

BSWB 38 - Evidence from: Pembrokeshire County Council

Senedd Cymru | Welsh Parliament

Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith | Climate Change, Environment, and Infrastructure Committee

Bil Gwasanaethau Bysiau (Cymru) | Bus Services (Wales) Bill

1. What are your views on the general principles of the Bill, and is there a need for legislation to deliver the stated policy intention?

- Local bus services are vital to communities in Pembrokeshire, providing access to employment, shops and services and opportunities to access the renowned Pembrokeshire coast. However, post pandemic, travel habits have fundamentally changed to reflect new ways of working and the greater use of online opportunities for activities such as retail and banking. Accordingly, bus patronage has not returned to the pre pandemic levels. In Pembrokeshire, only the T11 bus service has returned to pre-COVID patronage levels. A number of our rural services have not returned to pre-COVID service levels with patronage levels in some cases down as low as 50%.
- We support the general principles behind the proposed changes and recognise that bus franchising provides the opportunity to better coordinate and develop the network, services and ticketing in a way that is not possible under the current deregulated model.
- However, very few bus services in Pembrokeshire are currently run commercially and the network is already in large part controlled and specified by the Local Authority. The development of the current network in Pembrokeshire is constrained more by limited funding, lack of capacity within local operators and driver shortages than the legislative framework within which the services operate, and it would be naïve to think that the Bus Services (Wales) Bill alone will address these issues.
- We are also concerned that the proposals will weaken or remove local oversight and accountability for bus services, despite the local nature of the vast majority of bus journeys.

2. What are your views on the Bill's provisions (set out according to Parts below), in particular are they workable and will they deliver the stated policy intention?

▪ Part 1 - Key concepts and general objectives (sections 1 to 4)

- Sections 1 – 3 set out the technical coverage of the Bill and reflect the operational definitions, about which we have no comments.
- We are generally supportive of the principles contained in Section 4, which reflect our shared desire to increase the attractiveness of bus as a mode of choice rather than one of last resort. There does remain a delicate balance between continuously improving and working towards a reliable, safe, affordable, accessible and an increasingly available local bus service, and the funding needed to do so. They are not mutually exclusive, and it would be naive to think that these objectives can meet public expectations and be delivered without significantly more funding. Legislative change alone is not enough.

3. What are your views on the Bill's provisions (set out according to Parts below), in particular are they workable and will they deliver the stated policy intention?

▪ Part 2 - Functions of the Welsh Ministers relating to local bus services (sections 5 to 20)

- Section 5 sets out a new duty on Welsh Ministers to determine and secure the “local bus services that they consider are required for the purpose of securing safe, integrated, sustainable, efficient and economic transport in Wales”. This would replace the existing duty on Local Authorities (Section 63 of the Transport Act 1985) “to secure the provision of such public passenger transport services as the council consider it appropriate to secure to meet any public transport requirements within the county which would not in their view be otherwise met”.
- We are concerned that the new duty on Welsh Ministers has a narrower scope than that current duty on Local Authorities. There is a real risk that some services (e.g. non-bus CT services) may fall through the gaps and other services (which may be socially necessary but are not “efficient and economic”) are deprioritised. Services at risk include social car schemes like the Pembrokeshire Country Cars service which provides over 6,000 essential journeys each year to isolated and

vulnerable residents who have no other transport option for their journey. Whilst Local Authorities could continue to use their general powers to provide such services, taking them outside the scope of any statutory duty will make it harder for them to compete with other, statutory, demands on pressurised Local Authority budgets.

