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CORRESPONDENCE FOLLOWING THE COMMITTEE MEETING

Committee ENVIRONMENTAL SCRUTINY COMMITTEE

Date and Time of Meeting THURSDAY, 16 JUNE 2022, 4.30 PM

Please find below correspondence send by the Committee Chair following the meeting, together with any responses received.

For any further details, please contact scrutinyviewpoints@cardiff.gov.uk

10 **Correspondence following the Committee Meeting**(Pages 3 - 16)

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Ref: Scrutiny/Env/16.06.2022

Date: 21 June 2022

Councillor Dan De'Ath

Cabinet Member, Transport & Strategic Planning



Dear Councillor De'Ath,

Environmental Scrutiny Committee – 16 June 2022

On behalf of the Environmental Scrutiny Committee a sincere thank you for attending Committee to facilitate our consideration of the Council's proposed response to the Welsh Government's White Paper. Please also relay our thanks to the officers who attended the Committee meeting to support this item. Members agreed that I pass on the following observations to inform Cabinet discussion later this week. You will find our recommendations and requests, listed at the end of the letter.

Protection of Municipal Bus Companies

As raised at the meeting, the move to municipal bus companies detailed in the Welsh Government proposals, is acknowledged by Committee Members and we raised why this model, which has been available since 1985, has only yet been adopted by Cardiff & Newport and the questions this in itself presents. Members note, from the response, that municipal bus companies may not be the most commercially viable option in more rural areas and we welcome the offer made by officers to provide this Committee with further information on the history of how Cardiff became a municipal bus company.

During the meeting, we highlighted, and stressed, the need for the protection of municipal bus companies, particularly within the franchise bidding process. We acknowledge that this is a shared consensus with yourself and officers, however, we do feel it could be more greatly set out in the Council's response, and we should include detail on how we would like this protection to be provided. For example, what factors could the franchising tender process insist on that would help municipal bus companies such as Cardiff Bus

compete against private sector tenders? The need to include this detail in the response is captured in our recommendation below.

As already stated, we in Cardiff, are one of few already established municipal bus companies in Wales. From this end, we feel it is vital we capitalise on this opportunity to clearly and firmly, set out in the response the benefits of being a municipal bus company, and the protection we require.

To this end, we **recommend** that the proposed Council response, particularly the response to Q12, be amended to more greatly detail the benefits of municipal bus companies and the subsequent protection, including financial protection, required (particularly in the franchise bidding process). In addition, it must also more greatly stress the need for clarity from the Welsh Government on how franchising benefits municipal bus companies and provide Welsh Government with an indication toward the potential financial consequences for municipal bus companies within the franchise bidding process.

We also acknowledge you would like to provide a joint response to Welsh Government from Newport and Cardiff, to provide a strong, clear, unified perspective from established municipal bus companies.

Franchising

Members noted, that a concern highlighted in the papers was around the possibility of losing Cardiff Bus if they were not the preferred bidder under the proposed franchising arrangements. So, we sought assurance on why it may be a possibility that Cardiff Bus may not be the preferred bidder, and also questioned if this were the case, and a different bus operator were to run the services in Cardiff, would you, and officers be of the view that the ultimate goal would be to ensure the aims of the White Paper, “a coherent, efficient, clean bus service” are realised.

In addition, we also explored the franchising proposals, particularly in terms of how it would be managed, including realistic time scales for implementation,

and if it would be done by bus routes or area. Members note this detail has not yet been provided by Welsh Government and will be provided to this Committee as soon as it is available. In line with this, Committee Members stressed and highlighted the need to ensure that within governance arrangements, local authorities must be effectively consulted, and we are pleased to note that this will be insisted upon.

Losing Local Control

We note the concern detailed in the response about losing local control and so we explored your views on what a good balance would be, between the local, regional and national bodies to ensure local voice and need is heard and responded to, and what would be needed to ensure networks are effectively integrated.

We note and concur with the response that a strong, consistent, and valued voice for local authorities will be needed in governance arrangements and the Council will need to enhance our in-house resource to strengthen our contribution in the arrangements. From considering the proposed response in our papers, and our discussions at Committee, we **recommend** the point on local control and exact details on what we require be more greatly relayed in the response.

Identified Risks

In terms of risk to school transport, we **recommend** that the proposed response to Q6, be elaborated to provide more detail on the pre-empted risk surrounding school transport.

