

Cynulliad Cenedlaethol Cymru	National Assembly for Wales
Y Pwyllgor Menter a Busnes	Enterprise and Business Committee
Gwasanaethau Bysiau a Thrafnidiaeth Gymunedol yng Nghymru	Bus and Community Transport Services in Wales
BCT 23	BCT 23
Yr Athro Stuart Cole	Professor Stuart Cole

## **CYNULLIAD CENEDLAETHOL CYMRU – Y PWLLGOR MENTER A BUSNES**

### **Gwasanaethau Bysiau a Thrafnidiaeth Gymunedol yng Nghymru**

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Athro Emeritws mewn Thrafnidiaeth, Canolfan Ymchwil Trafnidiaeth Cymru, Prifysgol De Cymru

## **NATIONAL ASSEMBLY FOR WALES – ENTERPRISE & BUSINESS COMMITTEE**

### **Bus and Community Transport Services in Wales**

**Evidence from Professor Stuart Cole CBE BA MSc FCILT FICE**, Emeritus

Professor of Transport, Wales Transport Research Centre, University of South Wales

## **Q1: The current position of bus and community transport sectors in Wales**

### Sector definition

There is a need to define what is meant by 'bus' services and by 'community transport' services.

The **bus network** includes those services operated profitably by private companies or municipal operators and which require no subsidy. This sector of passenger transport provision also includes subsidised services provided by the same private and municipal companies who, when local authority subsidy is included, are profitable for the operator. These are tendered services. 'Bus services' also includes but in a different form, *TrawsCymru* which is wholly funded by the Welsh Government currently through local authorities but with the Government's new procurement powers through the national transport company. *Bwcabus* the associated brand for demand responsive services is funded jointly by the Government, ERDF and Carmarthenshire / Ceredigion county councils in partnership with the University of South Wales.

These services operate as a 'business' with a clear corporate management style and lines of communication. The use of the term 'commercial' to distinguish them from community transport is a phrase recently taken up by some economy department civil servants which could be confusing as in the transport sector 'commercial' means a 'profitable' (i.e. a no subsidy requirement) service. This is not the case for most rural services and some urban routes.

**Community Transport (CT)** is in the main a volunteer driver based service. There are some exceptions in the larger operations where there is a more 'business' – style approach. Most CT operators are small local service providers. These can be in rural or urban areas and tend to be a demand responsive service with some timetabled operation. They operate in a closely defined area and do not as a matter of course provide passenger connectivity outside their locality and connections into a wider bus and rail network.

The service they provide in that locality is vital but many of them who receive public subsidy do need to examine their services to make full use of their vehicles for twelve or more hours each day. One way to do this is to feed spare bus capacity at agreed times into a sophisticated Bwcabus operation. This will reduce the cost per passenger trip in respect of seat capacity and so make better use of the capital invested in the vehicles

### Financial Performance

Operating margins for bus companies during the mid – noughties (2004 – 2007) were between 2% and 4%. Since then Welsh bus companies' profit margins have been between 6.5% and 8%. This is well below the margins of the 1990's and before of up to 15%. Profit levels of bus companies are below those required by most companies to prosper and grow.

It is understood that the Welsh subsidiaries of UK companies did better than most with profit levels of around 10%. The profitability of the two major municipal operators, Cardiff Bus and Newport Bus, will be affected by partial social service objectives set by their owners.

### Bus operating costs

An analysis of selected bus company accounts in 2004 and in 2014 show the costs split as:

Labour	60% (65 – 70%)
Fuel	17% (3%)
Overheads	8%
Insurance	3%
Maintenance	4%
Other	8%

(Source: Applied Transport Economics 3<sup>rd</sup> Edition Cole, S Publishers: Kogan Page; current bus industry statistics)

Figures in brackets are for 2004

Fuel costs for bus companies even with the benefits of hedging have risen by over 250% from 1999 to 2014. Prices have fallen more recently.

Driver productivity measured by miles operated has fallen due in the main to increased congestion particularly on urban roads

## **Q2: Reasons for a decline in bus service numbers and of bus passenger numbers in Wales.**

Two separate casual factors are implied in this question but both are part of a vicious circle. The decline in bus passengers led to fewer bus services returning a reasonable profit level (considered to be 15% at the time (1960's – 1990's) and thus services being reduced despite subsidy being provided. This service reduction led to less accessible bus services in particular in rural areas but also on urban evening and Sunday services leading to passengers finding more convenient modes or not travelling at all.

### Spatial changes

There has been an historic decline in bus usage since the 1960's following increased car ownership which gave wider opportunities to travel. This modal change has undoubtedly been the cause of most of the passenger loss. Simple journeys by young people based on the availability of the 'parent taxi driver' and the parental choice not to allow younger children to travel alone have reduced bus travel.

Other spatial changes which have contributed to the decline include:

- The development of housing estates with larger land plots per house (a change from terraced housing to detached and semidetached properties). In consequence a geographically compact population more easily served by buses was replaced by a pattern with a lesser critical mass.
- the creation of internet shopping (making travel to shop unnecessary); out of town shopping centres which unlike town centres do not have the critical mass of shoppers who can be brought to one central point in a town centre.
- fewer retail jobs exist;
- The development of employment centres and regional hospitals on the edges of towns or based at motorway junctions. These have made travel for shift work increasingly difficult or impossible by bus
- location of other health facilities

- The current procedure at major health centres where patients are asked to arrive at 09.00 when it may not be necessary to do so until later in the morning. This makes some journeys impossible by bus
- in those areas where community transport is provided, travel to doctor's surgeries and social service centres may have transferred from the bus service
- the decline of the cinema and theatre and other live entertainment both for sports fixtures and evening activities and the expansion of television channels and other home activities have led to fewer people 'walking the streets' of an evening.

#### 'Fiscal changes'

- reduced petrol prices led to people returning to car use (140p > 101p > 132p > 104p) as prices changed
- a reduction in the use of concessionary passes (down 4% from 2014 to 2015)

These have reduced the bus market share and in turn have made it more difficult for bus operators to provide the previously wide range of service destinations. This led to the withdrawal of evening services by most companies with journeys after 19.00 either having reduced frequency or requiring subsidy or not operated at all

Bus operations have also received more of a negative press than a positive image. The comments have been about unreliability, high fares, old uncomfortable vehicles and unhelpful staff. This only reflects a part of the bus business with considerable investment by many companies in new vehicles along with customer care training for drivers. The role of the Traffic Commissioner and of Bus Users Cymru is to monitor the timekeeping and cleanliness / physical condition of the bus; the Traffic Commissioner also has statutory powers of enforcement through financial penalties and changes in or withdrawal of bus operating licences. But a combination of those projected views (whether accurate or not) and often a single bad experience can dissuade existing and potential passengers from using bus services.

