

Andrew Slade
Director General – Economy, Skills & Natural
Resources Group
Welsh Government

25 July 2019

Dear Andrew

The Welsh Government's youth discounted bus fare scheme – MyTravelPass

Thank you for your letter of 27 June, which the Committee considered as a paper to note on 15 July. There are several issues that we would welcome clarification on.

Figures for uptake by 19–21 year olds

The paper that you submitted in advance of the evidence session on 20th May said that there had been 1,554 applications from 19–21 year olds by 22 April. Your letter says that there were only 834 passes in circulation for 19–21 year olds as at 9 May.

We would welcome an explanation for this difference, specifically the extent to which it reflects applications that were deemed ineligible for different reasons, a lag in the processing of applications or, possibly, examples of passes that had been issued since the February launch but already expired.

If there are more up to date figures showing how the position may have changed since April/May then we would be glad to receive them.

Use of passes

Your letter said that of 17,795 live passes (valid for travel) as at 9 May, 2,287 distinct passes were used to purchase tickets where the sale was recorded electronically. It goes on to say that, in all, 29,344 smart tickets were purchased, some of which will have been valid for multiple journeys. We would like you to clarify the time period(s) that this analysis relates to.



In addition, your letter states that not all ticket purchases are recorded electronically, and so it is not currently possible to identify the number of unused passes. Our understanding, based on the Auditor General's report, is that in most cases ticket purchases were being recorded through electronic ticketing machines. However, we assume that this statement refers to the number of 'smart tickets' bought where the pass in question can be identified. We would welcome confirmation of this, and an indication of the extent to which smartcard enabled systems are now in operation across Wales to support the MyTravelPass scheme and any future analysis.

Details of the compensation mechanism

Thank you for confirming that the Welsh Government has continued to compensate operators based on actual use since 1 April 2017.

On that basis, we assume that the following statement in your earlier evidence paper was incorrect, in that this reimbursement mechanism had already been introduced prior to the internal audit review: *"The [internal audit] report was clear that lessons could be learned, and the Welsh Government quickly implemented a number of actions – including reimbursing bus operators on the basis of the actual number of journeys undertaken."*

Modelling of costs for 19–21 year olds and for the overall 2019–20 budget

You described the analysis as 'slightly crude maths' in your oral evidence, but nevertheless noted that there was more that had gone into this modelling.

We note a reduction in the overall number of 16–18 year olds when compared with the figures that informed the original plans for the scheme in 2015. Nevertheless, the 'estimated number of passes annually' for 16–18 year olds (12,185) was noticeably lower than the number of live passes in circulation for as at August 2018 (a figure that had increased to 16,961 by 9 May 2019).

We would therefore welcome clarification of the rationale for the 12% take-up figure used in the modelling for 16–18 year olds and then applied to 19–21 year olds.

Notwithstanding your previous description, we were also surprised that the same take-up/journey assumptions were simply carried over to 19–21 year olds with no allowance made for possible differences in travel patterns or, for 2019–20 at least, the impact of incremental growth in take-up following the launch. We would welcome details of any supporting evidence about existing bus use among 19–21 year olds that informed the analysis.



For completeness, we would also be interested to see a breakdown of the actual number of journeys estimated during 2018–19 based on ticket sales for 16–18 year olds (equivalent to Figures A5 and A6 in the Auditor General’s report).

Other matters

During the evidence session on 20 May, Sheena Hague noted that officials were looking at how many of those taking up passes as 19–21 year olds had participated in the scheme as 16–18 year olds. We would be interested to see any such analysis.

I would be grateful for a response by 6 September 2019, which the Committee will then consider on its return after the summer recess.

Yours sincerely,

A handwritten signature in black ink that reads "Nick Ramsay". The signature is fluid and cursive, with a long horizontal flourish extending from the end of the name.

Nick Ramsay AM
Chair

