

A better bus network for Wales



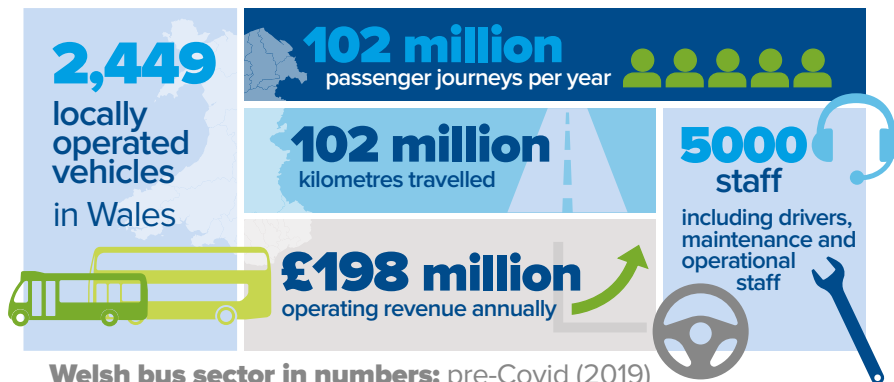
An agenda for the next Welsh Parliament

The 2021 Senedd elections come at a critical time for the bus sector in Wales. Covid-19 has severely disrupted our usual travel patterns and threatened the viability of the Welsh bus network. Despite this, we are on the road to recovery with the rate of vaccinations increasing, creating greater customer confidence, alongside the economy reopening and the prospect of further Covid-19 regulations being relaxed on the horizon.

As we look to the future, there is an opportunity to build a reinvigorated bus network for Wales and in so doing tackle some of the major challenges we face; congestion, air quality, decarbonisation, social and economic inequality and car dependency as well as rebuilding the economy from the impacts of the pandemic.

Understanding the bus sector in Wales¹

The bus sector is a significant employer in Wales with around 5,000 staff and an operating revenue of nearly £200m per year. Companies operating in the sector range from multi-nationals to municipal operators through to family run businesses. The vast majority of services are run on a commercial basis, with Welsh and local government support assisting in some areas.²



Welsh bus sector in numbers: pre-Covid (2019)

The trend in passenger usage has been one of decline in recent times largely as a result of an increase in private car use, congestion increasing journey times and making them less predictable, and a decline in financial support for the sector. This contrasts with rail which has grown as a result of investment. For instance, in the year 2000 there were 119m bus journeys compared to 102m in 2019.³

1

Welsh Government 2020

Public service vehicles (buses and taxis):
April 2018 to March 2019

gov.wales/public-service-vehicles-buses-and-taxis-april-2018-march-2019

2

KPTG 2017

Trends in Scottish bus patronage

https://getonboardwithbus.scot/wp-content/themes/minimum/doc/Trends_in_Scottish_Bus_Patronage.pdf

Welsh Government 2018

Public service vehicles (buses and taxis):

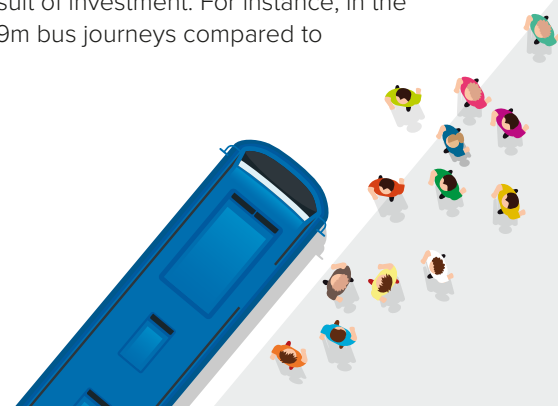
https://gov.wales/sites/default/files/statistics-and-research/2019-03/public-service-vehicles-buses-and-taxis-april-2017-to-march-2018_0.pdf

3

StatsWales 2020

Number of passenger journeys on local bus services by Great Britain country and year

<https://statswales.gov.wales/Catalogue/Transport/Roads/Public-Service-Vehicles/numberofpassengerjourneysonlocalbusservices-by-gbcountry-year>



Funding Wales' bus network

There are a number of funding streams that support the bus network in Wales. Some are targeted at the supply of services and others subsidise passenger fares for key groups such as the elderly.

