

# Bus Services (Wales) Bill

## Summary of evidence

August 2025



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# **Bus Services (Wales) Bill**

## Summary of evidence

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This brief provides a high-level summary of the written and oral evidence received by the Climate Change, Environment and Infrastructure Committee during Stage 1 of the legislative process for the Bus Services (Wales) Bill.

It was prepared by Senedd Research for the Committee and is being published to support Senedd Members and the public to understand the issues that emerged during the Committee's scrutiny of the Bill.



# Contents

<b>1. Introduction .....</b>	<b>1</b>
<b>2. Cross-cutting issues.....</b>	<b>2</b>
Need for detail.....	2
Transition.....	2
Role of local government.....	3
Learner travel.....	3
SME operators.....	4
Congestion and barriers to bus.....	4
Passenger voice .....	5
Equality and accessibility .....	5
Community Transport (CT) .....	5
‘Teckal’ .....	5
The importance of guidance and regulations.....	6
<b>3. Evidence on specific sections of the Bill.....</b>	<b>7</b>
Part 1: Key concepts and general objectives .....	7
Section 1: Meaning of local bus service .....	7
Section 3: Meaning of “flexible local bus service” and “standard local bus service” .....	7
Section 4: Welsh Ministers’ duty to have regard to objectives.....	7

**Part 2: Functions of the Welsh Ministers relating to local bus services 8**

Section 5: Local bus services: core duties .....8

Sections 6 to 8: Welsh Bus Network Plan .....8

Sections 9 and 10: Local bus service contracts ..... 10

Section 11 to 16: Local bus service permits .....14

Section 17: Provision of local bus services by the Welsh Ministers .....14

Section 18: Reliance on community bus services and certain other services for the purposes of the section 5(1)(c) duty ..... 15

Section 19: Cross-border services and the duty to secure the provision of services .....15

**Part 3: Restriction on providing local bus services .....17**

**Part 4: Information and data .....17**

**Part 5: Local authority powers and duties ..... 18**

Section 32: Provision of bus services by local authorities: removal of restrictions .....18

Section 33: Removal of duty to secure local bus services .....19

Section 34: Financial assistance in connection with local bus services20

**Part 6: Miscellaneous and general ..... 20**

Section 35: Application of TUPE ..... 20

# 1. Introduction

On 31 March 2025, the Cabinet Secretary for Transport and North Wales, Ken Skates MS, (“the Cabinet Secretary”) introduced the Bus Services (Wales) Bill to the Senedd.

The Climate Change, Environment and Infrastructure Committee (“the Committee”) scrutinised the Bill during the summer term, publishing its report on the general principles on 24 July 2025.

The Committee received 46 pieces of written evidence, which are available in full [on the Committee’s consultation webpage](#), as well as taking oral evidence. Transcripts of oral evidence are available, along with the Bill and Explanatory Memorandum, [on the Committee pages](#).

This briefing, originally prepared for the Committee in advance of its [final oral evidence sessions with the Cabinet Secretary and Transport for Wales](#) (TfW) on 19 June, provides a high-level summary of the written and oral evidence received by the Committee during stage 1 up to that point.

It should be read [alongside the Bill Summary](#) prepared by Senedd Research and [the Committee’s stage 1 report](#). A range of other materials, including research articles and a bilingual glossary, have been published by Senedd Research on a [Bill resource page](#).

Virtually all stakeholders recognised the need for bus reform and supported the aim of the Bill to achieve the [“One Network, One Timetable, One Ticket”](#) concept, and the objectives set out in the Explanatory Memorandum (EM).

However, most qualified their support, identifying areas of concern, omission or that require clarification. For example, **Newport Transport** commented:

The general intention of the Bill seeking to provide the public of Wales “reliable, affordable, and easy-to-use bus services” is one shared by all operators regardless of the nature of the company. However, we do not believe the Bill and a government-controlled network is a guarantee nor key to providing these types of services.

## 2. Cross-cutting issues

This section briefly outlines cross-cutting issues identified by stakeholders. They are discussed here in general. Where appropriate, they are also raised later in discussion of specific sections of the Bill.

### Need for detail

Several stakeholders noted the Bill is broad and/or lacks key detail. The **Urban Transport Group (UTG)** described it as “quite light”, though noted “it is advantageous in some ways to have a broader, a little bit more of a lighter framework”. However, bus operators and local government in particular often felt the Bill is vague, saying clarity on key delivery areas hasn’t been provided yet. For example, **Gwynedd Council** said quite a bit of the vital detail is missing, vague and/or unclear as to how the proposed arrangements will work in practice.” The **Coach and Bus Association Cymru (CaBAC)** said in oral evidence that TfW’s engagement around the Bill had “got better over the past 12 to 15 months, but the engagement is still high level.” The **Confederation of Passenger Transport (CPT)** agreed.