#### Detailed analysis of some factors

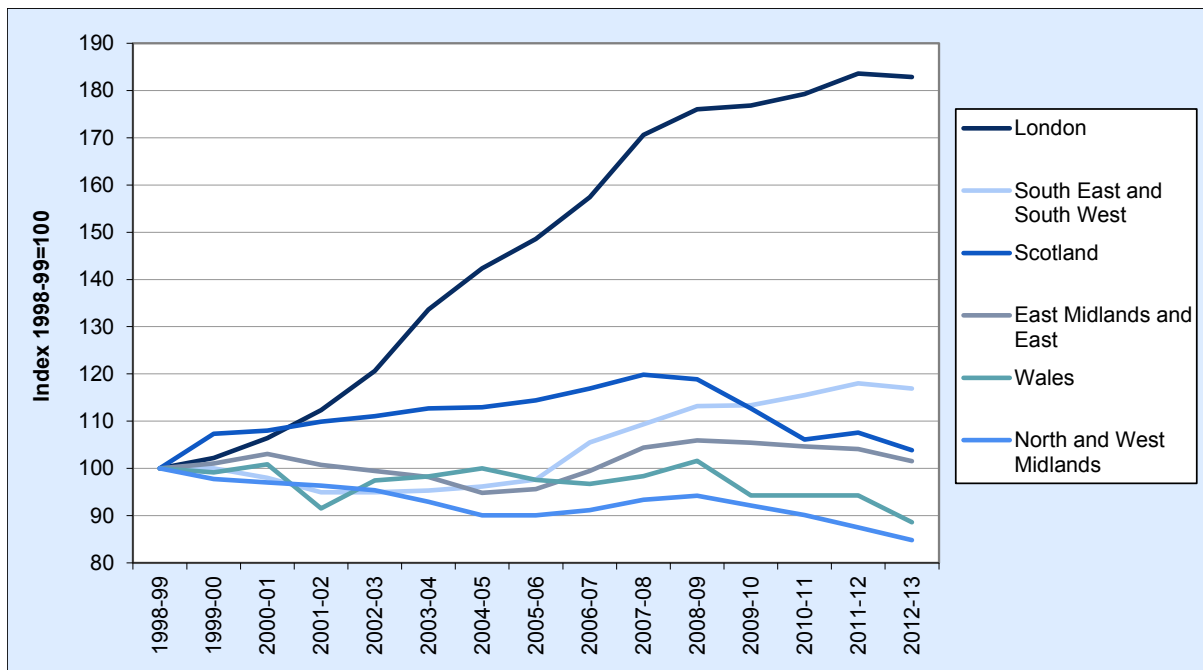
The bus market in Wales (according to DfT figures) has contracted more than elsewhere in Great Britain. Between 2008 and 2014 it was down 15.9%. In Scotland the fall was 13.6%; 3.1% in the English shires but a growth in London of 5.2%.

Bus fares in Wales rose by 1.0% above inflation in 2014 compared with 0.6% in England and 0.3% in Scotland over the last year. But this is not the full story as historically this would result in an annual demand reduction of 0.3%.

Numbers of routes (and route mileage) has fallen by 25% between 2005 and 2014. This is not the same factor as reduced patronage. It can be the result of

- Rationalisation through combining routes and thus reducing mileage.
- through a hub operation where passengers interchange
- changing the route structure to avoid time consuming diversions off the main direct route or as a means of reducing operating cost
- maintaining frequency or reducing operating costs but at the expense of a longer walk to the bus stop
- In urban areas reducing a 15 minute frequency to a 20 minute frequency with little impact on the travelling public. Such a frequency reduction would be preferable to a one hourly service being reduced to a two hour frequency in a rural area. Both would result in eliminating one bus working (with associated staff reductions)

**Fig 1: Bus passengers: Trends in bus passenger numbers 1998-99 to 2012-13, Wales, Scotland and English regions**



Source : Welsh Government Transport Statistics (Ref Fig. 410)

There is a close correlation between car ownership and bus use and in the most recent over 60's generation there are far more women drivers than 10 years ago. Also some passengers are wealthier than they used to be and are likely to use their concessionary passes less – but this important bus market segment requires more research.

Fewer evening journeys has reduced passengers because they may go *into* the entertainment and retail area but often have no return service after 7 pm so make neither trip by bus. Bristol has successfully increased services and demand on some

evening routes. Cardiff has market potential from a major retail offer, thriving night life, a major railway station and the Cardiff – Newport market. Swansea, though smaller, has a potential student market growth from SA1 to Oystermouth through the city centre.

Reduced frequencies, unreliable timekeeping, lack of information particularly for those not internet savvy, many people not knowing how to use the system or having the one bad experience have all played a part.

The change in demographics, internet shopping, store home deliveries and click and collect retailers has also led to a fall in demand. For many the car is more convenient with perceived costs (fuel and parking) being lower per person compared with a bus fare. Out of town, car based shopping parks with free and convenient parking; major chain stores and long opening hours are harder to serve than a traditional town centre. Llanelli's Parc Pemberton / Parc Trostre is an exception, served by existing inter – town services.

### **Q3: Social, Economic and Environmental impact of recent changes in bus and community transport service levels**

Generalisations should not be made here. Each set of reductions in service level should be considered individually. It may be that some services have been removed as part of a rationalisation process and that a new set of services have been introduced to compensate. In many counties all services were assessed on the basis of a recognised process used in various forms in other countries.

In principle those services with the highest cost per passenger trip (cppt) are the first to be considered for closure. The reason for the high cppt is low usage. However the decision has to be tempered with accessibility to (usually) rural settlements.

In urban areas there may be a withdrawal of services but only through reducing frequency from every 15 minutes to every 20 minutes. This has often been done to achieve higher profitability. The risk to the company is a loss of patronage through a regular change in timetables. Generalised cost is a means of measuring in economic terms the impact on the passenger.

#### **Generalised cost**

The private company is interested in market success. This can (and seen by government authorities to) be achieved through:

- a professional approach to the management of the business
- achieving profitability so able to fund future investment

- customer care and satisfaction – this has to be a first priority; seen to be so; measured and the results published (as in the rail industry)
- high quality vehicles (as suggested above)

Generalised Cost is an economics concept developed (by Dr David Quarmby CBE a previous London Transport managing director) in the 1960's. Using this technique avoids a purely financial analysis which is appropriate for private sector project evaluation but not as a means of measuring output benefits from public sector investment or revenue account expenditure.

The public authority interest lies in the comparative cost in terms of different elements comparing a journey by car to that by bus. Only by reducing the bus generalised cost can we begin to reverse the trend. The elements of generalised cost are:

**In vehicle time** is the actual time travelling from e.g. Gorseinon / Pontybrenin (GP) to Swansea (High Street) Railway Station (SRS). It applies to bus and car but is longer by bus because of frequent stops, passenger time on and off the bus; driver time collecting fares; traffic congestion. Many passengers will allow extra time for possible road congestion.

**Walking time** for the car is zero. There is walking time at work / home end of the journey for the passenger to / from the bus stop / railway station

**Waiting time** for car is zero. For bus time at the stop can be disproportionate to the total journey time; passengers will often arrive early at the stop and have to face unpleasant elements (rain, wind, cold) with no shelter; uncertainty about the bus arrival as real time information is invariably lacking (Gwynedd and Cardiff at two ends of the population density do provide electronic timetables at bus stops). Often there are no up to date timetables at stops. Walking time is high value as it is non – productive

**Money cost** for the car is petrol and parking and is divided by the number of occupants so cost per person can be reduced to down to 25%. Sunk costs for car purchase are rarely considered. Bus fares reflect the total operating cost

**Crowding factor** – none for car. Crowding; queueing, general hassle; poor perception of bus users by others.

The journey between GP and SRS a distance of 6 miles will require a bus journey time (uncongested off peak) of 30 minutes plus 3 minutes walking and 4 minutes waiting time – a total of 37 minutes; by car 15 minutes. Cost by bus using DfT values of time is £3.75 plus bus fare (£2.50); by car £1.52 (plus possible parking charges (£variable) and petrol (81p) which can be divided by occupants).

