



# REVIEW OF TRAWSCYMRU

Report for the Minister for Economy, Science and Transport

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## **Addendum**

A number of circumstances have changed since this report was written in August 2013, and as a result my recommendations have altered slightly. At the time of writing, three of the five TrawsCymru routes were operated wholly commercially, limiting the options available to the Welsh Government. In October 2013, the operator of these services announced that they would cease with effect from 21<sup>st</sup> December. The Welsh Government and local authorities have put in place replacement services until June 2014. The effect is that subsidised services now operate on all five TrawsCymru routes. Although they are funded by the Welsh Government, they are managed by four different local authorities and operated by seven different bus companies. These arrangements fragment the strategic, all-Wales approach that TrawsCymru requires and blur accountability.

Now that all five routes are mostly non-commercial, I recommend that the Welsh Government uses the powers granted to the National Assembly for Wales in Section 7 of the Transport (Wales) Act 2006 to tender for a single, long-distance network of services with effect from June 2014. The Welsh Government will need to continue to work closely with local authorities to ensure that local requirements are met. The Welsh Government's capacity to manage and monitor the network will need to be strengthened - this is feasible with five long-distance routes within its remit.

My recommendations in respect of the development of business plans for routes, for active marketing of them and all other recommendations in the report, remain the same.

Victoria Winckler

17<sup>th</sup> January 2014

# SUMMARY OF RECOMMENDATIONS

## **The Strategic case for longer-distance bus / coach services:**

- There is a strong case in favour of a network of medium- to long-distance, strategically important bus services that connect key towns in Wales and which complement the rail network. The network may comprise commercial or supported services. This is broader than the concept which informs TrawsCymru at present and its predecessor Traws Cambria.
- There is a strong case for the five corridors which comprise the current TrawsCymru network. The new Cardiff airport service should be explicitly included in the network. It is likely that the number of corridors in the network will increase, perhaps to 10-12 corridors, to meet its broader objective.
- The implementation of existing corridors and the inclusion of any new corridors should be based on robust business plans which demonstrate demand and provide for a package of measures to improve the passenger journey.

## **Key service quality features and integration:**

- TrawsCymru services should serve intermediate bus stops as well as main towns, but should avoid detours.
- The impact of intermediate stops should increase the journey duration by no more than 50% longer than by car, and ideally less.
- Reliability is paramount. Frequency and timetabling of services should be based on what passengers demand.
- Connections with rail services should be made where there is passenger demand for them but should not override the wider purpose of TrawsCymru. Where connections are offered, rail and bus should be closely integrated.
- TrawsCymru should promote and accept CymruConnect through-tickets, and action should be taken to improve the profile and performance of CymruConnect. Concessionary fares should be available on TrawsCymru routes.
- The use of low-floor buses with high spec interiors is a necessary compromise to ensure disabled access whilst maintaining comfort. The specification of vehicles procured in future should be based on market requirements, and the procurement process should be rigorous.
- TrawsCymru services need to address passenger facilities at bus stations and passenger information, which are part of responding to passenger needs.

### **Options for management, delivery and monitoring, and responsiveness to passenger expectations:**

- TrawsCymru services should be delivered, in the short term:
  - a. On a route by route basis rather than as a whole network franchise;
  - b. Using tendered services where commercial services are not viable;
  - c. Including commercial services within Statutory Quality Bus Partnerships where such services operate. Welsh Government commitment and support will be needed to take Quality Bus Partnerships forward.
  
- The focus of effort in the short term should be on implementation of the five core TrawsCymru routes rather than expansion of the network as follows:
  - a. Service T5 (Aberystwyth – Cardigan – Haverfordwest) should be implemented as a tendered service as soon as possible;
  - b. Service T2 (Bangor – Aberystwyth) should be progressed through a mix of commercial and tendered services within a Quality Bus Partnership, ready for full implementation in November 2014;
  - c. Service T1 (Aberystwyth – Carmarthen) should be progressed through a Quality Bus Partnership with back-up tendering should commercial services fail;
  - d. Service T3 (Wrexham – Barmouth) should be progressed through a Quality Bus Partnership.
  
- Welsh Government funding for TrawsCymru services should be provided through a management agreement with the relevant local authority. Funding should be based on the business plan prepared by the local authority and other partners and could include support for passenger facilities, bus priority measures, marketing and information and customer care / complaints handling as well as the tendered service itself. The agreement should include performance measures for which local authorities would be accountable.
  
- The TrawsCymru strategic board should focus on strategic issues with corridor delivery groups dealing with operational matters, on a formal basis. Both groups should have strengthened user representation.
  
- In the longer term, delivery via a franchise, either part of the new rail franchise or a freestanding bus franchise, may be desirable. Discussions about this option need to begin now.

### **Financial requirements:**

- The estimated revenue requirement (including associated costs as well as tendered services) is between £1.6m and £2.2m p.a. (plus ongoing costs of T4 service), depending on how many services are tendered.
  
- The estimated capital requirement (including associated costs of minor works) is between £2.9m and £4.5m depending on how many services are tendered.
  
- The cost per passenger journey on TrawsCymru compares favourably with rail, and increased patronage as a result of service improvements is likely to reduce the cost further.

# 1. INTRODUCTION

- 1.1. I have been asked by the Minister for Economy, Science and Transport to 'to review the Welsh Government's involvement in developing and providing the TrawsCymru longer distance bus network in Wales'.<sup>1</sup>
- 1.2. This report sets out my conclusions, following consideration of the views of representatives of bus users, bus operators and other stakeholders, data on TrawsCymru services, and a wide variety of background documents. I am grateful to everyone who spared time to talk with me, including Welsh Government officials who provided me with information promptly and fully. While I have taken everyone's views into account, the conclusions are mine alone – they do not reflect any single body of opinion and in some ways differ from mainstream views about the way forward.
- 1.3. In undertaking this review I have been mindful of the considerable importance of bus services. Nearly one in four households do not have a car or van.<sup>2</sup> Buses are especially important for equality and social justice - women are a third more likely to use the bus than men, and young people, older people and disabled people are also much more reliant on the bus than other people<sup>3</sup>. Buses are especially important to people on low incomes<sup>4</sup> – the median income of people working full time who use the bus to travel to work is £330 per week compared with the £460 per week for car users and £500 per week for train users.<sup>5</sup>
- 1.4. I am also mindful of the very tough financial climate facing Welsh Government and local authorities, as well as ordinary people in Wales. That said, I have also taken into account that Welsh Government expenditure on bus services is low, especially compared with expenditure on rail and road transport.
- 1.5. My conclusions are based on the principles that:
  - The needs of bus users should be paramount.
  - Recommendations should be based on sound evidence where possible.
  - Solutions should be appropriate for the short-term as well as long term.
  - Public money should be used carefully and equitably.
  - There must be measurable outcomes and benefits.

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<sup>1</sup> Minister for Economy, Science and Transport, Decision Report 21st June 2013

<sup>2</sup> 2011 Census of Population

<sup>3</sup> Welsh Government (2007) Living in Wales Survey

<sup>4</sup> Welsh Government (2007) Living in Wales Survey

<sup>5</sup> National Travel Survey

## 2. STRATEGIC CASE FOR TRAWSCYMRU

2.1. In my brief, I was asked to critically assess the case for providing longer-distance bus / coach services as part of an integrated transport network in Wales. After reviewing the evidence, I have concluded that:

- **there is a strong case in favour of a network of medium- to long-distance, strategically important bus services that connect key towns in Wales and which complement the rail network. The network may comprise commercial or supported services. This is broader than the concept which informs TrawsCymru at present and its predecessor Traws Cambria.**
- **there is a strong case for the five corridors which comprise the current TrawsCymru network. The new Cardiff airport service should be explicitly included in the network. It is likely that the number of corridors in the network will increase, perhaps to 10-12 corridors, to meet its broad objective.**
- **the implementation of existing corridors and the inclusion of any new corridors should be based on robust business plans which demonstrate demand and provide for a package of measures to improve the passenger journey.**

2.2. The reasons for these conclusions are below.

### Purpose of TrawsCymru

2.3. Despite the history of TrawsCymru and its predecessor Traws Cambria (see figure 1), its purpose has become unclear. The most recent Government statement is in the National Transport Plan 2010, which states only that Traws Cambria would “fill in gaps in the rail network”, although it does not specify which gaps and how they should be filled. The result has been a lack of clarity amongst stakeholders and differing views about the implementation and development of TrawsCymru.