In addition to school transport, we also note that the risk of losing local accountability is also recognised as a risk in the proposed response. Members concur with this, however **recommend** the response to Q3 be amended to more greatly reflect and detail why accountability at local level is required.

Decarbonisation

Paragraph 42 of the Cabinet Report sets out the lack of detail in the White Paper on the model of investment in low carbon vehicles. In addition, it also states that '*substantial financial requirements will be needed to achieve the Net Zero Wales target of the service bus fleet by 2035*'. Members concur with this point around the lack of detail offered by the Welsh Government, and **recommend** that within the response, greater emphasis is required surrounding our One Planet Cardiff aim of being a Carbon Neutral City by 2030, as we should capitalise on this opportunity to demonstrate our ambitions, particularly given the substantial funding we will require to achieve this aim.

Bus Patronage

During the discussions, a Committee Member reflected on their experience of using buses and reiterated the need to ensure Cardiff residents can rely on buses as an effective means of transport. In addition, we also raised the need to ensure, that whilst we should look to encourage people onto the bus, we must target those in the car, not those undertaking other active travel arrangements (such as cycling, walking) to ensure there is no competition between public transport and active travel.

At the meeting, Members quoted the proposed response to Q1 which states our ability to influence bus patronage is limited. We note from the meetings discussions there are limitations, particularly in terms of funding, however we are able to increase bus patronage by supporting local physical infrastructure. In line with this, we **recommend** the response to Q1 be amended to specify our exact limitation and detail the influence we do currently hold to influence bus patronage.

With regard to the £1 bus scheme pilot, we questioned why 59% of respondents to the online survey stated they would not return to the bus and what our plans are for responding to the issues raised. We note the offer that this information will be provided to us.

In line with this, we also wish to take this opportunity to stress the importance of ensuring passenger needs, particularly non-users, are being met on bus services within the city, both within our current and future plans.

In addition, Members also wish to take this opportunity to ensure that the passengers' perspective on these proposals, is clearly, and adequately reflected within the Council's response.

Cardiff Transport Ten Year Strategy

At the meeting, we questioned how the Welsh Government proposals could affect the Council's ten-year plan. Members note the perspective that if proposals are delivered effectively, they would provide a good foundation for a single system across the city, and for our future work. However, as further information, such as on the work of integrated ticketing, joined up transport network across the city and emerging metro proposals is still required, Members feel there is not enough information provided by the Welsh Government, to provide enough assurance surrounding our future plans.

Remaining on the topic of our future plans, Members questioned if the focus within the draft bus strategy on the city centre is truly reflective of Cardiff residents travel behaviour. We note from the response other transport hubs around the city centre will be offered to act as 'mini bus-stations' to ensure efficiency across the city.

During the discussions Committee Members requested to receive the latest available information on Cardiff Bus Station plans and Members appreciate the confirmation that this will be provided for our review.

Recommendations to be monitored following this scrutiny:

To summarise, the Committee makes **6** formal recommendations which are set out below. As part of the response to this letter I would be grateful if you could, for each recommendation, state whether the recommendation is accepted, partially accepted, or not accepted and summarise the Cabinet's response. If the recommendation is accepted or partially accepted. I would

also be grateful if you could identify the responsible officer and provide an action date. This will ensure that progress can be monitored as agreed by Cabinet.

Recommendation	Accepted, Partially Accepted or Not Accepted	Cabinet Response	Responsible Officer	Action Date
The proposed Council response, particularly the response to Q12, be amended to more greatly detail the benefits of municipal bus companies and the subsequent protection, including financial protection required (particularly in the franchise bidding process). In addition, it must also more greatly stress the need for clarity from the Welsh Government on how franchising benefits municipal bus companies and provide Welsh Government with an indication toward the potential financial consequences for municipal bus companies within the franchise bidding process.				
The point on local control and exact details on what we require be more greatly relayed in the response.				
The proposed response to Q6, be elaborated to provide more detail on the pre-empted risk surrounding school transport.				
The response to Q3 be amended to more greatly reflect and detail why accountability at local level is required.				
Within the response, greater emphasis is required surrounding our One Planet Cardiff Strategy aim of being a Carbon Neutral City by 2030.				

