to councils
- c) a suite of regulatory reforms, perhaps through the forthcoming Buses Bill, to help the bus network deliver better value for the financial support it receives. This includes the availability of franchising powers to all areas, changes to the role of Traffic Commissioners, changes to make smart-ticketing easier and London-style moving traffic enforcement powers to aid bus journey times
- d) fully funding the cost of operating The English National Concessionary Transport Scheme.

3. Conclusion

3.1. LGA research shows that councils have demonstrated sensitivity and innovation in dealing with the pressure on bus funding, working with operators, communities and other stakeholders to improve value for money and minimise the impact on communities of the budget reductions they have needed to make. Councils are now asking for tools to do more to support bus services. The financial pressures behind bus budget cuts have not gone away. It seems very unlikely that Community Transport and other bus substitutes or commercialisation initiatives will be able to significantly mitigate further reductions in bus budgets.

3.2. The Total Transport pilots and the Buses Bill provide government with an opportunity to offer real practical assistance to the bus sector, bus users, and improve value to the taxpayer - it is an opportunity that must be exploited to the full. While some of the hopes for 'Total transport' may be unrealistic, it is vital that lessons are drawn from the pilots as soon as can be done without diminishing their value and that these lessons are acted upon.

3.3. Without reform, further contractions in bus provision will almost certainly be unavoidable, with a direct impact on access to jobs, shops, education and healthcare in a way which is likely to cost the taxpayer more in the long run than is saved in the short-term.

Missing the bus?

Councils and the future
of the bus in non-metropolitan
areas

Foreword

Over five billion bus journeys every year are made in this country, which is three times more than the total number of journeys by rail. Yet it is the plight of neighbourhood bus services that we read about in many of our local newspapers. Buses play a vital role in enabling people, especially the carless, to access health, education, leisure services, shops and of course jobs. They are crucial to many people's general well-being – especially those who are at risk from social isolation. For public administrators, buses also play a vital role in the efficiency and effectiveness of public services. Transporting people to schools and clinics is not a separate function to providing education and health services – it is an essential and integral part of providing those services.

There is a lively public debate at the moment about bus services, with the Government expected to produce a Buses Bill this year and various organisations having published their thoughts on the future of buses. The importance of bus services in cities is also well-understood and has been detailed elsewhere.¹ Therefore I felt it was important that we were able to present the perspective from councils, particularly those areas outside our main big cities, where the impact of reduced bus services is often most acutely felt. Outside of London, local government does not currently control local bus networks, however, it is local government where people will go to for local leadership and it is local government that is uniquely placed to bring together all partners in the interest of finding lasting solutions.

The financial pressure on councils has developed as a result of a 40 per cent cut in councils' core budgets since 2010 coupled with insufficient funding for the English National Concessionary Transport Scheme. Faced with such pressures, councils continue to make difficult decisions on all non-statutory services — and council support for local bus services is no exception. However, this report shows that councils are doing what they can to mitigate the impact of further budget pressures.

For example, it was councils, in partnership with other parts of the public sector, and with bus operators, that devised the Total Transport approach to planning a more cost effective public transport solution which Government is now piloting. Councils could achieve much more, even within constrained budgets, but we need Government to play a fuller role. Their support for Total Transport is welcome but the Government has an ideal opportunity to help, through the forthcoming Buses Bill, by bringing forward a suite of improvements to the transport and buses regulatory environment and by ensuring the next Spending Review doesn't further jeopardise local buses. Without proper funding or the tools to manage an effective bus network, we may find we are turning off the engine of the local economy just to save the cost of its fuel.

Cllr Peter Box

Chair of the LGA's Economy, Environment, Housing and Transport Board

Contents

Executive summary	4
Introduction	5
Bus service funding	6
How are councils responding to reductions in bus funding?	7
Consultation	8
Partnership working	8
Commercialisation	9
Is a bus the right solution?	9
Links with the local growth agenda	10
What does the future look like?	12
Total Transport	13
Devolution of BSOG	14
Regulatory reforms	14
Conclusion	16
Endnotes	17

Executive summary

Buses are an essential public service but reductions in Government subsidies, changes to the way the English National Concessionary Transport Scheme is funded and reductions of 40 per cent to core council funding have called into question the future of many services.

However, councils have been working hard to mitigate the impact of funding pressures and to ensure that bus users are able to access health, education, leisure services and jobs as well as preventing social isolation. Such measures are explored further in this report and include:

- working in partnership with operators to restructure the network and reprioritising council support services
- working with the wider public sector in planning a more cost-effective and coordinated public transport service through a 'Total Transport' approach
- consultation with public and bus users on the best ways of minimising impact
- identifying commercialisation opportunities in partnership with bus operators
- exploring alternative opportunities to scheduled bus services
- linking with the growth agenda.

Rural bus subsidies are being cut across much of the country and councils will have to continue to find new and innovative ways of meeting their communities' transport needs. Despite their best efforts, councils are finding it difficult to identify further innovations that can sustain existing services unless there are changes in rules and funding that support local public transport.

But the future does not need to be so bleak. The Local Government Association (LGA) believes the following measures will help to ensure that buses outside metropolitan areas continue to play a vital role in connecting people to vital services and prevent social isolation and we call on the Government and others to play their full part by ensuring:

- the lessons from the Total Transport pilots are rapidly disseminated and that councils are empowered to build on them
- that there are no further reductions to the Bus Services Operators Grant and that the grant is devolved to councils
- a suite of regulatory reforms, perhaps through the forthcoming Buses Bill, to help the bus network deliver better value for the financial support it receives. This includes the availability of franchising powers to all areas, changes to the role of Traffic Commissioners, changes to make smart-ticketing easier and London-style moving traffic enforcement powers to aid bus journey times
- fully funding the cost of operating The English National Concessionary Transport Scheme.

Although the report focuses on non-metropolitan areas, many of the issues discussed apply in cities and the measures proposed are ones we expect will benefit all of England and Wales.

Introduction

There is no doubt that the bus is an essential public service.

- Three times as many journeys are made by bus as by train.
- More people travel to work by bus than by any other form of public transport.²
- Bus passengers spend £21 billion in retail outlets and £6.2 billion on leisure activities.³
- Twelve per cent of students depend on buses to get to class; job seekers depend on them to find work and, as the population ages, the role of the bus in connecting patients and health services becomes ever more essential.⁴

Small wonder, then, that 'public support for socially necessary bus services can generate benefits in excess of £3 for every £1 of public money spent'.⁵ Yet, outside London, bus network funding fell by around half a billion pounds in real terms in the four years after 2010/11.⁶

According to the Campaign for Better Transport, over 2,000 services have been reduced, altered or removed since 2010. It says buses are 'in crisis'.⁷

This report, based on interviews with officers from a small number of non-metropolitan councils, representing a broad range of circumstances, examines the reality of how councils have faced the challenges presented by increased pressure on bus budgets during the past five years, asks what the future of the bus sector looks like and makes recommendations that the LGA believes can avert a crisis.

Although the report focuses on non-metropolitan areas, many of the issues discussed apply in cities and the measures proposed are ones we expect will benefit all of England and Wales.

Bus service funding

A diverse range of bus services operate outside England's major cities, from inter-urban connectors through small networks around towns to relatively long-distance services often providing the only transport link to small communities other than the private car. The type of travel varies according to the nature of an area, with tourism more important in some places and travel-to-work more important in others. However links to healthcare are seen as a vital service across the board.

Around 80 per cent of bus services nationally are commercial. These services are primarily funded by passenger fares, with no direct funding from councils. However, commercial operators receive Bus Service Operators' Grant (BSOG) – a fuel duty rebate paid directly to operators by Central Government – and are reimbursed by councils for journeys made under the English National Concessionary Transport Scheme (ENCTS).

Councils receive funding for ENCTS reimbursement through their grant from central government, but the grant falls short of the true cost of reimbursement and this means that even journey on 'commercial' services are costing councils money. The fact that BSOG is tied to fuel duty means that its benefits accrue to operators irrespective of the wider social and economic benefits of a service and is paid even when a service would be profitable without it. Nevertheless, despite these inefficiencies, BSOG still provides a critical financial lifeline to many bus services so it is vital that it is maintained at its current level.

Where councils perceive a need for bus services that is not being met by the commercial network, they can fund services directly. These may be specific services put out to tender by the council or additional (eg late evening) journeys, funded under de Minimis rules, on routes that are otherwise commercially run.

Councils also have a statutory obligation to provide free home-to-school transport for children under 16 who live more than a certain distance from their nearest school or who have special educational needs (SEN) and in some other circumstances. Typically, the cost of home-to-school dwarfs the budget for supported services.

The 2010 spending review led to a 20 per cent cut in BSOG.⁸ In the ensuing four years Government reimbursement to local authorities for the cost of ENCTS was reduced by nearly 40 per cent.⁹ The Department for Communities and Local Government (DCLG) budget, from which council funding for bus subsidies comes, has seen larger reductions in funding than any other government department and, as a non-statutory service, council bus funding has inevitably suffered.¹⁰

'We are paying out £1.25 million more to operators in ENCTS reimbursement than the Government gives us.'

How are councils responding to reductions in bus funding?

Councils have done much to maintain the benefits of bus services in the face of reduced funding by working with operators to restructure the network, reducing frequency, identifying those services offering least value and seeking alternatives to the bus. Some services have been commercialised and some additional sources of funding identified. Fares on some tendered services had fallen below those on the commercial network. Others are pioneering a 'Total Transport' approach to delivering a more cost effective public transport service, by coordinating and aligning their transport plans with other parts of the public sector (as discussed in more detail below).

Where councils feel this can help keep a service on the road they have been increased, although this may not reduce subsidy for tendered services until the tender is re-let, depending on the contract. The picture is one of partnership and innovation in the face of necessity; nevertheless, there have still been significant reductions in bus services. The key question is 'On what basis do councils decide to remove one service and retain another?'

Councils tended to have a pre-existing means of prioritising services for funding. Cost per journey, fares as a percentage of costs or passenger numbers tended to be used to rank services, but this was a broad guide rather than an absolute test. The type of journey involved was significant; the need to maintain access to work, school, healthcare and shops was considered and whether a decision might leave a community without any service at all. Councils asked how the tendered services fitted into the bus network as a whole and what sort of network the area required.

'We held a public consultation on our proposals. We considered factors such as car ownership levels, demographics and income and made some assumptions – for example that young people are less likely to own a car and more likely to be dependent on public transport.'

Where home-to-school transport was already integrated into the bus budget, savings could be found by withdrawing non-statutory elements – payments for journey to schools chosen in preference to the nearest school or to post-16 students.

Councils have found that improving cycle ways and footpaths can help to reduce home-to-school transport costs but is not popular with the public if it means subsidised transport is cut and there is a limit to what can be achieved here: 'we do not expect children to traipse across fields'.

In general, councils looked to reduce frequencies rather than to withdraw services altogether and were reluctant to remove 'last link' services, in particular those providing access to healthcare. Cuts tended to fall on evening and weekend services as these were less likely to provide access to jobs, shops, healthcare or schools; but councils understand that cutting evening services can reduce daytime patronage and that weekend services can have an economic value in providing access to leisure services as well as to jobs in the night-time economy. It was therefore vital to consult with communities and operators if the effects of cuts were to be mitigated.

One council, which ceased funding 70 scheduled bus services, provided transitional funding to enable services to continue while alternative solutions were explored and was able to ensure that 49 of them continued, through a combination of support to community transport operators, increased fares and persuading operators, a number of parish councils and other stakeholders (a housing association, a hotel and some town councils) to take on funding responsibility.

Consultation

Public consultation has proved essential. One council has just completed work on a significant reduction in its bus budget over two years. Careful consideration of consultation responses, combined with a good operator relationship, meant that the number of estimated passenger trips no longer catered for dropped from almost 400,000 in the original proposals to just under 170,000 – out of a total 5,000,000 on all supported services. This means that over 96 per cent of passenger trips on the supported network would carry on unaffected by the service reductions, without sacrificing savings.

‘Every suggestion in the consultation responses was considered. 90 per cent were undoable but there were some very useful ones’

Consultation has also provided an opportunity to raise public awareness of the reasons behind service reductions and explore the needs of communities.

Partnership working

Councils see their relationships with local bus operators as essential, both in providing an effective network in the first place and in managing the impact of cuts. Where this relationship breaks down, communities feel the impact. For example, it was reported that in one area where relationships are poor a bus operator withdrew service and the first the council knew about it was when pupils were unable to get to school. Where relationships are effective operators will feel comfortable raising problems with councils before a crisis is reached and councils can mitigate the effects of any withdrawal before buses cease to operate. This relationship is often dependent on the informal partnership between individuals.

Councils can encourage operators to run services of borderline commercial value with promotional support or investment in facilities. Discussions between officers and operators can find work for buses which would otherwise be idle. Councils talk to operators to resolve service issues without infringing competition law and as an independent guarantor that discussions are within the legal framework...

‘The question is can we find a week’s work for a vehicle possibly on three different services two days each’

This kind of informal partnership requires trust on both sides and can involve a lot of work. In one council, for example, 42 operators were involved in discussions about how to manage funding reductions, both as a group and through individual meetings. In another, which cut all direct funding, officers are still working with operators to support the commercial network, home-to-school transport and mitigate the effects of cuts. One of the less obvious effects of cuts to bus funding is the reduction in council staff available to undertake such work and the risk that over time this erodes or even ends the relationship.

Commercialisation

Several councils report success in getting operators to take on services that were previously subsidised and running them as commercial operations. One semi-rural county council is currently implementing a policy of making services with low subsidy levels commercial, rather than cutting services with higher subsidies. Such initiatives depend on good relationships between councils and operators and illustrate the contribution councils can make to supporting bus services by non-financial means, through ticketing policies, digital information provision, infrastructure investment, promotion and procurement (increasing fares is usually a part of the process as well).

It is easier to persuade operators to 'give it a go'; and take on the risk of funding a service when the alternative is redundant vehicles, the loss is small and the council has support to offer; but only time will tell if 'commercialised' services have a long-term future. Another source of savings for one council was its ability to turn its park and ride scheme into a commercial operation, saving £ 2 million.

Is a bus the right solution?

A further important element in framing service cuts was whether alternatives to the traditional bus could meet needs at a lower cost. Where passenger levels do not justify a taxpayer contribution, councils have sought to ensure alternative services are provided but this is easier to attempt than achieve. There is a broad consensus that 'community transport works well where it works but is no universal panacea' while on-demand transport has relatively high per-passenger costs.

In one area, which already had a well-established community transport (CT) network, that network was able to expand to fill some of the gaps created by reduced bus services. Around £200,000 of the council's bus funding was diverted to establish a CT umbrella organisation to act as an advocate and support for CT.

For example through joint procurement initiatives for fuel, insurance and training.