2.4. While the objective of “filling gaps in the rail network” is laudable, there is potential for TrawsCymru to deliver much more than this. TrawsCymru can not only help Welsh Government to achieve its transport objectives, it has a key role to play in achieving its social justice objectives. The approach of “filling the gaps” assumes that gaps in the rail network *need* to be filled, prioritises rail over bus, and does not take account of the needs of all people wanting to travel. Providing good connections to rail services at key stations *is* important for those wishing to make onward journeys, but this needs to be balanced against the requirements of people who do not. In my view, the needs of a business person wanting to travel from Lampeter to London are no more important than the needs of someone wanting to travel from Aberaeron to Carmarthen to visit a relative in hospital. It is also not clear if there is sufficient demand for bus services which are primarily rail links. Nevertheless, the

idea that TrawsCymru should fill gaps in the rail network and be a “train on rubber wheels” is popular with some stakeholders and they have argued for a return to this rationale.

**Figure 1 TrawsCymru / Traws Cambria Timeline**

1979: The idea of a branded long distance bus services for Bangor – Cardiff ‘Traws Cambria’ service emerges.
2001: The National Assembly for Wales’s first transport strategy <sup>6</sup> highlighted the importance of long distance bus routes.
2003: Wales Transport Forum report published setting out a network of eight long-distance routes, and made recommendations about service options and delivery including branding, vehicle standards and integration with other services.
2008: Welsh Government’s new Transport Strategy <i>Connecting Wales</i> promised expansion of the Traws Cambria network (principally north – south routes) and improved interchanges.
2010: the National Transport Plan reiterated the commitment to “publish plans to expand and improve the quality of the Traws Cambria network”.
Autumn 2010: Welsh Government consultation on improvements to five routes in the network, including issues of frequency and facilities.
March 2011: then Transport Minister Ieuan Wyn Jones announced the rebranding of Traws Cambria to Traws Cymru and announced the purchase of 12 low floor buses. <sup>7</sup>
2011: Programme for Government included a commitment to ‘improve Traws Cymru Network of Long Distance Bus Services’.
December 2011: The Prioritised National Transport Plan included various commitments to public transport but none in respect of Traws Cambria / Cymru.
March 2012: then Transport Minister Carl Sargeant announced improvements to the Aberystwyth – Carmarthen and Newtown – Brecon routes.
January 2013: TrawsCymru Strategic Board’s draft Business Plan considered.
June 2013: Wales Infrastructure Investment plan includes proposals to upgrade Swansea and Rhyl bus interchanges but does not include proposals for TrawsCymru.

<sup>6</sup> Transport Framework (2001)

<sup>7</sup> <http://www.bbc.co.uk/news/uk-wales-12893112>



- 2.5. Instead, I suggest the rationale for TrawsCymru should be broader and more ambitious. It should provide medium- to long-distance bus services (of more than 25 miles) between towns and substantial communities, enabling hundreds of thousands of people without a car to connect with the rest of Wales, the UK and Europe, and to visit essential public services such as hospitals. The rationale for this is that people's expectations of personal mobility are rising, yet at the same time services are being concentrated into facilities at main settlements, as in the NHS. The need for a network of good quality bus services to connect them is more, not less, pressing than in the past.
- 2.6. This is not to ignore rail. TrawsCymru should, without question, complement the rail network. It should not seek to compete with rail services and, where appropriate and justified by demand, it should provide good connections to onward rail services, but it should not be driven by or secondary to the rail network.

## The network

- 2.7. The current TrawsCymru network of five services emerged in 2010 and comprises a mix of north-south and east-west corridors:
- T2 / X32 Aberystwyth - Bangor
  - T1 / X40 Aberystwyth – Carmarthen – Swansea
  - T4 / 704 Newtown - Brecon
  - T5 / X50 / 550 Aberystwyth – Cardigan (and possibly Haverfordwest)
  - T3 / X94 Wrexham – Barmouth

The only other previous specification of the network was in 2003, in which a larger and more extensive network was envisaged.

- 2.8. There was a consensus amongst stakeholders that there is a strong strategic case for the long-distance, north-south corridors (Cardiff to Newtown T4, Carmarthen – Aberystwyth T1 and Aberystwyth – Bangor T2). The One Wales agreement has already put in place enhanced North – South links by rail and air, but no provisions for bus were made. Stakeholders noted that TrawsCymru routes:
- are the only direct, north-south bus corridors within Wales;
  - link the most significant settlements in each region of Wales with each other, with the rail service and with Cardiff;
  - link the main settlements en route (Bangor, Aberystwyth, Wrexham, Lampeter, Carmarthen and Cardiff) which are all centres of higher education and major hospital services;
  - have no rail alternative along the corridors.
- 2.9. Evidence supports stakeholders' views. In 2010/11 there were 86,339 passenger journeys on the then 704 Cardiff – Newtown service and 102,000 passenger journeys on the then X40 (now 20 and 40) services between Aberystwyth and Carmarthen / Swansea. These two corridors also generate high levels of enquiries to Traveline Cymru, averaging 100 a day for

the T4 and 54 a day for the Aberystwyth – Carmarthenshire corridor (see Table 1). The T4 PDF timetable is the most frequently downloaded timetable and the Aberystwyth / Carmarthenshire route the 6<sup>th</sup> most frequently downloaded. The phrase 'T4 Bus Timetable' is the 7th most popular search term used to find the Traveline Cymru website, after general terms such as "Traveline", "Bus Times", "Bus travel Wales".

2.10. Demand for the T2 Aberystwyth to Bangor corridor is not as strong as the other north-south services, generating half the number of passenger journeys and enquires as the Aberystwyth – Carmarthen corridor. This is however a key strategic corridor, without any rail link, and it may be that variations to the route would help to increase patronage.

**Table 1 Enquiries and Patronage**

Service	Route	Operator(s)	No. call centre enquiries Jan – June 2013	Daily average	Traws Cymru route	Passenger Journeys 2010/11
<b>T4</b>	Cardiff – Merthyr – Brecon – Newtown	Stagecoach	<b>17,985*</b>	99	704	86,339
<b>20/40 /50</b>	Aberystwyth – Carmarthen – Swansea	Arriva	<b>9,910**</b>	54	X40	102,000
<b>T2</b>	Aberystwyth – Bangor	Express / Lloyds	<b>4,548</b>	25	X32	53,412
<b>X94</b>	Wrexham – Barmouth	Arriva / GHA	<b>4,501</b>	25	X94	75,246
<b>550</b>	Cardigan – Aberaeron (connections to / from Haverfordwest and Aberystwyth)	Richards Bros	<b>947</b>	5	X50	60,321
					550	92,000

\* includes searches on Merthyr – Cardiff route outside TrawsCymru network

\*\* includes searches on service 50 operated by Arriva from Aberystwyth – Synod Inn

Source: Traveline Cymru; Welsh Government

2.11. Some stakeholders felt that the strategic case for the rest of the current network (i.e. Aberystwyth – Cardigan – Haverfordwest and Wrexham – Barmouth) was not quite as strong as for the north-south routes. That said, patronage indicates considerable demand – 92,000 passengers on service 550 and 60,321 on service X50 Aberystwyth - Cardigan, and 75,246 on the X94 Wrexham to Barmouth. These corridors also generate a reasonable number of enquiries to Traveline Cymru.

2.12. Taking the above evidence on patronage and enquiries into account and the recent appraisal of routes using the WelTAG model, **I have concluded that there is sufficient evidence to support the continued inclusion of all five corridors in the TrawsCymru network.** However I recommend that further work be done in advance of the introduction of the proposed T3 service on the feasibility of its operation to Aberystwyth rather than Barmouth.