### Transition

Alongside the need for detail on how provisions would operate, many stakeholders drew attention to transition issues, including:

- managing public expectations (**CPT**);
- the need for current local authority powers to remain during transition (**Newport Council**);
- the scale of the task involved in the time (**South Yorkshire Mayoral Combined Authority (SYMCA)**); and
- the importance of consistent communication during transition (**Older People’s Commissioner for Wales**).

**Bus Users Cymru** noted the experience of rail saying “it can take several years to deliver noticeable improvements”.

On 7 May 2025, the **Cabinet Secretary** said he had confidence in TfW’s governance and readiness to deliver the Bill. He said with regard to expectation management, the “first objective is to secure the existing network, and then to grow the network”.



## Role of local government

Many stakeholders were concerned about the transfer of responsibility for bus services from local authorities to the Welsh Ministers, often noting the importance of local government knowledge and advocating its role be strengthened or clarified. The **CPT** said “we would be missing a trick if local authorities didn’t have a bigger role in how we shape the network” but the Bill is “light on detail”. The **Welsh Local Government Association (WLGA)** called for a partnership role with local government, noting that expertise may be lost. It also queried how liaison relating to highway incidents that require services to be rerouted would be handled. Some, like the **Older People’s Commissioner**, were concerned about splitting interconnected responsibilities such as for infrastructure.

The **WLGA** and the **Association of Transport Coordinating Officers (ATCO)** were concerned that with no statutory duty for local bus services, local authorities might reduce spending resulting in an overall reduction in bus funding.

On 7 May 2025, the **Cabinet Secretary** said, “We were determined to make sure that we protected the investment that local authorities themselves put into bus services as well.”

He also said, “I’ve said repeatedly, when we’ve been developing this legislation, that local authorities really have to be with us in the driving seat.” He continued:

...it’s important that sign-off comes once local authorities are content with the network. And, for that reason, we’re going to be setting up a bus board in TfW, which will comprise corporate joint committee representatives on transport. They will then propose the network to Welsh Ministers. So, in effect, local authorities will have a far greater role than I think many people thus far have appreciated, and they’re going to have a huge role as well in preparing the plan—not just in proposing the plan to Ministers, but also in preparing the plan.

## Learner travel

Learner travel was one of the most prevalent stakeholder concerns. The **Children’s Commissioner for Wales** noted that the Welsh Government’s 2024 learner travel recommendations report said franchising would allow schools and colleges to be taken into account in planning regional bus networks but it’s not clear from the Bill materials how this has been done. The Commissioner, local government and bus operators noted that many pupils also use public bus services. **Monmouthshire Council** highlighted work done to align public bus timetables with home to school transport needs, stressing “franchising must not erode this work and there



should therefore be a requirement for TfW to embed home to school transport requirements” in designing networks. Concerns typically related to potential cost increases. Some stakeholders, such as **Cardiff Capital Region (CCR)**, highlighted that services were often delivered by SMEs which were themselves a source of concern in the Bill (see below).

On 7 May 2025, the **Cabinet Secretary** acknowledged, “learner travel is out of the scope of this piece of legislation”. However, while not explicit in the Bill, **he also said:**

I think what the most beneficial element of the Bill is in terms of learner travel is the integration of learner transport with public transport. It will take us time; I’m not going to promise that we will see improvements overnight. It will take time, but it’s important that we work closely with local authority partners in implementing bus reform, in making sure that those network maps and timetables reflect opportunities for contracted services to provide transport for learners.

The Cabinet Secretary’s official added “when we implement the contracts, we’re looking to include an ability to bring learner travel into those”.

## **SME operators**

Many respondents highlighted that bus services in Wales are heavily dependent on SMEs, but these are not explicitly addressed in the Bill. **CaBAC** noted that its SME members are “petrified” about the Bill’s provisions.

On 7 May 2025, the **Cabinet Secretary’s official** told the Committee, “what we’re trying to do with the implementation of the Bill is to make the position of SMEs sound so that they continue to provide the social benefit, including learner travel.”

## **Congestion and barriers to bus**

Many stakeholders noted that the Bill won’t address many barriers to bus travel. For example, **First Cymru** said “the Bill will not solve the problem of declining bus patronage nor achieve modal shift towards a sustainable transport system by reducing car use”. Congestion was frequently raised, in some cases linked to the fact that highways and infrastructure will remain a local government responsibility outside the new regime. **Newport Council** said “the Bill does not make the link between service reliability and the need for bus priority”. **Cardiff Council** argued the Bill “would benefit” from a requirement to address congestion through bus priority measures.