However CT has suffered from similar difficulties to the mainstream bus industry. In one area two large CT operators went out of business at the same time as cuts were being made and CT did not take much displaced business.

New CT schemes take time and effort to develop and are often dependent on key individuals in organising roles. Volunteer drivers can be difficult to find (a factor here is the change in driving licences from 1998 which means that those passing their test after this date are not automatically able to drive a minibus).

'CT works best where it supplements conventional services rather than replacing them'.

On demand services (variously referred to as taxi bus, flexi bus demand-responsive transport) are another option that has been widely explored. These services tend to encounter initial resistance from users who do not like the idea of having to prebook: 'I don't know I'm going to be ill a day in advance'. A good operator providing a good service can overcome this resistance. New technology can reduce the need for advance notice required but it requires funding.

'A key challenge is changing people's mind-set. We had a complaint that one user could no longer get the bus to visit the doctor on Tuesday as they could not get a booking. This person did not realise that the bus now ran Monday-Friday and they could visit the doctor on a different day.'

Taxi buses are essentially a taxi which runs at a given time from a given place (eg meeting a rail service at a remote station). The council may pay a per-head fee, the taxi has a guaranteed fare and the customer also pays. Alternatively taxi-bus services can be tendered like any other. The service then sets fares – but concessionary pass holders travel free.

In one area, reductions in mainstream buses saw a pre-existing scheme supported by the Countryside Agency provided in a more targeted way to create a community transport car-sharing scheme. Users pay using a smartcard, providers – usually taxi companies – have handcard readers. The scheme bridges the gap between what users can pay and what operators need to charge.

Some councils have taken provision to the individual level by funding Wheels to Work schemes. Wheels to Work is a well-established scheme providing mopeds to young people so they can access education and employment.

Links with the local growth agenda

Local Enterprise Partnerships (LEPs) can play an important role in successful bus networks by ensuring bus priority and interchange is built into road and rail infrastructure development and recognising the value of public transport when promoting large new developments, such as housing projects and business parks.

‘An important success has been the thought that went into bus services at an early stage in major development – for example in attracting major government service to relocate – the main bus operator were involved at an early stage’.

However, councils tell us that LEPs have had little or no involvement in bus services. This is largely because bus networks need secure medium/long-term revenue support whereas LEPs are generally capital rich and revenue poor bodies, focused on unlocking growth and development.

Revenue funding which can be guaranteed over five year periods is vital in encouraging operators to establish new services or expand existing ones, even if the expectation is that the service will eventually be commercial. Travel patterns take time to establish and if the funding for a service is withdrawn after a couple of years, the operator is left with funds tied up in redundant vehicles or there is pressure on the council to subsidise of the service on a permanent basis.

This is particularly relevant where new housing or new centres of employment are constructed and councils wish to use s.106 developer contributions to ensure adequate transport links.

Councils warn that if the new bus service is established too quickly, funding can dry up before the development is fully-used and the bus established as the means of access. If the service starts too late, people are used to the fact that access is only possible by car and do not transfer to the bus in sufficient numbers.

‘Capital funding for highways improvements can be found, but without revenue guarantee over several years this cannot be translated easily into improved services.’

In some areas low LEP involvement reflects the fact that the LEP is still developing and establishing its role. Nevertheless councils may need to do more to emphasise the role and value of bus services in ensuring that infrastructure investment delivers maximum value.

There is a feeling among some officers that they need to get better at making the case for buses but the evidence that case requires cannot always be obtained (although Greener Journeys have done much to address this issue). Others point out that transport budgets are divorced from the services (health and education) that require good bus networks.

‘LEP members may support capital spending on bus priority measures but they don’t really connect that with a strategic policy on sustainability’.

What does the future look like?

‘Fifteen per cent of my council’s population would lose all bus services without council support’

At the time of writing several councils are considering or about to implement further reductions in their bus budgets. In several other cases any further reduction would effectively bring the budget to zero. Councils are finding it very difficult to identify further innovations that can sustain existing services unless there are changes in rules and funding that support local public transport.

It might appear that the future will see a growth in community transport and demand-responsive services at the expense of the conventional bus. However, councils we interviewed tended to believe that community transport is as likely to struggle and reduce in size as it is to fill any further gaps in the bus network, as CT schemes are squeezed between state aid rules on the one hand and a lack of volunteers and funding on the other.

While it is too early to judge the extent to which commercialisation has secured a long-term future for a significant number of services, there may be scope for more councils to benefit from this approach. However, in areas where certain services have been commercialised further savings are likely to be very limited.

The support of council officers is vital in growing CT schemes, establishing demand-responsive services and encouraging operators to commercialise services. If this resource were to disappear, it would take with it both the relationship between councils and operators and the ability of councils to tailor local non-bus transport networks to any extent.

‘We expect further cuts and will have to look at service cuts. Our aim is to understand how to reduce costs with minimal impact on services. We need evidence on the nature of the link between bus services and social care costs. There is plenty of anecdotal evidence that bus cuts can leave the elderly unable to manage on their own because they don’t go out, can’t get to the shops and so they become ill and there is a cost to the health service. young people find it harder to move to reach employment and cannot afford to learn to drive or get insured ; employers cannot keep apprentices who cannot get to work.’

Pressure on bus funding threatens elements of home to school provision. There may soon be post-16 pupils who are legally obliged to attend school but unable to get there, as councils cut non-statutory provision or seek to pass on the cost to schools that are unwilling to pay.

Parental choice has increased demand for home-to-school transport but the decline of non-statutory provision seems likely to continue, gradually restricting parental choice to those who have the money and time to drive children to school. Reductions in bus services already mean that even where home to school transport is provided, rural children have reduced opportunity to participate in after-school activity.

Is it inevitable then that buses outside metropolitan areas face a bleak future? We think not. The LGA believes that taken together, a total transport approach, the devolution of BSOG funding and a package of regulatory reform can help bus networks deliver economic and social benefits while providing excellent value over the next five years.

Total Transport

One cause for optimism is the Government's enthusiasm for 'Total Transport' (TT), an initiative devised by councils. Essentially this involves councils taking over all public transport in an area, pooling spending that includes non-emergency health transport, BSOG, home-to-school transport and potentially ENCTS, creating a more customer focussed service based on consumer choice and what they are willing to pay, rather than a centralised system. The Government has commissioned 37 Total Transport pilots.

The Total Transport approach helps to ensure that transport costs are considered when planning services. This is particularly important in the health sector where a trend towards concentration of services is transferring costs from the health service to patients, transport operators and councils.

'All liver treatment in the health service regionally has been concentrated outside the county. Patients go but their family can't get to visit them – research shows this is likely to extend their recovery time and lead to them spending more time in hospital; meanwhile there are repercussions for the family. Yet when the health service plans these changes they don't think about transport. The consequence of thinking through the transport implications will not necessarily be that you don't concentrate services, but it might be that you build in better transport links to avoid cost-shifting and prevent the disbenefits of reduced accessibility.'

Similarly, journeys for Special Educational Needs (SEN) pupils can cost up to ten times those for non-SEN pupils and this needs to be considered – along with all other relevant factors - when discussing the merits of concentrating SEN services in particular schools rather than allowing SEN pupils to attend their nearest school.

'We have two pupils attending a special deaf school who face 90 minute journeys each way and an annual cost to the taxpayer of £20,000 each. Allowing them to receive the services they need at a school nearby would save the taxpayer money and give them a better all-round experience.'

Worthwhile as TT pilots are, it would be too much to expect that this approach alone will be sufficient to preserve the existing bus network. Some pilots, although worthwhile in themselves, are very small scale. Some councils question the potential for further savings. Many already do as much as they can to integrate home-to-school with the rest of the bus network and there are often good reasons why non-emergency NHS transport cannot be integrated with the wider bus network.

‘It is very very challenging to integrate these services in a rural area. We have tried to work with health for years but they change [organisation] more often than we do’

Councils do not believe that there are easy solutions to these issues but recognise the need to look at them. It is essential that the results of Total Transport pilots are rapidly disseminated and that councils are empowered to build on them.

Devolution of BSOG

Devolving BSOG to councils would allow resources to be targeted rather than simply paying operators a rebate on the fuel they consume, irrespective of the value and profitability of the service. Councils will also prove better at spotting fraudulent claims than the Department for Transport (DfT), because they have better local knowledge. BSOG paid on tendered services has been devolved to councils as lump sum payments since 2014 and this has helped mitigate budget cuts by allowing councils to target payments as contracts come up for renewal.

The councils we spoke to generally support devolving BSOG to councils if it can be done without damaging the commercial network.

Any devolution process will need to be carefully managed to ensure that bus services which cease to be viable without BSOG are not withdrawn before councils have a chance to fund them under the new arrangements. This risk is mitigated by the fact that bus companies exist to make money by running buses, the new system will still allow them to do so, and a permanent loss of worthwhile services is not anticipated.

However, councils are concerned that further cuts to BSOG will eradicate any benefit from devolution. There may also be concern among some users and bus operators that if BSOG is abolished, the funds will not be ring-fenced to buses and will therefore not be spent on buses. However, while the five Better Bus Areas (in which BSOG is being devolved) are at an early stage and the extent of their impact has yet to be determined, it is already clear that the devolution of BSOG creates an opportunity for potentially significant investment in measures that benefit operators and passengers that would not otherwise be undertaken: for example, bus priority measures, active traffic management and improved ticketing.¹¹

Regulatory reforms

The proposed Buses Bill offers an opportunity to amend bus legislation in a way that would help the bus network deliver better value for the financial support it receives. While the Government's interest in franchising offers cities and city regions the opportunity to build on the undoubted success of bus franchising in London, not all counties will want to establish an entirely franchised bus network and regulation need not always follow the London model. The availability of franchising powers would undoubtedly help encourage any less cooperative bus operators to engage in informal or even formal partnerships. Even authorities which do not see a county-wide scheme as attractive, are nevertheless interested in the possibility of franchising in specific towns in which the bus market is failing and franchising offers a solution.

Some councils certainly want to retain Quality Partnerships as an option. Quality Partnerships should allow authorities to treat a commercially viable route and its loss-making branches as one network and to ensure that if there is competition it is regulated.

It may be that greater powers for Traffic Commissioners and greater powers for councils to influence traffic commissioners could also help address these issues. Traffic Commissioners are seen as too remote from councils and too weak, both in terms of powers and resources. There is a significant contrast here between the regulation of buses and the role of Office of Rail and Road (ORR) in regulating rail.

Other useful regulatory reforms include requiring bus companies to participate in multi-operator ticketing schemes and to make data available, for example on passenger numbers. Some operators have been obstructive of multi-operator ticketing, failing to promote schemes or setting a high premia to make such tickets unattractive. Current arrangements to impose schemes are considered to be too complex.

Operators are reluctant to disclose data which would assist council bus policy-making on grounds of commercial confidentiality but they should be operating on a par with rail in terms of transparency.

Giving councils outside London the powers to enforce moving traffic offences (in particular banned turns and yellow box junctions) would help unblock congestion hotspots that delay buses and lengthen journey times. A relatively small programme of targeted enforcement could make a significant difference in some county towns and cities.

This would also strengthen councils' 'offer' to operators. The LGA urges Government to engage in meaningful discussions with local government over the introduction of a targeted and proportionate approach to enforcing moving traffic offences at key locations in local bus networks – a measure we believe could also have an appreciable impact on local air quality.

Conclusion

Councils have demonstrated sensitivity and innovation in dealing with the pressure on bus funding, working with operators, communities and other stakeholders to improve value for money and minimise the impact on communities of the budget reductions they have needed to make. Now they need to be given the tools to go further. The financial pressures behind bus budget cuts have not gone away. It seems very unlikely that Community Transport and other bus-substitutes or commercialisation initiatives will be able to significantly mitigate further reductions in bus budgets.

The Total Transport pilots and the Buses Bill provide government with an opportunity to offer real practical assistance to the bus sector, bus users, and improve value to the taxpayer – it is an opportunity that must be exploited to the full. While some of the hopes for ‘Total transport’ may be unrealistic, it is vital that lessons are drawn from the pilots as soon as can be done without diminishing their value and that these lessons are acted upon. At the very least councils need access to quality research on the potential impact of such cuts and the social and economic value of public transport in particular in relation to health and education.

Without reform, further contractions in bus provision will almost certainly be unavoidable with a direct impact on access to jobs, shops, education and healthcare in a way which is likely to cost the taxpayer more in the long run than is saved in the short-term.

Although the report focuses on non-metropolitan areas, many of the issues discussed apply in cities and the measures proposed are ones we expect will benefit all of England and Wales.

Endnotes

- 1 PTEG, The Case for the Urban Bus - the economic and social benefits of investing in the urban bus. www.pteg.net/resources/types/reports/case-urban-bus-economic-and-social-benefits-investing-urban-bus
- 2 PTEG press release www.pteg.net/media-centre/press-releases/major-new-report-shows-urban-bus-exceptional-value-taxpayer
- 3 Greener Journeys www.greenerjourneys.com/benefits/growing-the-economy/
- 4 PTEG 2011, Total Transport. www.pteg.net/media-centre/press-releases/major-new-report-shows-urban-bus-exceptional-value-taxpayer; DEFRA: Sustainable Development Indicators in your pocket 2009 <http://www.greenerjourneys.com/benefits/growing-the-economy/>
- 5 Making the connections: The cross-sector benefits of supporting bus services, 2014 pp. 10 <http://www.pteg.net/resources/types/reports/making-connections-cross-sector-benefits-supporting-bus-services>
- 6 Making the Connections, p.13 <http://www.pteg.net/resources/types/reports/making-connections-cross-sector-benefits-supporting-bus-services>
- 7 Campaign for Better Transport Buses in Crisis a report on bus funding in England and Wales 2010-2015 http://www.bettertransport.org.uk/sites/default/files/pdfs/Buses_In_Crisis_Report_2014_Final.pdf
- 8 IPPR Total transport authorities: A new deal for town and rural bus services. <http://www.ippr.org/read/total-transport-authorities-a-new-deal-for-town-and-rural-bus-services#what-s-happened>
- 9 LGA press release 28 February 2014 Funding needed to save vital concessionary bus services. http://www.local.gov.uk/media-releases/-/journal_content/56/10180/5971406/NEWS
- 10 IPPR Total transport authorities: A new deal for town and rural bus services. <http://www.ippr.org/read/total-transport-authorities-a-new-deal-for-town-and-rural-bus-services#what-s-happened>
- 11 Department for Transport Better bus areas programme 2015 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/457634/bba-final-report.pdf



Local Government Association

Local Government House
Smith Square
London SW1P 3HZ

Telephone 020 7664 3000
Fax 020 7664 3030
Email info@local.gov.uk
www.local.gov.uk

© Local Government Association, September 2015

For a copy in Braille, larger print or audio,
please contact us on 020 7664 3000.
We consider requests on an individual basis.



