



Llywodraeth Cymru
Welsh Government

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THE CONTRIBUTION OF BUS SERVICES IN WALES

Early in 2012 I initiated a fundamental review of how I use public money to support bus and community transport services in Wales. The Review has been completed, and I am announcing the key decisions that I have made by means of a Press Release tomorrow.

The current situation

In total, I allocate approximately £100m a year to support bus and community transport services, through the Local Transport Services Grant (LTSG) and Bus Service Operators' Grant (BSOG), and to meet the costs of our hugely successful free travel scheme for older and disabled people on buses. That is a very significant sum of public money.

The UK Government has imposed upon us a significant cut in our funding – some £1.7bn over three years – and there is likely to be less funding available for the foreseeable future. Despite these cuts my funding in support of public transport represents about half of my total transport budget, and it must be spent effectively.

The significance of the Review is demonstrated by the fact that in 2011 there were around 115m bus passenger journeys in Wales, many by people for whom the bus is an essential

social service. We are all familiar with the effects of the current economic climate. At times like this a good local bus service is more important than ever to link people to education, training and job opportunities, and is a main plank in our Tackling Poverty commitments.

This Government's absolute priority in these tough times is to create jobs and enable growth. It's only fair that everybody should have a decent standard of living and be able to care for their families. We do not accept poverty and inequality or the erosion of public services which we believe need to be modern and sustainable.

We are taking action to deliver the things that make a difference. For example, around 83% of adults aged 60 and over hold a bus pass, and they make around 50m concessionary bus journeys a year, representing more than 40% of all local bus journeys.

The Transport Act 2000 and Local Transport Act 2008 provide powers for local authorities to make statutory bus Quality Partnership Schemes (QPSs) and Quality Contracts. Under such schemes, authorities can work closely with bus operators to plan and deliver services that meet the needs of local communities. A QPS will ensure that local authorities and bus operators deliver binding commitments that share the objective of making bus travel a more attractive option for everyone. These may include maximum fares and co-ordinated timetables.

I would like to see more statutory bus QPSs in place to shape the provision of bus services. I believe that statutory bus QPSs are able to achieve what we wish the bus industry to deliver, but I will continue to keep that under review, especially if there is little evidence that sufficient work is being done to evaluate the potential for such partnership schemes. I would also consider supporting Quality Contract Schemes where there is clear evidence that a partnership approach will not deliver the improvements that we want, and to influence the provision and standards of bus services, if voluntary and statutory partnerships are not taken up with sufficient vigour.

I would expect the Task Force in south east Wales and the work for taking forward the multi-modal study in north east Wales to consider the contribution that such schemes can make for delivering our aspirations for an integrated transport system.

Bus Funding Review

The new Regional Transport Services Grant (RTSG) scheme that will replace LTSG and BSOG from 1 April 2013 will help to tackle deprivation and support independent living across Wales by encouraging bus and community transport operators to achieve outcomes that passengers require, instead of – as now - compensating them for the fuel that they consume.

Currently, public money is paid to bus and community transport operators under the BSOG scheme to compensate them for the cost of the fuel that they use, irrespective of whether the vehicle is carrying any passengers. The new scheme will place an emphasis on incentivising operators to run services that meet the needs of the community and are attractive to passengers.

The new scheme will also provide ring-fenced funding for community transport services, which to date have been supported by LTSG and BSOG. In the current financial year, this funding is expected to total approximately £1.3m. Welsh Government funding available for community transport services in 2013-14 will be £2.5m.

Underpinning the Review is my firm belief that we must extract the maximum possible benefit for passengers from every pound of public money that we spend. For example, I am not prepared to allow a situation to continue in which a bus operator, responsible primarily to its shareholders, receives public money for mileage operated on services that may not be carrying passengers.

The Review has been a vital piece of collaborative work including our partners in the Regional Transport Consortia, Bus Users' UK in Wales. Traveline Cymru, the Public

Transport Users' Committee, the Community Transport Association in Wales, the bus industry, and others.

The key decisions that I have made are as follows:

- From 1 April 2013 our four Regional Transport Consortia will be responsible for administering a new funding scheme for bus and community transport services – the Regional Transport Services Grant.
- The Consortia will work with organisations representing bus passengers, the bus industry and others to develop Regional Network Strategies that will be used to prioritise their expenditure from the Grant according to local circumstances.
- Commercial services – which are run by operators on the basis of their own assessment of the market – will receive a fee per mile run. With no subsidy for dead miles – journeys where passengers are not carried.
- Services that are subject to local authority contracts and procurement procedures will receive public funding through the terms of service contracts.
- The total budget available to the Consortia in 2013-14 will be £25m.
- I have already established an Implementation Group, again including our key partners, to oversee the implementation of the new scheme. Its first meeting took place on 16 January.
- 2013-14 will be a transitional year, during which the Implementation Group will identify key quality outcomes for commercial services that will need to be achieved in return for public funding from 1 April 2014. These quality outcomes may also be required from contracted services, too.

- Some of the quality outcomes that I wish to see considered include:
 - Driver training in disability equality and awareness.
 - The provision of audible and visual announcements on buses.
 - Standardised information displays at all bus stops.
 - The application of safe and efficient – economical – driving.
 - Networks that take account of the needs of people who wish to use buses to access health, education, training and employment.
 - Multi-operator integrated ticketing schemes so that passengers are able to use their tickets on any service, not just some.
 - Integration of timetables with other transport modes.

