



REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

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TITLE: *Welsh Government Improving Public Transport White Paper*

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1. PURPOSE OF THE REPORT

- 1.1. To update Members on the Welsh Government White paper on Improving Public Transport and the regional response which has been submitted.

2. DECISION SOUGHT

- 2.1. Members are invited to note this summary report on the Welsh Government proposals for Improved Public Transport and the attached response to the White Paper consultation.

3. REASONS FOR THE DECISION

- 3.1. The Welsh Government published the long awaited White Paper on Improving Public Transport on 10th December 2018.

The White Paper sets out proposals to reform passenger transport, delivery structures and taxi licensing. The policy document is intended to try and reverse a rapid decline in bus usage in recent years; the paper suggests that bus use in Wales is declining at a faster rate than any other country or region across the UK.

A consultation period until 27 March 2019 was allowed for responses. The attached NWEAB response was submitted by the due date.

https://beta.gov.wales/sites/default/files/consultations/2018-12/improving-public-transport_0.pdf

The Transport Cabinet Members Group discussed the White Paper with Welsh Government officials present at their meeting on 04 February. A further opportunity to finalise a response to the consultation was given before the closing date.

3.2 Considerations

The White Paper falls into three broad sections:

- Changes to organisational structures that are responsible for the delivery of passenger transport services
- Legislative changes to enable more control over bus routes and services.
- Changes to taxi and Hackney Carriage licensing and organisational process so that Taxi services are better coordinated alongside other passenger transport.

The various proposals are discussed in the report below.

Decline in Bus Usage

There are a number of other factors at play, all of which contribute to declining patronage across Wales.

- The centralising of services making it easier for private motorists over public transport passengers e.g. for acute hospitals
- Polycentric employment nodes difficult to serve by public transport
- Changes to working patterns, with the private car offering more flexibility for journeys. Often, buses cannot compete in terms of time taken or changes of buses or between modes required
- Congestion which adds additional and expensive resources to longer-distance bus services
- A sharp reduction in footfall in town centres.
- The car-orientated rise of retail developments, which are less easy to serve by bus than town centres.

It is clear that change is needed, both to the way services are managed and procured, but also to the controls around bus networks and the relationship with the industry.

Whilst organisational structures have a role to play in this decline, the most significant issue has been the reduction in funding to support bus services by both Welsh Government and local authorities. This has led to difficult decisions in terms of service reductions and the loss of funding may have contributed to the high profile failure of a number of bus operators in the past few years.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

4.1. Proposal to establish Joint Transport Authority / Authorities

The White Paper proposes a transfer of local authority responsibilities to Joint Transport Authorities (JTA)

The WG has existing powers to enable them to establish one or more JTA. It proposed to add further powers to direct local authorities to participate onto the existing powers to establish.

There are two alternative proposals, to establish one national JTA or a national JTA and three regional JTA.

A single JTA would be a national body, to deliver national programmes and also any required regionally based activity, with regional delivery sub committees of the JTA being established.

An alternative approach is to have one national body plus 3 separate regional bodies.

There is no reference in the document to any current regional approach or regional committees. This is a surprising omission. Discussions with Welsh Government following the publication of the White Paper suggest that there may be some flexibility where current proposals for regional bodies could be integrated with the WG proposals to reach a partnership for regional delivery.

There is some merit in the proposals to establish JTA. Local authorities have seen significant reductions in capacity and experience in recent years. For example there are now relatively few Chartered Transport professionals in North Wales. There are also widely differing approaches to funding local bus networks across the authorities; this has a real impact on the network across the region.

The White Paper does not comment substantively on school and learner transport. Whilst a reference is made, there are no firm proposals in relation to integration of how this could work within a JTA. Given the high level of integration of school and learner transport with other bus services, especially in rural areas, this is a significant issue.

4.2. A range of National / Regional Functions

The White Paper attempts to set out which services could be included within a National JTA and which would be the responsibility of regional JTA.

National Functions - Proposals based around having single or consistent national standards and contractual arrangements, it includes proposals for joint approaches to infrastructure procurement, consolidated back office functions and branding.

Regional / Implementation Functions – Proposals for activities such as local network planning, contracts with operators, implementation of quality partnerships, procurement and maintenance of infrastructure, to be managed regionally.

Importantly, Ministers are seeking powers to issue guidance and direction to JTA and also have intervention powers. This is a significant step up from the current powers to establish JTA in the current legislation.