- Section 6 sets out the process for preparing a Welsh Bus Network Plan. Whilst the views of LAs must be sought, there is no mention of decisions by TfW being made in conjunction with the CJC's or LAs. This sidelines local experience, knowledge, and democratic accountability.
- Section 7 sets out the process for the Welsh Bus Network Plan to be reviewed and updated. In practical terms, bus networks are continually evolving to reflect changes in travel patterns. The requirements within the plan appear to need a significant level of detail, right down to the individual bus stop, and this will require frequent updates. We note that the Explanatory Memorandum proposes a network planning team for each franchise area. Whilst the plans suggest that these teams would be entirely staffed by TfW there is a strong argument for the network planning teams to include members from all the relevant Local Authorities. This would ensure that local knowledge and communities are properly represented, and maintain links with the functions and responsibilities that remain within the remit of Local Authorities - e.g. bus stop infrastructure, highways, school transport, planning etc. The funding for Local Authority input would need to be maintained.
- It is proposed that amendments to the plan will only be required for changes that last longer than 14 days, in order to exclude short term disruption (e.g. local roadworks). However, many roadworks schemes last longer than 14 days. For example, a temporary timetable was required on the T5 service between Haverfordwest and Cardigan for eight weeks in Jan/Feb 2025 due to a trunk road closure in Newport Pembs.
- Section 8 sets out that consultation on changes to the Welsh Bus Network Plan is not required when, in the view of Welsh Government/TfW the changes are 'minor' or consultation is not practicable. There is no definition of what would be considered a 'minor' change, or impracticable consultation. Will Welsh Government/TfW have sufficient local knowledge to decide this? We know from experience that even seemingly small changes to timetables, pick-up points or routes can have a significant impact on those individuals.

Additional comments regarding Local Bus Service Contracts and Permits added in our response to Q 21 due to lack of space here.

4. What are your views on the Bill's provisions (set out according to Parts below), in particular are they workable and will they deliver the stated policy intention?

- Part 3 - Restriction on providing local bus services (sections 21 to 24)**

- There is inconsistency in the proposed bill about how community bus services (operating under S22 permit) will be treated. Under current legislation, all community bus services are available to the general public, are eligible to take part in the All Wales Concessionary Fares scheme and have to be registered with the Traffic Commissioner in the same way as any other local bus service (albeit with shorter notice periods and lower fees).
- Whilst the earlier sections of the bill will allow community bus operators to operate under Local Bus Service Contracts and Local Bus Service Permits, Section 21 of the Bill would also allow community bus services to operate outside of that framework altogether. We cannot see any reason why these services should be treated differently to other local bus services, providing the application process and fees for Local Bus Service Permits are proportionate for community bus operators.
- In Pembrokeshire, Pembrokeshire County Council currently operate 9 local bus services in-house under Section 22 permit. In addition, a number of services are operated by local community transport providers under Section 22 permit. Some of these services are likely to be included within the proposed Welsh Bus Network Plan, but some hyper local dial-a-ride and town rider services are not. These could operate under Local Bus Service Permit in future.
- We welcome the proposed exemptions for registered school bus services.

5. What are your views on the Bill's provisions (set out according to Parts below), in particular are they workable and will they deliver the stated policy intention?

- **Part 4 - Information and data (sections 25 to 31)**

- Sections 25 and 26 relate to information to be provided by operators and Local Authorities to Welsh Government/TfW. Currently, operators and LAs work together closely, sharing information to plan local bus services and react to ever-changing circumstances. These local relationships are important and include day-to-day exchanges over matters that impact on routes, and which must not be lost. We would note that many local bus operators run both school transport routes and local bus services and therefore Local Authorities will continue to have a key role in liaising closely with operators in the future.
- Section 27 relates to information to be made available to the public. The explanatory memorandum makes it clear that responsibility for roadside infrastructure including bus stops and bus stations will remain the responsibility of Local Authorities in future. Whilst we would welcome a more consistent approach to the provision of local bus information in the future, roles and responsibilities, the way this will be delivered and funded is not clear. There needs to be considerable investment in new infrastructure and upgrading of facilities at bus stations and interchange hubs to encourage modal shift. Public transport information also needs to be much better and available online as well as on street, at bus stations and interchanges, either electronically through Real Time Passenger Information or printed roadside timetables. Resources and ongoing funding are required to keep any infrastructure clean and to keep real time and printed timetables updated.

6. What are your views on the Bill's provisions (set out according to Parts below), in particular are they workable and will they deliver the stated policy intention?

- **Part 5 - Local authority powers and duties (sections 32 to 34)**

- The bill has significant implications for LAs who currently are responsible for resourcing the planning, co-ordination, procurement, funding, and delivery of bus service provision. The removal of these functions from LAs and transferred in

totality to Welsh Ministers will be to the detriment of local and democratically elected accountability.