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 51 Ymgyrch dros Drafnidiaeth Well / Campaign for Better Transport



Buses in Crisis

A report on bus funding
across England and Wales
2010 - 2016

Contents

1. Foreword	3	9. Case Study 2 – Rural areas - Cornwall	16
2. Executive summary	4	10. Bus fares: a story of above inflation increases	18
3. Key findings	6	11. Conclusion	20
4. Methodology	8	12. Recommendations	21
5. Are buses in crisis?	8	13. Recommendations for the Welsh Government	24
6. The cuts in buses – the numbers	10	14. Next steps	26
7. Central government funding and the Bus Service Operators Grant	13		
8. Case Study 1 – Urban areas - Nottingham City Council	14		



Tudalen y pecyn 106

1. Foreword



Stephen Joseph
Chief Executive, Campaign for Better Transport

More people commute to work by bus than by all other public transport combined. Yet buses are still looked upon as a local issue – they rarely make national headlines and politicians rarely don their hard hats and hi-viz jackets to visit bus projects. Yet they matter, to individuals and communities, and to the economy.

For millions of people buses provide everyday transport and the decisions made about buses and their funding matters a lot to many people in their everyday lives. Buses are essential for the quarter of UK households without a car; over half of households on the lowest incomes fall into this category and bus use rises as income falls.

Young people need reliable and affordable bus services in order to access education and employment, particularly apprenticeships. Bus services are therefore vital if the Government is to achieve its target of three million apprenticeships. For older people buses are a lifeline away from isolation and loneliness, giving them access to social activities, health services and shops. Accessible public transport is often crucial in keeping disabled people connected to their communities.

For many people in rural areas buses are essential, not just for work and education, but for independence. Buses are also important for leisure use, helping people gain access to and travel around the countryside more sustainably; they often also contribute to the overall visitor experience.

This report looks at what has been happening to supported bus services (supported by funding from local authorities) across England and Wales. With local authority funding being cut, support for bus services has been cut too. We have now been monitoring the impacts of annual cuts to supported bus services for five years and this report gives us a very clear picture as to what is happening on the ground.

We have found that 63 per cent of local authorities have made cuts to supported bus services in England and Wales. Supported bus services may only represent 17 per cent of bus services, but they are often the ones people and communities need most where no alternative transport exists.

Buses in England and Wales are at a crossroads. Whilst the Government has recognised for England the urgent need for legislative changes in its forthcoming Buses Bill, there is also the possibility of further funding cuts to the Bus Service Operators Grant (BSOG) in the current Spending Review. To ensure the legislative changes to buses in the Buses Bill are successful, bus funding must at the very least be kept at current levels.

On the current trajectory local authority supported bus services have a very uncertain future. This report highlights what is happening to these bus services but also makes practical suggestions for local and national government to adopt to ensure our buses have a bright future.



Tudalen y pecyn 107

2. Executive summary

Local bus services across England and Wales are under threat. Government reductions in local authority funding have caused significant cuts to bus services supported by local authorities.

This report gathers together a picture of these cuts across England and Wales. This is the fifth year that Campaign for Better Transport has conducted this research, mapping and painting a very clear picture of what is happening to supported bus services across England and Wales and ultimately holding central and local government to account.

These supported bus services are services that are subsidised by local authorities because they are not provided by commercial bus companies. They often serve communities where no alternative transport exists, meaning that any cut or alteration can often have a huge impact on residents and local economies, creating what we describe as public transport deserts.

Supported buses also provide services in evenings and at weekends when services would otherwise cease. These subsidised or supported services represent

17 per cent of bus provision in England; this is a fall of two per cent on last year and a decline of seven per cent since its peak in 2009/10.¹

Our research shows that this year 63 per cent of local authorities in England and Wales have cut funding for bus services, whilst 44 per cent have removed or withdrawn services. Local authority funding for supported bus services has fallen by £22.6 million. Around 425 routes have been reduced or altered, of which 145 have been withdrawn altogether. Since 2010, local authorities in England and Wales have cut £78 million in funding and over 2,400 routes have been reduced or withdrawn altogether.

This report highlights how, despite unprecedented financial pressure on local authorities, bus service withdrawals are not inevitable. The report includes two case studies from Nottingham City Council and Cornwall Council highlighting different positive approaches to bus provision in an urban and predominantly rural local authority area.

Our report recommends that a new approach is needed to support buses and public transport. We suggest three key areas for the Government to focus on three recommendations:

1. Buses Bill

The Government is promising a 'Buses Bill' to devolve new powers on buses to local authorities. We support this in the hope that it allows local authorities to plan networks properly and introduce simple, unified fares structures. This will be through franchising on the London model, or, as franchising may not to be the desired model for bus service delivery in all areas, through the strengthening of partnerships between bus operators and local authorities. However, with this legislation promised the Government must now avoid further reductions in the overall funding for buses as such cuts would undermine these reforms.

2. Connectivity Fund

A 'Connectivity Fund' should be established by bringing together the existing BSOG fund (around £230 million in 2014-15) with additional 'top slicing' from 11 other government departments that benefit from having good bus networks including the Department for Work and Pensions, the Department of Health, the Department for Environment Food and Rural Affairs and the Department for Education, into a ring-fenced pot for local government to support bus services.

It is suggested that this could pay for itself by reducing the cost of other public services and by supporting economic growth.

3. A Total Transport scheme

This is about bringing together the commissioning of local transport services by different public bodies in the same area, creating more sustainable and integrated networks. The Government has funded an £8 million pilot scheme across 37 local authorities and the early indications show potential gains in efficiency and services. We suggest the Government builds on these pilots by rolling out the scheme to allow all interested local transport authorities to bid for funding for this coordinated commissioning.

These three approaches should be linked into a government strategy and long-term vision for public transport. Without some of these reforms, and if nothing else changes, bus services will continue to be reduced or in some areas cease entirely, creating what we describe as 'public transport deserts' leaving people isolated and unable to get to work or access key facilities and public services.

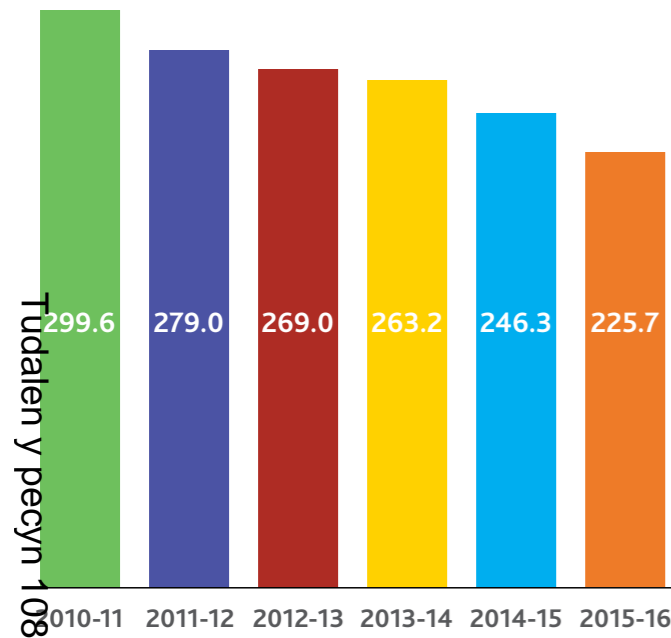


3. Key findings

England

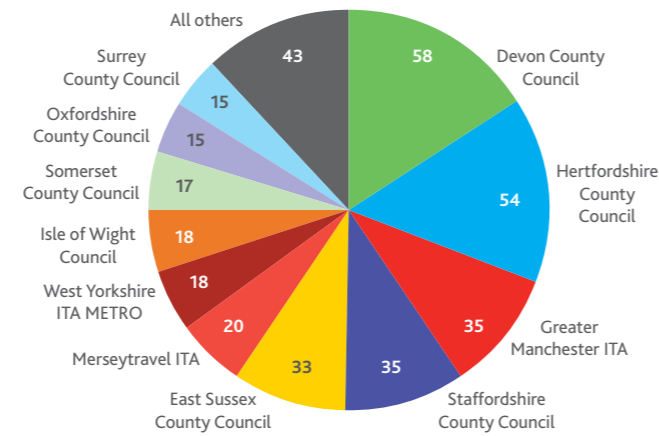
The key finding from our research is that in total £22.2 million has been cut from supported bus funding in England in 2015-16. With a £1.6 million increase in spending by some local authorities, a net reduction in funding of £20.5 million has been made to supported bus services in England. This is an 8.4 per cent reduction since 2014-15. Since 2010-11 a total of £73.8 million has been cut from supported bus services in England, a reduction of 25 per cent.

Total English spend on supported buses since 2010 (£m)



In England a total of 372 bus services have been reduced, altered or withdrawn in 2015-16. When broken down this equates to 248 bus services being reduced or altered whilst 124 bus services have been withdrawn altogether.

Total number of bus service cuts, alterations and withdrawals by local authority

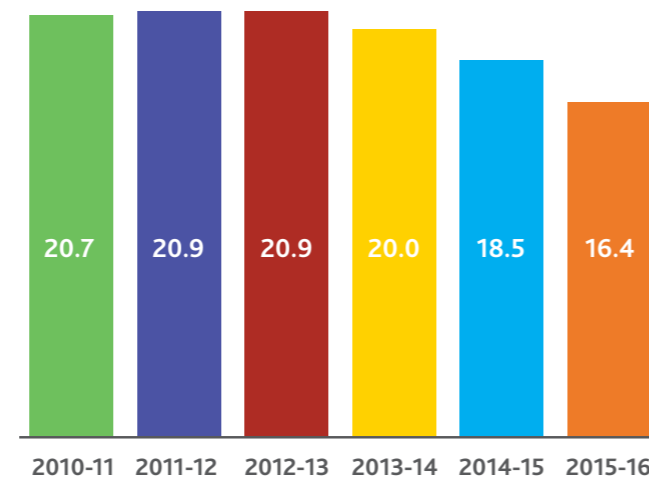


Wales

In Wales responsibility for bus services is devolved to the Welsh Assembly. The key findings from our research in Wales are that in total £2.1 million has been cut from supported bus funding in 2015-16. This is an 11.3 per cent reduction since 2014-15 and a 14.9 per cent reduction since 2010-11. In Wales a total of 53 bus services have been reduced, altered or withdrawn in 2015-16. When broken down this equates to 32 bus services being reduced or altered whilst 21 have been withdrawn altogether.

All but five of the 22 Welsh local authorities have made cuts to bus funding in the past year.

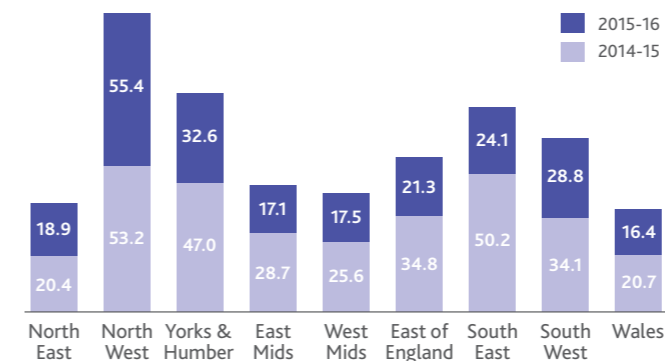
Total Welsh spend on supported buses since 2010 (£m)



England and Wales

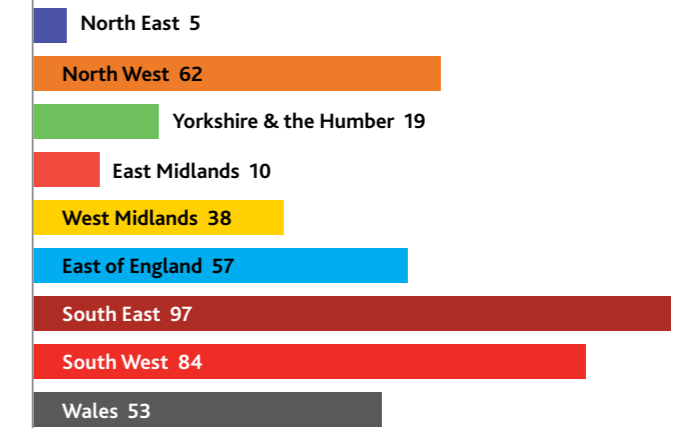
Our research shows that this year 63 per cent of local authorities in England and Wales have cut funding for bus services, whilst 44 per cent have reduced or withdrawn services. Since 2010-11 over 2,400 bus services have been reduced, altered or withdrawn altogether across England and Wales. Since 2010-11 the total cuts to supported bus services in England and Wales is £78.1 million, a reduction of 25 per cent.

Cuts across England and Wales 2014/15 vs 2015/16 (£m)

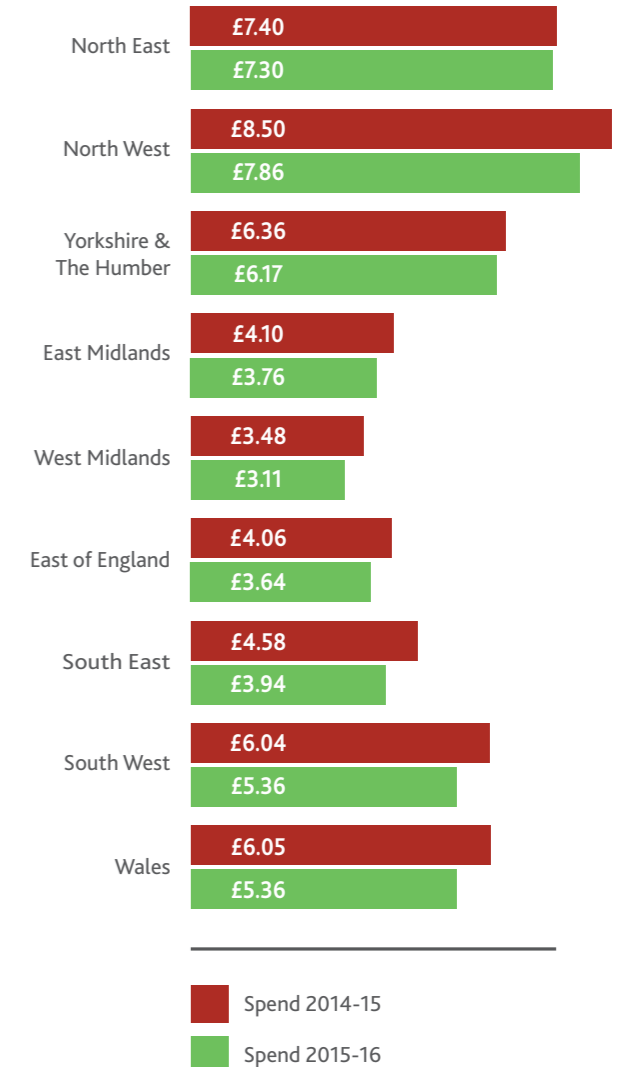


When comparing the budgets in the metropolitan areas covered by the six Combined Authorities/ Passenger Transport Executives (PTEs)² and non-metropolitan area budgets there are some interesting results: since 2014-15 non-metropolitan areas have cut in total 10.6 per cent from their supported bus budgets whilst overall metropolitan areas have cut 4.6 per cent. Since 2010 non-metropolitan areas have cut 25.3 per cent of bus funding whereas metropolitan areas have cut 7.3 per cent of funding.

