



Prifddinas
Ranbarth
Caerdydd

Cardiff
Capital
Region

Cardiff Capital Region - Regional Bus

A Proposal



Background – national, regional & local issues

- The management and co-ordination of Bus services in CCR been delivered regionally through a lead Council, post-demise of SEWTA
- In recent years and pre-pandemic, increasingly complex issues have emerged around bus viability and the commerciality and ongoing feasibility of the subsidy, incentives and support model
- These issues have been exacerbated by the Covid-19 pandemic Whilst the industry has maintained a core network of essential services throughout the pandemic this has required significant public financial support and administration. Whilst patronage is returning, this remains around circa 1/3rd below pre covid-19 levels. The impact of such policies as home working will also influence future demand.
- As recovery begins, there is even more emphasis on the need for a long-term viable future for the Bus industry in Wales in line with policy position on Climate Change and aligning future mobility with a shift to public transport and active travel
- The Bus Emergency Scheme (1, 1.5 & 2) is a key support mechanism working across Bus operators, LAs, TfW and WG
- In 2021/22 this equates to an additional £37M of funding support for Wales for the first six months with further funding for this year to be agreed with WG at the six monthly review which sits in addition to the c£25M invested annually through BSSG and the £70M Concessionary fare reimbursement.
- A new Bus strategy is being prepared by WG to align with the objectives of Llwybr Newydd – the National Transport Strategy
- WG will also be preparing a new Bus Plan in consultation with stakeholders
- The Regional Transport Authority has taken a keen interest in Bus issues – especially given its criticality to economic inclusion
- In December 2020, a report was approved by the CCR Cabinet re: altering the Terms of Reference of the RTA
- This looked ahead to the forthcoming Corporate Joint Committee (CJC) which is set to go live ahead of 28 February 2022
- One of the first 'commencement duties' under the CJC regulations is production of a Regional Transport Plan, in which Bus and broader public transport and active travel features will be at the fore
- In order to prepare for this, the RTA ToR now include a more strategic focus on issues of regional transport co-ordination beyond the narrow remit of City Deal
- Included in the December 2020 Cabinet report and reflected in the ToR is a commitment to deploying a more formal platform for Regional Bus delivery, management & optimisation in the new CJC
- As an interim holding position, Monmouthshire Council continues to co-ordinate regional Bus activity, including management of BSSG and BES 2.
- The issue now however, is that the service needs an urgent injection of capacity, including essential management, leadership and delivery support. However, in an uncertain climate and with the funding position beyond mid-2022 unknown – urgent issues are presented both to the current interim position and the desired future state via the CJC preventing things from moving ahead in a meaningful way

Solving the right problem

- There is an argument to say that for now, we should focus on closing the current funding gap and giving certainty to be able to employ a small team
- However, our view is that would **only** mask some of the bigger issues
- In any event, employing a team needs a timeframe and yet there is no certainty about the extended BES funding window – and it has not proved possible to simply second or ask people to add on to day job – given the capacity gaps and diminishing levels of experience at local levels
- The CJC can't fill the gap either because there is no budget for service provision as yet or 'transfer of functions' given the City Deal budgets are ring-fenced to City Deal project delivery at this time
- The bigger issues are around the medium-long term viability of the Bus industry and a whole raft of commercial capability issues therein, as well as sufficiency of some of the incentive and subsidy models. Seen against the turbulence and ongoing instability caused by the Pandemic – we are planning in and for an uncertain environment
- This will be compounded by some of the imperatives around climate change. Whilst we all support fully embracing zero emissions mobility – this will take time, given technology adoption models, procurement issues and the cost and time it will take to transition
- Issues around skills for the future and the changing operating models of Home to School Transport, transitions around local authority fleet and embedding zero emissions mobility policy and delivery are all tied up in this

- So, we can answer the short term question of how do we underwrite the cost of a small team and yet still be in the throes of an ongoing holding pattern of annual cycles of funding,
- Or we can take it upon ourselves to be proactive and do a short, sharp piece of work on how we see the future of Bus in the region, with independent and robust financial modelling and a clear plan for how wider policy objectives around PT, decarbonisation, future skills and in time, sub-regional clusters of Home to School Transport could be delivered
- This means instead of waiting for a funding letter yearly from WG which makes it impossible to plan, we develop a longer-term proposal based on a clear ask and offer. This will demonstrate commitment, and added value of regional working/ CJC as well as making an evidence based contribution to the National Bus Strategy
- This also strikes a good balance across local (expertise & capability), regional (alignment and co-ordination) and national (policy direction)
- On this basis and if agreed by all, there is a strong case for the CCR to share costs with WG and underwrite the short-term costs of making appointments, since it is part of a wider plan. There is currently £79k earmarked for publicity from the Regional pot that could be redirected towards these costs, subject to WG agreement.

The work proposed

- *Develop a brief for the 'Future of Regional Bus':*
 - *Viability of subsidy and incentives structures and financial modelling*
 - *Pandemic hangover effects*
 - *Context of a national and emergent regional transport strategy*
 - *Context of Climate Change policies and transport zero emissions mobility as per CCR Energy Strategy*
 - *Skills opportunities*
 - *Contribution of a CJC and pooling resources and expertise to solve problems individually LAs cannot*
 - *Linkages with work on LA zero emissions fleet*
 - *Data focus and ensuring we capture evidence base to inform a 'heatmap' of issues, challenges and opportunities as well as behavioural insights*
 - *Set course for 2nd phase of work around Home to School Transport and solving this problem through improved sub-regional clusters and co-ordination and co-operation (could also be subject of a Challenge Fund)*
- *At the same time, understanding the important context of this piece of work and WG engagement should give sufficient comfort for RTA/ CJC to underwrite to costs of the small management team to an agreed point*
- *Options to fund through the Metro Plus/ LTF budgets and associated ULEV capital/ match-fund ring-fence (subject to advice)*
- *Short-term piece of work can be funded via CCR and matched by BES grant*

Informal briefing to RTA 2 September

Formal report to RTA 9 September

Onwards to Cabinet if agreed

Letter to Minister to follow from RTA Chair and Vice Chair