The reduction in generalised costs for bus users relative to car users and in other ways would:

- reduce wasted time (through robust bus priority schemes which improve reliability and reduce bus journey time) and increase labour productivity from scarce resources
- Increase car costs through increased car parking charges. Future legislation could allow local authorities to set charges for privately owned car parks and workplace parking and top slice the excess for public transport investment
- positive environmental and health effects if more people modal - switched to bus (or train or walking or cycling)
- improve market image leading to modal change to bus
- reduce subsidy or obtain higher service levels for the same public funding
- improve commercial viability of non - subsidised services

### ***Elements of Integrated Transport***

If the analysis is confined (for the moment) to passenger transport then the elements identified below can be integrated (with a trade-off in expenditure between them based on a single multi-modal evaluation technique). The elements are:-

- road investment
- rail investment (infrastructure, rolling stock)
- bus investment (terminals and vehicles)
- public transport interchanges
- walking/cycling facilities investment
- traffic management (physical and fiscal)
- public transport fare levels ) and consequent
- public transport service level ) contractual payments

### ***Rationale***

The key objective of integrated transport for Wales would be to provide for a split between accessible and affordable modes of travel which are both sustainable and become the preferred modes of travel.

Wales, as indicated above, has a variety of spatial characteristics:

- densely populated urban areas (e.g. Cardiff, Newport, Merthyr, Ebbw Vale, Swansea, Wrexham),
- major towns (e.g. Neath, Port Talbot, Llanelli, Aberystwyth, Llandudno)



- important rural centres (e.g. Carmarthen, Haverfordwest, Castell Newydd Emlyn, Llandeilo, Brecon, Newtown, Ruthin, Denbigh)
- Deep rural Wales (e.g. Ceredigion, Powys, Gwynedd).

The potential for journey modal transfer from car to public transport therefore varies between urban and rural areas.

However this difference can be narrowed through a radical new approach to rural bus services. Regular-interval fixed-timetable operations suit urban areas with high patronage levels but have only limited value in rural areas. The Bwcabus computer/satellite/GPS and flexible scheduling bus system responds to demand and has enabled a radical and successful (in increased patronage terms) approach to rural public transport.

Generally there is a need for improvements in the public transport system before car users can be persuaded to change, and non-car owners are able, to make reasonably timed and priced journeys.

### **4I's Concept**

The 4I's concept identified the following as the integration equation for passenger transport:

**Information + Interchange + Investment + Imagination = Integration**

The absence of any of these elements will hinder or even prevent the development of an integrated passenger transport system. The means of delivery for integrated public transport and an explanation of competitive franchising – see Appendix 1

### Conclusion

The primary objective of any transport policy given the current state of the economy has to be Wales' ability to trade, remain competitive, generate jobs and increase social and economic inclusion. The last is dependent on successful achievement of the first three.

For that reason the order of priority for Wales is as follows:

- an efficient and effective transport network to make us internationally competitive;
- urban congestion solutions;
- Easy and affordable access to jobs and services by car, bus and rail services particularly from low-income communities and rural areas.

Achieving this requires a revolutionary change in public transport provision.

## **Q4 & Q5: Actions needed to reverse this trend in Wales**

- **by Welsh Government**
- **by local authorities**
- **by bus companies and CT operators**

The challenge of reversing the trends suggested above can best be met through agreements between all bus and community transport providers and joint transport authorities, whether for county or region, using the Transport (Wales) Act 2006 and the Government's new public transport procurement powers.

One element not yet available, that of bus re-regulation, is dealt with under Q7

### **Reversing the trend**

Over the period 2009 – 2013 there were several areas where the trend was reversed. In Bournemouth the recession impact was slight and where the buses are operated by RATP (Paris transport authority) increased demand by 16.7%. In Brighton parking charges and reduced spaces helped achieve passenger growth of 10.5%. Edinburgh, directly comparable with Cardiff saw growth at 7.6%, partly through Transport for Edinburgh which controls buses, trams and all local roads in the Scottish capital.

The significant increase in bus usage in London stems (please see Fig 1) from an expanding population, physical and fiscal car restrictions, a buoyant economy with TfL control over most of the road network thus putting car and bus regulation in the same hands.

Cardiff and Newport could become as successful in reducing car use through bus priority schemes on a similar scale to Bristol where £44m has been spent. The Capital Region Metro has to be part of a wider strategy to encourage public transport use through a joint transport authority franchising bus services and managing local roads, motor traffic, cycling and walking as an integrated whole. The closure of Cardiff Bus Station will result in a loss of about 10% of bus passengers. This was an unnecessary situation as my column predicted four years ago that it could have been avoided with a stand – alone development north of the station funding the bus element of the interchange now being planned.

In Wales for example, the *TrawsCymru* national bus network, the local *Bwcbus* operations in rural areas, the tourist based *Gower Explorer*, First's *Cymru Clipper*

and Arriva Bus Cymru *Sapphire* service have shown how passenger numbers can grow in Wales and reverse the national trend.

Actions by Government and local authorities have to be matched by operators providing a high quality service as suggested under Q2 as counteractions to decline. These include:

- Fare levels
- Reliability, frequency
- Ease of getting on and off the bus especially those who are mobility impaired, elderly or frail, or adults with children or buggies.
- Improving the bus stop environment. Waiting in the rain is not going to encourage bus use. Bus companies and different local authorities have to work together to achieve this.
- Designing easy and convenient interchanges e.g.at Carmarthen, Aberystwyth, Rhyl, (please see Appendix 2 on Cardiff Bus Station closure). Swansea has its bus hub and rail hub about two miles apart; well connected by bus services between 07.00 – 19.00 but requires a major covered bus interchange investment at the railway station.
- Public transport integration between all forms of public transport. This should encourage integrated timetables and in particular encourage CT to be a part of a connectivity agreement. making this a condition of funding by WG or local authorities would bring this aspect into being quickly
- Signage and waiting facilities at the railway station for bus passengers are less than acceptable for Wales' second city.
- Availability of information; particularly real time at bus stops or even easy to read hard copy.
- Create more bus priority measures
- Simple regular-timed frequent, punctual and reliable services
- The ambience of bus travel – new, clean buses, friendly staff with a customer care approach. Investment in new vehicles has been more apparent in recent years.
- Tickets which can be used throughout an urban area or throughout Wales (our population is less than that of London which has one ticket and Wales pioneered the national multi journey over - sixties bus pass)
- Under current legislation creating quality bus partnerships (but preferably the far stronger quality bus contracts)
- Establishment (currently in progress) of the national transport company to manage *TrawsCymru* and *Bwcabus* as an integrated bus business and through the new national transport company integrate fully with the new wales (& Borders?) rail franchise.
- Coherent well designed promotional material (within an overall marketing plan)

- Consideration of the public transport implications by planning authorities when approving or rejecting subject to conditions any new housing, retail and commercial land development. This particularly applies to town centres which could be well served by bus until an out of town shopping centre was constructed.