Total number of bus service cuts, alterations and withdrawals by region



Spend per person 2014/15 to 2015/16



4. Methodology

The information about funding for supported buses and withdrawn routes has been collected by contacting all 82 local transport authorities in England as well as the six transport authorities responsible for public transport within large urban areas. We also contacted all 22 single-tier authorities in Wales. Freedom of Information requests under the Freedom of information Act 2000 were issued to all local authorities in England and Wales and all combined authorities or PTEs.³

The information requested this year looked at the previous financial year 2014-15 and this financial year 2015-16. Due to some minor anomalies in previous studies the questions we asked in the freedom of information requests for this report were more detailed to ensure that this survey is more comprehensive than those we have carried out previously. Some figures are slightly different from previous reports, because some local authorities have previously provided budgetary information rather than reporting their actual spending. All local authorities responded to our freedom of information requests.



5. Are buses in crisis?

Public funding for buses has seen reductions, year on year, for the best part of a decade. As part of the Coalition Government's Spending Review in 2010 it was announced that government funding to local authorities for transport would be cut by 28 per cent; and that BSOG - which provides direct support for all bus services - would be cut by 20 per cent from 2012-13.

In addition, the Department for Transport (DfT) changed the formula for funding local authorities for the statutory free travel scheme for older people and those with disabilities, and there have been further changes by the Department for Communities and Local Government.

Many local authorities have had their grants and other income severely reduced over the past five years and it is sadly inevitable that non-statutory services like buses are often the first in line to be lost. However, the performance of local authorities in dealing with the cuts in funding has been a mixed picture. In some cases there have been reductions to services even though budgets for supported services have increased slightly, in other cases local authorities have managed to protect supported bus services despite a cut in budget. Our two case studies focussing on Nottingham City Council and Cornwall Council highlight how urban and rural local authorities are using innovation to ensure their bus networks do not disappear.

Statistically it does not look good for buses. According to the DfT's annual bus statistics,⁴ there were 4.65 billion passenger journeys on buses in England in 2014-15, meaning a fall of 27 million in the number of bus journeys taken in England since last year. Over the last decade in England outside of London, local authority supported bus services mileage has decreased by 55 million miles, and mileage on commercial services has not compensated for this loss rising by 13 million miles in the same time frame.



The percentage of bus mileage on supported services (which we focus on in this report) has decreased from 24 per cent in 2009-10 to 17 per cent in 2014-15.⁵ This year marks the thirtieth anniversary since Royal Assent of the 1985 Transport Act which de-regulated bus services. Since then local bus passenger journeys made outside of London have decreased by 37 per cent. More than half of all bus passenger journeys made in England in 2014-15 occurred in London which has seen a 105 per cent increase in bus use since 1985.

It is clear from these statistics that when supported bus services are cut, commercial operators are not always able or willing to step in and fill the gaps left. Even when commercial operators do take on formerly tendered routes we are seeing cases where they then pull out after some months because they have been unable to make the services viable.

The current situation facing local bus services has recently been highlighted by Oxfordshire County Council. The council has just agreed to cut all funding for supported bus services which may result in over 100 routes and services being cut, many serving rural communities that will be effectively cut off if these changes go through.

Most bus services are provided commercially and, as noted already mileage here is rising. However, local authority supported bus services, which are often those meeting vital social and economic needs, are clearly in crisis and if there are further cuts to the BSOG and local authority transport funding this crisis will deepen and will affect commercial services too. Without a new approach this will hit hard the many people and communities across England and Wales who rely on buses for their everyday transport.

6. The cuts in buses - the numbers

The following tables aim to provide a clear picture of spending on supported bus services across England and Wales in 2015-16 and 2010-16.

The table opposite shows which local authorities that have reported cuts in spending, with the percentage of the cuts levied in 2015-16.

The table below highlights the level of supported bus spending by region since 2010.

Every region apart from the North West has seen a cut in spending over this time; the North West's performance is due to a significant increase in spending by Merseytravel Integrated Transport Authority since 2010, which has made up for cuts by other authorities in the region.

	Supported Bus Budgets (£)					
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
North East	20,448,790	20,243,874	20,201,269	19,443,496	19,201,675	18,955,405
North West	53,175,690	54,598,022	57,587,719	58,304,709	59,970,207	55,457,659
Yorkshire & Humber	46,977,558	42,358,666	38,630,086	36,500,195	33,654,100	32,606,296
East Midlands	28,678,202	24,191,248	22,473,358	22,448,526	18,613,943	17,068,376
West Midlands	25,611,840	24,308,450	22,527,920	21,910,910	19,510,581	17,464,631
East of England	34,843,222	30,335,659	28,080,997	26,378,232	23,810,091	21,357,174
South East	51,039,646	47,826,479	45,562,333	44,793,066	39,598,009	34,080,814
South West	38,844,600	35,148,902	33,945,198	33,494,546	32,009,131	28,798,938
Wales Total	20,677,951	20,870,107	20,864,508	20,028,822	18,518,953	16,413,309
England Total	299,619,549	279,011,301	269,008,880	263,273,680	246,367,737	225,789,293

Tudalen y pecyn 110

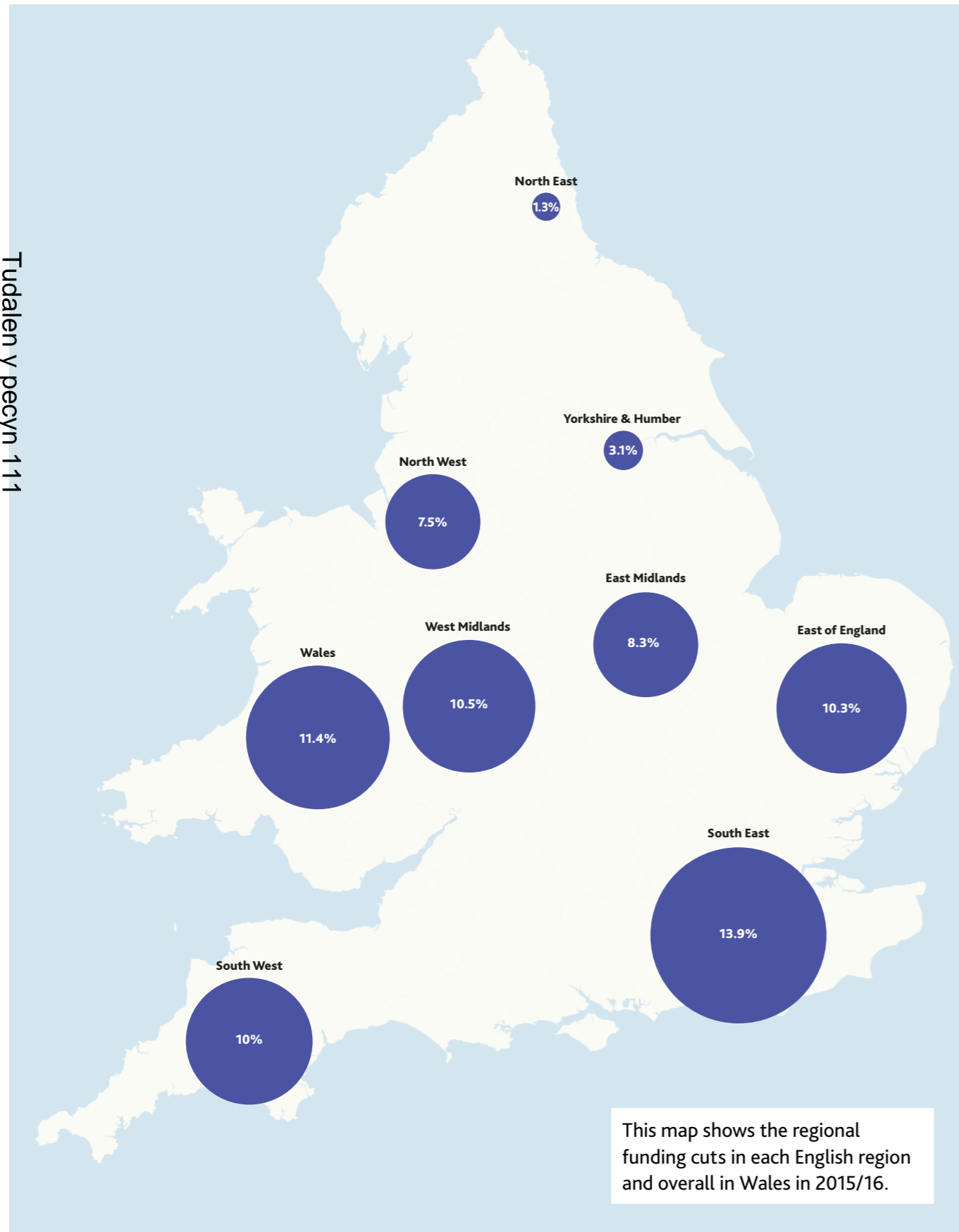
Regional Funding Cuts 2015-16	£	%
North East	246,270	1.28%
North West	4,512,548	7.52%
Yorkshire and the Humber	1,047,804	3.11%
East Midlands	1,545,567	8.30%
West Midlands	2,045,950	10.49%
East of England	2,452,917	10.30%
South East	5,517,195	13.93%
South West	3,210,193	10.03%
Wales Total	2,105,644	11.37%
England Total	20,578,444	8.35%

Spend per person	2014-15	2015-16
North East	£7.40	£7.30
North West	£8.50	£7.86
Yorkshire and the Humber	£6.36	£6.17
East Midlands	£4.10	£3.76
West Midlands	£3.48	£3.11
East of England	£4.06	£3.64
South East	£4.58	£3.94
South West	£6.04	£5.36
Wales	£6.05	£5.36
England Average	£5.49	£5.03

The councils spending nothing on supported buses	
Hartlepool Council	Luton Borough Council
Stockton-on-Tees Council	Southend-on-Sea Borough Council
Darlington Borough Council	Cardiff Council
Blackpool Borough Council	Neath Port Talbot County Borough Council
Cumbria County Council	Wrexham County Borough Council
Stoke-on-Trent City Council	

The councils making the largest cuts	
Hertfordshire	£1,718,235
Surrey	£1,535,000
Lancashire	£1,200,000
Nottinghamshire	£1,100,000
Bristol City Council	£1,000,467
East Sussex	£956,000

Local Authority Percentage Cuts 2015-16			
North East			
Brighton and Hove City Council		0.8%	
Middlesbrough Council	61.75%	Isle of Wight Council	49.11%
Redcar and Cleveland Borough Council	3.52%	Buckinghamshire County Council	6.89%
Durham County Council	1.19%	East Sussex County Council	43.2%
Northumberland County Council	10.25%	Hampshire County Council	11.93%
North West			
Halton Borough Council	3.05%	Kent County Council	8.29%
Warrington Borough Council	9.22%	Oxfordshire County Council	33.96%
Blackburn with Darwen Borough Council	20.02%	Surrey County Council	17.03%
Cheshire East Council	2.73%	West Sussex County Council	20.68%
Cheshire West and Chester Council	9.36%	South West	
Lancashire County Council	9.6%	Bristol City Council	25.66%
Greater Manchester ITA	13.95%	North Somerset Council	0.42%
Merseytravel ITA	1.33%	South Gloucestershire Council	31.65%
Yorkshire and The Humber			
Merseytravel ITA	1.33%	Plymouth City Council	0.9%
North Yorkshire County Council	17.57%	Torbay Borough Council	83.59%
South Yorkshire ITA	9.64%	Bournemouth Borough Council	0%
East Midlands			
Derby City Council	34.56%	Swindon Borough Council	1.57%
Derbyshire County Council	2.86%	Wiltshire Council	16.22%
Leicestershire County Council	9.68%	Devon County Council	6.98%
Nottinghamshire County Council	20.75%	Dorset County Council	0.69%
West Midlands			
Herefordshire Council	31.25%	Gloucestershire County Council	17.36%
Staffordshire County Council	20%	Somerset County Council	14.96%
Shropshire Council	3.89%	Wales	
Worcestershire County Council	11.03%	Blaenau Gwent Council	1.78%
West Midlands ITA CENTRO	8.43%	Bridgend County Borough Council	26.1%
East of England			
Thurrock Borough Council	61.8%	Caerphilly County Borough Council	1.71%
Bedford Borough Council	10.86%	Cardiff Council	100%
Central Bedfordshire Council	5.2%	Carmarthenshire Council	10.4%
Hertfordshire County Council	40.79%	Ceredigion Council	15.5%
Essex County Council	2.35%	Conwy County Borough Council	4.34%
Norfolk County Council	10.1%	Denbighshire Council	39.62%
South East			
Medway Council	6.15%	Flintshire Council	4.58%
West Berkshire Council	2.69%	Isle of Anglesey Council	11.04%
Reading Borough Council	11.16%	Monmouthshire Council	12.43%
Slough Borough Council	32.59%	Neath Port Talbot County Borough Council	100%
Milton Keynes Council	10.89%	Newport City Council	14.02%
		Pembrokeshire Council	8.33%
		Powys County Council	10.67%
		Rhondda Cynon Taff Council	16.7%
		Swansea Council	0%
		Torfaen Council	0%



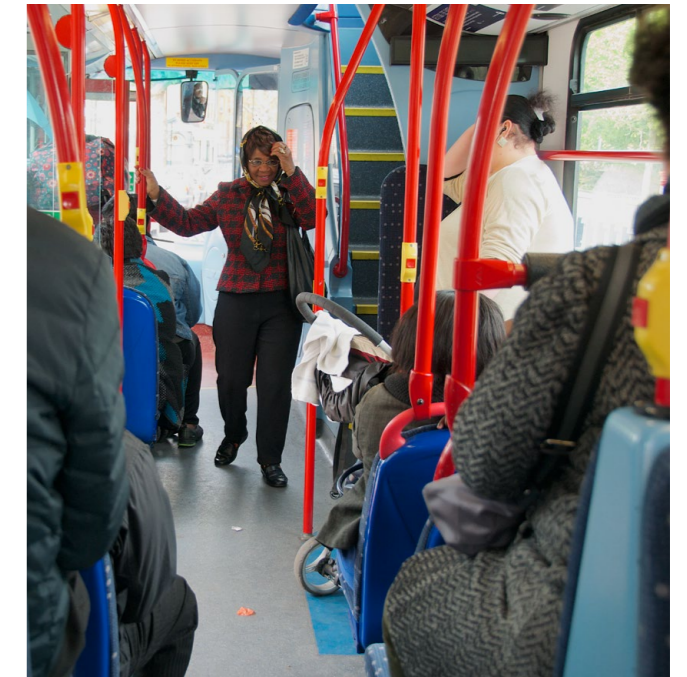
7. Central government funding and the Bus Service Operators Grant

BSOG is a grant paid by the DfT to all operators in England of eligible local bus services and community transport organisations, regardless of the type of service they run.