- Section 32 removes the restriction on Local Authorities to run bus services and will allow in principle municipal bus operators to be established. In Pembrokeshire, we currently run local bus services and education transport routes under S22 permit, in effect as an operator of last resort. This enables us to address capacity issues within the local market without competing with local SME operators. Our in-house operations are integrated within our Integrated Transport Unit and with wider LA support functions, helping us to make best use of the resources available. In our view, there would be additional costs to establishing and operating a stand-alone municipal operator in Pembrokeshire with no significant additional benefit compared with the current arrangement, and we therefore would not propose to change our operating model, which would continue to allow us to run services that no commercial operator is able to provide.
- Section 33 removes the section 63 duty on LAs to subsidise bus service provision (where travel needs would not otherwise be met). This is a direct result of the duty effectively being transferred to Welsh Government/TfW (although with concerns noted in our response to Question 12 above regarding the difference in the scope of these duties). At present, to comply with this duty, most LAs contribute funding from their own budgets, over and above the grants provided to LAs for this purpose by Welsh Government. While Section 34 would allow LAs to continue to provide financial assistance, with competing demands on their budgets there is a clear risk that LAs will take the opportunity to reduce the amounts they currently contribute themselves, leaving Welsh Government to cover the shortfall (or else reducing the overall amount of funding available for the network). Without a Statutory Duty to provide, there is also a risk that LAs will not prioritise local bus funding for additional funding streams that may be available to them in the future, such as the Tourism Levy and funding from S106 planning obligations.

7. What are your views on the Bill's provisions (set out according to Parts below), in particular are they workable and will they deliver the stated policy intention?

▪ Part 6 – Miscellaneous and general (sections 35 to 44)

- These sections give extensive powers to make regulations and will contain much of the detail to deliver the intent of the Bill. Full consultation with the local and

regional authorities on the detail of these regulations will be necessary to ensure that there is full accountability and unintended consequences are avoided that could compromise the delivery of the Bill.

- As franchising will need to be phased in region by region, existing powers for LAs to secure and deliver bus services under the existing legislation will need to be retained until all areas are fully franchised.

8. What are the potential barriers to the implementation of the Bill's provisions and how does the Bill take account of them?

There are a number of challenges to the implementation of the Bill:

- Funding. This has never been the case for buses since devolution. Franchising requires funding, with long term clarity, simplicity, and certainty.
- Managing expectations, especially if no substantial additional funding is made available.
- Avoiding negative consequences for home to school transport.
- Managing the transition to franchising including maintaining clear communication with passengers, key stakeholders and the public throughout this phase.
- The risks associated with the mobilisation of franchised contracts where franchising results in a change of operator – and particularly if the new operator is from outside of the area and lacking in detailed local knowledge. There will be teething issues and there are likely to be local accommodations between regular passengers and drivers who know them well which need to be sensitively understood and managed through the transition period. Contract terms and conditions, with minimum standards for operators, vehicle and drivers
- The best way to package franchises to ensure that opportunities are accessible to a range of operators, including SMEs.
- Fleet requirements and provision.
- Implications for Local Authority staff that currently manage and administer Local Bus Services contracts
- Mechanisms for LA Councillors and Officers to have an on-going say in the provision of local bus services in their area.

9. How appropriate are the powers in the Bill for Welsh Ministers to make subordinate legislation (as set out in Chapter 5 of Part 1 of the Explanatory Memorandum)

- We have no specific comments on these powers but would note that many of the regulations will provide the detailed basis on which the bill will be implemented. We assume that there will be full consultation on these regulations in due course.

10. Are any unintended consequences likely to arise from the Bill?

We are particularly concerned about the following potential unintended consequences of the bill:

- Inflation of contract costs for local bus services. Whilst this may be the result of a higher service specification, operators may also inflate contract rates due to the uncertainty of working under the new regime, pricing in of contract compliance costs, the risk of working with an unfamiliar purchasing authority or concerns about the way routes have been packaged together.
- Destabilisation of the market for school transport contracts and a resulting increase in costs and/or loss of capacity to provide statutory education routes.
- Reduction in funding and input from Local Authorities as a result of the removal of the Section 63 duty. This may have direct and immediate implications such as a reduction in the contributions that LAs currently make from their own budgets towards the cost of providing local bus services. We risk losing the synergies and benefits that LAs currently derive from operating integrated transport units which bring together public and statutory (education and social care) transport functions, building strong relationships with local operators who provide multiple routes and contracts across both public and statutory transport. We also risk missing opportunities that arise from the responsibility to provide public transport being embedded within the wider functions of LAs, such as links to planning (and potential funding through Section 106 agreements) and economic development (and future potential funding through tourism levy revenues).