- 2.13. Although there is a general case to support the network, I have been surprised by the absence of detailed business cases for each of the corridors. No forecasts of demand have been undertaken since 2003 despite considerable changes in social and economic circumstances and travel behaviour. Forecasts of demand and market analysis should indicate likely levels of patronage and help to inform decisions on the acceptable level of public subsidy for services. Market analysis would also mean that services can be tailored to meet customer requirements, for example in terms of timing, frequency, stopping places and vehicle specification. This approach is standard when seeking enhancement to rail services and to support investment by the private sector.
- 2.14. **I therefore recommend that a business plan should be drawn up for any new TrawsCymru services, including the proposed T1, T2 and T3 services.** The T4 is operational and the T5 is at an advanced stage and should not be held up by the requirement for a full business plan. Business plans would give the Minister necessary assurances that Welsh Government funding is essential, that services will meet people's needs and that adequate monitoring is in place.
- 2.15. The business plan should be more comprehensive than the business case usually submitted to Welsh Government, and should include:
- an analysis of the existing and potential market for the proposed service, including identification of the requirements of different market segments;
  - specification of the service(s) to be delivered to meet users' needs, including frequency, integration with other services (through ticketing and connections) and vehicle requirements;
  - a marketing plan, to include liaison with key partners such as further and higher education establishments and local health boards;
  - patronage and revenue targets;
  - capital and revenue requirements and cost per passenger journey;
  - arrangements for measuring user and non-user satisfaction and for handling complaints;
  - key performance measures, e.g. punctuality, patronage, customer satisfaction.
- 2.16. In preparing their business plans it is important that there is liaison with the numerous further and higher education institutions served by the current network (Bangor University, Glyndwr University, Aberystwyth University, Trinity St David at Lampeter and Carmarthen, Merthyr Tydfil, Coleg Ceredigion, Brecon, Llandrindod and Newtown further education campuses, Coleg Meirion-Dwyfor at Dolegllau and Coleg Llandrillo) and also with local health boards which operate major hospitals at Caernarfon, Haverfordwest (Withybush), Carmarthen (Glangwili), Aberystwyth (Bronglais), Wrexham Maelor and Merthyr Tydfil (Prince Charles). Not only is access to learning and to health care important for social justice, but students and people visiting hospitals are also likely to be a substantial market for Traws Cymru services.
- 2.17. I do not envisage the business plans requiring considerable time or expenditure to compile, but they should offer sufficient detail to inform key decisions and measures of performance.

## Future network

- 2.18. If it is accepted that TrawsCymru is a network of medium- to long-distance, strategically important bus services then it is likely that new corridors will need to be added. The 2013 TrawsCymru draft business plan proposed that three new routes for 2015/16 – 2017/18, as follows:
- Service T6: Wrexham, Ruthin, Denbigh and Rhyl;
  - Service T7: Carmarthen, Llandovery, Brecon and Abergavenny; and
  - Service T8: Newtown, Welshpool, Oswestry and Wrexham.

It also identified the potential for a Cardiff – Cardiff (Wales) Airport service, which is now operational as T9, and a Deeside service.

- 2.19. There are without question other corridors where there no or inadequate links between towns. One example is Swansea – Merthyr Tydfil – Abergavenny. The Merthyr – Swansea section is currently served for just four through journeys a day on poor quality vehicles, while the Merthyr – Abergavenny service is hourly but takes 90 minutes. I recommend that discussions with regional transport consortia, educational establishments and major employers be held to identify corridors of 25 miles plus where there is passenger demand but no or poor services at present. As will be discussed later, the operation of commercial services on the corridor should not exclude them from the TrawsCymru network.
- 2.20. It may be that in due course Welsh Government may wish to consider including some cross-border routes in the network.

## Conclusion

- 2.21. There is a strong strategic case for a network of medium- to long-distance, limited stop bus routes that connects towns in Wales and which complements the rail network. This takes forward the ambition of “filling gaps in the rail network” and will enable people, and especially people on low incomes, women, young and older people and disabled people, to have the personal mobility that is taken for granted by others.
- 2.22. Evidence and stakeholder views support the inclusion of the principal north-south routes in the network, and those from Aberystwyth to West Wales and from north-east Wales to the Aberystwyth area. These and any additional routes require robust business plans to support their inclusion in the network and to ensure that services meet people’s needs.

### 3. SERVICE STANDARDS

3.1. In my brief, I was asked to set out what a longer distance bus and coach network should look like in terms of key service quality features. These included vehicles, service frequencies, ticketing and passenger facilities. I was also asked to look at how TrawsCymru should integrate with other modes of transport. I have concluded that TrawsCymru should have the following features:

- **TrawsCymru services should serve intermediate bus stops as well as main towns but avoid detours;**
- **the impact of intermediate stops should increase the journey duration by a maximum of 50%, with about 33% being preferable;**
- **reliability is paramount. Frequency and timetabling of services should be based on passenger demand;**
- **connections with rail services should be made where there is passenger demand for them but should not override the wider purpose of TrawsCymru;**
- **where connections are offered, rail and bus should be closely integrated;**
- **TrawsCymru should promote and accept CymruConnect through-tickets, and action should be taken to improve the profile and performance of CymruConnect;**
- **concessionary fares should be available on TrawsCymru routes;**
- **the use of low-floor buses with high spec interiors is a necessary compromise to ensure disabled access;**
- **the specification of any vehicles procured in future should be based on market requirements, and the procurement process should be rigorous;**
- **TrawsCymru services need to address passenger facilities at bus stations and passenger information, which are part of responding to passenger needs.**

I have reached these conclusions for the reasons set out below.

#### **Express vs stopping services**

3.2. At present the TrawsCymru network is a hybrid of local and limited stop services, with some services observing intermediate stops and / or deviating from their main route to serve small villages. The view that TrawsCymru should comprise non-stop, express services is widely held among stakeholders and commentators. They argue that intermediate stops slow TrawsCymru services to an unacceptable extent and suggest that it should stop only at main towns, with demand-responsive transport such as BwcaBus providing feeder services from smaller settlements.

3.3. This argument is initially persuasive but after consideration I have concluded TrawsCymru should not comprise non-stop services, at least for the majority of TrawsCymru services, for three reasons.

- 3.4. First, evidence on boarding and alighting on the T4 shows that the numbers using intermediate stops are very low. Data compiled from on-board measurement indicate that in May 2013, 75% of passengers boarded at the principal bus stations of Cardiff (plus North Road, Cardiff), Pontypridd, Merthyr Tydfil, Brecon, Builth Wells, Llandrindod Wells and Newtown. Half of passengers alighted at the principal bus stations and the rest alighted at a wide range of intermediate stops. A small number of bus stops had fewer than 10 passengers boarding or alighting during the whole of May 2013. The impact on journey time of the small number of passengers boarding at intermediate stops is likely to be very modest, although I acknowledge that the impact of a larger proportion of passengers alighting at intermediate stops could be somewhat greater.



### **1 Connecting People and Communities**

- 3.5. It could be that the impact of intermediate stops and route diversions is different on other services than on the T4. Before decisions are taken on stopping places on other services, there therefore needs to be an analysis of passenger demand for express vs stopping services, of boarding and alighting patterns and the impact on journey time.
- 3.6. Second, the impact of intermediate stops and route deviations where they do occur does not appear to be excessive at present. Almost all journeys will take longer by bus than by car simply because of time taken for passengers to board, manoeuvrability of the vehicle etc. Table 2 shows end-to-end journey time of TrawsCymru routes by bus and car. All journeys take longer than the car, although only the X94 Wrexham – Barmouth takes more than 50% longer.
- 3.7. Bus users' tolerance of the differential between car and bus journeys varies with the purpose of travel (e.g. commuter, business travel or leisure), the amount paid (e.g. concessionary fare

payer or full fare) and with the impact of other factors (e.g. journey comfort). Some people have no choice but to tolerate a bus journey no matter how long, as they have no other means of travel. More than three-quarters of those in a survey of T4 users said they had no alternative to using the bus.