## Passenger voice

**Transport Focus** and **Bus Users Cymru** identified a need for greater focus on passengers. They queried how complaints will be handled, and which body will be responsible for passenger relations. They called for a passenger charter and, while noting reference to consultation with passenger *representatives* on the Welsh Bus Network Plan, they questioned how on-going engagement with passengers *themselves* on the effectiveness of delivery would be handled.

## Equality and accessibility

A need for greater consideration of accessibility was raised by **Transport Focus**, the **Community Transport Association (CTA)**, **Older People's Commissioner, RNIB**, **Guide Dogs/Disability Wales**, and the **Equality and Human Rights Commission (EHRC)**.

Issues included safety and accessibility of infrastructure and information, responsibility for compliance with disability regulations, accessibility standards in network planning/contracts and driver training. The **CTA** said it didn't "think there was anything specific in there" on disability. The **EHRC** noted "as it is currently drafted it is not clear how the Bill will embed equality and accessibility".

## Community Transport (CT)

The **CTA** broadly supported the Bill, noting "a real focus from Welsh Government officials on ensuring that community transport is part of those [Bill preparation] conversations." However, alongside issues on specific Bill elements (see below), stakeholders questioned the wider position of the CT sector, including how local government would engage with CT operators delivering services outside the Bill's contract/permitting regimes, and funding.

## 'Teckal'

A number of respondents queried whether the "Teckal" judgment from the European Court of Justice, which is incorporated in UK procurement law, could apply. This permits a public authority to award a contract to its own directly-controlled companies or subsidiaries without tender in certain circumstances. For example, the **CPT** and **CaBAC** said they were unclear and it is a concern to the industry. **ATCO** suggested TfW is also a "Teckal" company.

## The importance of guidance and regulations

The Bill makes no provision for statutory guidance, and significant detail will be left to regulations.

The **CPT** felt guidance – statutory or otherwise – is needed to address the lack of detail in the Bill. The **UTG** was “confident” guidance was being worked on, but “given it is so untested, a bit more information probably to stakeholders might not be unhelpful”. **Transport Focus** said it “would like to see guidance following up the Bill on quite a speedy process.” The **CTA** stressed a need for guidance on the approach to consultation.

Much delivery detail will be in regulations. Some recognised this permitted flexibility. For example, the **CPT** said “allowing a degree of flexibility around the contracts through regulations is sensible” and it’s right the contract itself isn’t in the Bill. Others felt too much was left to regulations. **Cardiff Bus** recognised the need for subordinate legislation, but “there is potentially too much that falls into this category”. Stressing the complexity of the sector, it feared “unintended consequences ..... through incomplete considerations of effects due to the pace at which this [Bill] has been developed.”

Comprehensive consultation was widely felt to be required on regulations (for example by **CPT, WLGA, Bus Users, Transport Focus, Older People’s Commissioner, Pembrokeshire Council and Cardiff Council**).

Despite this, and the evidence on uncertainty and lack of detail (above), **on 7 May 2025** the **Cabinet Secretary** said:

We did consider including a power to issue statutory guidance, but we basically concluded that it was unnecessary because the functions primarily sit with Welsh Ministers. If we decide to issue guidance to any relevant parties involved in delivering bus services, then non-statutory guidance would be issued under general powers in the Government of Wales Act 2006. Now, we’ve had extensive engagement with the sector and with local authorities, and so I have confidence that the processes that are going to be applied will be understood, are understood, and we will continue to engage thoroughly with bus operators and local authorities in regard to ensuring that they are aware of the process that we will be pursuing.

## 3. Evidence on specific sections of the Bill

### Part 1: Key concepts and general objectives

#### Section 1: Meaning of local bus service

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The limited evidence received on section 1 focused on the appropriateness of the 15 mile between stops criterion in the definition of “local bus service”. **Cardiff Council** suggested this required “scenario testing.” **Green Dragon Community Transport** suggested it’s not far enough in rural areas.

On the other hand, **CaBAC** agreed 15 miles may be an issue for rural operators, but “it’s all they know” and additional change, while revising the overall model, may be confusing. The **CPT** agreed.

#### Section 3: Meaning of “flexible local bus service” and “standard local bus service”

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The **CTA** welcomed the “clear delineation between ‘flexible’ and ‘standard’ bus services”.

#### Section 4: Welsh Ministers’ duty to have regard to objectives

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The objectives listed were generally welcomed. The **CTA** said they “clearly link back to the policy intentions set out in **Llwybr Newydd** in 2021” and it appreciated “the leadership shown by the Welsh Government in taking ownership of such objectives.” A number of suggestions were made for additional objectives, for example:

- Including an objective on “diversity of the market” could help address SMEs and municipal operator concerns (**CPT**);
- Consulting/engaging with passengers (**Bus Users Cymru**) and meeting passenger priorities (**Transport Focus**) were felt to be absent;
- Including an objective on Learner Travel (**Children’s Commissioner** and **Cardiff Bus**);
- Including an objective on the Welsh Language (**Cardiff Bus**);
- Addressing congestion (**Bus Users Cymru**), and linked to this investment in bus priority measures/achieving modal shift (**Cardiff Bus**) or “punctuality” (**First Cymru**); and

- Querying the meaning of “accessibility” in the second objective (**RNIB** and **Older People’s Commissioner**).