### **Reversing the trend – A Case Study: *TrawsCymru* and *Bwcabus***

*TrawsCymru* is Wales' newest bus operator. It is one of an increasing number of medium sized bus companies owned in Wales. Phase 1 in the creation of a long distance inter – regional luxury bus network is complete and its vehicles operate in all parts of Wales (including the *Cardiff Airport Express*). The brand is owned by the Welsh Government.

*TrawsCymru* is franchised to several operators by the Welsh Government (WG) currently through county councils but with its new transport procurement powers directly by WG. These routes operate as an integrated whole. Under the tendering process the public transport authority (Welsh Government) maintains controls over the quality of service offered through the strategy and brand values. Tenderers would have to comply with all operational, safety, maintenance and financial requirements under the public service vehicle licensing arrangements (controlled by the Traffic Commissioners) and under the terms of the *TrawsCymru* franchise contracts.

The author's vision is one of integrating long distance bus (*TrawsCymru*) and local demand responsive services (*Bwcabus*) across Wales with local tendered routes. This enables the Government to begin a franchised / contracted network providing evidence of how it can be successfully operated. Following the awarding of the new rail franchise in 2018 (or earlier if the present contractor agrees) rail (*Wales Rail Cymru*) routes would be marketed as an integral part of this pan – Wales national public transport network. Standard fares would be charged and all of the following would be accepted – concessionary passes; the national public transport (*GoCymru*) card; all other similar tickets valid on Wales' buses. Contracted *TrawsCymru* bus and *Bwcabus* feeder services already apply the appropriate brand to their own vehicles as well as Government owned buses. (Please see Appendix 1 for more detail)

The success of *TrawsCymru* and *Bwcabus* has been achieved by applying the actions described above through a unique three part business model:

- **Marketing** (the four P's) has been centrally organised by *TrawsCymru* and *Bwcabus* management teams (drawn from county councils, Welsh Government, University of South Wales and Traveline) who determine **price** (fares and through ticketing); **product** (vehicle quality,

timetables); **place** (the routes to be operated) and **promotion** (advertising and travel deals). Market research into demand patterns formed the basis of bus service provision in timings, prices and routes. But this is founded on local knowledge and information provision through a partnership.

- **A partnership** of the Welsh Government, Carmarthenshire, Ceredigion and Powys county councils, Traveline Cymru, the University of South Wales and private bus operators involved (First Cymru, Stagecoach, NAT, Express Motors, Lloyds Coaches, GHA, Brodyr Richards, Mid Wales Travel, Lewis Llanrhystud) and with more to come . This form of close working between government, academia and the private sector has for many years been encouraged by the business sector. This partnership in the next phase of Bwcabus will extend to Pembrokeshire CC and Community transport operators so strengthening the involvement of the communities themselves and local businesses. This will further expand the integrated rural bus network.
- **Integration** of public transport services is a key element in both Welsh Government and local authority policies through the 4 I's for which this column has pressed – information + interchange + investment + imagination

### Bwcabus concept – reversing the trend

*Bwcabus* is a demand responsive service feeding into and out of a fixed time core bus route. In the first area of operation between Carmarthen – Newcastle Emlyn – Aberteifi (Cardigan) it connects into route 460 – to be a *TrawsCymru Connect* service. This operation, as with the more recent *TrawsCymru* T1 (Carmarthen – Lampeter - Aberaeron – Aberystwyth) and T5 (Haverfordwest – Fishguard – Aberteifi – Aberaeron – Aberystwyth) services, has to be seen as network of *TrawsCymru* and *Bwcabus* working with local county council tendered services.

The service is based on a sophisticated booking (by phone) mapping, routing and GPS behind the scenes structure. This enables passengers to simply book by phone the service / route they require (with a potential on – line facility to come) and be unaware of the control mechanism behind the scheme.

Bwcabus has been welcomed in the areas which it currently serves both as a connecting service (which is guaranteed through high technology) and as a local service connecting settlements in the licenced area.

The delivery model characteristics which have made *Bwcabus* and *TrawsCymru* so successful are:

- Connectivity / integration – rail and bus
- High quality service – new vehicles; fully DDA compliant
- Frequent service (replacing a once weekly service to 5 journeys per day with up to 24 journey travel options from 07.00 – 19.00 daily Monday – Saturday)
- Through ticketing – affordable travel
- Local and long distance traffic
- An improved public transport system

Performance: Passenger numbers / Subsidy levels – per passenger trip

Bwcabus / 460 integrated service operation (Carmarthen – Aberteifi)

2009 – 10: £2.83

2014 – 15: £2.33

Bwcabus / 460 / T1 integrated service

2015: £1.59

TrawsCymru (2015)

T4 (Cardiff – Newtown) £0.09

T1 (Carmarthen – Aberystwyth) £0.60

Annual Passengers carried (000.s)



	2010*	2012	2014**
<i>Bwcabus / 460</i>	12.6	23.7	27.9
(*first full year of operation / ** most recent full year of operation)			
	2007/8	2010/11	2014/15
<i>TrawsCymru (T1)</i>	101.2 (x40)	102.0 (x40)	234.6 (T1)

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|---------------------|---|-------------------------------------|--|
| TrawsCymru Services |  | <b>T1</b> Aberystwyth to Carmarthen | <b>T4</b> Cardiff to Newtown             |
| Rail Services       |  | <b>T2</b> Aberystwyth to Bangor     | <b>T5</b> Aberystwyth to Haverfordwest   |
|                     |   | <b>T3</b> Barmouth to Wrexham       | <b>T9</b> Cardiff Airport to City Centre |

Cartographics: ML/93/14.15 TrawsCymru 2014



TrawsCymru T4 service Cardiff – Newtown illustrating the national brand.

## Q6: Devolved bus regulation / registration powers

The publication of the UK Government white paper 'Towards a lasting devolution settlement' in March was a disappointment in terms of this current discussion. The Wales Bill was not available at the time of writing

The Silk Commission report published exactly a year ago recommended the transfer of bus regulation policy and the traffic commissioner's bus role to the National Assembly. This would undoubtedly mean the end of the current free market competition and subsidised services based on the demand side model. In its place we need a TfL type body which researches the market, procures the services from the private sector and takes the revenue risk. This might be called TiG (Trafnidiaeth I Gymru) or TfW (Transport for Wales)

If my interpretation of "transferring powers to regulate buses (*in respect to bus service registration*)" is correct the UK Government has ignored the Silk recommendation on bus policy transfer to the Welsh Government despite the National Assembly having voted in the past to end the deregulated bus market.



The white paper does make changes to the role of the Traffic Commissioner and to bus service registration which allows 'the Assembly to determine how this function should be carried out. So it seems we can fill in the forms but not make the policy changes which the Minister needs to introduce an integrated transport policy.

It needs a clear statement on bus service regulation in Wales or we are nowhere near to seeing all public transport policy transferred to the Welsh Government so creating a stronger framework for bus, rail and taxi services in Wales.