- 3.8. There is no guide on the ‘time penalty’ that bus passengers are prepared to accept. The Wales Transport Forum’s 2003 report suggested a differential between bus and car on TrawsCymru routes of just 15% - which is in effect a non-stop service. In the absence of a guide, a rule of thumb should be that TrawsCymru services should ideally be no more than 33% longer than by car, and never more than 50% longer. These figures are no more than my personal views as a bus user and further research amongst passengers should be undertaken to establish if this is reasonable.
- 3.9. Using this admittedly rough and ready approach, TrawsCymru services’ observation of intermediate stops does not appear to have an unacceptable impact on journey time (Table 2). This is not to say that there are not some ways that journey time could be reduced. Some stakeholders identified deviations on the T4 route which should be eliminated. Data for May 2013 suggest that passenger use of the deviation to Boughrood is very limited (four boarding and 12 alighting in the 4 week period) although use of the deviation to Felin-Fach is slightly greater (24 boarding and 25 alighting). Data on passenger use should be carefully monitored so that any route deviations that are rarely used can be reconsidered.

**Table 2 Comparison between car and bus journey times**

Route	Distance	Journey time by car	Journey time by bus	Difference in minutes	Percentage difference
<b>40 Aberystwyth – Carmarthen</b>	48 miles	1 hr 25 mins	2 hr 2 min*	39 min	46
<b>T2 Bangor – Aberystwyth</b>	87.3 miles	2 hr 24 min	3 hr 15 min	51 min	35
<b>X94 Wrexham – Barmouth</b>	57.9 miles	1 hr 33 min	2 hr 23 min	50 min	54
<b>T4 Merthyr Tydfil – Newtown</b>	74.4 miles	1 hr 45 min	2 hr 35 min	50 min	48
<b>X50 / 550 Aberystwyth – Cardigan</b>	38 miles	1 hr 2 min	1 hr 19 min	17 min	27

\* to rail station

Note: distances and car journey times based on information on Google Maps, from bus station to bus station. Bus journey times based on weekday journey, information from TravelineCymru

- 3.10. The third reason for maintaining a ‘hybrid’ TrawsCymru network is that some stakeholders have suggested that the demand for express services is limited, and that communities would be without a bus service if they were not served by TrawsCymru. There is no up to date evidence on passenger demand for express services, although it was concluded in 2003 that demand would not be sufficient to warrant non-stop services. Equally, it cannot be said with certainty that local bus services would not be available if TrawsCymru no longer stopped at intermediate stops – in some cases local authorities may need to step in to support services or

to ensure demand-responsive services are available. If they did so there would be a double cost to the public purse.

- 3.11. What is known, however, is that passenger demand across much of mid Wales is insufficient to support a large-scale commercial bus network. In Wales as a whole, 30% of the bus network is non-commercial services but this rises to more than 95% in Powys. Splitting what demand there is between express and local services seems likely to result, at best, in two, underused subsidised services or, at worst, the prospect of a nearly empty, Government-subsidised coach service bypassing communities where people have no means of getting to work or college.
- 3.12. The decision is ultimately one of political priorities – whether the need for speed outweighs the need for a bus service. My view is that it does not.

### **Timetabling and Frequency**

- 3.13. The most important feature in bus services is reliability. Frequency and timetabling of services should be based on passenger demand, combined with consideration of operational issues and the cost of providing services.
- 3.14. Evidence shows that the most important feature for passengers is reliability of services. This should be the number one priority in timetabling TrawsCymru services, even if journey length increases slightly as a consequence or frequency suffers. Unfortunately reliability of the T4 has, to date, been disappointing mainly because it is affected by congestion in and out of Cardiff as well as the inevitable road works, tractors and occasional road traffic accident on its journey of over 100 miles. T4 passengers are, nevertheless, generally satisfied with reliability, awarding a score of 7.5 out of 10 – the second highest rated feature of the service.
- 3.15. While some have suggested that a desirable frequency for all TrawsCymru services is two-hourly, this may not be appropriate to demand or feasible operationally. It may be that on some corridors where demand is low a less frequent service would be acceptable. Elsewhere where demand is higher, more frequent services at certain times of day may be required. I can see no merit in Welsh Government funding bus services that are empty simply because of a rigid service requirement, and recommend that the idea of a two-hourly service as a matter of course be dropped.

### **Integration with other Transport**

- 3.16. **TrawsCymru needs to have good connections with onward rail services as well as other bus services and community transport.** It is highly unlikely that all this can be achieved simply because of the complexities of timetabling multiple services, but nevertheless every effort should be made to provide connections to at least some, key, rail services.



## Rail

- 3.17. In terms of rail, timetabling, stopping places and ticketing are key. Where there is evidence of demand from passengers for connections to the rail network, every effort should be made to ensure close integration between TrawsCymru services and rail services. This could include stops as close as possible to the station entrance (perhaps mirroring the ‘cheek-to-cheek’ integration found elsewhere in Europe), good signage to / from bus stops, good passenger information about timetables and any delays, and management of connections (including agreed waiting times and customer care if connections are missed). Connections between tendered TrawsCymru services and rail services in the Wales and Borders franchise ought to be eased by Welsh Government funding both.
- 3.18. This is not to say that there should *always* be a rail connection. In the case of T4, a connection at Merthyr Tydfil Rail Station is not desirable because the T4 itself offers onward travel to Cardiff (on its commercial leg). Passengers generally prefer not to change vehicles or modes of transport and the bus is, in this instance, quicker than the rail service. There may be other instances where passengers do not demand a rail connection.
- 3.19. Through-ticketing is important where passengers are making onward rail journeys. Cymru Connect, funded by Welsh Government, already enables Arriva Trains Wales passengers to book a through-ticket to many destinations on the bus network operated by Arriva and other bus operators (see Figure 2). Unfortunately the arrangement does not permit the transaction in reverse, i.e. the purchase of rail tickets on the bus, nor does it extend to services operated by First Great Western or Virgin Trains.
- 3.20. Several stakeholders advised me that the arrangement is not well-known, and that CymruConnect tickets are sometimes not accepted by bus operators. CymruConnect tickets are not mentioned or available to purchase on either the National Rail Enquiries website or Arriva Trains Wales online ticket purchasing page, although CymruConnect is mentioned on a separate page of the Arriva website.<sup>8</sup> The apparently low profile of CymruConnect and issues with its acceptance should be raised by Welsh Government with Arriva Trains Wales as a priority. The potential for through-ticketing with First Great Western and Virgin Trains should be explored.
- 3.21. As a first step, CymruConnect tickets should be actively promoted and readily accepted on all TrawsCymru routes, with immediate effect. For the avoidance of doubt, the specification of tendered services should include acceptance of and publicity for CymruConnect tickets.

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<sup>8</sup> <http://www.arrivatrainswales.co.uk/CymruConnect/>

**Figure 2 CymruConnect Network**



3.22. Integration with other bus services for onward travel is also important. Here too through-ticketing and co-location of stops would be an advantage. The best way of securing good integration between local bus services and community transport is for TrawsCymru to be incorporated into regional bus strategies. This is already the case in the draft strategy for mid-Wales where TrawsCymru routes form the ‘spine’ of bus services in the area, but less so in other areas where TrawsCymru is less central to travel within the region. Guidance to regional transport consortia to include TrawsCymru services in their bus strategies would support better integration.

3.23. **I have concluded that concessionary fares should be available on TrawsCymru routes.** Some stakeholders have suggested that concessionary fares should not be offered as the services are not local buses but express ‘trains on rubber tyres’. Concessionary passes are extremely popular with older people, and requiring older people to pay for what may be the only bus service available to them runs counter to Welsh Government objectives for the well-being of older people, social justice and equality.

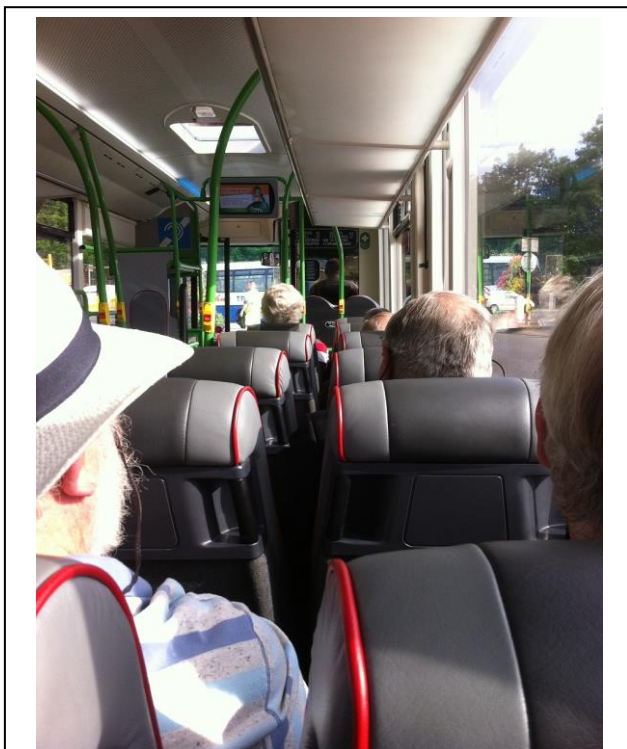
## Vehicles

3.24. **I have been asked to consider the question of vehicles for TrawsCymru services, and have concluded that the use of low floor buses with coach-style interiors, such as the Optare**

**Tempo vehicles in use on the T4 and T9 services, is a necessary and acceptable compromise.**

I have reached this view for the following reasons.