On 7 May 2025, the **Cabinet Secretary** outlined objectives he had considered and not included. These did not overlap with the suggestions above.

## Part 2: Functions of the Welsh Ministers relating to local bus services

### Section 5: Local bus services: core duties

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**Cardiff Bus** suggested the transfer of responsibility for bus services to the Welsh Ministers, with delivery via TfW, and roles for Corporate Joint Committees (CJCs) and local authorities, “has the potential to create confusion” and wouldn’t “facilitate a responsive network”.

**Pembrokeshire Council** suggested the scope of the duty in section 5, which refers to securing “local bus services” as defined in section 1, is narrower than the current local authority duty under **section 63 of the Transport Act 1985**. Section 63 comprises a broader duty to secure “public passenger transport services”.

Some queried the scope of the section 5(1)(a) requirement that the Welsh Ministers determine the services “they consider are required for the purpose of securing safe, integrated, sustainable, efficient and economic transport in Wales.”

The **Federation of Small Businesses (FSB)** queried the meaning of “economic” and whether this means “economic development” or “affordability”. Several stakeholders suggested “social need” is missing. For example, **ATCO** suggested the duty “leans towards providing transport which is the most financially viable and puts at risk the provision of socially necessary/inclusive transport.”

### Sections 6 to 8: Welsh Bus Network Plan

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#### Evidence base

The Welsh Ministers must have regard to Regional Transport Plans (RTPs) prepared by CJCs in developing and reviewing the Welsh Bus Network Plan (the Plan). Some, like the **WLGA**, felt the consultation on RTPs had been effective. However, the **CTA**, **CPT** and the **Older People’s Commissioner** queried their quality, particularly the approach to community engagement.

## Consultation and Plan development

Many stakeholders identified a need to strengthen consultation requirements in the Bill. **Bus Users Cymru** called for “meaningful engagement with communities”. The **CTA** suggested “non passenger voices” be included. The **Children’s Commissioner** suggested groups “representing” users aren’t a substitute for engaging actual/potential users, particularly young people.

The **CPT** suggested operators should be involved before the development of the Plan to ensure local knowledge is reflected. Using local knowledge was also stressed by the **Older People’s Commissioner**. **Railfuture** proposed reference be made to users of “public transport services” rather than “local bus services”. The **Bevan Foundation** said “requirements to engage with specific groups or in particular ways are not specified.”

**Transport Focus** welcomed consultation requirements, but called for “an on-going conversation” rather than consultation as an “event” (**Bus Users Cymru** agreed).

The **Cabinet Secretary** summarised his approach to consultation on 7 May 2025. He promised to provide the Committee with further information on specific consultations that are going to happen.

## Local Government

Despite the Cabinet Secretary’s assurances (above), several stakeholders, particularly from local government were concerned that the local government sector is not sufficiently included in Plan development. **ATCO** noted there is no mention of decisions being taken “in conjunction” with local authorities or CJs, sidelining “local experience, knowledge, and democratic accountability”. It argued local authorities should be “co-signatories” to a Plan rather than “consultees”.

## Plan review

Several respondents stressed the importance of the Plan being flexible. **Cardiff Council** and **Pembrokeshire Council** found review provisions “onerous”. A number, including **Pembrokeshire Council**, **CCR** and the **WLGA**, highlighted that the Welsh Ministers are not required to revise the Plan where steps in respect of a local bus service will not have effect for more than 14 days. Using the example of road works they suggested this will lead to frequent reviews.

Consultation is not required where the effect of a revision is minor, or it’s not



“reasonably practicable”. Several stakeholders, including **CPT, First Cymru, Carmarthenshire Council, Pembrokeshire Council** and **ATCO**, queried the meaning of “minor” and/or when it would not be “reasonably practicable”.

Although the Plan must be kept “under review”, the **Chartered Institute of Logistics and Transport (CILT)** and **Friends of the Earth (FOE)** recommended that there should be specific review points.

### **Plan based on current network**

Some highlighted that the initial Plan would be based on the current network (as noted above, the Cabinet Secretary has confirmed the first objective is to “secure the existing network.”) **CaBAC** felt this was “sensible”, but would need to be made clear to the public (presumably to manage expectations). The **Bevan Foundation** noted that current high numbers of concessionary travellers may skew the network, with their needs presumably reflected in the current network, and there is likely to be “a great deal of unknown unmet demand”.