Community Transport Concessionary Fares Initiative

The Welsh Government has been providing financial support to pilot CTCFI projects for more than seven years, to test a range of mechanisms for improving accessibility for disabled people and those without access to conventional bus services. The CTCFI was evaluated in 2009, and a second evaluation in 2012 – in which my officials visited each of the 15 projects - again found that an all-Wales roll-out of CTCFI remains unaffordable.

I have therefore decided that the CTCFI scheme in its existing structure will cease after 12 April 2013.

However, the ring-fencing of 10% of the new Regional Transport Services Grant presents the existing CTCFI projects and other community transport providers with an excellent, new opportunity, open to all communities in Wales, to secure funding for their services. Community transport providers will therefore need to work with the four Regional Transport Consortia to develop services that meet local people's requirements consistent with Regional Network Strategies. The RTCs will be responsible for determining how their RTSG allocations are used to support bus and community transport projects.

Wales Transport Strategy and National Transport Plan

My prioritised National Transport Plan reflects the importance that we all attach to improving economic indicators. Nevertheless, it would be a mistake to separate the economic benefits of an effective and efficient public transport system – and that predominantly means buses – from the environmental and social benefits. There remains an overall, strategic requirement to develop an integrated transport system that makes using public transport the most attractive option.

And we will not overlook other, complementary modes, because people need to be able to consider a door-to-door journey having left their car at home. We therefore need to do more to encourage greater participation in walking and cycling. For example, during 2011 just over 10% of travel to work journeys were on foot, and 1.4% on a bicycle. The Active Travel Bill, which will be introduced into the Assembly later this year, aims to enable more people to walk and cycle and, by integrating attractive travel routes with public transport hubs, to make a combination of public transport and walking and cycling the most natural and normal way of getting about.

Information

The provision of comprehensive public transport information such as route maps, printed timetables, audio-visual announcements, signs at interchanges, together with internet, text messaging and web based services are vital components of an integrated transport system. And the availability of easily-accessible, up-to-date and reliable information is a key issue affecting people's decisions on whether to undertake a journey by public transport.

In April 2012, the Public Transport Users' Committee (PTUC) published its report into the provision of public transport information in Wales. The Committee found that information across the public transport network is often inconsistent and fragmented. The Committee set out a number of recommendations that aim to improve the quality of that information,

and make it easier to access. We are working with public transport operators, the RTCs and Bus Users UK in Wales to take forward the PTUC's recommendations.

Traveline Cymru continues to do an excellent job in helping more people to use public transport. I am providing funding of around £1m per annum to help support Traveline Cymru as a one-stop shop for the provision of information on public transport services. Traveline Cymru continues to adapt to changing times and has developed new services that accommodate texts and online journey planning, whilst also retaining a traditional telephone call centre.

During 2012 Traveline Cymru handled more than 2m enquiries for public transport information. The proportion of enquiries being taken in the form of texts from mobile phones continues to grow, while the number of calls to the call centre declines. Nevertheless, the call centre continues to provide a much-valued service for many public transport users. For example, latest customer satisfaction surveys confirm that some 95% of people are satisfied with Traveline's Contact Centre, and 92% will continue to use its website.

As well as contacting Traveline Cymru by phone or the internet, passengers can now get bus times on their mobile phones through its free applications for iPhone and Android, Traveline NextBuses and Traveline.txt.

Free concessionary bus travel

Our free concessionary bus travel scheme - which now also includes seriously-injured service personnel and seriously-injured service veterans – remains a huge success. The scheme continues to offer a level of accessibility envied by pass holders elsewhere in the UK. Despite severe funding constraints, we continue to allow free travel at any time of day, and on every day that services run, including weekends and bank holidays.

There are around 700,000 pass holders throughout Wales. The scheme's cost has increased over time, requiring about £70m this year to meet operators' reimbursement and

local authorities' administrative costs. This is managed because we have a ground-breaking agreement with local authorities and bus operators that means they are fully-funded for all of their costs, while also providing me with certainty that the scheme will not cost more than £213m over the period 2011-14.

Bus monitoring

The Secretary of State for Transport is responsible for the work of Traffic Commissioners. However, I am providing an office for the Commissioners in Brunel House in Cardiff, allowing them to develop closer and better relationships with Regional Transport Consortia and bus operators in Wales. That office is also available to the three Bus Compliance Officers employed by Bus Users UK in Wales – but funded by the Welsh Government - to help maintain and improve the performance of bus operators throughout Wales.

Bwcabus

For a number of years we have been supporting financially the exciting Bwcabus demand-responsive project in south-west Wales. This is a collaborative venture also including the Wales Transport Research Centre, Carmarthenshire and Ceredigion Councils. Bwcabus continues to be hugely popular with the many people who use it to connect to public transport hubs. I hope that many communities elsewhere in Wales will be able to benefit from the experience and use it to benefit public transport passengers in their areas. This should be a priority for RTCs when drawing up their Regional Transport Plans.

Traws Cymru Bus Network

One of my key priorities in the prioritised National Transport Plan is to develop the TrawsCymru long distance bus network that will provide improved services to our major towns that are no longer linked by connecting rail services.

In March 2012, I launched a new T4 service between Newtown and Merthyr with onward travel to Cardiff with investment of round £1m in six new, low floor vehicles. Since its introduction the service has seen passenger numbers increase by more than 22%.

My officials are now working closely with the RTCs on a strategic plan for delivering further improvements to the Network. I will make further information available about this in due course.

We worked at length with Ceredigion and Carmarthenshire Councils to develop a statutory bus Quality Partnership Scheme for Traws Cymru services between Aberystwyth and Cardigan. We continue to have discussions with Arriva Buses about the terms of that scheme. In addition, we shall look at the case for developing a Quality Contract for that corridor.