BSOG is essentially a fuel subsidy as bus operators are reimbursed for some of the excise duty paid on the diesel consumed by running their services. All eligible bus operators receive BSOG, though there are some variations in the level of rebate for example, in Better Bus Areas.⁶ BSOG is also paid directly to local authorities for services that they support. Similar schemes operate in Scotland and in Wales, albeit with important differences in the way in which the grant is paid. This fund amounted to £230 million in 2014-15 in England.

Value for money

In October 2014, Greener Journeys, working with KPMG LLP,⁷ assessed the value for money provided by the current operating model. This research found that every £1 spent on BSOG generates between £2.50 and £3.50 in wider economic benefits. Research by the Passenger Transport Executive Group (pteg) found that if BSOG was cut entirely bus fares would rise by 10 per cent overnight and commercial buses would see a 10 per cent cut in services.⁸



In 2004/05, BSOG made up nine per cent of operating revenue but in 2013/14 this proportion had fallen to five per cent. Some of this decrease will be due to BSOG in London being devolved to Transport for London. As noted above, in the 2010 Spending Review the Coalition Government announced a 20 per cent reduction in BSOG. Since then it has remained vulnerable – the Government considered making further reductions to BSOG in 2013 but decided against more cuts following a joint campaign by bus operators, local authorities and campaign groups including Campaign for Better Transport. BSOG remains at risk of funding cuts through the current 2015 Spending Review, the outcome of which is due to be announced shortly.

If BSOG is protected in the Government's forthcoming Spending Review it must remain a ring-fenced fund for local authorities so as not to be absorbed in shrinking council budgets.

Yet these threats come at a time when the Government is committed to reforming the structure of the bus industry with a Buses Bill⁹ promised. Cuts in bus funding would undermine these reforms. We suggest below some ways in which BSOG might be reformed, but it is essential that any reform preserves the current level of funding.

8. Case Study 1: Urban areas - Nottingham City Council

As we have highlighted in our previous Buses in Crisis reports, local councils have faced near 50 per cent cuts in government funding since 2010 and are often criticised for then making cuts to council services. However, many councils are looking at new and innovative ways of managing buses against this background of funding cuts. Nottingham City Council is one of those councils and Andy Gibbons, Head of Public Transport, outlines below what Nottingham City Council is doing to ensure buses continue to serve the needs of the people of Nottingham.

All councils are facing severe budget problems and are likely to do so for several years to come. Every month we hear of another area drastically cutting its tendered bus service network. The Passenger Transport Executive Group predicts a reduction in annual expenditure of £500 million over the four years from 2010, allowing for inflation.

Recent reports by Greener Journeys demonstrate the value of supported bus services in assisting the growth agenda and delivering social mobility. However, despite calculations of a benefit cost ratio above 3:1, expenditure remains discretionary and constantly vulnerable when councils are struggling to maintain core statutory services, particularly in adult and children's services.

Nottingham is no different to any other authority in facing such pressures. Despite a vibrant commercial bus network, around 12 per cent of trips are fully supported by the city council to the cost of around £4 million pa. Patronage levels on these services are either growing or static, with over seven million trips pa. It is also estimated that some three million pa commercial trips are also made because of connecting subsidised services.

In 2013, after three years of difficult cuts to other areas, it was faced with a bleak choice – either cut all tendered services and discounted travel schemes or come up with an alternative self-funding model within four years.

The ambitious self-funding option was chosen, supported by local politicians with a good track record in backing innovation such as the local workplace parking levy.

The overall package of measures uses a mix of the following approaches:

- Invest-to-save, often using successful external capital bidding processes
- Income generation from proven areas of local excellence
- Rethink and deliver in a completely different way
- Develop and build on strong partnership.

These are the ten work-strands that Nottingham City Council is focussing on:

- Identify providers of specialist bus services – works buses, college shuttles, school and health services – and examine their precise needs. Work with each provider in flexible open partnerships, amending existing council tendered services to incorporate these other movements. Use capital funds to purchase new accessible buses, together with bespoke ticketing and information systems to fully merge such movements into the mainstream network. In return, get the partner to contribute scarce on-going revenue funds.
- Use existing external grant opportunities to convert services from diesel to fully electric. We are now half way through converting our in house fleet of 60 buses to fully electric, with a network of charging points across the conurbation. With a 6p per km grant on electric buses and fuel duty rebate no longer being available for new diesel subsidised services, this gives savings of over £15,000 per bus per year. It's an extremely difficult project, but the rewards are substantial.

- Work closely with local community transport organisations to encourage them to take on tendered service work. Bolster their boards with greater professionalism, assist them in becoming financially stable through advice on bidding opportunities and bus operations. Redesign local bus service routes and timetables to dovetail with their other transport obligations eg dial a ride.
- Use smartcard datasets to identify which users of mainstream bus services also use costly specialist transport provision (taxis to hospital, special needs schools or day centres). Look at ways of amending the mainstream network to replace this expensive alternative provision, backed up by clever independent travel training tools and smart discounted ticketing.
- Redesign tendered service routes to incorporate car parks and park and ride sites – for connections not just to the city centre but to other congested hot spots such as events, universities and hospitals. Truncate some services to feed high frequency bus and tram routes in the suburbs, making them free to use in order to avoid the interchange fare penalty.
- Bid for grant opportunities and invest in large scale integrated electronic information and ticketing schemes. Get an ongoing income stream from transport operators for the commercial use of these systems. Substantially improve passenger waiting facilities with capital grants, allowing increased bus station departure fees to be applied.
- Introduce bike hire from public transport interchange points to non-central employment sites using external grant money, integrated or free with integrated ticket products. Aimed at sites where the majority of staff are mobile and young, this can be a way reducing bus capacity whilst providing more flexible provision in terms of operating times. Extend bike hire to replace inter-site college and works movements and to include electric bikes.

- Ensure developer funding opportunities to support bus services are pushed and promoted from an early stage in any potential development proposal. Lock these in with temporary discounted ticketing promotion, backed up with individual journey plans. Work very closely with planning and traffic management officers to embed the bus at the heart of these developments, rather than an afterthought. Ensure there is a paved walk link and safe crossing to the nearest bus stop, with a roadside staff entrance rather than one only from the site's car park
- Invest in smartcard and administrative ticketing systems to reduce fraud and running costs associated with discounted ticketing schemes. Use complex data analysis to determine local factors used in negotiations relating to operator payments. Spread costs of smartcard systems across other commercial ticketing schemes, through an integration of the retail network on offer.
- Continually design-in bus access to new road schemes, ensuring priority is given particularly in the city centre and on major radials. Bid for capital funds for works which improve reliability and reduce bus journey times, backed up by on-street and bus lane CCTV enforcement. Use strong partnerships, land use planning, retail, leisure and parking policies to maintain city centre vibrancy and the continued presence of commercially provided bus services. Not only has this reduced the need for more supported services, it has even led to the commercialisation of previously supported airport and university services.

Two years on and over £2 million per annum savings have been made. Nottingham is now half way to having a self-funded high quality, low emission tendered service network, maintaining levels of accessibility at 2010 levels. The journey so far has been difficult, risky and reliant on continued support from key partners. However, compared with the alternative of a downward spiral of irreversible cuts, it has been far more interesting and uplifting. Andy Gibbons, Nottingham City Council

9. Case Study 2: Rural areas - Cornwall

Cornwall has recently reached a devolution deal with the Government and as part of this has been promised greater powers over its bus services, which will be delivered through the Buses Bill. As a basis for these powers it has recently set out a strategy looking at all modes of public transport across the county. Coverage of the Buses Bill has focused on metropolitan areas, but rural areas must also reap some benefits. Here Lesley Barlow, Transport Planner from Cornwall Council, outlines their plans for the future.

The vision for public transport in Cornwall is one where there is a modern, attractive, integrated, high quality network that is affordable and easily understood. This will see the needs of the customer at the heart of a public transport system that provides access to services and better meets the needs of the local economy. We know that many people do not currently see the bus or train as a

viable alternative to the car due to the length of journey times, its inability to connect with other services and the perception of unreliability. It is therefore imperative that we invest in public transport to make it work for the people of Cornwall.

Frequent and high quality rail services are seen as a key priority to addressing growth and improving our connectivity. This has been reflected in the importance that we have given to working with the rail industry and our history of significant rail investment, spending £36.5 million on rail improvement schemes since 2002. This has seen patronage figures for Cornwall grow by 3.8 million since 2000 (or 141 per cent). This change has been delivered through the re-dualling of the mainline between Probus and Burngullow, facilitating improved services and timetabling, a passing loop and half hourly frequency service between Truro and Falmouth, as well as a programme of station improvements through our Riviera Project, all with the aim of creating a rail network that people want to use.

Having seen how people have responded to this change, we were keen to work with the train operator to see a more frequent mainline service of two trains per hour. This will deliver a huge step change in service provision and accessibility. This proposal formed a key element of Cornwall's Growth Deal bid, allowing the necessary re-signalling works to facilitate this improved frequency. The proposal also included the refurbishment and capacity improvements to the sleeper service and the relocation of the heavy maintenance depot to Long Rock, near Penzance. We are working to deliver these improvements to quality, capacity and frequency by December 2018 to coincide with the new Hitachi AT300s, which will be operated by Great Western Railways.

It is crucial that we build on our recent success and maintain the momentum of the last decade in Cornwall through the delivery of a sustained programme of public transport investment and improvement. We do not want to see a two-tier public transport system in Cornwall where rail services are better provided and better used

than our bus services. A customer focused public transport network is at the heart of Cornwall's plan to deliver a single, integrated public transport system. The network will integrate routes and timetabling for buses with local rail services, along with the provision of high quality, accessible and integrated travel information. This will improve the offering not only to existing passengers, but significantly improves its appeal to non-users. In this way we will increase public transport patronage on bus and rail to bring about an upturn in revenue making services and make the network as a whole more financially viable.

We have worked successfully with operators over the last 12 months to stabilise the network and services following the loss of one of our main operators and we hope to continue this partnership approach in achieving a customer focused network. The Buses Bill provides an opportunity for all of us to review how we deliver bus services in a rural area and ensure that they are sustainable and that they meet the needs of Cornwall today and in the future. Lesley Barlow, Cornwall Council.





Tudalen y pecynn 14

10. Bus fares: a story of above inflation increases

Bus users are now facing significant bus fare increases as well as cuts to their services. The DfT recently released statistics¹⁰ which show the rate of bus fare increases over the last decade. Most of the data is derived from the DfT's survey of bus operators.

In the past year up to March 2015, bus fares in England increased by 3.3 per cent, faster than the Retail Prices Index (RPI) rate of inflation which had an average of 0.9 per cent in 2014-15. Between March 2010 and March 2015, the average annual percentage change in bus fares was 4.5 per cent, while the average annual rate of inflation over that period was 3.1 per cent.

Local bus fares in England increased by 61 per cent on average between March 2005 and March 2015. Bus fares have risen at a faster rate in metropolitan areas (71 per cent) than in non-metropolitan areas (44 per cent). The Retail Prices Index has risen by 35 per cent over the same period, which means that bus fares have risen significantly in real terms.

Operator revenue

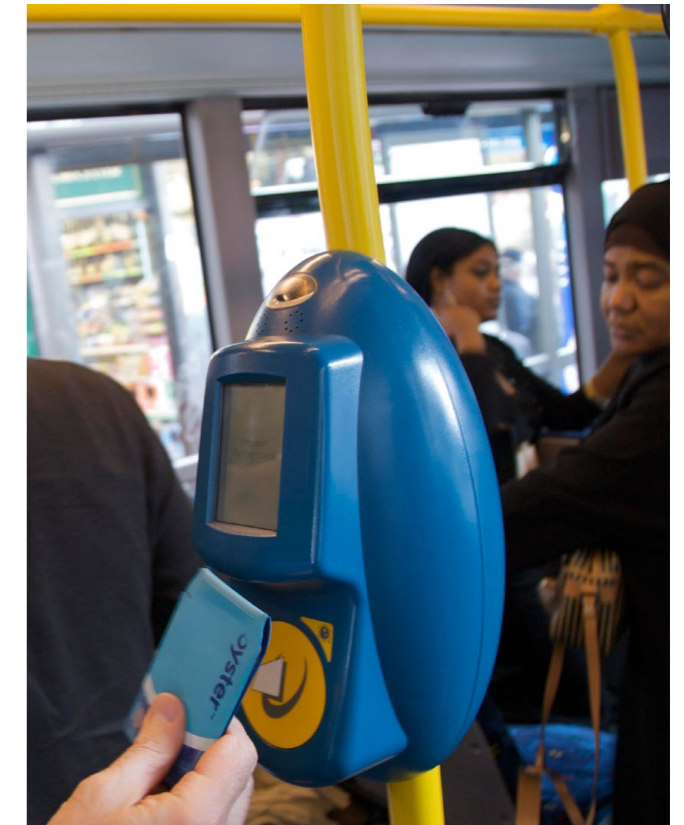
In 2013/14, the total estimated operating revenue for local bus services in England was £5.6 billion. Passenger fare receipts made up the largest proportion of operating revenue: £3.3 billion or 58 per cent of operating revenue. Revenue from passenger receipts has increased on average each year by 1.4 per cent in real terms between 2004/05 and 2013/14.

Operating revenue from concessionary fare reimbursement has more than doubled over the same period from £500 million to over £1 billion. This increase reflects the wider coverage of the concessionary travel scheme (moving from a local authority to a national scheme), increased eligibility and a larger proportion of elderly people in the wider population.

Why bus fares matter

Bus cuts and rising fares are not simply matters of inconvenience. For many people without access to a car, buses are the only way they can travel to health services, colleges and places of work. Poor bus provision and high fares magnifies social problems, obstructs the delivery of other public services and holds back economic recovery.

People from low income families are most likely to rely on buses to get around. They spend a higher proportion of their income on bus travel and struggle to access the best fare deals. Statistically low income



families are less likely to have a car. Some children from poor families are put at further disadvantage because their parents cannot afford bus fares to get them to colleges and services. Children from low income families are at risk of poverty if affordable transport is not available.