- 3.25. First, the Optare Tempos in use meet the requirements of the majority of passengers. A passenger consultation in 2010 established that the top three priorities for users of services were availability of toilets, additional leg room and luggage space. A slight majority (56%) said that they preferred low floor buses whereas 34% said they favoured a high floor coach.
- 3.26. The Optare Tempos are low floor, and offer additional leg room and luggage space. They also offer features that are standard on coaches in the form of high-backed, comfortable seating, double glazing and air conditioning, Wifi and some tables. Customer satisfaction surveys undertaken on the T4 show a high level of satisfaction with the vehicles, with a score of 8.1 out of 10 – the highest rated feature of the T4 service. The only feature on passengers' wish list missing from the T4 is an on-board toilet. Some informal feedback suggests that tables are not a requirement.
- 3.27. Second, I believe that prioritising the accessibility of a low floor vehicle over the comfort of a coach is the right balance. A number of experts in the bus industry informed me that low floor coaches are simply not manufactured, so use of ordinary, high floor coaches on TrawsCymru services would mean that vehicles are not accessible to anyone with a mobility impairment, including wheelchair users, older people unable to climb steps or people with young children in buggies. Providing publicly funded transport services which are inaccessible to the very people the service is supposed to help runs counter to the Welsh Government's commitment to equality and inclusion and, in my view, would not be appropriate.



**2 Interior of a T4 Optare Tempo**

3.28. Third, I do not consider the facilities offered by the Optare Tempos to have too many “bells and whistles” as one stakeholder said. It is the case that the vehicles are relatively high spec and are not cheap. However, whilst the Welsh Government should not support unnecessary features on vehicles, if bus users are to be treated decently and passengers attracted from cars they should travel in a good quality vehicle, particularly over longer distances. The abysmal standard of some commercial vehicles should not be the bench-mark.

- 3.29. Fourth, I do not agree with the suggestion by some stakeholders that the vehicles did not have sufficient power or manoeuvrability for rural roads. The T4 operator, Stagecoach, has said there are no difficulties on this route and the local authority that procured the vehicles road-tested them prior to purchase. It may be that the Optare Tempo is not the most appropriate vehicle for other routes however.
- 3.30. The features to be included on vehicles used on other TrawsCymru routes should be based on the market analysis I have recommended be undertaken. It might be that some routes need different features to the Optare Tempos, or should be a different capacity. It should not automatically be assumed that more Optare Tempos are required, but equally it should not be assumed that the solution is 14 year-old bone-shakers either.
- 3.31. Last, the procurement process for any further vehicles could be strengthened. I was advised that as well as delays in delivery there have been a numerous operational issues (poor fitting, rattling, malfunctioning audio-visual displays, water ingress), most of which are believed to have arisen because the contractor was in the process of relocating production. Most issues have now been resolved and those outstanding are under negotiation with the contractor. It is however an experience to be avoided in future.

## **Passenger facilities and information**

- 3.32. **Having considered (and experienced) some facilities at bus stations, I have concluded that TrawsCymru services need to address the availability and quality of passenger facilities at bus stations en route, some of which are poor.** This is for the following reasons.
- 3.33. First, passengers' overall experiences of a bus journey include facilities at bus stations as well as on-board features. There is little benefit in having Wifi on the bus if passengers get soaked in the rain waiting for it. Significantly, users of the T4 rated facilities at the bus stop the lowest of all aspects of the service, scoring it just 5.3 out of 10. Some bus stations, e.g. Merthyr Tydfil, are expected to be redeveloped in the near future, but basic requirements of shelter, correct information and public safety should be in place irrespective of development plans.
- 3.34. Second, in the absence of on-board toilets, facilities should be available at regular intervals en route. The availability of toilets at bus stations should be highlighted in bus timetables and by drivers, and time for comfort breaks built into the bus schedule. For example, the availability of toilet facilities at Brecon bus station is not indicated in the T4 timetable nor, in my experience, explained by drivers. Maintenance of toilet facilities should be agreed with the relevant local authority, as outlined in my proposals for implementation.



**3 Swansea Bus Station**

3.35. Third, any bus service is undermined if information is incorrect or simply not available. While T4 may be the most popular timetable downloaded from the Traveline Cymru website, T4 passengers are only moderately satisfied with the information available rating it 6.3 out of 10. Bus users are predominantly older and have low incomes – both groups of people with much lower use of the internet than average. As a frequent user of the T4, I have yet to see timetable information on board although I understand a leaflet is in preparation. Provision of information needs to be included in the proposed business plan and operational from day one of the service.

3.36. TrawsCymru services should provide a minimum level of passenger facilities at bus stations including:

- shelter from wind and rain;
- accurate information, in legible font at eye level;
- seating;
- good lighting;
- litter bins and regular cleaning;
- toilets on-site or nearby.

## Conclusion

- 3.37. This review has identified a number of aspects of the service on which, in my view, TrawsCymru is (or will shortly be) delivering well. The frequency of stops, choice of vehicle and availability of concessionary fares are an appropriate compromise between providing reasonably fast, direct and comfortable medium- to long-distance bus services with the requirements of equality and social justice.
- 3.38. There are other aspects, however, where there is room for improvement. These mainly concern off-bus facilities and services, such as bus station facilities, information and through-ticketing, not all of which are in the control of Welsh Government or local authorities. These present a real challenge yet they must be addressed if people in Wales are to have a decent quality way of undertaking medium- to long-term journeys.
- 3.39. There are some issues on which it is impossible to reach a conclusion in the absence of evidence. I am strongly of the view that services should reflect passenger (and potential passenger) needs and preferences. Decisions about, for example, connections with rail services and the specification of vehicles should therefore be based on sound market research. If that means that there is variation between different TrawsCymru services so be it – what matters is passengers.

## 4. MANAGEMENT AND DELIVERY

4.1. In my brief, I was asked to consider options for ensuring ways in which the longer distance network can be managed and delivered efficiently, how it should be monitored to ensure it meets key strategic Welsh Government objectives and how it can remain responsive to passenger expectations. I have done this mindful that rapid progress needs to be made to maintain the credibility of the network, and concluded that:

- **TrawsCymru services should be delivered, in the short term:**
  - a. **On a route by route basis rather than as a whole network franchise;**
  - b. **Using tendered services where commercial services are not viable;**
  - c. **Including commercial services within Statutory Quality Bus Partnerships where such services operate. Welsh Government commitment and support will be needed to take Statutory Quality Bus Partnerships forward.**
  
- **The focus of effort in the short term should be on implementation of the five core TrawsCymru routes rather than expansion of the network as follows:**
  - a. **Service T5 (Aberystwyth – Cardigan – Haverfordwest) should be implemented as a tendered service as soon as possible;**
  - b. **Service T2 (Bangor – Aberystwyth) should be progressed through a mix of commercial and tendered services within a Statutory Quality Bus Partnership, ready for full implementation in November 2014;**
  - c. **Service T1 (Aberystwyth – Carmarthen) should be progressed through a Statutory Quality Bus Partnership with back-up tendering should commercial services fail;**
  - d. **Service T3 (Wrexham – Barmouth) should be progressed through a Statutory Quality Bus Partnership.**
  
- **Welsh Government funding for TrawsCymru services should be provided through a management agreement with the relevant local authority. Funding should be based on the business plan prepared by the local authority and other partners and could include support for passenger facilities, bus priority measures, marketing and information and customer care / complaints handling as well as the tendered service itself. The agreement should include performance measures for which local authorities would be accountable.**
  
- **The TrawsCymru strategic board should focus on strategic issues with corridor delivery groups dealing with operational matters, on a formal basis. Both groups should have strengthened user representation.**
  
- **In the longer term, if the network grows, delivery via a franchise, either part of the new rail franchise or a freestanding bus franchise, may be desirable. Discussions about this option need to begin now.**

The reasons for these conclusions are as follows.