4.3. Enhanced Quality Bus Partnerships

The White Paper is looking at better ways of government organisations working formally with operators. EQPs should be welcomed as probably the most important element of the package of operational changes proposed.

There have been no statutory quality partnerships established in Wales and few in England. This is because of the hurdles required. To date, only voluntary partnerships exist and these are somewhat one-sided.

The White Paper proposed improved mechanisms to establish quality partnerships with bus companies that will reduce some of the barriers to implementing partnerships at the current time.

One of the key changes is to remove the requirement for infrastructure improvements from LA where EQP are entered into.

The introduction of EQP should be seen as an additional tool for local authorities to manage bus networks. This should not be the only tool available, but the proposals to address the unequal relationship that exists at the moment.

Potential opportunities include, the potential for services to be directed towards employment, social exclusion and health and away from providing services targeted at concessionary pass holders to access retail areas. The Proposal would also allow targeted bus services to support the Integrated Travel Zones set out in the emerging North Wales Metro strategy.

In summary, this is a proposal that has some merit, but there are potential issues in terms of implementation, cost and achieving a balance between fares and subsidy.

4.4. Franchising

As expected, the WG are seeking powers to be able to franchise bus corridors or geographic areas. Simplified powers are proposed, but 5 case business cases will be needed before implementation.

The greater flexibility and opportunity to manage networks should be broadly welcomed, however it should not be seen as the single tool to achieve change. Franchising is best used to eliminate wasteful duplication between operators, however following the collapse of some operators in North Wales; there is little duplication on main routes at the moment.

Franchising under current legislation allows an authority to specify and tender all services in its area, whether these were formerly commercial or under contract. The main benefit of franchising would be to spread the benefit accrued from commercial services to enable a greater or wider improvement

The weakness is that, unless there is additional funding, to do so may result in some passenger detriment from a reduction in daytime, core services, as profits pay for off-peak services.

It is unlikely that bus operators will welcome this measure. However the option to franchise could be a useful tool to those procuring bus services.

4.5. Local Authority Bus Services

The White Paper contains a proposal to make it easier for Local Authorities to establish their own bus companies, by removing the prohibition contained in the Transport Act 1985. The proposal is that LA could establish such operations through an arms length vehicle, subject to having a 5 case business model in place.

The changes proposed are broadly positive. The additional powers could be useful in areas where there is little or no competition among private operators, which can result in higher tender prices or where authorities struggle to attract sufficient bids.

In such circumstances, the ability to reinvent municipal bus operators is therefore a step forward. Direct provision would be preferred rather than through arms-length organisations.

The key issues in relation to the viability of bus services will still remain however. The costs of the services and the revenue implications will need to be balanced against fares and other income, in the same way as any commercial operator, unless there is significant additional subsidy available.

This is a welcome proposal and matches regional aspiration to have alternative delivery models. Careful consideration through developing a detailed business case, will be needed before any such operation is established.

4.6. Concessionary Fares Scheme

The White Paper proposes changes to the future issuing of concessionary bus passes.

The change to the age when a pass is issued will increase the age from 60 to a women's pensionable age. No other changes in eligibility are proposed, even though there may be a case for some changes in order to reduce the cost of the scheme.

The concessionary pass scheme has mostly been successful, however it has had an impact on the way services are provided, has driven an increase in the cost of single fares and has been an expensive scheme to implement.

The changes to the eligibility of the scheme are relatively minor, but will have the impact of increasing the age when passes are issued. This change could be beneficial if any savings arising from the change were to be recycled back into improved public transport provision.

4.7. Public Transport Information and Monitoring

The White paper contains a proposal to give ministers the ability to require bus operators, traffic commissioner and LA to provide information on passenger transport.

Currently this is voluntary and subject to commercial confidentiality. Lack of information has hampered scheme development in the past, but again this is not likely to be welcomed by the industry.

There is nothing especially controversial or indeed radical in these proposals. Ensuring all operators register services electronically and making the resultant open sources data widely available to a range of organisation would probably be the best way of delivering improvements in information.

There should be a consistent approach to the provision of information, especially printed timetable information. Currently not all authorities provide information in this format.

4.8. Taxi Licensing

This is a more radical section of the White Paper than had been expected.

It proposes a single set of standards and licensing conditions across Wales, which will be set by regulation, with no further consultation.

Current LA discretion will be removed. These national standards will apply irrespective of whether they are managed by LA or JTA. There are concerns about the consistency and quality in some areas when compared to others.

As long as the national standards are as good as the best of the local licensing conditions, this should be supported.