11. What are your views on the Welsh Government's assessment of the financial implications of the Bill as set out in Part 2 of the Explanatory Memorandum?

- Whilst the Regulatory Impact Assessment identifies significant additional ongoing administrative costs for franchising, the Affordability Assessment indicates that franchising would be delivered within the existing overall quantum of funding for local bus services. This is a significant concern. If there is no additional funding, any increased administrative costs would reduce the funding available for front line services. This could be further exacerbated by potential contract cost inflation (as described in our response to Q10) and leave it impossible to maintain even the current baseline network. Whilst we share the hope that these changes will, over time, lead to growth in passenger numbers and fare income, we believe it is highly likely that costs will increase in the short-term.
- We are doubtful that the savings attributed to a reduction in operator spending on IT, ticketing, marketing and communications will be realised as many operators will continue to require these functions for other areas of their work, such as school transport and private hire.
- Similarly the potential savings attributed to Local Authorities may be overstated. In Pembrokeshire, despite nearly all Local Bus Services being contracted by the LA, we have a very small team working on local bus within our integrated transport unit, all of whom also work on functions that would remain within our contract in future, such as statutory transport, concessionary passes and bus infrastructure

12. Are there any other issues that you would like to raise about the Bill and the accompanying Explanatory Memorandum or any related matters?

- There is no mention of driver training and retention of bus drivers. There is already an acute shortage of bus drivers and there must be a recruitment plan to encourage new drivers into the industry as without the drivers there will not be any improvement in bus services. We welcome the ambition to increase bus driver wages which is mentioned within the Explanatory Memorandum. However such an initiative would need to be developed in collaboration with LAs to ensure there knock on implications for school transport costs are taken into account. Any

approach to increasing driver availability for local bus services must not be to the detriment of availability for school transport.

Additional Comments in respect of Q12:

- Local Bus Service Contracts.
- It is proposed that community bus operators, running under S22 permit should be able to hold Local Bus Service Contracts. Whilst we would welcome this, and indeed Pembrokeshire County Council already operates a number of services in-house under S22 permit, Welsh Government/TfW needs to ensure such contracts comply with the legal framework for S22 operations. According to our understanding, community bus operators could not compete openly against commercial operators to operate a service, but where no operators have come forward it may be appropriate to enter into direct contract with a community bus operator to provide a service which would not otherwise be provided. This is the basis on which Pembrokeshire County Council and Pembrokeshire Voluntary Transport current operate local bus and Fflecsi services.
- The specification of Local Bus Service Contracts has the potential to increase the quality of local bus services, which is welcome. However this is likely to come at a cost. Where there are additional costs for compliance, or packages include less attractive services, these may also be priced into tender costs. There is a clear risk that contract prices will increase as a result of franchising making it unaffordable to maintain even the current network particularly if the overall quantum of funding for Local Bus Services remains the same.
- We understand that services run under Local Bus Service Contracts will no longer need to register with the Traffic Commissioner. It is important that minimum notice periods apply for any changes to services, to allow sufficient time for passengers to be made aware, operators to prepare, IT to be updated etc. We would suggest that it would be appropriate to maintain the current notice periods required by the Traffic Commissioner.
- Local Bus Service permits.
- The Local Bus Service permit application process will replace the current process for registering services (outside of those run under Local Bus Service Contracts) with the Traffic Commissioner. It is important that the new process is proportionate and allows the timely registration and variation of routes. We would suggest that the current notice periods for registering and varying routes should be retained, with provision made to accept short notice permit applications/variations as appropriate.
- Section 13 gives a long list of conditions which may be attached to a Local Bus

Service permit. It is a concern that 13 (4) and 13 (5) appears to give Welsh Ministers (TfW) the right to vary these conditions with no minimum notice period particularly as lack of compliance with the conditions can lead to suspension/revocation of the permit. Passengers may also need appropriate notice if any change to these conditions will affect the service that operates on the ground.

- A number of seasonal park and ride services operate in Pembrokeshire. These include services such as Tenby Park and Ride which operates during the peak summer period and event related park and ride services such as to Pembrokeshire County Show. It is not clear how such services would be dealt with in future - would they be required to apply for Local Bus Service permits?