## Implementation of Routes

- 4.2. Rapid progress needs to be made to implement the current TrawsCymru network in full. It has taken a decade from the then Government's indication that it wished to establish a network of medium- to long-distance services to the operation of the first, branded TrawsCymru service, T4 (Cardiff – Newtown). Although some progress is being made towards the delivery of other services (some services now run as T2 (Bangor – Aberystwyth) though not with TrawsCymru branding and preparations are being made for a T5 (Aberystwyth – Cardigan – Haverfordwest) service), implementation of T1 (Aberystwyth – Carmarthen) and T3 (Wrexham – Barmouth / Aberystwyth) has not been able to progress.
- 4.3. Welsh Government and local authority powers in respect of bus services are limited by a mix of EU legislation, competition legislation and the Transport Act 1985. Within these constraints and notwithstanding the two transport acts specific to Wales, there are only four ways in which public transport services can be provided:
- Commercial services (either wholly or with 'de minimis' support).
  - Tendered services where no commercial services operate.
  - Statutory or voluntary Quality Bus Partnerships – SQBPs - (which specify the standards to which commercial services must operate in return for access to publicly funded activities).
  - Statutory Quality Bus Contracts (which have onerous requirements which effectively 'franchise' bus services).
- 4.4. Although some stakeholders have argued for franchising of the TrawsCymru network, I have concluded that it is not feasible *in the short term* when substantial parts of it are commercially operated, and it is not necessarily desirable in terms of cost or efficiency. If the TrawsCymru network grows to 10-12 of primarily tendered services in the future, Welsh Government could then reconsider delivery via a franchise. This could be through inclusion of provision of long-distance bus services in the forthcoming rail franchise. This would remove the provision of services from the requirements of the Transport Act 1985 (and subsequent legislation), enabling Welsh Government to plan and ensure delivery of the network it requires. However, my understanding is that it may not remove the provision of services from competition legislation – nevertheless, Welsh Government may wish to begin discussions about legislation and competition issues.
- 4.5. While a franchise may be an attractive proposition for 2018 onwards, bus passengers should not be expected to endure poor or no services for the next five years. The *only* ways in which TrawsCymru can be progressed in the next 3-5 years is through tendered services or voluntary or statutory QBPs.
- 4.6. **Tendered services:** stakeholders identified a number of ways in which tendering for bus services could be strengthened. Where services are delivered through tendering, Welsh Government should specify standard terms to be included in the tender, based on best practice and including:



- Tender pricing to be net of revenue, to give the operator incentives to maximise income.
- The tender to be of sufficient duration (up to 5 years) to allow depreciation over this period of vehicles provided by the operator and development of patronage.
- If vehicles are provided by Welsh Government / local authority, the issue of vehicle maintenance to be included.
- Innovate incentives such as revenue –sharing, user satisfaction bonuses to be explored.

- 4.7. **Voluntary or statutory quality bus partnerships:** at least two bus operators are on record as being keen to enter partnerships with public authorities in Wales. However no partnerships have been agreed or ‘made’ to date, not least because of gaps in expertise and commitment to funding. Not only can bus partnerships improve services for the public they can give bus operators confidence to invest and grow – the industry currently employs 8,500 people.
- 4.8. Taking TrawsCymru forward in the short term using a mix of tendered and quality bus partnerships requires a different approach on each corridor. I recommend that the following:

#### **T5 Aberystwyth – Cardigan – Haverfordwest**

- 4.9. This service is currently covered by the X50 and 550 tendered service Aberystwyth – Cardigan and the 412 tendered service Cardigan – Haverfordwest. Combining the two services into a single, tendered T5 service will offer passengers the benefit of a through service, improved frequency and better facilities. It is also expected that there would be cost savings from a single tendered service.
- 4.10. There has already been some investment in real-time information systems in anticipation of the T5. There has been consultation on a statutory quality bus partnership for the service and arrangements are in hand to tender the service depending on the outcome of this review.
- 4.11. Given the above, I recommend that service T5 be tendered and implemented under the TrawsCymru brand as soon as possible. Progress should not be delayed by preparation of a business plan for the service, but an information and marketing plan, specification of key performance indicators and targets for the service and complaints procedure should be developed prior to the service starting.
- 4.12. While arrangements are underway to establish a Statutory Quality Bus Partnership, it is worth noting that this not essential where the service is tendered unless the parties wish to impose restrictions on registration of other services. It is also unusual that it is only the two local authorities that are signatories to it.

## **T2: Bangor – Dolgellau - Aberystwyth**

- 4.13. The corridor is currently served by a mix of tendered and commercial services, some along the whole corridor, some along shorter legs e.g. Dolgellau – Aberystwyth. The tendered services were service-specific, emergency arrangements made following Arriva’s withdrawal of the 2-hourly, commercial X32 service in September 2012. The contracts operate to November 2014. Gwynedd Council said in October 2012 that they intend to establish a statutory quality bus partnership along the corridor but it has not been progressed.
- 4.14. A sparse population particularly along the middle section of the route and limited use of the corridor for longer-distance journeys on current services (just 16% of passengers made such journeys at October 2012) have contributed to the low demand. On the other hand, there are a number of commercial services that operate on shorter stretches of the corridor e.g. Aberystwyth – Machynlleth: operators of these services are likely to object to tendered services that ‘abstract’ patronage.
- 4.15. The mix of commercial and tendered services along the corridor and its numerous sub-sections make the corridor very suitable for a voluntary or Statutory Quality Bus Partnership. It ought to be feasible to combine tendered and commercial sections of route, as has been done with the T4, to give passengers the best possible journey without affecting competition. A voluntary or SQBP should be taken forward as a matter of urgency before the current contracts expire.
- 4.16. Analysis of demand for medium- to long-distance journeys on the route should be undertaken to establish the frequency and type of vehicles required for medium- to longer-distance journeys on the corridor before implementing a new, TrawsCymru branded T2 service. In doing so, account should be taken of providing connections to services to the significant employment opportunities forecast at Wylfa, as well as to hospitals at Caernarfon and Aberystwyth.

## **T1: Aberystwyth - Carmarthen**

- 4.17. The T1 has been by far the most problematic of the TrawsCymru services. The corridor was served until February 2012 by a mix of partly-commercial and partly-tendered services (X40) operated by Arriva using local authority owned vehicles leased to the operator and with financial support under de minimis rules. Arrangements to re-tender the service and make a Statutory Quality Bus Partnership were not progressed when Arriva unexpectedly registered a new, commercial service 40 on the corridor, operated under its own Cymru Express brand.<sup>9</sup>
- 4.18. In my view the services provided at present are not those to be expected on strategically-important route. While it does provide the desired hourly ‘clock-face’ service and connections at Carmarthen rail station, there have been 9 changes to the timetable and / or route

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<sup>9</sup> Arriva also operated a service 10 from Aberystwyth – Swansea which was deregistered from July 2013 and a service 20 from Aberystwyth – Cardiff which was deregistered from September 2013 but has now been reregistered. There is also a twice a week coach service from Aberystwyth to Cardiff.

registered with the Traffic Commission in just 19 months, reliability is poor with connections with other services often being broken, concerns about driver behaviour and limited improvements to vehicle quality. These issues have generated a great deal of user protest. These issues, together with a significant risk of further changes to the service or of complete withdrawal at short notice mean it is timely for Welsh Government and local authorities to take action.

