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| Cynulliad Cenedlaethol Cymru                                 | National Assembly for Wales                      |
| Y Pwyllgor Menter a Busnes                                   | Enterprise and Business Committee                |
| Gwasanaethau Bysiau a Thrafnidiaeth<br>Gymunedol yng Nghymru | Bus and Community Transport Services<br>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](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](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.