Fare increases and bus cuts are undoubtedly hitting some of the poorest families in the country hardest and the Buses Bill provides an opportunity to introduce simplified and affordable 'Oyster style' smart ticketing. Oyster is equipped with daily price capping which automatically calculates the cheapest fare for all the journeys made in a day. There is no large upfront charge (just £5 deposit) and passengers are able to pay-as-they-go, topping up their card with whatever they can afford.

11. Conclusion

The context of our fifth report on supported bus services is again one of sustained decline. If the current Spending Review leads to further cuts to the central government funding stream for buses, (BSOG), the immediate future for buses and, more importantly, their users is increasingly bleak.

This report also does not account for current live proposals by local authorities to cut funding for buses and there is the very real prospect of further substantial cuts to come in the next year, with many areas, urban as well as rural, consulting on drastic reductions in funding and services. For example, Oxfordshire County Council is currently proposing to cut all £4.5 million from its supported bus funding, which may include bus routes through the Prime Minister's constituency, Witney. Other areas considering major cuts include North Yorkshire, which is looking at saving a further £500,000 from its bus funding.

The Government's Buses Bill offers some hope, but as already noted, the reforms it promises will only succeed if there is funding to go with it. The Government has made transport and infrastructure a priority in this Parliament – proposed public spending on road infrastructure in this Parliament already totals over £30 billion, for example – but it needs to extend this to provide sufficient funding for buses and to treat this as a national issue. As already noted, bus services are treated as a purely local issue, ignoring the national consequences of a decline in funding and services.

More than ever a new approach is needed to support buses and local public transport. Campaign for Better Transport has been developing ideas for this new approach in discussion with many people in and around the bus industry, including operators, local authorities, passenger groups, researchers and others.



12. Recommendations

The Buses Bill

As already noted, the Government promises reform of the bus industry through a Buses Bill, expected to be introduced early in 2016. The Bill is intended to complement the Cities and Local Government Devolution Bill, which will give new executive powers to cities like Manchester with the creation of new directly elected Mayors. Under the Buses Bill the mayors, and other authorities like Cornwall where devolution deals are agreed, will then have the powers to implement 'London style' franchising over local buses.

Franchising powers

The Buses Bill is expected to have a central focus on providing franchising powers for local authorities, so they can plan networks properly and introduce simple, unified fares structures. The Department for Transport (DfT) is consulting on giving local authorities a wide range of tools to achieve these ends, including strengthening partnerships (see below), but the Buses Bill should also include the ability to franchise services where the authority judges that this is the best way to achieve this. Franchising need not be solely the London 'gross cost' model, but can encompass other approaches including 'net cost' tendering with stronger operator involvement.

Strengthening partnerships

Reform to bus services does not always require new legislation and there are many examples of bus operators and local authorities working very well together (see Nottingham City Council case study page 14). In many areas passengers and communities are frustrated that simple, but important improvements such as simplified fares structures (multi operator and multi modal ticketing), better marketing of public transport networks as a whole and better and longer term planning of networks are taking too long to be introduced.

Franchising may not be the desired model for bus service delivery in all areas and that's why it's important for the Buses Bill to also strengthen regulation around partnerships. The DfT is suggesting this could be done by devolving bus registration powers from Traffic Commissioners to local authorities, and also some competition powers. This would have the benefit of bringing together the different regulations governing bus services so the local authority can, for example, apply specific criteria to the granting of registrations such as participation in multi operator smart ticketing.

Rural areas

While this bill has a focus on urban areas, rural areas that have been hit hard by cuts to supported bus services must also benefit from it.

One approach for the Buses Bill to help rural bus services would be to require local authorities to conduct effective assessments of need for public transport in their areas. Many local authorities are simply not doing this, meaning that when withdrawals of tendered services are implemented often whole communities are being cut off. Such a requirement for authorities to show they have considered this need will then ensure there is better strategic planning of tendered services and will allow a broader view than simply focusing on short term metrics like the cost of subsidy per passenger.

The Buses Bill is due to be published almost exactly 30 years after the 1985 Transport Act de-regulated buses outside London. This Bill is an opportunity for bus users to see rapid improvements to their services and Campaign for Better Transport supports the development of legislation which will enable this.

Fully funded Total Transport programme

A key recommendation from our last *Buses in Crisis* report was for the Government to introduce pilots for 'Total Transport' schemes. The idea was developed in a 2011 report from pteg¹¹ and follows practice in other countries. The aim is to identify and bring together the bespoke transport services commissioned by different public bodies for example inter-hospital link services, social services transport to take older people to day centres, transport for taking staff to and from prisons, and transport for children with special needs to and between schools. Universities and colleges also commission or run services.

Such separate commissioning wastes significant funding and management time within these services – it also abstracts funding and passengers from mainstream bus services. One county has estimated that the total public funding for transport services in its area is around £60 million; another has estimated that £2.4 million is spent in part of one district council area, of which just £400,000 is accounted for by traditional supported bus services.

Encouragingly the Government began a trial of Total Transport Projects in early 2015 with a £7.6 million fund. The Total Transport Pilot Fund competition was launched on 14 January 2015 and 42 bids were received from local authorities in England. In total 37 local authorities were awarded funds for various projects. These projects include a range of feasibility studies and other groundwork, as well as a number of pilot schemes to test the real world scope for service integration in particular areas. The pilots will run for a maximum of two years. While they are running project teams will be encouraged to share what they learn with each other, and at the end of the two years each scheme will submit a detailed report on the results of delivering integration to the DfT.

Initial reports from the winning local authorities are very encouraging. We are now almost six months into the two year pilots and we recommend that the Government builds on these by establishing a fully funded Total Transport programme, that brings together different central government resources.



Tudalen y pecyn 116

Connectivity fund

In the last *Buses in Crisis* report we called for the Government to introduce a 'Connectivity Fund'. We renew our calls for this fund to be introduced as a means of giving buses a long-term stable financial future.

This fund would build on the Total Transport programme by pooling spending from across government and ringfencing it for local transport.

The proposal for this fund was originally made in a report¹² from the transport body pteg, entitled '*Making the Connections*'. It suggested that the Connectivity Fund should be established by bringing together the existing BSOG fund (around £230 million in 2014-15) with additional 'top slicing' from 11 other government departments that benefit from having good bus networks, including the **Department for Work and Pensions**, the **Department of Health**, the **Department for Environment Food and Rural Affairs** and the **Department for Education**, into a ring-fenced pot for local government to support bus services.



In order to put funding levels on a sustainable long-term footing, and to stem the circle of decline in supported local bus networks, pteg estimated that the Connectivity Fund should aim to provide £500 million in bus funding.

According to pteg the Connectivity Fund would contribute to key national objectives:

- **Help flexible and productive labour markets** by enhancing accessibility to key employment, education and population centres, including to new development areas
- **Promote economic growth** by enabling and promoting growth in the most productive employment centres outside London by reducing congestion and linking more workers to jobs
- **Help create full employment** by encouraging and enabling more people into work while making work pay: affordability and availability of bus services is especially vital for low paid workers
- **Tackle the cost of living crisis** by ensuring that transport remains affordable and cheaper housing is increasingly accessible
- **Improve health and well-being** by encouraging active travel and greater social interaction, especially amongst children, young people and the elderly
- **Cutting carbon emissions and improving air quality** by promoting modal shift and reducing congestion

The Connectivity Fund will in turn pay for itself by significantly reducing the cost of other public services and by supporting sustained economic growth. It could also improve the financial sustainability of bus networks themselves, for example investing in removing bottlenecks on the road network it would allow buses to operate at higher speeds, more reliably and thereby cover more mileage with the same resources.

13. Recommendations for the Welsh Government

The financial situation for Welsh local authority supported bus services is increasingly worrying. This year the cuts to local bus services in Wales have been more severe than in England and urgent action should be taken by the Welsh Government to prevent further funding cuts and Welsh communities being cut off. Alongside our recommendations for the UK Government, here we suggest three key recommendations for the Welsh Government to adopt.

Total Transport Wales

Following the emerging success of the Total Transport pilots across 37 English local authorities the Welsh Government should adopt their own Total Transport scheme. This approach will be of particular benefit to more rural areas, bringing together different transport services in an area.

Such separate commissioning of transport wastes significant funding and management time and takes funding and passengers from mainstream public transport services. So why not bring them all together? Total Transport allows existing resources to be allocated and coordinated more efficiently resulting in services for passengers that are more effective.

There are good examples in the Netherlands of where Total Transport has been used successfully to improve public transport for urban and rural areas. The results and evidence are already starting to come in from the current English Total Transport pilots and case studies and examples of best practice will be available for the Welsh Government to use and adopt accordingly.

Welsh Connectivity Fund

The Welsh Government should similarly consider its own Connectivity Fund, pooling resources from government departments that have a stake in buses and ring-fencing it for local transport.

Welsh bus reforms

The Welsh Government should also seize the momentum from Westminster's Buses Bill and push forward with its own bus reforms, including options for franchising and for enhanced and strengthened partnerships. Any reforms need to build on the success of the TrawsCymru long distance network and the Bwcabus demand responsive services.

There is an opportunity for the Welsh Government in the next few years to link bus reforms to rail devolution and improvements. The Welsh Government is set to get control over the Wales & Borders rail franchise in 2018 and it should link bus reforms to this as Cornwall Council have highlighted in their case study on page 16.

Buses for Welsh tourism

Buses are often the only practical option for tourists including visitors from overseas, who have no cars to reach many of Wales' most beautiful places. Their choices are reduced by cuts to rural bus services. Sundays are a particularly important day of the week for day trips and many visitors who stay overnight will need a bus back to the nearest main railway station on Sundays.



The importance of buses to rural tourism economies has been recognised in Swansea, where the Gower Explorer bus network has improved access to the peninsula. The Swansea Rural Development Partnership (EU and Welsh Government funded) supported Sunday Gower bus services from 2011 to 2014, with clear benefits for local tourism businesses. In 2015, Visit Wales provided funding for one year. Approximately 38 per cent of passengers on Sunday Gower services in 2015 were from overseas.

The Welsh Government should undertake an audit of public transport access to key tourism areas, including access points along the Wales Coast Path, to identify damaging gaps in bus provision and estimate the potential economic losses arising from the gaps. Funding should be made available, for example through Visit Wales, to close the gaps and to help local authorities to maintain or improve existing provision in tourism areas (including Sunday services).

Where services are available, they should be coordinated with rail services (especially where service frequency is low) and marketed as the most environmentally friendly way of reaching sensitive locations, such as National Parks and Areas of Outstanding Natural Beauty.



Tudalen y pecyn 118

14. Next steps

These three approaches - the Buses Bill, the Total Transport programme and the Connectivity Fund - should be linked together into a long-term vision and strategy for public transport. The new Government has an opportunity to really focus on the 'everyday transport' that people across England and Wales value so much.

In the immediate term the BSOG must be protected from further cuts in the Comprehensive Spending Review, and in the longer term new approaches must be seized upon, such as the Connectivity Fund to take buses onto a more secure financial footing and the Total Transport programme to encourage smarter spending by transport commissioners.

This report has found that with the current funding structure cuts in local authority supported bus services are at crisis point. If nothing changes many of these services will cease to exist entirely, leaving thousands of people isolated and unable to get to the key facilities and services they need. These people are often the most vulnerable in our society who value and need our buses the most.

The Government must recognise that buses are of national importance and are not simply a local issue to be devolved of responsibility by Whitehall. The time has come for politicians to recognise the importance of buses, as they do for other transport, and ensure they have the funding they need and ultimately deserve.

References

1. DfT - Annual Bus Statistics (England) 2014-15: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/464292/annual-bus-statistics-year-ending-march-2015.pdf
2. Passenger Transport Executive - https://en.wikipedia.org/wiki/Passenger_transport_executive
3. FOI requests were submitted via What do they know https://www.whatdotheyknow.com/user/martin_abrams
4. DfT - Annual Bus Statistics (England) 2014-15: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/464292/annual-bus-statistics-year-ending-march-2015.pdf
5. DfT - Annual Bus Statistics (England) 2014-15: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/464292/annual-bus-statistics-year-ending-march-2015.pdf
6. Better Bus Areas - <https://www.gov.uk/government/collections/bus-services-grants-and-funding#better-bus-areas>
7. Greener Journeys, Costs and benefits of the Bus Service Operators Grant, 2014
8. pteg - Working together to cut costs and do more for less: <http://www.pteg.net/system/files/general-docs/working%20together%20slideset%202015%20FINAL.pdf>
9. DfT Buses Bill Workshop reform document 2015 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/462225/buses-reform-workshops-background.pdf
10. DfT - Annual Bus Statistics (England) 2014-15: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/464292/annual-bus-statistics-year-ending-march-2015.pdf
11. Total Transport - pteg - <http://pteg.net/system/files/20110627ptegTotalTransportforWebFINAL.pdf>
12. Pteg - Making the Connections <http://www.pteg.net/system/files/general-docs/10210%20Pteg%20Benefits%20of%20the%20bus%20web%20FINAL.pdf>

Research and editorial team: Peter Wood and Martin Abrams for Campaign for Better Transport

Image credits: page 13: Yorkshire Bus by Clive A Brown on Flickr; page 25: Cardiff Bus by Jeremy Segrott on Flickr.

Campaign for Better Transport

Campaign for Better Transport's vision is a country where communities have affordable transport that improves quality of life and protects the environment. Achieving our vision requires substantial changes to UK transport policy which we aim to achieve by providing well-researched, practical solutions that gain support from both decision-makers and the public.

info@bettertransport.org.uk.

Phone: 020 7566 6480

Fax: 020 7566 6493

www.bettertransport.org.uk

www.facebook.com/bettertransport

www.twitter.com/saveourbuses_uk

16 Waterside, 44-48 Wharf Road, London N1 7UX

Registered Charity 1101929. Company limited by guarantee, registered in England and Wales: 4943428

Tudalen y pecyn 119
Better transport, better lives

Eitem 4

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 35	BCT 35
Sustrans Cymru	Sustrans Cymru

Consultation questions

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

The current state of the sector is evidently not successful, as shown by the decline in bus usage compared to other areas of the United Kingdom. We are particularly concerned to learn lessons about how to increase bus patronage in more rural and economically excluded areas of Wales, and ways in which bus services can promote employment and relieve congestion and poor air quality in urban areas.

Sustrans strongly supports a thriving and growing pattern of bus usage in Wales and deplores the current decline. Buses are an integral part of a transport network which supports an economically and culturally successful country. In particular we believe that a strong bus sector is a necessary element of achieving key goals in the Well Being of Future Generations (Wales) Act, through its contribution to prosperity, health, equality, cohesive communities and environmental resilience.