Changes proposed in the white paper do not pass to the National Assembly the right to determine Wales' bus regulatory framework. The answer to Q7 addresses the future requirements to best provide this on the same footing as London. The question posed is why was the London regulatory system (which is similar to the position in Northern Ireland) not copied elsewhere in Wales, Scotland and England (please see Appendix 3).

## **Q7: Devolution of further powers to regulate bus services in Wales**

### **The current legislation; problems and solutions**

Set out below is the case for transferring powers in this area. This would for example propose the repeal of Part 2 of the 1985 Transport Act and its replacement with Welsh legislation. This is an essential prerequisite to an integrated transport policy.

### **Deficiencies in the current arrangements**

The current provisions could be argued to have the following deficiencies:

- any subsidised service is prevented from competing with a commercial service
- but commercial services are generally cherry picked
- bus companies choose to operate profitable sections / times / days
- non-profitable sections or times of day and Sundays are subsidised by county councils
- the inability to cross subsidise means that counties' expenditure is increased
- The provision in the Transport Act 2008 for statutory quality bus partnerships (SQBP) and statutory quality bus contracts (SQBC) gives an opportunity for LA's to 'make' (set up) a SQBP / SQBC on any route or in any geographical

area. These go part of the way to helping government achieve integrated public transport but this paper suggests a more robust and efficient process is required

## **Consequences**

Damaging consequences to passenger services and the travelling experience and easy of travel have frequently followed from the 'free market provides' philosophy of the 1985 Act

- Instability in the market (no control of timetable changes)
- Competition facing Welsh SME bus companies from large bus operators with dominance in a local market make the latter more able to spread the risks of a contestable market and reduce opportunities for Welsh SMEs. Changes in the economics of bus operation have recently seen changes in this position but supply-side competition will still remain the preferred means of operating for many SME companies.
- no coordination of timetables
- no cross subsidy

The fact that the implementation of part of the Welsh Government's National Transport Plan, the trans-Wales long-distance bus/coach service, *TrawsCymru*, on its T1 Aberystwyth – Carmarthen route, was stopped (2011 – 13) provides an example of the unfortunate consequences of the current arrangements.

## **Solutions**

Arriving at the solution of the problem entails consideration of the question of who should own and / or control public transport in Wales.

The ownership and control of public transport in Great Britain (but not Northern Ireland) has changed considerably over the last fifty years. A largely state-owned function took over from a mix of private and public ownership in the 1960s but was replaced by an almost entirely private ownership structure in the 1980s and subsequently (see Appendix 3)

## **Statutory Quality Bus Partnership (SQBP) Statutory Quality Bus Contract (SQBC) Schemes**

LA's are empowered to make a SQBP / SQBC scheme under provisions contained in the Transport Act 2000 (as amended by Transport Act 2008). These are made on a route commercially operated by a bus company and which receive no subsidy from WG or a LA.

The SQPC scheme is a stronger version in terms of governmental specification. The SQB Partnership scheme is described here.

The schemes set out minimum standards which typically include vehicle quality, service frequency, hours of operation, service reliability, minimum acceptable connection times between services at key interchanges, through and area ticketing, service timetable change dates, marketing and publicity, customer care and infrastructure improvements at key stops / interchanges.

Any new operator on a route or in an area has to meet these standards and an existing operator has to improve service standards to the defined level for that scheme. Those not doing so can have their registration declined or removed by the Traffic Commissioner who has a key role in the process and in enforcement.

The weakness in the system compared with franchising lies in two areas:

- The lengthy process to make a scheme
- The need to either obtain agreement from an incumbent operator (unless that operator puts in an admissible objection within the statutory period). If it fails to do so the LA can then make a SQBP in any event.

The SQB Contract provides for greater powers of enforcement. But both have to be 'made' i.e. set up.

A route or network franchise (of the *TrawsCymru* format) or tendered contract has conditions attached to it. Non-compliance can result in financial penalties or the withdrawal of the contract by the WG or LA. Thus in these circumstances a SQBP / SQBC scheme is not required.

## **Bus Franchising**

The principles set out in this paper recognise that by its very nature private control of the bus industry cannot achieve certain key objectives. The SQBP / SQBC described above deal with some of the issues but not all.

Those outstanding issues can be dealt with through private ownership of the bus companies, but operating in a government-run competitive franchising context covering the whole of Wales through the consortia / JTP's (local bus services) and the Welsh Government (Wales & Borders rail, *Bwcabus* and *TrawsCymru*) working together. Branding could be on a regional basis but incorporating the national ticket brand *GoCymru*

This is the position in the Transport for London / Mayor of London administrative area and has been shown to work well. In this paper it is argued that that an opportunity can be created in Wales to tender bus services under the operational and financial aspects of such a public transport network outside the London context.

## **Powers and responsibilities currently held in wales (by the Welsh Government (WG) and/or local authorities (LA's))**

(These are provided for in the Government of Wales Act 1997; Transport Act 2000; Railways Act 2005; Transport (Wales) Act 2006; Transport Act 2008).

### **Bus**

- Bus service subsidy/contract payment levels: (WG, LA's)
- Bus service frequencies / routes: shared between bus companies (commercial routes) LA's and WG (tendered services).
- User group representation is through Bus Users UK Cymru Wales – semi autonomous body.
- 'Making' statutory quality bus partnerships (SQBP) or statutory quality bus contracts (SQBC): LA's. (See more detailed note below)
- Bus Services Advisory Group – preparation of ad hoc reports

### **Powers to be transferred**

In order to achieve an integrated transport policy for Wales, key responsibilities, powers and functions should be transferred to the National Assembly which could then consider the transfer of some of these powers/obligations to Joint Transport Authorities or local authorities. The policy-making role and power to finance would therefore be located within Wales. In all cases any responsibilities transferred to the Assembly would require a commensurate transfer of additional financial provision via the Welsh Block grant.

Generally speaking, it would be logical for any powers conferred on local authorities in previous legislation to also be ascribed to the National Assembly. The making of quality bus partnerships / contracts is an example where they may be made by LA's but not by WG. Any further powers would be devolved to the National Assembly which could then as appropriate devolve them further or by statute to both levels of government. This would assist in cases, for example, where WG is procuring bus services under the terms of the Transport (Wales) Act 2006 but is unable to manage the route structure directly.

(Note: Organisation names in brackets in the following section indicate current holders of the responsibility where this has not been conferred upon the National Assembly.)

## **Public Transport Policy**

- public transport policy generally (from DfT)

## **Bus**

- bus industry regulation (DfT) – see Appendix 1
- current powers of the Traffic Commissioners (.DfT)
- Aspects of traffic reduction/traffic management policy and regulation currently retained by DfT.
- personal safety of pedestrians, cyclists and provision for those groups
- Bus user group representation (The operation of Bus Users (UK) Cymru Wales originates from Bus Users (UK) an England based body. It is however funded in Wales by the WG. It is a statutory consultation body but has no powers of direction over bus companies (see Appendix 1).

## **Q8: Other actions needed to meet the bus passenger transport and CT needs of travellers in Wales**

The primary actions which the Government should follow are summarised above.

