

Policy proposals for the reform of local bus services in Wales

Decision sought

Cabinet is invited to

1. **Consider draft policy proposals set out in a green paper consultation document for the reform of local bus services in Wales (at document 1); and**
2. **Agree to its publication as part of a three month public consultation exercise to start week commencing 6 March 2017.**

Background

1. The bus network forms a cornerstone of the public transport system in Wales. Developing high quality, smarter integrated urban public transport is a key policy lever in both tackling congestion, pollution whilst driving economic growth and employment by connecting people to jobs, facilities and services.
2. The main body of law in relation to local bus services in Wales is set out in the Public Passenger Vehicles Act 1981, the Transport Act 1985 Transport Act 2000, Transport (Wales) Act 2006 and the Local Transport Act 2008. Notably, it was the Transport Act 1985 that introduced the deregulation of bus services outside London.

The Bus sector in Wales

3. Following deregulation, the majority of local bus services in Wales are now provided by private sector operators, such as Stagecoach, First Bus and Arriva. There are about twelve municipally owned bus companies continuing to operate local bus services across Great Britain, of which there are two in Wales; Newport Transport and Cardiff Bus.
4. In more rural areas, services are generally delivered by smaller independent companies, operating a mixture of local scheduled services, learner travel provision, excursions and coach holidays.
5. Community transport providers also provide specialist transport services for health and social care, together with demand responsive bus services for more isolated communities.
6. As at the end of March 2015, the bus industry in Wales employed 4,900 staff operating some 2,600 vehicles and enabling 107 million vehicle kilometres to be

travelled delivering 101m passenger journeys¹. Latest figures published by the Department for Transport shows a further decline in passenger journeys undertaken in Wales in the year ending March 2016 to 100m journeys.

7. Most areas in Great Britain have witnessed a contraction in the availability of local bus services with the notable exception of bus services in London. In Wales, there has been a generalised decline in patronage, with passenger journeys declining by 7 per cent in 2009/10 and by 6 per cent in 2012/13. Figures also indicate a decline in the number of registered bus services in Wales by approximately 46%, between March 2005 and March 2015².
8. There are examples in Wales however, where direct government and local authority intervention has safeguarded routes and, through improved quality and marketing, halted the decline in patronage. Examples include the Welsh Government's TrawsCymru® network that carried more than two million passengers in 2015-16.

Welsh Government's objectives for integrated transport

9. The Welsh Government's programme for Government sets out how the Government will deliver more and better jobs through a stronger, fairer economy, improve and reform our public services, and build a united, connected and sustainable Wales. Our programme for Government will further advance our objectives under the Well-being of Future Generations (Wales) Act 2015.
10. Delivering a more effective network of local bus services, together with the development of seamless integrated and multi modal ticketing arrangements as part of the south east and north Wales metros will be fundamental to our objective of building a connected and sustainable society.
11. Vital to the delivery of our metro ambitions is delivering improvements to our bus network. Significantly more journeys are undertaken on our buses compared to our rail network, providing an accessible and cost effective alternative to the private motor vehicle. About half of these bus journeys have been undertaken by disabled and older people as part of our free travel concessionary scheme and illustrates the important contribution our local bus services can continue to make in maintaining independent living, social cohesion and general well being.

Legal Advice

12. This Paper and the draft Green Paper have been reviewed by Legal Services for the purpose of confirming the accuracy of the legislative references, powers and general competence that has been referenced. Specific legal advice has not yet been sought on the detail of each of the potential policy proposals that have been outlined. Such

¹ Statistic Wales Bulletin

² The Traffic Commissioners' Annual Report 2015

advice will of course be sought (including specific advice on legislative competence) as these proposals are further developed in light of the consultation. Legal Services have indicated however, that competition law is going to be key element in shaping our approach to the reform of the local bus markets and have highlighted the importance of a detailed market analysis and a competition impact assessment in informing our final policy choices.

Finance Requirements and Governance Implications

13. As approval is being sought to publish a green paper as part of a policy consultation process, there are no financial implications associated with this advice. As work progresses on the proposed Transport Bill, detailed financial analysis will be provided as part of the regulatory impact assessment. Economy & Infrastructure (E&I) Corporate Finance has cleared the financial implications set out in this paragraph under number EI/CF/16/703.
14. As Cabinet is being asked to approve the policy consultation paper, this advice and the draft Cabinet Paper has been approved by Strategic Budgeting (SB/0135/5) and Legal Services. Legislation Programme and Governance Unit have also approved this advice. As there are no issues of regularity or propriety, nor are the proposals novel or contentious, this submission does not need prior approval by the Corporate Government Unit (CGU). In accordance with FN 01/2015 this advice has been copied to the CGU.

Research and / or Statistics

15. Statistics contained in the paper have been approved by Knowledge & Analytical services. (KAS 04/2017).

Communications and publication

16. Following agreement to publish the draft green paper, an oral statement will be made in the National Assembly for Wales on 28 February 2017. The public consultation on the policy proposals will begin the following week and will remain open for a period of three months.

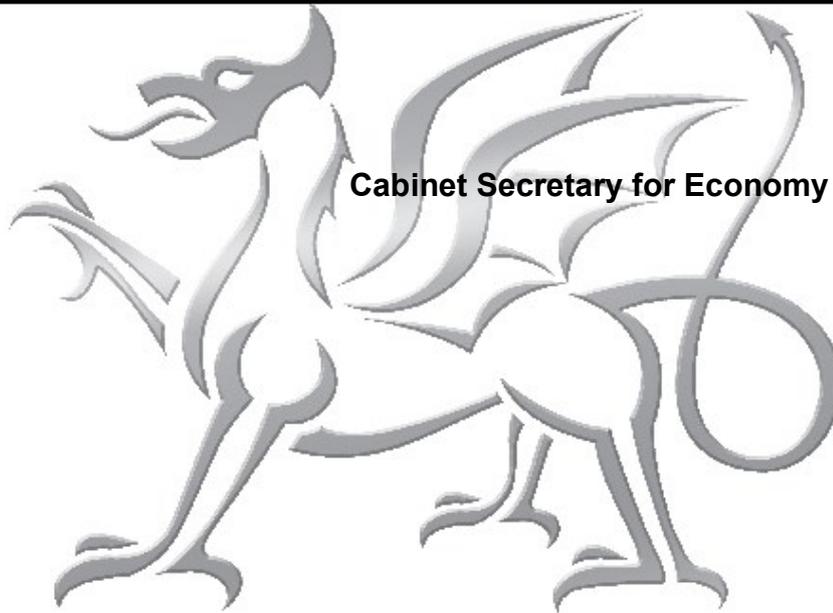
Joined up Working

17. Officials in the Education Directorate (Learner Travel Arrangements) and Health and Social Services (non emergency patient transport), Environment (Sustainable development and decarbonisation) have been engaged in gathering relevant information that has been used to inform the development of these proposals.
18. This engagement will continue as the public consultation exercise continues.

Recommendation:

I recommend that Cabinet

1. Approve draft policy proposals set out in a green paper consultation document for the reform of local bus services in Wales; and
2. Agree to its publication as part of a three month public consultation exercise to start Week commencing 6 March 2017.



Ken Skates AM
Cabinet Secretary for Economy and Infrastructure
February 2017