We believe a particular weakness in the sector is the lack of integration with other modes: people want to get all the way from A to B. Neither A nor B is likely to be immediately adjacent to a bus stop or a railway station. We wish to see services which enable people to make their journey by the most sustainable means possible. Thus the bus service which may take them most or part of the way must be integrated with their safe, comfortable and continuous walking or cycling journey to the bus stop or station, the ability to securely store their bike there and the integration of the bus timetable with key train service times. Integration and transparency also applies to ticketing mechanisms (including pricing, digital purchase and display and whole journey strategies) as ease of purchase drives patronage. This requires a level of planning and integration that the current system of bus regulation is unable to deliver.

We consider that a further significant weakness is the inability of the Welsh Government to ensure effective and coordinated bus services and so we believe the devolution proposals should be much stronger to enable the Assembly to properly regulate the market.

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

There are a number of key issues including cost, quality and reliability, alignment to demand and connectivity to other modes of transport which have been identified in several studies, most recently the 2014 Report of the Bus Policy Advisory Group. We would agree with all these points, and specifically wish to highlight the elements below.

1. We consider that the lack of effective regulation, and beneath that umbrella the

failure of partnership between government (national or local) with bus companies and major trip generators are fundamental barriers to increasing patronage. This prohibits proactive network planning and management which in turn reduces effective interventions to promote the objectives of relevant legislation (including the Active Travel Act). We have welcomed the government's intention (cited below) to keep the options of Quality Partnership Schemes and Contracts under review. However, such agreements, while offering considerable leverage and the ability to directly commission bus routes, do not offer the opportunities for integration and infrastructure management that proper regulation would support and wider networks would deliver. We therefore support both stronger devolution of regulatory powers and the introduction of network partnerships and other contract or franchise based incentives. We would hope to see such arrangements become both robust and aligned to transport geography.

2. The unregulated free-market approach militates against effective planning of integrated networks. At present, public authorities may only commission a service where there is no commercial operation in place. On at least one occasion this has allowed the frustration of a tender for a publicly supported, planned and integrated service by the last minute decision of an operator to run commercial service on the route, only for them to subsequently withdraw the service. (The incident is mentioned in <http://www.passengertransport.co.uk/2013/01/welsh-bus-funding-cuts-ratified-as-qcs-mooted/>) Timetable changes and interruptions in service seriously damage people's preparedness to trust the public transport network, and are made much worse by such incidents. Reliability and predictability are essential when people are deciding how they will travel to work or get their children to school, particularly in rural areas.
3. We note the lack of appropriate and sufficient bus infrastructure at key places including the relationship to train stations (supporting multi-modal travel) and at certain pinch points in the network. We recognise the success of bus priority schemes in many areas and would wish any network partnerships or similar arrangements to take full account of bus movements in network planning. Bus gates, priority lanes and similar infrastructure increase both speed and reliability and the evidence shows that reliability of buses is a fundamental part of encouraging greater usage.
4. The lack of an easily understood and well-integrated ticketing system is also a barrier. A transparent fare structure (eg zoning) and affordable tickets obviously help increase passenger numbers; here we are particularly concerned about an approach to booking journeys, paying for fares and e-ticketing which works across all bus services and aims to work across all public transport. Ease of payment has been shown to drive up patronage and as a consequence reduce car journeys. The current fragmented and unclear approach to ticketing does not encourage sustainable transport, and it should be a requirement of all operators to participate in a more strategic and passenger-friendly approach.

5. Inevitably the limited and decreasing ability for authorities to subsidise routes (and support infrastructure investment as described at point 7 below), particularly ones with very high cost per passenger, has an impact. This is not an argument for uncapped and unexamined subsidies, but the reduction in funding must be a contributor to the withdrawal of unviable or less profitable routes. The reduction in subsidies also reduces public sector leverage with commercial operators in regard to other aspects of the service, including bus quality requirements.
6. Specific to community transport: we are concerned that the sector is not universal across Wales, and is strongly tilted to the demand/response sector, essentially specialist and subsidised taxi services. We welcome the 2014 Report's categorisation and approach to the sector, and support the view that the sector cannot and should not offer local public passenger services as a substitute for commercial operators. We wish to support a successful community transport sector as part of the service delivery pattern in more remote areas; if government (at local or national level) is minded to subsidise certain services, community transport organisations should be enabled to bid for delivery as a way of growing the sector and diversifying the market. This is not ruled out by competition regulation, but may need specific support to transport commissioning organisations early in the procurement process.
7. We would welcome more ability to learn from other areas which have improved bus patronage. This may be in cities where partnership and reduced fares have improved numbers (eg in Brighton & Hove) or rural areas. In particular, research shows (eg at http://www.thredbo-conference-series.org/downloads/thredbo10_papers/thredbo10-themeA-Bristow-Enoch-Zhang-Greensmith-James-Potterr.pdf) that incentives to increase the number of passengers are significantly more effective than support to miles travelled for instance via rebates on fuel. This is supported by the fact that though passenger numbers have declined markedly, the number of vehicle kilometres covered by local bus services in Wales is still at its 1996 levels (although down from the peak in 2005).

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

It is our view that there is insufficient hard evidence for definitive statements on the impact of the recent administrative and financial changes on bus patronage, but we would suggest that the lack of cross-authority partnerships enabling sub-national planning and management is a factor. It is for this reason we welcome the 2014 Report's suggestion of Network partnerships, promote stronger, multi-modal cross-authority transport planning and specifically refer to local government reorganisation below.

It is clear that Wales has significant levels of car ownership and we know that such levels translate to issues of health (air quality, obesity) and economic impact (congestion, journey times) neither of which is good for Wales. Delivering efficient, passenger-oriented, integrated bus services can only help with these challenges.

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

At Q7 below we set out our view that the Welsh Assembly should have significantly greater powers and responsibilities for transport regulation along the lines of those enjoyed by the London Mayor. This is our preferred approach.

In this section our comments are made in the context of existing powers and the proposals contained within *Powers for a Purpose*.

1. The Welsh Government should enable/impose more integrated multi-modal planning for transport alongside strong encouragement of cross-authority transport planning in ways which complement the local government review. This should include, at the least, some form of network partnership responsible for wider integration and infrastructure; we believe that such partnerships should also have a duty to support sustainable travel choices for longer journeys, and have a particularly responsibility to support the delivery of the Active Travel Act and relevant elements of the Wellbeing of Future Generations Act.
2. We believe that such partnerships:
 - [should enable] *dialogue and action [to] take place [to] bring together local authorities, bus operators, bus users and key trip generators (e.g. retailers, health care providers). In both rural and urban areas.*
 - *should be based on transport corridors which must not be constrained by local authority boundaries.*
 - *should be focused on practical action to improve services, in particular improving punctuality, but also infrastructure, marketing and network improvements. They must be more than talking shops – they need some ‘teeth’ if they are to make a difference.*
3. In addition to these points, made by the 2014 Bus Policy Review, the Welsh Assembly and Welsh Government should be seeking full regulation of bus provision across a transport geography to support multi-modal transport planning and full integration with network management, including infrastructure which facilitates sustainable transport. More broadly a new regulatory regime should mirror and improve on that in place elsewhere including factors promoting usage such as minimum distance to stops, transparency of fares/finance, investment in bus stock to ensure improvements in both access and emissions.

4. The forthcoming local government review should take full and transparent account of sustainable transport issues, including but not limited to buses, so that the transport geography of both social goods (health etc) and economic benefit (travel to work/school) are taken into account in governance and delivery of local services.
5. We suggest that municipal companies should be released from trading constraints and their owners encouraged to make arrangements to enable those companies to compete successfully for franchises
6. The Government should enable and support a central pool of expertise (eg through the WLGA) in client and regulatory services for passenger transport, which could also support the enhanced rail franchising envisaged in the *Powers for a Purpose*.
7. The Government should promote and enable the coordination of information for passengers, including those with disabilities, through coordinated ticketing, joint commissioning of relevant software and applications, supporting specifications requiring integrated fares/ticketing etc. This should explicitly address the issues of transparency, ease of purchase and multi-modal integration identified in Q2.
8. We strongly encourage the Government to maximise the use of its powers to reduce emissions from passenger transport. The 2014 IPPR report *Greasing the Wheels* (http://www.ippr.org/files/publications/pdf/greasing-the-wheels_Aug2014.pdf?noredirect=1) summarises this issue by saying

In 2011, buses only accounted for 4 per cent of the UK's surface transport greenhouse gas emissions (CCC 2013). With cars and vans contributing 73 per cent of the UK's surface transport greenhouse gas emissions in 2011, decarbonising these smaller vehicles is imperative to decarbonising transport (ibid). However, this involves millions of individual purchase decisions for technologies that are currently expensive and not fully trusted by the public, such as drive chains powered by batteries or hydrogen fuel cells.

That uncertainty means that it would be prudent to reduce the number of vehicles on the UK's roads through modal shift to decarbonised buses. However, as with GB rail, without a long-term strategy examining changing demographics, technological breakthroughs and decarbonisation requirements, it is not possible to say how much modal shift to the bus is required.

This is a particularly complex challenge in Wales given the acute physical and

economic differences between various areas of the country. The Welsh Government should take the lead in identifying the opportunities for change and the levers to influence procurement both by public sector fleet operators and private/third sector fleets.

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

1. Fully support the arrangements proposed above, including fuller devolution of regulatory powers to the Welsh Assembly and the introduction of partnerships to promote and manage the networks in ways which meet the objectives of relevant legislation and the needs of their communities. Local authorities must also commit to effective working across boundaries where services and economic benefit require it, which may include the upward delegation of existing responsibilities to achieve both better integration and greater efficiency.
2. Agree common approaches to investment and assessment of benefit, so that all bodies understand the cost per passenger mile of subsidy. In addition all local authorities should seek to pursue best practice in transport commissioning (for services or for the public) in such a way that expensive procurement processes are robust, compliant and support local objectives, including the growth of third sector providers.
3. Consider their management arrangements for transport (as suggested in the 2014 Review) especially where they have in-house fleets, to ensure the most effective usage and routes to reducing both emissions and congestion. This includes actively promoting bus usage as the alternative to the private car in functions and at times which produce congestion, such as home-to-school transport.
4. Review and enhance their procurement strategies for public bus services where subsidised to maximise the potential to improve patronage, including support where possible and appropriate to community transport.

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

Sustrans welcomes the proposals in the *Powers for a Purpose* as enabling Wales to shape its passenger and public transport services to shape the particular economic, social and physical geographies of the country but see Q7 as we do not think the proposals go far enough.

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

We believe that devolution should go significantly further and that a Welsh Government committed to legislation which promotes sustainable travel in the specific Welsh environment should have the powers to regulate and encourage sustainable travel.

We therefore support **full devolution of regulatory powers** along the lines of the powers of the London mayor to regulate bus services and commission bus services. The evidence strongly suggests that an integrated franchising strategy, combined with strong political leadership, has been fundamental to the 72% increase in bus patronage since 2001. As IPPR says in their 2014 Report *Greasing the Wheels*:

GB rail and London buses clearly show that taxpayer subsidies can be used to deliver positive outcomes where combined with clear regulatory powers.

The coherent and radical approach driven by Transport for London has been extremely successful by several measures. In particular it has fostered modal integration, brought underused capacity into use (eg on the Overground), built strong cross-border relationships with other parts of the country, attracted major investment and supported economic growth. All these are challenges facing Wales where fragmented and unclear authority for transport decision-making hinders the objectives expressed in key Welsh legislation.

Such an approach would require a more radical re-appraisal of the proposals in *Powers for a Purpose* than is possible here. If the Welsh Government were to seek full devolution, then we would welcome the opportunity to be involved in the articulation of detailed proposals.

Within the current structures and given the apparent reluctance to grant Wales similar powers to those of London, we are disappointed there is not more movement on the **devolution of the Traffic Commissioner**. The Commissioner himself notes:

'there is no specific [funding] allocation for Wales and it is treated as if it were part of the West Midlands of England. As a result there is no separate financial provision for communication with trade associations in Wales or liaison with the Welsh Government; nor is there any allowance for the cost of hearings outside of the Birmingham office. The lack of any financial provision for compliance with the legislation relating to the Welsh language has been an ongoing concern which will eventually lead to interesting challenges.

The historic approach to administration has meant that the interests of Welsh operators and the safety and convenience of the public in Wales has not been given the primacy it deserves. ... The public in Wales and the industries who I am supposed to regulate deserve both a traffic commissioner and resources which are no less than that provided in England. Currently Wales continues with a second rate service with fees subsidising English areas.'

The current approach means that the role of the Traffic Commissioner in enabling and requiring operators to comply with Welsh legislation can only be minimal.

We would therefore wish to see the Traffic Commissioner for Wales be made accountable to the Welsh Government and located in Wales, with full responsibility for regulating bus operators in his or her purview as part of this comprehensive devolution of regulation.

Question 8 – what other action can be taken to ensure that bus and community transport services meet the needs of people in Wales?

The Wellbeing of Future Generations Act creates a strong platform for building integrated alliances to promote sustainable development and cohesive communities. Helping people to move about is fundamental to the objectives of the Act. We therefore hope that the work of the Future Generations Commissioner fully addresses transport issues and that the Assembly should require all public bodies to recognise transport as a key consideration of all public bodies when setting their objectives under the Act and in the Well-being plans of Public Service Boards.

In particular we would like to see the recommendations and future guidance to Public Service Boards specifically address transport issues including the effective commissioning, regulation, quality and delivery of public transport within such powers and incentives as are available.