Before the pandemic, the Welsh Government's direct support for the bus network was largely focused on the Bus Services Support Grant (BSSG). BSSG helps to keep fares down by helping operators with costs. It is paid per live bus kilometre operated and has been frozen at £25m since its inception in 2013/14 – with the consequence of a real terms reduction over that time. Indeed, in 2011/12 the predecessor for BSSG was £32m, highlighting a longer-term decline in direct funding.⁴

Welsh Government also supports passengers through its concessionary fares schemes which include those with a specified disability, those over 60 and younger passengers through its MyTravelpass scheme. This costs around £70m per year at present from both Welsh and local governments and contributes towards the provision of free or discounted travel for these groups.

Including funding for TrawsCymru, Welsh Government's total revenue budget for direct bus support to operators in Wales was £32m in 2019.⁵ This compares to an equivalent of £171m for Transport for Wales' rail operation, supporting 31 million rail

journeys.⁶ As such, financial support per passenger is roughly 30p for bus and £5.51 for rail.

The next Welsh Government should be focused on driving the growth of bus

patronage and a key means of doing this will be to address how funding is

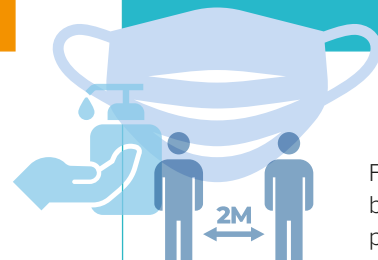
provided to support the sector. The funding environment

should help operators to keep fares down, develop the network and drive innovation. With the number of bus journeys made dwarfing that of other public transport modes, meaningful investment and attention must now be given to the nation's best used mode of sustainable transport.

30p
per passenger
financial support

£5.51
per passenger
financial support

Impact of the Covid-19 pandemic



Covid-19 has caused significant disruption to the bus network. From CPT's own statistics provided by operators we can see that passenger numbers have been heavily suppressed, with around 10-20% of normal levels during lockdowns and peaking at around 45% in the summer months. The public health message has been clear – avoid travelling and making non-essential journeys during lockdowns.

Whilst this has been necessary from a public health perspective, it has brought into question customer habits and levels of confidence. As the vaccination rate gathers pace and customer confidence returns, it will be critical that the messaging changes to one of promoting bus travel with the objective of ultimately growing its usage.



patronage has been suppressed to as low as **10%** of normal levels during lockdowns



Welsh Government has been very supportive of the sector during this period through its Bus Emergency Schemes. The partnership created between the public sector and bus operators to deal with Covid-19 now needs to be turned into positive action to address the long-term challenges facing the sector. This is particularly important as road traffic has reduced in Wales, providing an opportunity to introduce bus priority schemes now that will benefit customers for years to come.

Delivering net zero and improving our air: the role of buses

Buses will play a central role in Wales' transition towards net zero emissions and cleaner air by reducing the number of cars on our roads and by shifting towards ultra low emission vehicles. Operators are supportive of this process and are keen to embrace lower emission vehicles. However, there are several practical and financial barriers that the next Welsh Government must help the sector overcome through partnership.

Zero emission buses alone cannot deliver increased passenger numbers and net zero emissions. Modal shift has to be the key element of Wales' decarbonisation strategy and to do this we need bus priority measures that will deliver better, quicker services for customers, and simultaneously improve operational efficiency for operators. This can help with reinvestment in cleaner vehicles, with additional customer friendly features, creating a virtuous circle. Congestion is still a major challenge, whether cars are low emission or not. It creates a drag on the economy and mobility of our communities, and therefore infrastructure measures to tackle this must be a priority.