### **Sections 9 and 10: Local bus service contracts**

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#### **Concerns about single model delivery/lack of ‘plan b’**

The Welsh Government’s intention is that most bus services will be delivered under contract via franchise, and that the preferred model of franchise, initially at least, will be ‘gross-cost’ with operators paid a fee and fare revenues collected by the franchising authority which carries the revenue risk.

Some respondents welcomed this. **Gwynedd Council** said “moving to a single system model to manage buses seems completely sensible, with the intention of achieving the general objectives”. However, concerns were widespread. **ATCO** said “accepting that the current set up is to change, having ‘other tools in the box,’ rather than reliance on franchising, would be beneficial”, and referred specifically to partnership models. The **CILT** suggested “limited operational models will restrict the ability of smaller operators to compete on a ‘level playing field’.

The **CPT** expressed concerns about gross-cost franchise contracts, stating these present the “biggest risk to the public purse and passengers”. Instead, it advocated a “minimum subsidy” model, where revenue risk is carried by operators, who can bring their expertise and commercial ability to bear. The **CPT** called for a “value for money” test to be included in the Bill to inform the decision on which model is appropriate.

On 7 May 2025, the **Cabinet Secretary** stressed a need to be dynamic:

... the model for delivering a national network has to be dynamic, and if bids are received for a contract package and one of the services within it is significantly more expensive to deliver, we may decide that it'd be better value for money to remove that service from the package and deliver it via a permit, or indeed directly. So, it's about giving flexibility to Ministers over how this will operate and ensuring that in all eventualities we're able to deliver the best possible bus services across the whole of Wales.

Subsequently, he said contracting provisions in the Bill offer “an approach that is not prescriptive” on the type of contract. His official outlined the planned gross-cost approach.

### **Franchising costs and lack of funding**

Widespread concerns have been raised in evidence about the cost of franchising, and specifically the gross-cost approach preferred by the Welsh Government. The **WLGA** summed up the views of many when it said:

The question of funding ultimately remains the fundamental one, though. Without additional funding, changing the legislation will not, by itself, deliver on the policy intention and objectives. By introducing gross cost contracts, Welsh Government will have to meet any additional service costs not covered by increased fare box revenue. The more it seeks to expand the network to meet identified needs across Wales, the greater the exposure to this risk becomes.

Many noted the revenue cost to the franchising authority of franchised networks in London and Manchester (the **CPT** referred to £700m for London in 2019 and £226m in Manchester).

On 7 May 2025, the **Cabinet Secretary** pointed to “the enormous amount of money that we [the Welsh Government] are already investing in bus services across Wales. This year alone we've uplifted revenue funding from £123 million to £140 million.” He also said “we can achieve savings with the model that we are proposing.” He continued, referring to south west Wales, “the amount of miles that the bus network covers increases very significantly under our aspirational network. It increases by 33 per cent”. He also said future spending plans are for a future government to determine.

The Welsh Government's assertion that franchising can achieve more with the same funding envelope was questioned by many respondents. **Bus Users Cymru** and **Transport Focus** said they were “surprised” by that suggestion. The **CPT** said

there is “undoubtedly some duplication on the network but if those buses are running commercially, they are serving a purpose for customers” and “there isn’t a huge amount of slack in the system.”

On the other hand, **SYMCA** did feel franchising could provide more efficient use of funding.

### **Capacity to engage**

A number of respondents raised concerns about the ability of SME bus operators and the Community Transport (CT) sector to engage with franchising. **Bus Users Cymru** expressed a widely shared view:

SMEs and community transport operators deliver many excellent services for passengers across Wales but may not have the central office functions necessary to bid for contracts. Initial support through the bidding process may be needed until they develop the expertise required.

The **CTA** welcomed the Welsh Government’s recognition of CT’s role, but agreed community transport “operators are not in the same financial or operational position as commercial businesses to be able to bid for contracts – despite their ability to deliver them well in practice.” As noted above, **CaBAC** described its members as being “petrified about this Bill”.

Many, for example **SYMCA**, noted a need to consider franchise packages and the bidding process from an SME perspective. The **UTC** noted franchising in Britain is at an early stage, and “new models and innovative models will come through” to include SMEs. It was unable to point to any successful examples or models used elsewhere to engage the sector.

**TfW** noted the diversity of operators in Wales (SME, CT and municipal), commenting:

We are designing packages to be attractive to this diverse mix of operators and ensure that in a franchise network, all types of operators continue to deliver local bus services. As well as this, we are conscious of the important role that SMEs in particular have in delivering learner travel, and other important commercial services such as coach travel. Hence, we are looking to sustain the SME market to ensure that these other important services are not adversely impacted by franchising.