One further aspect which involves fiscal policy is a 3 / 5 year funding period for bus subsidy either direct or indirect through county and city councils. This would put bus service provision on the same financial agreement footing as the Wales and Borders rail franchise where the financial commitment has been up to 15 years. This provides the stability to develop the service product and build up passenger numbers to assist in reducing the cost per passenger trip and in the longer term a reduction in subsidy.

More important is the confidence it gives to the traveller particularly those who use the bus as a means of getting to and from work. For them to be able to arrive on time and to know they have employment which they can reach a guarantee of travel is vital. Thus the employment aspect of bus operation and subsidy is an economic factor in local areas.

## APPENDICIES

### Appendix 1: Competitive Franchising in Wales – an alternative framework for competition

The author's vision is one of integrating long distance bus (*TrawsCymru*) and local demand responsive services (*Bwcabus*) across Wales with local tendered routes. This enables the Government to begin a franchised / contracted network providing evidence of how it can be successfully operated. Following the awarding of the new rail franchise in 2018 (or earlier if the present contractor agrees) rail (*Wales Rail Cymru*) routes would be marketed as an integral part of this pan – Wales national public transport network. Standard fares would be charged and all of the following would be accepted – concessionary passes; the national public transport (*GoCymru*) card; all other similar tickets valid on Wales' buses. Contracted *TrawsCymru* bus and *Bwcabus* feeder services already apply the appropriate brand to their own vehicles as well as Government owned buses. (Please see Appendix 1 for more detail)

The *GoCymru* card would then be available on all franchised or tendered local authority services (Bus, Wales and Borders rail, *TrawsCymru*, *Bwcabus*). All vehicles operating the network and all stops / stations would be identified through the *GoCymru* brand. Multi-journey travel on all participating modes is then made easy and convenient for users.

This process is very different from the current approach under the 1985 Transport Act and the Competition Act whereby market forces determine the network, with competitive tendering restricted to loss-making services only. Rather it follows the 'London technique' which takes competition firmly *off* the road and keeps it as a supply-side competitive tendering process.

The advantages of this will be continuity of service, integrated services and standard fares, but achieved at a lower cost than either direct ownership by the public sector (other than at arms-length not-for-dividend options) or the present mix of market-led profitable 'cherry-picked' routes with subsidised loss-making services.

Franchising therefore provides the best of both worlds:

- public control and service-specification
- private operation of the services through supply-side competition

It recognises that a free market is unsuitable for surface public transport operations because:

- they are unlikely to meet key objectives such as social inclusion, reduction in congestion and environmental sustainability
- the real competitor is not often bus or rail companies but the motor car, a factor that is clearly not recognised by the current competition legislation emanating from both the UK Government and the European Commission
- It is difficult to combine the profit motive (an appropriate financial objective within a mixed economy) and the public service objectives referred to above.

The network has much in common with National Express. They are operated by locally based private companies under contract using high quality new vehicles on a series of strategic routes. The network is based on integration of bus and rail timings so enabling easy through travel – an essential part of the attraction for car users to become passengers

*TrawsCymru* and the Wales and Borders rail franchise, operated by Arriva Trains Wales, and funded by WG, will form the core of a long distance national public transport network and linked with local bus services in particular at Cardiff, Pontypridd, Merthyr, Llandrindod, Newtown, Carmarthen, Haverfordwest, Aberystwyth, Machynlleth, Bangor and Wrexham. There are also key bus inter change stations at Brecon and Dolgellau

The form of competitive tendering currently in use is intended to apply to loss-making routes for which revenue support is required. However, the perfectly competitive market conditions envisaged for other services under current legislative provisions however result (outside London) in a number of problems:-

### **1. Instability**

It is possible under the free market arrangements for companies to enter and leave the market relatively quickly. A period of notice is required but a company leaving the market because of low or no profit is unlikely to wish to continue to operate at a loss for the notice period. Even with an enforced notice period, movements into and out of the market, especially in the early years when companies are testing market potential and profitability, will lead to instability.

Passengers need stability and continuity of service in terms of routes, services, operators, fares and times. However under current arrangements these will all be subject to change at short notice. This instability may last for some considerable period of time before a new equilibrium is established. Instability resulting from service reorganisations has been shown to have a retrograde effect on levels of patronage.

### **2. Lack of co-ordination**

The registration period envisaged is unlikely to provide Welsh Government / county councils with sufficient time to produce up-to-date, reliable timetables and online information. Such timetables are of particular value to tourists, who are important contributors to the Welsh economy and their loss would be a particular inconvenience to them.

Co-ordination of services along individual corridors or on common routes prevents “bunching” of vehicles at certain popular times, and provides for a more regular headway between buses. And while the Traffic Commissioner has a vital role in quality and safety within the bus and freight sectors, and in adherence to bus timetables, the office cannot determine adequate demand levels and service provision or the associated financial commitment.

### **3. Competition on subsidised routes**

The majority of rural routes are usually (i) radial routes from a town centre extending beyond the urban area or (ii) inter-urban routes which also service urban areas at both ends of the route. A small proportion may be services operating solely within a rural area (e.g. Gower Explorer, Bwcabus) and connecting into a through route.

The highest revenue yield per bus mile is in the urban areas; consequently any competition with subsidised rural services will be met on these sections of route. Deregulated competition will also be concentrated on high-yield times of the day (e.g. from 7.30 am to 5.30 pm Monday to Friday) but may not supply the total capacity required. These competitors will abstract revenue from the subsidised rural service and the latter will have two possible options for its fares policy:-

- If the subsidised service fares remain high passengers will tend to wait for the lower-fare vehicle. This will reduce patronage on the subsidised service and the subsidy level will need to rise if the service level is to be maintained.
- If the subsidised service reduces its fare to compete on the urban section of the route, the internal cross subsidy within the route will be reduced and public subsidy will have to be increased.

Where services are operated on a purely commercial basis they will be limited to the more heavily populated sections of such urban-rural routes. Any services into a town centre will be limited to those roads which are suitable for bus operation. It is likely, therefore, that subsidised and commercial services will operate along the same sections of road and both operators will pick up and set down along that road. The tendering operator for the subsidised service will find it relatively easy to forecast the costs of operation, but revenue will be dependent on the extent of the competition and this will be very difficult to predict, especially at the start of the scheme.

A county council would therefore have to choose between the two fares-policy options for subsidised services described above. This would result in either the withdrawal of services considered socially necessary or a new round of tendering with a possible increase in subsidy, unless the commercial operator considered that the return was insufficient (because the route did not yield enough revenue for several operators), and in the meantime gave notice of withdrawal.

### **4. Establishing demand patterns**

If the powers of public authorities are restricted solely to registration through the Traffic Commissioners, the county council will have no role in collecting and making available market data... Smaller companies, especially in early years, will not have the resources or the expertise to carry out the type of market analysis which the big groups have undertaken. The passenger will not be fully aware of what services are available (despite the development of electronic and telephone information systems such as Traveline Cymru), and will not be able to demonstrate what the



demand pattern might be. Frequent changes resulting from an unstable range of services will lead to a proportion of them seeking alternative travel modes.