Across the UK, if everyone took one more bus journey a month there would be a billion fewer car journeys and we would reduce the UK's carbon dioxide emissions by 2 million tonnes a year. It is worth noting that just 6 more journeys a year by bus by everyone would be equal to the impact of the entire bus fleet transition to zero emission by 2035. The next Welsh Government will need to work with the UK Government in delivering this transition.

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transition to **zero** emission by 2035

⁴ **Welsh Government 2020**
Bus Services (Wales) Bill
senedd.wales/laid%20documents/pri-ld13090-em/pri-ld13090-em%20-e.pdf

⁵ **Welsh Government 2019**
Final Budget 2019 to 2020
gov.wales/final-budget-2019-2020

⁶ **StatsWales. 2021**
Rail passenger journeys to, from or within Wales and total journeys in Great Britain by year
statswales.gov.wales/Catalogue/Transport/rail/rail-transport/railpassengerjourneysfromwithinwalesandtotaljourneysingb-by-year

A better bus network for Wales: What we need to see

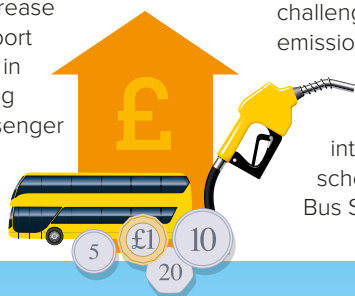
If Wales is to address the challenges of decarbonisation and improve social and economic outcomes for its citizens, it will need to commit properly to policies designed to create modal shift – that is, to end the reliance on the car and build a much more sustainable transport system. The bus sector stands ready to play its part in getting us there, but we need the next Welsh Government to do the following to help us on our way:

Covid recovery: A partnership for the next Senedd

- Building on the partnerships developed through Covid-19, set out a national bus strategy for Wales for the life of the next Welsh Parliament that would tackle key issues such as congestion, encouraging modal shift and generating greater bus patronage.
- Using the strategy to provide a clear understanding of how Covid-19 has impacted on transport habits in the short and long term.
- Engage closely and in partnership with bus operators to deliver a national bus strategy by establishing a Bus Steering Group.
- Continue to support operators financially as Wales transitions out of COVID-19 regulations and towards the freedoms we previously enjoyed as passengers.

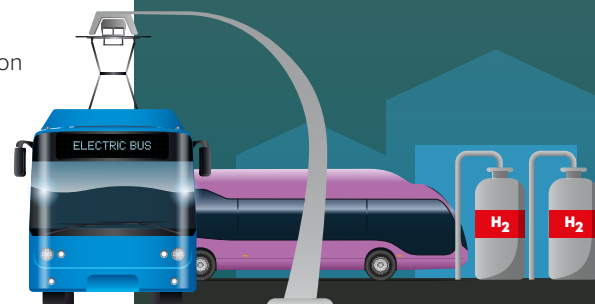
Funding a Better Bus Network for Wales

- Ensure transport funding is prioritised in the next administration including spending any new Barnett consequential on transport.
- Review transport funding in the round and address the disparity between funding to support the bus network and other forms of transport expenditure.
- Commit to an annual increase in the Bus Services Support Grant of at least inflation in order to reduce operating costs and therefore passenger fares and to further develop the network.



Decarbonising the bus fleet

- Set up a transition to low emission vehicles working group with the responsibility to forecast a realistic timescale for transition, in partnership with operators.
- Institute a Welsh Green Bus Fund that would help operators overcome the challenges of adopting low emission vehicles that often have high upfront capital costs.
 - With additional funding, introduce a low-emission incentive scheme as a top up to the existing Bus Services Support Grant (BSSG).



Bus First Investment in Wales' Towns and Cities

- As part of a national bus strategy for Wales, set out a capital expenditure plan for bus priority measures such as bus lanes in our urban areas.
- Ensure new developments are connected to the bus network by making the transport hierarchy and bus priority measures a key consideration in Planning Policy Wales and ensuring section 106 has a clear passenger transport focus.
- Continue to learn from pilot programmes such as Fflecsi in rural areas of Wales and work with operators to scale them up.



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