## Detail on contract terms and franchise packages

**Transport Focus** noted the contracts will be key to service improvements and much detail will be set out in regulations. It argued for a commitment to consult with users and their representatives.

The **CPT** said the Welsh Ministers should be required to apply a test of operators' ability to mobilise services in line with the Plan. The **WLGA** suggested a risk "of [legal] challenge from bus operators under competition law if they take issue with the way lots are drawn up or where any direct awards are made".

Handling of infrastructure issues (particularly transfers of depots and buses) in contracts was identified by some like **Transport Focus**.

**TfW** outlined its approach to developing franchise packages (whether they: are "operationally efficient"; "generate acceptable competition"; and "support the existing SME market".) It said it is "engaging with local authorities and bus operators on key features of franchise contracts and what performance standards might look like". It outlined its approach to planning for depots and other infrastructure.

On 7 May 2025, the **Cabinet Secretary** summarised work being undertaken by the Wales Centre for Public Policy entitled, "success factors for contracting and awarding bus franchises in Wales." A draft contract is currently being developed for consultation.

## Rural application

**Cardiff Bus** suggested "you cannot necessarily apply a franchising model that is suited to a city or even metro-mayorality, to an entire country that is disconnected by valleys and mountains".

**Dolen Teifi Community Transport** said franchising bus services in rural areas "is complex and expensive with low density populations making it hard to schedule stops and long journey times putting customers off using the service".

**SYMCA** noted that its area comprises both Sheffield and the Peak District National Park. It stressed the importance of cross-subsidy and for successful urban networks "to help pay for the services in rural areas". **Carmarthenshire Council**, the **Bevan Foundation** and **UTC** also identified benefits from cross-subsidy.

In contrast, **Cardiff Council** said it had invested heavily in bus priority measures to address congestion, and any resulting revenue surplus should be reinvested locally,

rather than “abstracting” these to elsewhere.

On 7 May 2025, the **Cabinet Secretary** supported cross-subsidy:

I think it's probably valuable to point to the value of increasing passenger numbers in terms of increasing the farebox overall. And with an increase in the farebox, then you can reinvest and make sure that all parts of Wales benefit from an integrated public transport network, not just those areas where the greatest revenue raise can be generated.

## **Section 11 to 16: Local bus service permits**

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### **Confusion**

The evidence suggests confusion around the purpose of local bus service permits.

Several stakeholders (for example **WLGA**, **CCR**, and **Monmouthshire Council**) were unclear whether permits relate specifically to community transport, including whether they are required for CT to operate in a franchised area.

### **Wider comments**

The need for detail was the main point raised on the permitting system. **Transport Focus** highlighted a need for detail on the criteria to be applied in approving or rejecting applications to operate services in a franchised area. Similarly, **UTG** said permitting is welcome, but there is a need for clarity on how it will be used “in the Welsh network, beyond cross-boundary services”. **Pembrokeshire Council** suggested the permit process needs to be proportionate.

Some respondents, including **ATCO**, **First Cymru** and **Pembrokeshire Council**, were concerned that permit conditions can be varied, or permits revoked, by notice on the date the notice is issued. They suggested passengers and operators require an appropriate notice period.

On 7 May 2025, the **Cabinet Secretary's official** explained TfW would consider the impact of permit applications on contracted services, and on the capacity of available infrastructure.

## **Section 17: Provision of local bus services by the Welsh Ministers**

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The **UTG** felt having an operator of last resort is “positive”. **CILT** agreed. However, a range of stakeholders had concerns or questions. These included:

- the circumstances where the powers would be used (**Bus Users Cymru, CCR**);
- TfW's ability to establish a company (**WLGA**);
- whether TfW could mobilise across Wales (**Gwynedd Council**);
- how the Welsh Ministers would be "satisfied" direct provision is "more effective" as the Bill requires (**First Cymru, ATCO, Monmouthshire Council**); and
- the view that TfW is a "Teckal" company (**ATCO**).

**On 7 May 2025**, the **Cabinet Secretary** said TfW is "looking at establishing a subsidiary" to operate services directly if required. He said municipal operators may also be able to fill network gaps. **Later, he said** this provision is "certainly not a back door to nationalisation" but when pressed on the fact that the circumstances of use aren't limited he continued, "it doesn't say that, because we can't foresee all eventualities."

## Section 18: Reliance on community bus services and certain other services for the purposes of the section 5(1)(c) duty

Relatively few respondents discussed this provision. Those that did generally sought clarity on the type of services included within it. The **CTA** said it had asked officials for clarity:

While CTA welcomes the recognition of the importance of existing community-led services and we believe the intention is to avoid disruption to vital services already in place, it is unclear how this might work in practice – in particular the funding mechanisms which are essential to understand from a sustainability point of view, but not the purview of primary legislation; also any potential conflict that might arise from the development of new contracts or permits that cross into areas where Ministers are 'relying on community services' and which would be given priority.