### **A Competitive Franchising System – Objectives**

The objectives of such a system would be in line with those of competition legislation

- enabling bus services to be provided in a competitive market
- reducing operating costs and revenue support levels
- making bus operations more demand-sensitive
- improving value for money
- preventing large companies from dominating the market

Such objectives could be achieved within a competitive framework while reducing the instability referred to above. The franchises would be issued by the Welsh Government or a local transport authority – the regional consortium, a JTA - which would also be the coordination and subsidy authority for a route, group of routes, travel corridor or small area. This is similar to Transport for London bus route / network tendering and the Great Britain railway franchising process. This is closer to commercial retail franchising than to deregulation, and its adoption suggests that there are variations between the two which could provide a better competitive framework than the one currently in use.

Competitive franchising will prevent a return of the pre 1930s situation when there were many operators' no multi-operator tickets, constant changes in timetables, together with confusion and inconvenience for the passenger. In the present state of the bus passenger market and given the presence of the car as an alternative (unlike the 1920's) many passengers are likely to change modes. Competitive franchising will take competition *off* the roads and instead establish pre-operational (supply-side) competition under the aegis of the franchising authority. A form of competitive franchising can meet many of the operation and financial problems inherent in the current competition-based approach established by the 1985 Transport Act. It would:-

- allow competition;
- provide a more secure market for restructuring bus service provision;
- prevent instability
- enable the retention of the county council (JTA or Consortium) co-ordinating function, and the continuity of timetables and regular operations;
- provide value for money;
- take competition off the roads, but allow its full value to be realised through the franchising process;
- enable a phased introduction of its proposals;
- allow alternative forms of competitive franchising to be pursued;
- allow for an integrated bus network;
- enable the subsidising authority to predict its subsidy expenditure more accurately;
- Achieve efficiency without the existence of an unstable market.

## Characteristics of a Competitive Franchising System

- Routes would be specified by the franchising authority and tenders invited from potential operators. Such routes might be profitable or unprofitable.
- The operator awarded the contract would not have to face subsequent competition on the routes specified during the contract period.
- The franchise would be granted on the basis of the lowest subsidy requirement for a specified group of services. (An alternative would be to allocate a specified amount of money for the service package and award the contract to the operator providing the highest service level.)
- The subsidy would be awarded for the whole of the contract period.
- The contract period would be three to five years. The minimum period would be determined by the operators' requirements to make a reasonable return on investment and the maximum period would allow for competitive re-advertising sufficiently frequently to encourage the contractor to provide the quality of service required by the passenger and the franchising authority.
- The right to develop subsidiary interests such as vehicle maintenance, advertising etc. as profit-making functions would be assured.
- An operational plan and financial forecasts would be provided at the application stage. Performance could then be monitored against this plan.
- Assets such as buses and garages, as well as employees, could, if required, be transferred from an operator losing a contract to the newly contracted operator at the end of the franchise period. This would provide further encouragement for a higher quality of capital equipment to be included in an operator's investment programme.
- All revenue and profit together with the agreed subsidy figure could be retained by the operator in a shire-county franchising arrangement. Alternatively the present Transport for London (TfL) process could be used. TfL receives all fares revenue and the operator receives an agreed sum for running the services.

The size of each franchised operation would be small enough to enable companies of varying size to compete, so achieving the competition objective of the 1985 Transport Act.

Such a system of competitive franchising has features in common with that currently operated by the Department for Transport (previously the Strategic Rail Authority) for rail services. It has also been accepted as a suitable method for London's buses and has already been shown to be a workable framework for competition and subsidy. In the free competitive market it is a common means of selecting operators for food retailing outlets. This parallel with the highly competitive and profitable franchised operations used by familiar high street companies such as MacDonald's (fast food retailing) or Holiday Inn and Marriott (hotels) or production outsourcing (Mark& Spencer) suggests that it is suitable for the competitive aspects of bus operations.

It would achieve the benefits of competition whilst providing greater stability and co-ordination of services. Such a scheme has wide support amongst a variety of organisations in Wales but also in England and Scotland.

Competition in public transport is accepted as a valuable means of achieving better defined value for money from bus subsidies and the alternative outlined here is essentially about the detailed implementation of a competitive scheme.

The passenger railway has been franchised as a part of the privatisation of train services. Considerable discussion took place on the form of privatisation and the belief was that network benefits (e.g. integrated timetables and tickets interchangeable between companies) could only be achieved if a franchising authority (OPRAF, then the SRA and now the Rail Directorate DfT and the Welsh Government) was in place.

## Appendix 2: Powers of the Northern Ireland Assembly; Scottish Parliament and Westminster in comparison with the national Assembly for Wales

Power / Responsibility	Wales	Scotd	NI (1)	Eng (DfT)	Eng (PTE) (3)	Eng (Lond) (2)	GB (DfT)
BUS							
Subsidy contract payments	Y	Y	Y	Y	Y	-	-
<u>Frequencies, fares</u>							
Commercial routes - deregulated	Y	Y	N	Y	Y	N	-
Tendered (WG,SG,CC, PTE )	Y	Y	N	Y			
Franchised (London)	-	-	-	-	-	Y	-
State owned and controlled	-	-	Y	-	-	-	-
<u>User groups</u>							
PTUC / PVS	Y	Y	-	-	-	-	-
Passenger Focus	Y	Y	N	-	-	N	-
London Travelwatch	-	-	-	-	-	Y	-
Bus Users (UK)	Y	Y	N	y	-	-	-
NI Consumer Council	-	-	Y	-	-	-	-
<u>Bus Industry Regulation</u>							
Traffic Area (Nation specific)	Y	Y	Y	Y	-	Y	-
Traffic Commissioner responsible to Senior Traffic Commissioner	Y	N	N	Y	-	Y?	Y
Traffic Commissioner appointed by domestic minister	N	Y	Y	Y	-	Y	-
Concessionary fares policy determined internally	Y	Y	Y	Y	Y	Y	-

### Appendix 3

Up to the 1960s the structure of the UK bus industry was as follows:-

- Tilling Companies (state owned Transport Holding Company)
- British Electric Traction (BET Federation - private company)
- Municipal operators (state sector)
- Independent companies (private companies)
- Alexander/Scottish (state-owned Transport Holding Company)

This structure was replaced as from 1969 when parts of the previous structure were nationalised

- Tilling Group became the National Bus Company (NBC) which also took over British Electric Traction (BET)
- Municipals operators were taken over by in some areas by Passenger Transport Executives (PTEs) while in others they were retained by the Local Authorities. There were no PTEs in Wales
- Alexander/Scottish along with Tilling Group companies in Scotland became the Scottish Bus Group
- Independents, generally small companies, remained independent

The Transport Act 1985 led to two policy developments

- Deregulation of bus services
- privatisation of state-owned (National Bus Company subsidiaries; Scottish Bus group companies; Passenger Transport Executive bus operations; municipally owned bus departments/operations) bus companies/operations.

In Wales Cardiff Bus and Newport Bus still remain in public (local authority) ownership

The consequence in terms of ownership in Wales was to create dominant private groups reflecting the pre-nationalisation (1946) position with regard to the percentage of buses in major private sector groups

1946 (50% private):

- BET
- Tilling
- Red & White

1980 (5% private)

The big groupings were PTEs, NBC, SBG and Local Authorities. The private sector was represented by smaller independents

2013 (90% private)

- First

- Stagecoach
- Arriva
- Go Ahead
- National Express
- Veolia (to 2012)
- SME (often family owned private sector companies)

This reflects the trend towards a few large privately-owned groups alongside many very small companies in the bus industry.

