

## Petition: Buses for people not profit

Y Pwyllgor Deisebau | 1 Hydref 2019  
Petitions Committee | 1 October 2019

### Research Briefing:

Petition Number: P-05-899

Petition title: Buses for people not profit

Text of petition:

We call on the National Assembly for Wales to urge Welsh Government to regulate commercial bus operators and give powers and funding to Local Authorities to run services that best meet the needs of local people. As well as providing access to employment and education, public transport is a social, health and wellbeing issue which is growing as bus services are being rapidly reduced, affecting the mental and physical health and well-being of many residents who will become socially isolated and unable to get to basic services.

Bus operators are cutting many core services which were previously operating with little or no subsidy. Operators are not tendering for new contracts and some are requesting 6 figure sums as a subsidy to continue which is unaffordable for Local Authorities who are facing budget pressures. Local Authorities cannot run services in competition with operators. Passenger journey times for those accessing employment take too long as direct services are being cut if still exist at all and some are overcrowded. The majority of residents attending the many public meetings we have held are older people who are concerned about accessing services, attending health appointments and becoming isolated. Loneliness is a huge issue in our society. It is our aim to enable older people to live in their own homes longer. It is our aim for them to stay mentally and physically fit and active. Public bus transport is now a huge urgent issue that needs addressing quickly.

## Background

The [Transport Act 1985](#) deregulated local bus services in the UK outside of London. This means an appropriately licensed operator can register any service it chooses on a commercial basis. Currently, whilst local authorities can invite tenders for additional routes or services where they consider that social needs are not met commercially, a tendered service cannot compete with a commercial one.

However the [Wales Act 2017](#) devolved a number of key transport powers and in December 2018 the Welsh Government published its '[Improving Public Transport White Paper](#)'. The proposals could result in big changes to how bus services in Wales operate. These include giving local authorities powers to run their own bus services, as called for by the petitioners, and powers to implement bus franchises – a form of regulation.

### Wales Act 2017

As outlined, the *Wales Act 2017* devolved a number of key transport powers and in preparation for the Act coming into force, during 2017 the Welsh Government consulted on [proposals to improve local bus services](#), on its [concessionary fares scheme](#) and on [taxi and private hire vehicle licensing](#).

These consultations were used to inform the White Paper proposals published in December 2018. The formal public consultation closed on 27 March 2019 and [a summary of responses has been published](#).

### Legislative statement

On 16 July 2019, the First Minister, Mark Drakeford, [announced the Welsh Government's legislative programme](#) for the remainder of the current Assembly term. The First Minister stated that the Welsh Government:

...will introduce a public transport Bill in this Assembly term [emphasis added by Research Service], building on the proposals in the 'Improving Public Transport' White Paper. This Bill will be a key part of wider reforms to bus services here in Wales [emphasis added by Research Service] ...

## White Paper proposals for bus services

On 24 July 2019, the Minister for Economy and Transport, Ken Skates, issued a written statement providing an [update on the Public Transport \(Wales\) Bill and the wider bus reform agenda](#).

In the statement, the Minister outlines that:

...the Bill will put in place enabling provisions that will provide a suite of tools for local authorities to consider using when planning and delivering bus services, including enhanced partnership working, franchising and local authority run bus services [emphasis added by Research Service].

A [draft Regulatory Impact Assessment](#) for the Bill has also been published.

## Enhanced Quality Partnerships

Local authorities are currently able to establish voluntary and statutory quality partnership schemes (QPSs) with bus operators. A QPS is an agreement between a local authority and one or more bus operators where the authority provides particular facilities along bus routes such as bus lanes, and in return, operators who wish to use those facilities agree to provide services of a particular standard. Statutory partnerships are backed by a legally enforceable agreement.

The White Paper makes clear that the Welsh Government intends to retain these current options but to also allow **Enhanced Quality Partnerships (EQPs)** to be established.

EQPs would require local authorities and bus operators to work together to develop a plan for the delivery of improved bus services and enable local authorities to place a much broader range of service standards onto operators than is possible under an existing QPS.

## Bus franchising

The White Paper proposed that local authorities should have powers to franchise bus services. Franchising is essentially re-regulation of the bus industry. Local authorities would specify what bus services are to be provided in an area including routes, vehicle standards, timetables and fares. Contracts to deliver these services would be awarded to operators via tender. The successful operator would have the exclusive right to deliver services within the franchise area.

## Local authority run bus services

The *Transport Act 1985* currently prohibits local authorities from operating bus companies, except under certain limited circumstances. **The White Paper sets out proposals to give local authorities the power to run local services either directly or via an arm's length company, owned by the local authority and established for this purpose.**

The Welsh Government argues that this would overcome issues that arise when commercial services do not meet local needs. For example where very few tenders are received for contracted services which the Welsh Government considers reduces competition and increases cost.

## Other proposals

The White Paper also proposes to introduce powers allowing the Welsh Ministers to require bus operators and others to release information on bus services. The proposals would enable local authorities to require operators to provide information where services are varied or cancelled, with the aim of ensuring passengers are always able to access accurate information.

The Welsh Government is also proposing to increase the eligibility age for a free bus pass under its [Concessionary Fares Scheme](#). The White Paper proposes that eligibility age is increased to bring it in line with a woman's pensionable age. It also states that the eligibility

age would increase incrementally rather than in a single step and that any person who holds a pass at the time of the changes would not lose their entitlement.

## Welsh Government action

As set out in the Minister for Economy and Transport's letter to the Chair, dated 15 August 2019, the Welsh Government:

...will introduce a Public Transport Bill in this Assembly term, building on the proposals in the 'Improving Public Transport' White Paper that was launched for consultation last year.

The Minister also highlights that the Bill "will be a key part of wider reforms to bus services in Wales" and that Transport for Wales has been commissioned "to review how bus services could be delivered in future".

## National Assembly for Wales action

In 2018, the Assembly's [Economy, Infrastructure and Skills Committee](#) undertook an inquiry to consider the new powers devolved by the *Wales Act 2017*. Following the Committee's inquiry, '[New Powers: New Possibilities](#)', it [wrote to the then Cabinet Secretary for Economy and Transport](#) (PDF,744KB) providing a summary of the key issues raised. The Committee highlights that during the inquiry:

...witnesses felt is unlikely that local authorities would set up bus companies unless there was a serious failure in the provision of services in an area.

In May 2019, the Economy, Infrastructure and Skills Committee also undertook an [inquiry into the Welsh Government's White Paper proposals](#). The Committee invited stakeholders to share their responses to the Welsh Government's consultation, and hosted its own stakeholder event to gather views. The Committee also heard [evidence from a panel local government representatives](#) and discussed the proposals with the Minister [during a general scrutiny session](#).

The [Committee's report](#) (PDF,192KB) summarises its views on the evidence gathered. The Committee highlights that it heard:

...a number of strong concerns expressed about the franchising model, and for local authority-run bus services but strong support from stakeholders for enhanced quality partnerships.