



north wales economic ambition board
bwrdd uchelgais economaidd gogledd cymru

REPORT TO TRANSPORT DELIVERY SUB-GROUP

DATE: 14 September 2020

Title: *Regional Bus Review and Bus Update*

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1. Purpose of the Report

To update Members on progress with the Welsh Government proposals for reform to bus governance arrangements and also progress with developing a regional approach to the bus network.

The report will also provide members with a general update on other issues reported at recent meetings.

2. Decision Sought

Members are invited to note the update and the proposals for next steps.

3. Reasons supporting the need for a decision.

The report is largely for information, to advise members of developments in relation to governance arrangements and funding of bus services since the last report and further planned work on bus services in north Wales.

No formal decision is required as a result of the report.

4 Background and Relevant Considerations

The report considers three linked issues

- An update on progress following publication of Welsh Government proposals for reform of the management arrangements for bus networks.

- An update on progress with developing a Regional Bus Strategy for North Wales following work commissioned by the NWEAB
- An update on work carried out by Arup on behalf of Transport for Wales in developing a bus vision and strategy for the North Wales Metro

Bus and Strategic Transport Reform

Members will recall the report at the last meeting that set out the then current Welsh Government thinking in relation to the Bus Bill and its proposals to legislate to secure better management arrangements for the bus network in Wales. Since then, the Covid pandemic has had a profound impact on bus usage and networks and the Welsh Government is now essentially the dominant funder of the bus industry, with patronage and fare box income having fallen away significantly as a result of reduced demand for transport.

In essence, the public sector funds about £220 million towards the costs of the bus industry annually, including school and college transport costs. A further £90 million or so comes from fare box income. As a result of the pandemic, bus patronage has fallen by about 90%, and although there are some signs of recovery, it will be some time before there is a recovery and bus usage is likely to remain low for some considerable time. At the moment therefore, the funding from Welsh Government is effectively funding current services.

In addition, the management arrangements for bus networks is considered to be complex. Most service procurement is undertaken by the 22 local authorities, with funding provided from a mix of core funding and specific funding streams. This complexity, which has developed over a 30-year period, is complex and does not necessarily support reforming networks to deliver key government priorities. The Covid crisis has highlighted the poor resilience of the current arrangements and the capacity and other weaknesses inherent in the system.

In order to support the industry in a period of turbulence and falling demand, the WG has channelled funding normally provided to operators, e.g. for concessionary fares reimbursement, or BSSG, into a single emergency fund.

The proposals presented by WG recently seek to resolve these two issues.

Firstly, using the funding currently supporting the industry to change the approach to the management of the bus system across Wales. This revised approach to funding could secure the benefits sought from the postponed legislation.

Secondly, their proposals provide for a single controlling mind for the delivery of an integrated network. In effect, this is to utilise Transport for Wales as the main delivery and procurement body for the bus system, transferring the roles from Local Authorities, in return for the LA becoming part “owners” of TfW. The Minister and Councillors would exercise joint management of TfW with LA involvement through the CJC’s that are proposed in emerging Local Government legislation.

The overall aim of the proposals is threefold

- a. To create a designed bus network, which is better coordinated through a single controlling mind
- b. To ensure that the public sector is able to use the funding provided to exert an appropriate level of control over network management
- c. Develop a long-term funding strategy so that the bus network supports the economy and wider Welsh Government ambitions.

These proposals are currently under discussion with local authority representatives, the bus industry and others considering the approach and proposals. A number of areas of concern have been highlighted, including the potential impact of the proposals on local authority staff, concerns about the inclusion of school transport costs in the funding mix, concerns that congestion reduction measures and reliability improvements are not reflected correctly in the proposals and that the discussions about future regional governance arrangements and the establishment of Corporate Joint Committees are as yet unresolved.

The changes that the review proposes are significant. The discussions over the next few months could result in alternative funding and management arrangements for bus networks. The impacts could be significant for staffing and funding arrangements. Further reports and opportunities for discussion will be available for Members as further details emerge.