#### **Appendix 4: Cardiff Bus Station –**

This has been covered extensively in my column in the Western Mail. Two relevant articles are included here

#### **CARDIFF TRANSPORT INTERCHANGE - ARE WE THERE AT LAST?**

(Western Mail, Wales in Motion column by Professor Stuart Cole CBE. Wednesday 5 August 2015)

A state of the art Cardiff Transport Interchange (CTI) at Cardiff Central Station discussed for ten years has seen over recent months, negotiations and complex documentation (now almost finalised) which will complete the jigsaw.

Last Friday saw the final transfer of the land now occupied by Marland House and the NCP car park (both in private sector hands with the latter having a complex ownership) transferred into city council ownership. The Network Rail land is in advanced transfer discussions.

This is the only site which can be considered as it faces the central business / retail district and the land south of the station is too small in area and Network Rail has its own plans

For many years some political elements within the city council put the southern site forward as an alternative plan but it was a hopeless case from the start as shown in a 2010 SWOT analysis (of which I was an author).

A serious consideration for relocating the bus station to the Marland House / NCP site was not possible to achieve by the city council until it was able to acquire all the land. The move to ownership of all the land around the present bus station was essential to negotiate with any developer.

A major city centre building scheme requires a clear specification from the city council which now appears to have been agreed; a competition to determine the developer (with the required expertise not available within the city council), architects

and a traffic and bus operations designer and final discussions on the fine detail of the architectural and transport proposals. Rightacres, a local experienced and successful property developer prepared to take the risk of acquiring the land interests believe that satisfactory revenue streams to repay the loans can be delivered.

This column has consistently suggested that the scheme has been developer – led rather than transport – led through a developer with a clear specification from the city council. It remains developer - led in financial terms but several new factors (set down in this column as pre-requisites of a successful interchange) have arisen which enables the proposal to be transport – led. But this depends on passenger needs being put first and the master plan being amended in terms of land use to achieve that.

An upturn in the economy providing a more buoyant office and residential market has helped. The BBC Broadcasting House plan for the existing bus station site for a while was a catalyst and remains a major accelerator to the development; it raises the profile of the area and highlights the most accessible location in Wales by public transport but the CTI is a standalone development.

The same principle of a stand - alone development was suggested by this column four years ago and would have avoided the inconvenience passengers will encounter during the demolition and construction period planned for completion in early 2018.

The key transport elements have to meet passenger needs. The land footprint allocated to the bus operations has to include all the ground floor area; the use of 'dynamic' bus stands is not popular with operators or passengers. They have been used in other development proposals to fit a bus station into the land available but that is not acceptable in Cardiff

The design must encourage all bus operators to use the new interchange for the maximum number of routes; the future passenger demand increases have to be included as there will be no new facility for another fifty years. This is a *transport* interchange which also has to provide for park and ride, cycles, pedestrians, car pick up / drop of and those with mobility difficulties

It is clear that the future economic development of south east Wales requires a quite different transport approach than is presently available. The use of the car will not be efficiently achievable because of limited road space and apart with few opportunities possibilities for increased capacity. The modal split target for travel into central Cardiff has to be at least 50% by public transport.

Electrification of the rail network with traditional trains or trams; the Metro and an integrated bus network centred on the Cardiff Transport Interchange meets the needs of our capital city.

The CTI must also present a modern dynamic image of Wales to inward investors and tourists many of whom arrive by train. The present uninspiring buildings and bus station from the 1960's came nowhere near achieving that.

## **CARDIFF SQUARE – DEVELOPMENT LED OR TRANSPORT LED**

(Wales in Motion column Western Mail by Professor Stuart Cole CBE 2 July 2014)

Now that the euphoria about the new iconic building for a national institution designed by one of Europe's leading architects has passed it is time for Cardiff City Council to progress construction of the new bus station.

This becomes more urgent following approval last week of the Cardiff Local Development Plan (LDP) and its lack of clarity on how the residents of 40,000 new homes are to be moved without new infrastructure and an efficient central transport hub

The Welsh Government's policy of providing easy public transport interchanges within a wider integrated transport policy is not fully achieved in Cardiff because of an old style bus station which is not now fit for purpose and should be replaced. The opportunity to achieve modal switch from car to public transport is now within the grasp of Cardiff City Council.

However the rush to develop the land to the front of Cardiff Central Station (now to be called Capital Square) has been the subject of debate for many years within the city council where the development – led factors were getting the upper hand. There has been a 'fluid' master plan. Straws have been clutched at by the city council in a desperate bid to redevelop the bus station site; one only two years ago which did not go forward.

In 2010 a SWOT analysis (by an independent transport team of which I was a member) identified two acceptable bus station options in central Cardiff both north of the railway station. The preferred option was the redevelopment of the existing bus station and the demolition of unprepossessing buildings and the multi storey car park (east of Capital Square) which do not give an image of a successful capital city to inward investors and tourists. This would result in a state of the art bus station with an adequate operating area, buses facing into Capital Square (as in Swansea bus station) a high quality retail link to the railway station and above it attractive offices and a car park. An option for four separate terminals around the city centre was not acceptable to passengers.

The new bus station can be built before the closure of the existing site thus minimising passenger inconvenience and confusion on where to find particular

services. To persuade car drivers to change for at least part of their journey, public transport usage has to be easy. The current position also risks not achieving the Government and city council urban areas transport policies

Two years ago to the day this column set out this preferred site for the creation of a new bus station and did not underestimate the complex real estate challenge with agreement required from the existing leaseholders although the freehold is owned by the City.

The city council is to be congratulated on securing the land and with a developer is now able to construct a landmark bus station and business complex creating *Porth Caerdydd* – the gateway to Cardiff. Although the financial aspects are more challenging, a transport - led proposal is preferable since the new bus station would remain open while the present bus station site was redeveloped. City centre development architects and transport advisors indicate there is sufficient space for both in parallel and bus services could operate on event days.

All bus (including 'bus box'), train, long distance coach and taxis services could operate through the new hub with future Metro trams in adjacent St Mary's Street and secure bicycle storage and car pick up and drop off at the new south frontage of Central Station

A new bus station has been promised but no detailed plans or timescale appears (from recent comments by city councillors, officials and the developer) to have been produced. The decision on a public transport interchange given the nature of city politics and of the real estate market has to be certain. Consequently to be credible to travellers in Cardiff, construction has to be planned now, with funds allocated, developer named and contracts signed.

The Cardiff LDP has been finalised without detailed transport plans and before the Government's Capital Region Metro plan is published. These two plans are an essential pre-cursor to implementing the LDP as they will specify the transport requirements for south east Wales.

The development –led approach by the city council in Capital Square now requires a transport – led plan on an equal footing to give travellers into Cardiff's central business district an attractive public transport system

**Professor Stuart Cole CBE is Emeritus Professor of Transport, Wales Transport Research Centre, University of South Wales**