**First Cymru** also queried the inclusion of services operating under Part 3 of Schedule 1 of the **Public Passenger Vehicles Act 1981** and CT services operating under section 19 of the **Transport Act 1985**. Neither are open to the general public.

## Section 19: Cross-border services and the duty to secure the provision of services

Respondents stressed the importance of clarity on cross-border services. Often views were expressed in general terms rather than on specific elements of section 19.

For example, the **Older People's Commissioner** considered it "essential that



sufficient consideration is given to the successful operation of cross-border services, both in the development of the Bill and its implementation”. **UTG** said there “may be a benefit to clarifying that relevant stakeholders in bordering English transport authorities will be consulted in developing the approach or issuing permits”.

**Monmouthshire Council** said cross-border services should not be “detrimentally impacted by the franchise proposals”.

Several stakeholders weren’t clear about arrangements for cross-border services. Both **CPT** and **First Cymru** queried the purpose and effect of section 19(5), which states that “no account” is to be taken of services procured by English councils under section 63 of the **Transport Act 1985** (i.e. tendered socially necessary services).

**On 7 May 2025**, the **Cabinet Secretary’s official** explained in oral evidence how this would avoid “circularity” between the two provisions, something that **UTG** also noted and welcomed. **CPT’s** subsequent oral evidence indicated that it remained unclear about this provision following the Cabinet Secretary’s evidence.

The **Cabinet Secretary** also said “extensive engagement” had taken place with authorities on both sides of the border.

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## **Section 20: Report on progress towards section 4 objectives**

Frequency of reporting on section 4 objectives was the most common issue raised by those discussing section 20. While the first report is due two years after the section 5(1)(c) duty comes into effect, subsequent reports will be published every four years. Several respondents, for example **First Cymru** and the **CPT** suggest reports should be published annually.

The **Older People’s Commissioner** stressed reports should be “user friendly and accessible”. **Transport Focus** said “while we welcome this provision, we would like to see the Bill go further and require consultation with users.” **Transport Focus** said legislation for England:

.....requires franchising authorities to publish a plan explaining how they will consult users on how well their franchising scheme is working. We recommend that something similar is introduced in Wales.

## Part 3: Restriction on providing local bus services

As this part prevents most services operating unless delivered under contract, permit or directly by the Welsh Ministers, many stakeholder comments crossed over with general observations about the “inflexibility” or absence of a “plan B” (above). For example, **CPT** noted “Part 3 of the Bill will see the end of all commercial bus services in Wales” and:

Given the risks around affordability and deliverability, and the restrictive nature of public finances, Ministers may wish to consider a set of circumstances in which the flexibility of commercial bus services may be useful in the future.

**First Cymru** suggested a need for greater clarity on penalties and enforcement. The **CTA** welcomed the flexibility in section 21 to exempt community bus services and services under section 46(1) of the *Public Passenger Vehicles Act 1981* (paying passengers on school buses) from the restriction and the recognition of “the importance of Community Transport”. **Bus Users Cymru** agreed.

The **WLGA** and **CCR** called for further clarity on how community bus and section 46(1) services will operate. **Pembrokeshire Council** and **ATCO** queried why the exception to restrictions for community bus services is required, and why they can’t apply for permits under the Bill.

## Part 4: Information and data

Several local government stakeholders, for example **WLGA**, **CCR**, **ATCO** and **Monmouthshire Council**, expressed concern about the risk of duplication of information sharing to the Welsh Ministers/TfW and also to local authorities. **WLGA** and **Pembrokeshire Council** emphasised that local authorities will continue to need data, for example for planning school services. **Cardiff Council** suggested data sharing provisions could be included (although section 25(5)(b) provides a power to make regulations on disclosure of information, including to whom it is disclosed).

The **UTC** welcomed Part 4, noting data provision has been an issue “in the fragmented English bus data system” and has affected planning. It said clear regulations outlining what is required of operators, and addressing commercial sensitivity, will be required. **SYMCA** agreed.

**CPT** called for “robust non-disclosure agreements” in relation to commercially sensitive information provided by operators to the Welsh Ministers. However, both **CPT** and **CaBAC** recognised that provisions like this are standard in a franchised

environment.

Several stakeholders queried how information will reach the public. While the EM clearly anticipates that public information provisions under the Bill will be “important for software developers seeking to create services such as smartphone apps”, wider information concerns were raised.

For example several respondents, such as **CCR, Monmouthshire Council, Newport Transport** and **Anglesey Council**, asked who will update bus stop information (the EM makes clear local authorities will continue to be responsible for infrastructure).