- 4.19. **After careful consideration, I have concluded that the best way forward for this corridor is a ‘twin-track approach. In the first instance, local authorities with Welsh Government backing should seek a new Statutory Quality Bus Partnership.** This is because full tendering of services is not feasible as they would be in direct competition with Arriva’s commercial services. That there is uncertainty about the future of Arriva’s services and that Arriva’s standards are below Welsh Government expectations in some respects is not in my view a sufficient basis to move to tendering the service immediately, as it is patently not the case that the “service ... would not be provided without subsidy”.<sup>10</sup> It may, however, be appropriate (subject to demand) to tender early morning or evening services, which are not currently operated commercially, to TrawsCymru standards.
- 4.20. A SQBP would enable specification of standards for the provision of commercial services, including timing, frequencies, maximum fares, vehicle standards, reliability and connections as a condition of using new, local authority-provided facilities. It might be that there may need to be some variation of TrawsCymru branding and standards in order for the partnership to be acceptable to operators. I understand that Arriva have earlier this year raised the possibility of public subsidy to enable it to meet the previous draft SQBP vehicle standards and offer other benefits. There are issues about whether the sum requested by Arriva is reasonable (it is some 20% higher than the cost of the full tendered service in 2011/12), and there are questions about whether any subsidy would fall within the de minimis regulations and the requirements of EU Regulation (EC) No 1370/2007. Further discussions with Arriva will clearly need to take place.
- 4.21. SQBPs also require local authorities (and Welsh Government if it wishes to be party to the agreement) to make commitments to provide facilities for bus operators’ use. If Welsh Government wishes to proceed with this approach it will need to be willing to commit funding itself and to local authorities for these purposes.
- 4.22. **At the same time, in view of the continued uncertainty about Arriva’s services on this corridor, local authorities and Welsh Government ought to make provision for moving to a fully tendered service in case Arriva de-register any or all of the current service.**

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<sup>10</sup> S63(5) Transport Act 1985.

### T3: Wrexham - Barmouth

- 4.23. This route is currently operated by Arriva Buses Wales on a commercial basis as service X94. Over the years Arriva have made a number of changes to services, the timetable and the route (cutting out villages for example) which have generated protest. Arriva have indicated that they would restore diversions on the route if a public subsidy was available. As with the Aberystwyth – Carmarthen service, there are concerns about the future viability of the X94.
- 4.24. The only step that can be taken to introduce TrawsCymru standards and branding at this stage is to establish a Statutory Quality Bus Partnership along this corridor, which may involve specifying connections at Dolgellau for Aberystwyth. Should Arriva deregister some or all of the services on this route then tendering of some or all services may be required.

### Implementation Powers

- 4.25. The approaches outlined above depend on tendering services and making SQBPs. In the course of this review, it was said on many occasions that only local authorities, and not the National Assembly for Wales, have the necessary legal powers to tender services or make Statutory Quality Bus Partnerships. I am not a lawyer but this seems a very cautious interpretation of the legal position.
- 4.26. It is the case that local authorities, and not Welsh Government, have *specific* powers to tender non-commercial services (Transport Act 1985). However, the National Assembly for Wales has *general* powers under the Transport (Wales) Act 2006 and Government of Wales Act 2006 to:
- Secure the provision of any public passenger transport services which would not operate without a subsidy (Section 7, Transport (Wales) Act 2006);
  - “Do anything” to promote or improve the economic, social and environmental wellbeing of Wales including entering into arrangements or agreements, within fields devolved to the Assembly (Section 60, Government of Wales Act 2006).
- 4.27. The Assembly may not “do anything” if it contravenes competition law nor which affects non-devolved fields. Nevertheless, my conclusion is that the Assembly has powers to tender for subsidised TrawsCymru services if it so wishes, and that it may enter agreements with bus operators, either alone or jointly with local authorities, provided that the agreement does not prevent or hinder competition. These could be very similar to Statutory Quality Bus Partnerships, as these are known to be acceptable to the Competition Commission, even if they do not have that legal form. Welsh Government may wish to seek legal opinion before acting however.
- 4.28. The question of whether the Assembly *should* tender or enter agreements with operators is another matter.

- 4.29. To date, local authorities have tendered and managed services, and been the lead partner in any draft SQBPs. While some stakeholders expressed concern that local authority involvement 'diluted' the strategic nature of TrawsCymru and that the result was fragmentation with several authorities potentially managing TrawsCymru services, I have concluded that, while the network is relatively small, this is a better option than Welsh Government tendering the services. This is because the day-to-day management of the contracts requires an 'on-the-ground' input that it would be impossible for Welsh Government officials to deliver. Dealing with the plethora of operational issues such as diversions because of road works, connections with onward services or lighting at the bus station requires local knowledge and an ability to trouble-shoot at local level, that arguably ought not to be part of the mainstream civil service. Welsh Government's role should be to provide leadership, set standards for delivery and monitor performance.
- 4.30. That said, it was widely recognised by stakeholders that there are issues of capacity and expertise in some, but not all, local authorities that have the ability to frustrate the Welsh Government's intentions. Welsh Government may then either have to invest in temporary capacity in the authority, arrange for another authority to take the lead, or make arrangements itself.
- 4.31. I have considered whether a body, such as a company limited by guarantee, or unit at arms-length from the mainstream of the civil service might be able deliver TrawsCymru services. There would be advantages in terms of profile and concentration of expertise (which I was advised was lacking in many authorities in Wales) but I concluded that the time and costs involved in setting up such a body to manage what is still, now, a very small network would be disproportionate. As the network develops, however, this may be an option – it should remain 'on the table' as TrawsCymru develops. The question of Welsh Government delegating its powers to such a body would need to be resolved if it was free-standing.

## **Governance**

- 4.32. Arrangements for good governance are vital for Welsh Government to be assured that good quality services are being delivered and that public funding is being used properly and effectively. I have concluded that current arrangements should be developed and strengthened as follows:
- Welsh Government funding for TrawsCymru services should be provided through a management agreement with a local authority. Funding should be based on the business plan prepared by the local authority and other partners and could include support for passenger facilities, bus priority measures, marketing and information and customer care / complaints handling as well as the tendered service itself.
  - The agreement should include performance measures for which local authorities would be held accountable.

- The TrawsCymru strategic board should focus on strategic issues with corridor delivery groups dealing with operational matters, on a formal basis. Both groups should have enhanced user representation and a strengthened secretariat function.

I have reached these conclusions for the following reasons.

- 4.33. The current arrangements mean that Welsh Government provides the great majority of funding for TrawsCymru but does not directly control the service. This can cause confusion, evidenced by complaints are made to Ministers and AMs as TrawsCymru is branded as a Welsh Government service, and lack of accountability. In the case of service T4, there is a funding agreement between Welsh Government and Powys County Council which follows best practice for grant aid. However its focus is on safeguarding the public purse and it is less concerned with specification of the service and performance to be provided.
- 4.34. I recommend that Welsh Government reaches a broader management agreement with the relevant local authority, based on the proposals in the business plan for the service. This should embrace not only requirements in respect of procurement of the tendered service itself, but also requirements in terms of passenger facilities, bus priority measures, marketing and information, customer care and complaints handling etc. It may be that Welsh Government grant aids some of the expenditure required to deliver the whole package of requirements, not just the tendered service.
- 4.35. The agreement should include agreed measures of performance (see later), such as patronage, reliability, complaints and customer satisfaction reports, through-ticketing arrangements as appropriate. The local authority should be held accountable for performance, with authority in turn holding its contractors to account.
- 4.36. As mentioned in para 4.28, if a local authority is unable or unwilling to tender a service or take forward a SQBP, then Welsh Government needs to either fund a temporary resource (if it is a skills / capacity issue) during the development phase or take arrangements forward itself.
- 4.37. The role of the TrawsCymru Strategic Board should be to oversee the performance and development of the TrawsCymru network. It should not get involved in operational matters such as the specification of vehicles or routes. It was clear to me that many members of the group were frustrated by the discussion of matters of detail and the absence of performance monitoring information. While there is in my view still a role for the Board, its nature needs to change. I therefore recommend that it has a wider membership, involving bus users (perhaps by co-option of Bus Users UK Cymru, an organising representing older people and organisations representing students and business interests) and an independent chairman or woman. It should be furnished with the information it needs to oversee performance.
- 4.38. Corridor delivery groups have an important role to play and should be developed further. Operational matters should be discussed in these groups and not at the Strategic Board. Here too there needs to be a strong input from user representatives. These groups effectively monitor and develop each corridor and as such their business should be conducted formally, with agendas, reports and minutes. Their minutes should be received by the Strategic Board.