Any LA will be able to enforce against any operator working in its area, irrespective of where the licence is issued.

Provided standards are the same, this should be straightforward and should be welcomed.

A single approach to the sharing of Safeguarding information is proposed. This is a long over due proposal and one where LA have been poor at agreeing a joint approach in the past.

The most significant change is the proposal to redirect all taxi and PHV licensing from LA to a national licensing Authority, within the national JTA. There are however two options highlighted in the proposals.

Option A is to have a single national organisation delivering taxi and PHV licensing.

Option B is where existing licensing functions within LA continues, but using national standards, information sharing and enforcement.

A single JTA could be seen as distant and unresponsive to local needs, there should be a discussion about whether there are better regional alternatives.

4.9. Implementation

The White Paper sets out some radical proposals to change bus regulation and also the way in which bus services and taxi licencing are currently delivered. The document is written almost as a consultation document with a number of options, rather than clear proposals for legislation. As a result, it is almost more of Green (Policy) Paper, rather than proposals for legislation.

It is understood that as the paper proposes changes to legislation, it is unlikely that implementation can take place before 2020 – 21, subject to the outcome of the consultation process.

Preliminary discussions between WLGA and Welsh Government have indicated a willingness to have discussions at a regional level over the potential establishment of JTA and how this could be developed alongside emerging proposals for regional transport bodies. There could be some flexibility over future structures, if local authorities are committed to a regional approach for transport.

Discussions with the Transport Cabinet Members group in North Wales focussed on the need for some urgent action given: -

- the rate of decline in patronage,
- high profile bus operators going out of business,
- significantly increased costs of tendered services due to a shortage of capacity in the market,
- rapid changes in registration of commercial routes leading to further demands on budget.

Preliminary discussions with Welsh Government have indicated there could be an opportunity to pilot some proposals in the region, pending any new legislation. This could involve some regional work on bus service delivery, support for Welsh Government to prepare for the legislation post White Paper and development of proposals for a regional transport body. There could also be an opportunity to pilot an approach based on the proposed Enhanced Quality Partnerships on a network of strategic routes across the region. An offer to Welsh Government in line with the suggestion above has been made.

4.10. Consultation Process

The consultation period for the White Paper was open to the 27 March 2019.

The WLGA also arranged an all Wales Transport Cabinet Members meeting to City Hall Cardiff for the 25th March, at which Ken Skates was in attendance for at least part of the event. A meeting of the Chairs of the four regional member groupings in Wales was also held to shape the all Wales responses through the WLGA.

5. FINANCIAL IMPLICATIONS

- 5.1. There are no significant costs in responding to the White Paper consultation that cannot be accommodated within existing budgets.

There will be costs associated with establishing and managing any JTA established. The proposals in the White Paper are high level at the moment and more detailed work will be needed to fully quantify the costs of the approach. It is likely that further evaluation work will be carried out as more details of the firm proposals emerge.

6. LEGAL IMPLICATIONS

- 6.1. There are no significant legal implications in relation to the consultation response.

As the more detailed proposals emerge after the first consultation process. The implications could be significant. Establishing a Joint Transport Authority and its subsequent administration will involve detailed development. In addition the devolution of powers from local authorities to the JTA could also have significant implications. It is envisaged that a period of detailed work leading up to full proposals will need to be undertaken prior to any implementation.

7. STAFFING IMPLICATIONS

- 7.1. The staffing implications of any implementation of the proposals is not known at this stage. The move to establish a JTC could involve transfer or secondment of staff, however until the proposals are finalised the details are unknown.

8. IMPACT ON EQUALITIES

- 8.1. Not known at this stage. Further detailed work will need to be undertaken once the results of the consultation period have been announced by WG. There could be implications for bus users, in terms of service changes and the increased age of concessionary pass will impact on eligibility for free bus travel.

9. CONSULTATIONS UNDERTAKEN

- 9.1. The Transport Cabinet Members group has been consulted on the proposed response to the White Paper. Chief Officers and Transport managers from the six local authorities have also been consulted.

APPENDICES:

Appendix 1 Copy of the response submitted to the Welsh Government consultation

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer – Accountable Body:

“I note that the draft regional response adds to the responses submitted by individual authorities. A number of aspects of the White Paper are at relatively high level and as noted it will be in the detail of any legislation that consideration of the real implications of possible directions may be considered.”

ii. Head of Finance – Accountable Body:

“The cost-effectiveness of proposals should be demonstrated before imposing any additional layers above local authorities within the planned new regime.”