A number of stakeholders, including **Guide Dogs/Disability Wales, RNIB, the Older People’s Commissioner** and **Bus Users Cymru**, discussed the need for information to be accessible and/or not just digital.

Particular issues were raised by the community transport sector. For example, **Green Dragon CT**, stressed the limited resources available to CT operators to provide information and the **CTA** stressed that the sector relies on volunteers and has limited resources.

The **CTA** also queried why community transport operators providing services under section 19 of the ***Transport Act 1985*** may be required to provide information. These services are not open to the public and operate outside the new local bus service regime.

**Transport Focus** stressed a need for information to be provided by the Welsh Ministers on the performance of the network.

## **Part 5: Local authority powers and duties**

### **Section 32: Provision of bus services by local authorities: removal of restrictions**

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While section 32 simply removes the current prohibition on local authorities establishing municipal bus companies, and providing services, stakeholder comments addressed wider issues.

Several respondents, like the **WLGA**, noted the cost of establishing municipal companies, querying how far this power would be used. **Gwynedd Council** said:

While noting that the new legislation will enable local authorities to run their own bus services directly, it is unclear if this is realistic, and/

or beneficial, in terms of capacity, timeline, level of investment and the expertise that would be needed to achieve this.

**CILT** queried how value for money from any new municipal operator would be established. A need for clarity and guidance on how municipal operators could be established was also highlighted (for example, by **UTC** and **Cardiff Council**).

There were fairly widespread concerns about how current municipal operators would fit into the new local bus services system. For example, the **CPT** said:

....the existing local authority bus operators have virtually no clarity over the role they will play in a franchised network, and the legislation has missed an opportunity to clarify this. While Ministers have continually asserted that these companies will play an important role in delivering the network, without legislative certainty and/or clear actions from Ministers, the business face significant strategic uncertainty.

**Newport Transport** and **Cardiff Bus** (the two current municipal operators) agreed. **Cardiff Bus** said:

Whilst it is recognised that the ‘political intent is to protect municipal operators’, the uncertainty generated by a lack of inclusion in the legislation for treatment of existing municipal operators generates risk and potential for a sub-optimal outcome for the bill..... The explanatory memorandum states that the intention is for Cardiff Bus to be able to continue to operate after the ‘transition’ to franchising, but does not state how that transition will be achieved.

### **Section 33: Removal of duty to secure local bus services**

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Local authorities currently have a duty to secure provision of public transport services under section 63 of the ***Transport Act 1985*** (*the 1985 Act*). Section 33 of the Bill excludes local bus services defined under section 1 from that duty.

Several stakeholders, such as **ATCO** and **Pembrokeshire Council**, raised issues around the transition to franchising. ATCO noted section 63 of the 1985 Act would need to remain in place until all areas are fully franchised, and was concerned that community transport and socially necessary services may “fall through the gap”.

As noted above, some stakeholders noted removal of this duty may stop local authorities investing in local bus services. The **WLGA** said:

At present, to comply with this duty, most councils contribute funding from their own budgets, over and above the grants provided to councils for this purpose by Welsh Government. With competing demands on their budgets there is a clear risk that councils will take the opportunity to reduce the amounts they currently contribute themselves, leaving

Welsh Government to cover the shortfall (or else reducing the overall amount of funding available for the network).

### Section 34: Financial assistance in connection with local bus services

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This power for local authorities to fund local bus services was generally welcomed by those that discussed it, including the **CTA** and **Bus Users Cymru**. Although as noted above the CT sector has queried how far local government will engage with CT operators delivering services outside the contract/permitting regimes. It has also queried how CT services outside the local bus service framework will be funded.

Several stakeholders again queried whether local authorities would use this power when not bound by a duty to secure local bus services. The **WLGA**, suggested this should be addressed via a duty for local authorities to work in partnership with the Welsh Ministers and TfW.

## Part 6: Miscellaneous and general

### Section 35: Application of TUPE

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Section 35 was welcomed by many of those who addressed this provision, as protecting workers' rights.

Some queried how the Transfer of Undertakings (Protection of Employment) Regulations 2006 TUPE would be applied in practice. For example, **CPT** suggested the Welsh Ministers would need to work closely with operators to ensure certainty over timescales and transfer arrangements. The **UTC** noted that detail will be in regulations and recommended early engagement, as well as the need for data. **Cardiff Bus** and **Newport Transport** also stressed the need to consider and clarify information disclosure processes.

Section 36: Transport Act 1985: removal of requirements relating to registration

There were relatively few comments on this provision. The **CTA** noted that community transport services which are not under contract or permit will still need to be registered with the Traffic Commissioner and said further information is needed on how this will operate, to ensure it works effectively.

**First Cymru** also queried the fact that the English sections of any cross-border route will still need to be registered. It suggested this would cause "significant problems for Open Data consumers," questioning the "intent and justification".