The chair and secretariat function should be separate to avoid conflicts of interest as well as difficulties managing meetings.

## Monitoring and Performance

4.39. In the course of discussions, many stakeholders said that there was insufficient monitoring of performance and outcomes. In fact, I identified a good level of monitoring information, at least in the case of the only operational TrawsCymru service, including:

- monitoring of punctuality by Powys County Council and Bus Users UK bus compliance officers;
- monitoring of driver behaviour e.g. speed and braking by on-board tracking;
- monitoring of boarding and alighting numbers by on-board measurement;
- monitoring of patronage;
- surveys of passenger satisfaction by Bus Users UK (albeit limited in scope);
- monitoring of phone enquiries and timetable downloads for the route from Traveline Cymru's website.

4.40. The exception is handling, responding to and monitoring user complaints, for which there appear to be no arrangements.

4.41. There did not appear to be systematic arrangements for collating and presenting this monitoring information into an overview of performance and outcomes. Not all monitoring data is routinely provided to Welsh Government (for example enquiries to Traveline Cymru on specific routes), nor does it appear that data is used in a systematic way. This is not to say that Welsh Government and local authority officials are not aware of key issues nor that they are not responding to them. Indeed passenger numbers and reliability data are performance measures in the Programme for Government, and I observed a 'corridor' meeting at which there was considerable discussion about low reliability. It is rather that performance measures are not routinely and formally used to manage routes and the network.

4.42. There is therefore scope for monitoring data to be used in a more sophisticated way, not only to improve services further but also to provide assurance that targets are being met and outcomes achieved. This could be achieved through preparation of monitoring reports on a regular basis (e.g. quarterly) and commissioning of larger scale satisfaction surveys.

## Conclusions

- 4.43. I have looked in some detail at delivery arrangements because lack of progress has bedevilled TrawsCymru and its predecessor. The underlying problem is that Welsh Government wishes to develop a network of bus services that, because of the de-regulation of services, it is simply unable to bring into being. There are two ways of looking at this. The negative view is that Welsh Government and local authorities are effectively beholden to commercial operators, left to fill in the gaps where commercial services do not exist and having to tolerate whatever services commercial operators provide.
- 4.44. The alternative is more positive. Commercial operators provide mostly reasonable quality services for 70% of the whole bus network, saving the public sector a great deal in subsidy or operational costs. Statutory Quality Bus Partnerships are an ideal way of working with operators to improve quality and get some degree of co-ordination of services that is so desperately needed. Taking them forward needs both skills and willingness, but also public funding.
- 4.45. I have concluded that, for now, delivery on a route by route basis and through management agreements with local authorities is the best way of combining accountability with local knowledge, although if the network grows this may change. I have also concluded that the user voice needs to be strengthened in the governance of TrawsCymru, and that the whole of network's operation needs to be informed by performance information that is used effectively.



## 5. FINANCIAL REQUIREMENTS

- 5.1. Reviewing the financial requirements and forward programme of TrawsCymru was not an explicit part of my brief but is an integral part of reviewing management and delivery, hence my conclusions that:
- **The estimated revenue requirement (including associated costs as well as tendered services) is between £1.6m and £2.2m p.a. (plus ongoing costs of T4 service), depending on how many services are tendered.**
  - **The estimated capital requirement (including associated costs of minor works) is between £2.9m and £4.5m depending on how many services are tendered.**
  - **Rough estimates suggest that cost per passenger journey on TrawsCymru compares favourably with rail, and that increased patronage as a result of service improvements is likely to reduce the cost further.**
- 5.2. Welsh Government officials have developed a draft interim forward programme, subject to the outcome of this review. If implemented in full the total requirement would £2.32 million revenue per annum and approximately £4 million capital (depending on which option for service T3 option is chosen), in addition to the ongoing revenue commitment to the T4. However, as services T1 and T3 are currently fully commercial, and T2 partially so, it is likely that the revenue and capital requirements will be lower.
- 5.3. I have also recommended that there is a revenue allocation for marketing, specialist support to progress SQBPs and capital allocation for improvements to bus stations and passenger facilities, including signage and information provision, and bus priority measures. As a very rough estimate, I recommend allocation of £0.3 million revenue (less than 10% of spend on tendered services) and £0.375 million capital (again, less than 10% of the proposed spend on vehicles) be earmarked to complement expenditure on the procurement of services themselves. Table 3 summarises my recommendation.
- 5.4. One way of putting cost in context is to look at the cost per passenger journey. Table 4 sets out a rough estimate of the subsidy per passenger journey for each TrawsCymru route. Although there are some important caveats about the reliability of passenger numbers on commercial routes, all of which pre-date any TrawsCymru services, it provides a “reasonable guess” of the level of subsidy. The average subsidy is per passenger journey on TrawsCymru is in the region of £4.69 per passenger journey. It is also worth noting that the increase in patronage on the T4 following improvements to services has dramatically reduced the subsidy per journey, which for Welsh Government is now below £1 per trip.

**Table 3 Estimated Capital and Revenue Requirement for TrawsCymru network**

	Forecast Revenue Requirement £ (a)			Capital Requirement £ (b)		
	Fully tendered	Part Commercial (C)	Other Revenue (d)	Fully tendered (vehicle costs)	Part Commercial (C)	Minor works (e)
T1 Aberystwyth – Carmarthen	600,000	300,000	25,000	1,080,000	500,000	75,000
T2 Bangor – Dolgellau – Aberystwyth	600,000	600,000	75,000	900,000	900,000	75,000
T3 (option a) Wrexham – Dolgellau – Barmouth	600,000	0	75,000	900,000	0	75,000
T3 (option b) Wrexham – Dolgellau – Aberystwyth	600,000	0	75,000	1,080,000	0	75,000
T4 Enhancement (in addition to ongoing costs)	120,000	n.a.	25,000	Use spare bus	0	75,000
T5. Haverfordwest – Cardigan – Aberystwyth	400,000	400,000	25,000	1,080,000	1,080,000	75,000
<b>TOTAL</b>	<b>£2.32 m</b>	<b>£1.3 m</b>	<b>£0.3 m</b>	<b>£3.96–4.14 m</b>	<b>£2.48 m</b>	<b>£0.375 m</b>

- (a) Net of forecast fare revenue
- (b) Purchase of low floor vehicles to TrawsCymru standards @ £180,000 each.
- (c) Assumes some or all of the services are provided commercially with a SQBP in place.
- (d) Assumes marketing and information costs of £25k p.a. and expert support for SQBP of £50k p.a.
- (e) Assumes minor works of £50k p.a

5.5. The subsidy per TrawsCymru passenger journey compares favourably with the subsidy per passenger rail journey. The estimate per passenger TrawsCymru journey is based on a low figure for patronage (2010/11 levels) and estimated costs of tendered services, i.e at the higher end of the spectrum. Rough though these figures are, they suggest that TrawsCymru does not require a disproportionate amount of support. When this is set alongside the benefits of public transport – which enables young people, older people and women to live more independent and fulfilling lives, saving on health and social care costs, helping skills and supporting the economy, I consider that it offers a cost-effective solution.

**Table 4 Estimated cost per passenger journey, TrawsCymru and rail**

Service	Patronage 2010/11	Estimated Revenue cost 2013/14	Estimated Capital cost 2013/14	Revenue cost per passenger journey	Capital cost per passenger journey
T2 / X32	53,412	600,000	900,000	11.23	16.85
T1 / X40	102,000	600,000	1,080,000	5.88	10.59
T3 / X94	75,246	600,000	900,000	7.97	11.96
T5 / 550	92,000	-	-	-	-
T5 / X50	60,321	400,000	1,080,000	2.63	7.09
T4 / 704	86,339	148,700*		1.72	0.00
Total Bus	469,318	2,200,000	3,960,000	4.69	8.44
Rail	26,000,000**	170,000,000		6.53	-

\* additional subsidy is provided by Powys County Council which is not included here.

\*\* Figures from written evidence from Arriva Trains Wales to House of Commons Welsh Affairs Select Committee

<http://www.publications.parliament.uk/pa/cm201213/cmselect/cmwelaf/writev/crossborder/m24.htm>

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