The response to Q1 be amended to specify our exact limitation and detail the influence we do currently hold to influence bus patronage.				
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For ease of reference, the requests detailed in this letter are:

- Information detailing how Cardiff became a municipal bus company.
- When available, information on how the franchising proposals would work, and if it would be done by routes, area or an alternative.
- The latest available information on Cardiff Bus Station plans.
- Information on why 59% of respondents to the online survey stated they would not return to the bus and what our plans are for responding to the issues raised

Once again thank you once more for attending Committee and for considering our comments and recommendations.

I look forward to your response.

Yours sincerely,



Councillor Owen Jones

Chairperson Environmental Scrutiny Committee

Cc: Members of the Environmental Scrutiny Committee

- Andrew Gregory, Director for Planning, Transport & Environment*
- Jason Dixon, OM Transport Development & Network Management*
- Claire Moggridge, OM Network Infrastructure*
- John Gibson, Principal Engineer*
- Group Opposition Leaders*
- Mr David Hugh Thomas, Chair, Governance & Audit Committee*
- Chris Pyke, OM Governance & Audit*
- Tim Gordon, Head of Communications & External Relations*
- Joanne Watkins, Cabinet Business Manager*

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Fy Nghyf / My Ref: CM47792
Eich Cyf / Your Ref:
Dyddiad / Date: 20th September 2022



Councillor Owen Jones
Chairperson
Environmental Scrutiny Committee
County Hall
Atlantic Wharf
Butetown
Cardiff
CF10 4UW

Annwyl/Dear Owen,

**Environmental Scrutiny Committee - 16 June 2022
Welsh Government White Paper - Bus**

Thank you for your letter dated 21 June 2022 regarding the above and I would comment as follows:

Re: How Cardiff Bus became a Municipal Bus Company

In 1902, the Corporation of Cardiff started running electric powered trams in the city between Newport Road and the city centre. The Corporation had taken over the private Cardiff Tramway Company which had run horse trams and buses since 1870, although other operators had been running horse buses in the area since at least 1845. The operation gradually expanded to include trolley buses and motor buses, the latter becoming the vehicle of choice as time went on.

Municipally owned public transport operators was the normal model, particularly in urban areas in the UK for many decades, and the system of route licencing overseen by the Traffic Commissioners, whereby incumbent operators could object to applications to run new routes made it difficult for new operators to become established. There was, in effect, no on-road competition between operators for passengers.

The Transport Act of 1985 effectively turned this system on its head, allowing any operator who met the Traffic Commissioners' conditions to run any route and compete on-road. The Act also prevented local councils from participating in the day-to-day running of bus services through their own bus companies, prevented any councils from setting up new bus companies, and imposed limits on what funding municipal operators could access.

GWEITHIO DROS GAERDYDD, GWEITHIO DROSOCH CHI

Mae'r Cyngor yn croesawu gohebiaeth yn Gymraeg, Saesneg neu'n ddwyieithog. Byddwn yn cyfathrebu â chi yn ôl eich dewis, dim ond i chi roi gwybod i ni pa un sydd well gennych. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

WORKING FOR CARDIFF, WORKING FOR YOU

The Council welcomes correspondence in Welsh, English or bilingually. We will ensure that we communicate with you in the language of your choice, as long as you let us know which you prefer. Corresponding in Welsh will not lead to delay.



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Faced with these limitations, and an aggressive approach to competition and acquisition from new private bus companies (many formed from the shards of the denationalised National Bus Company) many local authorities decided to divest themselves of their by now arm's length companies.

Cardiff was one of the few local authorities that decided to retain ownership of its municipal bus company.

Re When available, information on how the franchising proposals would work, and if it would be done by routes, area or an alternative

This information is not yet available. It will be reported to Cabinet and Environmental Scrutiny Committee when it becomes available.

Re Cardiff Bus Station plans

Officers meet regularly with Transport for Wales (TfW) officers who are responsible for the operational plans for the new Bus Transport Interchange in Central Square. Discussions to date have focused on health & safety and agreeing the permanent detailed design of the adjacent highway junctions and how they join up to the bus station forecourt. These junctions are currently being constructed and will be complete by early 2023.

The next stage of meetings with TfW will now focus on the actual bus movements in and out of the bus station and how the stands within the new bus station will be allocated. Once the details are known in terms of which buses will use the new bus station officers will ensure that both members and the public are fully informed.