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

Cyflwyniad

1. Bwriad y papur hwn yw cynnig tystiolaeth ysgrifenedig i'r Pwyllgor Menter a Busnes ar drafnidiaeth – bysiau a'r gymuned yng Nghymru.
2. Mae gwasanaethau bws yn rhan hanfodol o fywyd economaidd, diwylliannol a chymdeithasol Cymru. Bob diwrnod, mae 63,000 o bobl yn dibynnu ar fysiau i fynd i'r gwaith, a chaiff oddeutu 350,000 o deithiau eu gwneud bob dydd i fynd i apwyntiadau yn yr ysbyty, i ymweld â ffrindiau, siopa neu weithgareddau hamdden. Mae gwasanaethau bws yn cynnig ffordd o deithio sy'n ddibynadwy, hyblyg, fforddiadwy a chynaliaw y bobl o bob oedran, gallu a chefnidir.
3. Mae ein huchelgais ar gyfer gwella trafnidiaeth bysiau a'r gymuned wedi ei bennu yn ein Cynllun Cyllid Trafnidiaeth Cenedlaethol, a gyhoeddwyd ym mis Gorffennaf. Rydym wedi ymrwymo i wella ansawdd gwasanaethau bws lleol a thrafnidiaeth gymunedol, a mynediad iddynt, tra'n edrych ar y posibilrwydd o gynnig bargaen well ar docynnau bws i bobl ar incwm is.
4. Rydym wedi darparu ein hymrwymiad i sicrhau tocynnau teithio rhatach i bobl hŷn a phobl anabl, yn ogystal â'n cynllun i helpu cyn-filwyr a'r lluoedd arfog sydd wedi eu niweidio'n ddifrifol. Mae "Fyngherdynteithio" yn helpu pobl ifanc trwy gynnig tocynnau teithio rhatach yng Nghymru.
5. Mae Trafnidiaeth Gymunedol yn chwarae rhan hollbwysig o fewn system drafnidiaeth gyhoeddus integredig, a gall gynnig ffordd arall o deithio sy'n hyblyg ac yn gost-effeithiol yn hytrach na thrafnidiaeth gyhoeddus traddodiadol. Mae Llywodraeth Cymru yn darparu £108,000 i helpu y rhwydwaith Bwcabus yn 2015-16, ac mae'r twf sylweddol yn nifer y teithwyr, sydd wedi curo targedau Bwcabus, yn dangos effeithiolrwydd y fenter hon. Rydym yn parhau i annog awdurdodau lleol a chwmnïau bws i edrych ar gynllun Bwcabus a dysgu ohono.
6. Enghraifft dda arall yw'r prosiect Grass Routes yn Sir Fynwy. Rwyf hefyd wedi ariannu dwy raglen beilot ar gyfer Trafnidiaeth Wledig yng Ngheredigion a Bro Morgannwg i edrych ar ffyrdd newydd o ddefnyddio cerbydau fflyd i ddarparu gwasanaethau gwell i gymunedau gwledig, ac i'w treialu.
7. Mae'r angen i ddod o hyd i ffyrdd gwell i bobl gael mynediad i gyfleusterau gofal iechyd yn bwysig. Rwyf wedi comisiynu gwaith gyda'r Gweinidog Iechyd a Gwasanaethau Cymdeithasol i ddarparu gwasanaeth trafnidiaeth gwell mwy ymatebol i gleifion ac ymwelwyr gael mynediad i ysbytai a chyfleusterau gofal iechyd eraill ledled Cymru.
8. Rydym hefyd yn gweithio gyda darparwyr trafnidiaeth y gymuned leol i ddatblygu cynlluniau clybiau ceir mewn ardaloedd lle y mae pobl yn ei chael yn anodd i gael mynediad i gyfleoedd gwaith a gwasanaethau.

TYSTIOLAETH YSGRIFENEDIG I YMCHWILIAD Y PWYLLGOR MENTER A BUSNES I DRAFNIDIAETH – BYSIAU A'R GYMUNED AR 3 RHAGFYR, 2015

Swyddogaethau a chyfrifoldebau

9. Ers dadreoleiddio bysiau yn 1986, cwmnïau bws preifat sydd wedi penderfynu ar strwythur y gwasanaeth bysiau lleol, gan ddibynnu ar ymarferoldeb masnachol. Yng Nghymru, mae oddeutu 73 y cant o'r pellter sy'n cael ei deithio ar fysiau ar wasanaethau sy'n cael eu darparu'n fasnachol.
10. O dan y fframwaith deddfwriaethol presennol, mae gan awdurdodau lleol bwerau i gynnig cymorthdaliadau i wasanaethau os ydynt yn gweld bod y gwasanaethau hynny yn angenrheidiol o fewn y gymdeithas. Mae gan awdurdodau rôl hanfodol hefyd o hybu mynediad i gyfleusterau addysg, hyfforddiant, gwaith, iechyd, siopa a chymunedol. Mae trafndiaeth gyhoeddus, a bysiau yn benodol, yn chwarae rhan bwysig o roi mynediad inni i swyddi, addysg a gwasanaethau allweddol.
11. Mae gan drafndiaeth gymunedol ran bwysig i'w chwarae o ategu y rhwydwaith bysiau craidd, ac yn benodol, i fodloni anghenion pobl sydd o bosib heb fynediad i drafndiaeth gyhoeddus draddodiadol, neu sydd angen y math o gerbydau arbenigol a'r gwasanaethau hyblyg sy'n nodwedd amlwg o'r sector.
12. Mae y rhan fwyaf o ardaloedd ym Mhrydain, fodd bynnag, wedi gweld lleihad yn y gwasanaethau bysiau sydd ar gael, gyda gwasanaethau bws Llundain yn eithriad amlwg. Yng Nghymru, bu gostyngiad cyffredinol yn y nifer sy'n defnyddio bysiau; bu gostyngiad o 7 y cant yn 2009-2010 yn nifer y teithiau bws a wnaethpwyd yng Nghymru, a gostyngiad o 6 y cant rhwng 2012-2013.
13. Fodd bynnag, nid yw'r gostyngiad hwn yn y nifer sy'n defnyddio bysiau wedi ei weld ym mhobman yng Nghymru. Mae'r coridor trafndiaeth rhwng Caerdydd a Phontypridd yn un o'r coridorau pwysicaf yn Ne Cymru. Mae'r gwelliannau i leihau amser teithio ar y llwybr hwn wedi cynyddu y nifer sy'n defnyddio gwasanaethau fel yr X4 a'r 26, 4.5 y cant a 9.7 y cant yn y drefn honno.
14. Mae gan drafndiaeth gymunedol ran bwysig i'w chwarae yn ategu'r rhwydwaith bysiau craidd, ac yn benodol, bodloni anghenion pobl sydd o bosib heb fynediad i drafndiaeth gyhoeddus draddodiadol. Fel rhan o'n hymrwymiad i gysylltu ardaloedd strategol, rydym yn ariannu TrawsCymru, rhwydwaith o fysiau pellter hir sy'n cludo bron i 1.5 miliwn o deithwyr y flwyddyn.
15. Rydym wedi lansio gwasanaethau newydd eleni sy'n cysylltu Wrecsam a'r Bermo ac Aberystwyth a Hwlfordd. Rydym hefyd yn gwella'r gwasanaeth o Fangor i Aberystwyth o fis Tachwedd 2015 ac mae cerbydau newydd i gael eu defnyddio o fis Mawrth 2016.

Cyllido

16. Er gwaethaf effaith penderfyniadau gan Lywodraeth y DU, rydym, yn ystod y misoedd diwethaf, wedi gallu diogelu lefel y cyllid yr ydym yn gallu ei ddarparu i awdurdodau, i'w galluogi i gynnig tocynnau teithio rhatach ar drafndiaeth gymunedol ac ar fysiau. Yn ogystal â'r £25 miliwn a ddarparwyd gennym i awdurdodau lleol drwy'r Grant Cymorth i Wasanaethau Bysiau, rydym wedi

TYSTIOLAETH YSGRIFENEDIG I YMCHWILIAD Y PWYLLGOR MENTER A BUSNES I DRAFNIDIAETH – BYSIAU A'R GYMUNED AR 3 RHAGFYR, 2015

ymrwymo i gefnogi y cynllun gorfodol ar gyfer pobl hŷn neu anabl, sy'n galluogi dros 740,000 o bobl i deithio ar ein bysiau yn ddi-dâl.

17. Rydym hefyd wedi gallu cynnig cymorth i bobl ifanc drwy'r cynllun teithio yn rhatach ar fysiau tan ddiwedd Mawrth 2017.

18. Ysgogiadau

19. Ym mis Ionawr 2014, sefydlwyd Grŵp Cyngori ar Bolisi Bysiau i roi cyngor ar y ffordd orau y gallwn weithio gyda'r awdurdodau lleol a'r diwydiant bysiau i wella cynaliadwyedd hirdymor y gwasanaethau bysiau lleol yng Nghymru. Rwy'n ystyried eu cyngor manwl ac yn benodol yn cyflwyno Safon Ansawdd Bysiau y gellid ei gyflwyno i wella ansawdd y gwasanaethau bysiau.

20. Nid yw dadreoleiddio y farchnad fysiau wedi darparu'r manteision a fwriadwyd ledled Cymru. Er bod gan rai ardaloedd wasanaethau bysiau masnachol, roedd eraill yn dibynnu ar wasanaethau oedd â chymorthdaliadau sylweddol dan gontract gan yr awdurdodau lleol.

21. Mae'r fframwaith cyfreithiol ar gyfer trefnu'r gwasanaethau bysiau yn golygu bod cyflawni ein huchelgais i wella'r gwasanaethau i deithwyr yn ddud, yn gymhleth ac yn anghyson. Yn aml, yr unig ffordd o integreiddio amserlenni bysiau gyda dulliau eraill o deithio, gwella safon bysiau, gwella amseroedd teithio ac yn y blaen yw drwy i gwmnïau gydweithio yn wirfoddol.

22. Byddai datganoli y broses o reoleiddio bysiau yn ategu ein cymhwysedd deddfwriaethol presennol o ran rheoli traffig a darparu gwasanaethau, drwy sicrhau gwerth am arian gwell wrth wella safon teithio ar fysiau i ddefnyddwyr yng Nghymru.



Our ref/Ein cyf: MA-(L)-LA-0157-15

William Graham AC
Cadeirydd y Pwyllgor Menter a Busnes
Cynulliad Cenedlaethol Cymru
Bae Caerdydd
CF99 1NA

23 Tachwedd 2015

Annwyl William,

Rwyf yn ysgrifennu atoch mewn perthynas â'r Memorandwm Cydsyniad Deddfwriaethol ar y darpariaethau ardrethi annomestig yn y Bil Menter ("y Bil"), a osodais ar 1 Hydref 2015.

Yn ystod hynt y Bil trwy Senedd y DU, dywedodd yr Adran Cymunedau a Llywodraeth Leol ("DCLG") fod angen gwelliant i'r darpariaethau ar rannu data am ardrethi annomestig yng nghymal 22 o'r Bil, i sicrhau bod y ddarpariaeth yn cyflawni nodau'r polisi'n llawn.

Ar hyn o bryd o dan adran 18(1) o Ddeddf 18(1) o Ddeddf Comisiynwyr Cyllid a Thollau 2005 (y "CRCA") gosodir dyletswydd gyfrinachedd ar staff Asiantaeth y Swyddfa Brisio (VOA), fel swyddogion Cyllid a Thollau. Mae'r ddyletswydd gyfrinachedd hon yn golygu na chaiff staff VOA ddatgelu gwybodaeth sy'n enwi trethdalwr, oni chaniateir datgeliad o'r fath o dan amgylchiadau penodol. Mae Adran 23(1) o CRCA yn egluro'r rhyngweithio rhwng y gofyniad cyfrinachedd yn adran 18(1) a Deddf Rhyddid Gwybodaeth 2000 (y "FOIA"), ac yn darparu bod gwybodaeth sy'n dod o fewn adran 18(1) wedi'i heithrio rhag cael ei datgelu o dan FOIA lle byddai datgeliad o'r fath naill ai'n enwi person neu'n galluogi enw person i gael ei ganfod ("gwybodaeth am drethdalwr"). I bob pwrpas mae adran 23(1) o CRCA yn gosod gwaharddiad statudol ar ddatgelu gwybodaeth o'r fath.

Effaith geiriad cymal 22 o'r Bil fel y'i drafftwyd adeg ei gyflwyno fyddai y byddai'r gwaharddiad statudol ar ddatgelu'n peidio â bod yn gymwys unwaith y byddai wedi pasio o'r VOA trwy'r broses gyfreithiol. O ganlyniad, gofynnodd y VOA fod gwelliant yn cael ei wneud i'r Bil a fyddai'n ymestyn y gwaharddiad statudol presennol fel y bydd yn parhau i fod yn gymwys pan fydd gwybodaeth am drethdalwyr wedi cael ei rhannu o dan gymal 22.

Heb sicrwydd gwaharddiad statudol roedd y VOA o'r farn bod y risg o ddatgeliad amhriodol yn gyfryw fel na fydd ganddi'r hyder i rannu'r holl wybodaeth sy'n dod o fewn cwrpas cymal 22. O ganlyniad, câi llawer o fudd cymal 22 ei gollu a byddai rhaid i'r Awdurdodau Lleol ddal i ofyn am yr wybodaeth ddyblyg yn uniongyrchol gan drethdalwyr.

O ganlyniad cafodd gwelliant i gymal 22 ei gyflwyno i'r Bil gan y Farwnes Neville-Rolfe ar 19 Tachwedd 2015 yn ymestyn y gwaharddiad statudol presennol fel y bydd yn dal i fod yn

gymwys pan fydd gwybodaeth am drethdalwyr wedi cael ei rhannu o dan gymal 22. Mae'r gwelliant hwn yn cydnabod bod gwybodaeth am drethdalwyr a ddelir gan y VOA yn cael ei hennill naill ai o dan orfodaeth neu'n cael ei darparu gan drethdalwyr o dan fygythiad gorfodaeth. Mae gwybodaeth a enillir yn y dull hwn yn aml yn destun gwaharddiad statudol o dan FOIA gan nad yw perchennog yr wybodaeth yn gallu ystyried goblygiadau datgelu o dan FOIA cyn darparu'r data. Mae hefyd yn gyson â'r gwaharddiad statudol presennol sy'n diogelu gwybodaeth am drethdalwyr rhag cael ei datgelu tro bo'n cael ei dal gan y VOA.

Diben y gwelliant hwn yw hwyluso rhoi'r amcan polisi ar waith yn effeithiol ac nid yw'n ymestyn y polisi nac yn tynnu oddi arno. Ymhellach, mae'r egwyddor y dylai gwybodaeth am drethdalwyr a ddelir gan y VOA gael ei diogelu rhag cael ei datgelu o dan FOIA eisoes wedi ennill ei phlwyf; gan hynny ceir gwaharddiad statudol. Unig ddiben y gwelliant yw ymestyn y diogelwch a roddir ar hyn o bryd i wybodaeth am drethdalwr a ddelir gan VOA, i'r grŵp ehangach o dderbynwyr y caniateir rhannu data â hwy ag ef o ganlyniad i gymal 22. Nid yw'r gwelliant arfaethedig felly'n cyflwyno unrhyw egwyddorion newydd ac mae'n gyson â'r polisi presennol. O ganlyniad, ni fyddaf yn gosod Memorandwm Cydsyniad Deddfwriaethol gan nad yw'r gwelliant yn gwneud newidiadau sylweddol i'r polisi: nid yw ond yn sicrhau y gellir rhoi grym i'r polisi.

Caf ar ddeall fod y Pwyllgor Menter a Busnes wrthi'n ystyried y Memorandwm Cydsyniad Deddfwriaethol mewn perthynas â chymal 22 o'r Bil ac roeddwn am dynnu'ch sylw at y gwelliant hwn ac at ei ddiben a'i effaith.

Rwyf yn ddiolchgar am gymorth y Pwyllgor yn y mater hwn.

Yn gwyir

A handwritten signature in black ink, which appears to read 'Leighton Andrews'. The signature is written in a cursive style and is positioned above a horizontal line that ends in an arrowhead pointing to the right.

Leighton Andrews AC / AM
Y Gweinidog Gwasanaethau Cyhoeddus
Minister for Public Services