Development of a Regional Bus Network

Presentations have previously been provided to Members regarding the potential for developing a regional strategic bus network and approach. Since the last meeting the Busman consultancy has been completed and a final report is available.

Work carried out includes the following

- A review of the 2014 Regional Bus Network Plan and interventions for bus included in the 2015 Regional Transport Plan.
- A review of the current (pre Covid 19) network with an assessment of which routes are commercial (wholly or partly) and which are tendered. This includes an assessment of gaps in the provision.
- Categorisation of services into: -
 - Strategic – Longer distance services connecting regionally important centres
 - Core – Services connecting significant local centres
 - Local – Services connecting communities to their local centre
 - Town – Services operating within a town area, connecting residential education and employment areas
 - Other – Services with low demand but which meet accessibility needs.
- Identification of routes / areas for quality partnerships and a proposed implementation programme.
- Potential areas for infrastructure improvements, especially at termini and interchange hubs.
- Some initial proposals under development for improved timetabling.
- A review of current initiatives and pilots for alternative and demand responsive transport solutions, in the region.

The report has been circulated as an attachment to the report for information.

When originally commissioned, it was envisaged that a second phase of work would be carried out, to develop an implementation plan and to reach agreement with bus operators and Welsh Government over funding and development options.

In view of the recent developments highlighted in the first part of the report, the second element of the planned work has been deferred for now to allow the discussions over network management and governance arrangements to be concluded.

North Wales Metro and Bus Network

The report to the last meeting of the group highlighted that Arup had been appointed by Transport for Wales to develop a report for Bus Integration as part of the North Wales Metro development. The first phase report has now been completed and the key findings will be presented to Members at the meeting. A copy of the summary report is attached for information.

The report confirms that wider reform of governance and funding arrangements for bus will be a key enabler for transforming bus networks, so that journeys can be enhanced for passenger and importantly, those who do not use the bus at present.

It also sets out a number of linked interventions that should be developed to support the development of the network. These are similar to those highlighted in the report prepared by the Busman Consultancy, the Arup proposals therefore build on work carried out to date.

The proposed next steps are to develop a detailed assessment of existing and future transport needs and to begin to devise detailed proposals for network improvements. Finally, a delivery plan for implementation will be prepared, with the work anticipated to be complete in Spring 2021.

Colleagues from Transport for Wales and Arup will be present at the meeting to provide an update on their detailed findings to date.

5. Financial Implications

There are no specific financial implications from this report, it is mainly information on work currently underway and the potential impact of proposed changes to governance and funding.

The impacts of these proposals once adopted could well have significant financial impacts, but these will be highlighted in future update reports or during the consultation that should be undertaken prior to implementation.

6. Legal Implications

There are no specific legal implications from this report. The proposed Welsh Government changes to funding and governance will have significant impacts, but specific consultation will be carried out and Members will have the opportunity to comment during required consultation periods.

7. Staffing Implications

There are no specific staffing implications at this stage – the report provides updates on work currently underway.

8. Impact on Equalities

There are no specific equalities implications at this stage – the report provides updates in work currently underway. Detailed consultation on any reports where impacts are possible will be carried out at the appropriate consultation process.

9. Consultations undertaken

There are no specific consultations required at this stage – the report provides updates in work currently underway. Detailed consultation on any reports where impacts are possible will be carried out at the appropriate consultation process.

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer – responsible body:

While I note that there are no legal implications resulting directly from this report, there will be a need for legal input once Welsh Government proposals are finalised and during the consultation process. As the report is for information only, I there are no further comments in terms of propriety

ii. **Head of Finance – responsible body:**

This update report is largely for information and states that there are no specific financial implications arising. Further comments will be made to the North Wales Economic Ambition Board (joint committee) meeting if / when the Transport Delivery Sub Group seeks additional resources to address these issues.