Re Information on why 59% of respondents to the online survey stated they would not return to the bus and what our plans are for responding to the issues raised

The responses to the £1 discounted fare consultation resulted in 41% of the new and returning users confirming they would continue to use the bus. The survey was a shot questionnaire to gauge general support for future potential discounted ticket schemes. It did not request responses that would enable an assessment of the reasons users would not return. However, 86% of users confirmed that their experience was good value for money. Overall, 88% of respondents think there should be similar bus fare promotions in the future.

As requested by the Committee I have set out in the table below our response to each recommendation.

Recommendation	Accepted, Partially Accepted or Not Accepted	Cabinet Response	Responsible Officer	Action Date
<p>That the proposed Council response, particularly the response to Q12, be amended to more greatly detail the benefits of municipal bus companies and the subsequent protection, including financial protection, required (particularly in the franchise bidding process). In addition, it must also more greatly stress the need for clarity from the Welsh Government on how franchising benefits municipal bus companies and provide Welsh Government with an indication toward the potential financial consequences for municipal bus companies within the franchise bidding process.</p>	<p>Partially accepted.</p>	<p>There is insufficient detail in the White Paper concerning the franchise process to assess what protection might be required.</p> <p>The White Paper response includes the following additional text regarding the benefits of municipal bus companies:</p> <p>The municipal bus companies in Wales have a long-standing historic role in providing high quality bus services supporting growth and opportunity in the economy for residents, businesses and visitors. They have had an important role providing bus market stability. They have often been innovative and proactive in providing improved services and setting a benchmark of quality standards that has helped ensure high quality bus services are provided. They have invested in higher quality and cleaner vehicles, leading on EV bus role out in Wales, driver training, smart ticketing, fare incentives, high quality electronic and printed bus user information, innovative website and phone app and flexibility in providing value for money bus services to meet changing needs.</p>	<p>Jason Dixon</p>	<p>24/06/2022</p>

<p>The point on local control and exact details on what we require be more greatly relayed in the response.</p>	<p>Partially accepted</p>	<p>There is insufficient detail in the White Paper for exact requirements of local control to be spelt out.</p> <p>The White Paper response to Question 6 has been amended to include the following emphasis regarding local control:</p> <p>Despite enabling a more coordinated approach, the franchise proposals raise the risk of diminishing local authority control over what is in the majority of cases a very localised and important public service. It is acknowledged that the processes of procuring any resulting bus franchises could be centralised with useful economies of scale. However, the determination of the network, its coverage and service patterns are issues with significant local focus. Given the limited detail provided on how the franchising proposal would operate and the very real concern that local accountability would be lost in a single national franchise, the Council needs assurances from the Welsh Government to ensure local services reflect local needs.</p>	<p>Jason Dixon</p>	<p>24/06/2022</p>
<p>The proposed response to Q6, be elaborated to provide more detail on the pre-empted risk surrounding school transport.</p>	<p>Accepted</p>	<p>There is insufficient detail on school transport proposals to assess the level of risk.</p> <p>The White Paper response to Question 6 has been amended to include the following additional sentence regarding school transport: Consideration needs to be given to the impact of franchising on SME bus operators who provide many local school transport services.</p>	<p>Jason Dixon</p>	<p>24/06/2022</p>

The response to Q3 be amended to more greatly reflect and detail why accountability at local level is required.	Not accepted	It is considered that the response given, plus the amended response on local control (above) adequately reflects these concerns.	N/A	N/A
Within the response, greater emphasis is required surrounding our One Planet Cardiff Strategy aim of being a Carbon Neutral City by 2030.	Accepted	The White Paper response to Question 7 has been amended to include the following additional text: The stated objectives of the proposed reforms align closely to the Cardiff Transport White Paper 2020, Local Development Plan and the One Planet Strategy with the aim of Cardiff to be carbon neutral by 2030. The need to provide a coherent, effective, efficient and clean bus network is acknowledged contributing to the decarbonisation of transport.	Jason Dixon	24/06/2022
The response to Q1 be amended to specify our exact limitation and detail the influence we do currently hold to influence bus patronage.	Accepted	The White Paper response to Question 7 has been amended to include the following sentence: The ability of local authorities to influence growth in bus patronage is limited to providing the supporting infrastructure and service improvements through s106 developer contributions.	Jason Dixon	24/06/2022

Yn gywir/Yours sincerely



Y Cyngorydd / Councillor Dan De'Ath
Aelod Cabinet dros Drafnidiaeth a Chynllunio Strategol
Cabinet Member for Transport and Strategic Planning

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