CONSORTIWM CLUDIANT INTEGREDIG DE-ORLLEWIN CYMRU
SOUTH-WEST WALES INTEGRATED TRANSPORT CONSORTIUM

SWWITCH

REGIONAL NETWORK STRATEGY


January 2014

Table of Contents

1. INTRODUCTION

1.1 Introduction

This Regional Network Strategy (RNS) has been produced by the South West Wales Integrated Transport Consortium (SWWITCH), the Regional Transport Consortium (RTC) for South West Wales covering the four local authorities of Pembrokeshire, Carmarthenshire, Swansea and Neath Port Talbot. This document follows the Welsh Government's decision, in January 2013, to replace the previous funding arrangements; the Bus Services Operators' Grant (BSOG), Local Transport Services Grant (LTSG) and Community Transport Concessionary Fares Initiative (CTCFI), with a single funding scheme known as the Regional Transport Services Grant (RTSG).

The Welsh Government intends that these new bus funding arrangements will '*help tackle deprivation and support independent living across Wales by rewarding private companies that deliver measurable targets that passengers most wish to see rather than compensating bus operators on the basis of fuel consumption*'[1].

Alongside this change in funding arrangements, the Welsh Government have passed responsibility for the administration of the RTSG, and decisions regarding how the funds are spent, to the four Regional Transport Consortia who are also required to produce a Regional Network Strategy (RNS) considering bus, community transport and taxi provision to support their decisions from 2014.

This document outlines the process that has been undertaken to consider the baseline situation and explore different options that could be pursued by SWWITCH regarding how the region's RTSG allocation is distributed and the implications that this could have focusing on the bus network in the SWWITCH region on an area by area basis. This report also indicates the stakeholder and formal consultation process that has been utilised to help shape options for consideration as well as views on these options to help identify the final strategy approach that SWWITCH will take forward in the future.

1.2 Background

Welsh Government support for buses, taxis and community transport is changing. In the past, each of the local councils in Wales received funds in the form of Local Transport Services Grant (LTSG) from the Welsh Government. They then used this money to support bus routes and community transport in their areas, alongside other transport funding from their general resources.

In addition to the funding from local councils, bus companies, and some Community Transport (CT) organisations running public bus services, were able to claim Bus Service Operators' Grant (BSOG). The amount of money paid out under BSOG depended on the amount of fuel used. BSOG was paid by the Department for Transport (central government) directly to bus operators.

Since April 2013 Welsh Government has introduced a new way of supporting bus and CT operators. Instead of receiving BSOG from central government and support for non-commercial services from local authorities, there is a new Regional Transport Services Grant (RTSG). Although BSOG funding to operators in England and Scotland has also been reduced recently, some alternative sources of funding have been made available to these areas, such as Green Bus Funds (supporting the early introduction of hybrid and alternative fuel buses) or the Better Bus Areas fund. No such alternatives have been provided in Wales.

[1] http://wales.gov.uk/newsroom/transport/2013/130117new-bus-funding-scheme/?lang=en

Welsh operators also face reductions in their income from the All-Wales Concessionary Fares Scheme, for which the rate of reimbursement is currently under review by the Welsh Government, and less spending power among their customers – either individuals or local authorities. Local government budgets are being reduced, meaning some supported services can no longer be afforded, and there are no funds to meet any new demands.

RTSG is paid to bus operators by SWWITCH in two ways:

- First, RTSG is used to support non-commercial (tendered) services. In some areas bus routes are fully commercial – the fares from passengers are enough to pay for the service. In other areas, particularly rural areas, the income from the fares is not enough to pay for the bus service. In the past in these areas, it was the responsibility of the local council to decide how much it wanted to spend to support services and to decide which services it should support. In the future, SWWITCH will share this responsibility and decide which services it wants to support, alongside the local council; and
- Secondly, RTSG is used to pay for a replacement for BSOG. This replacement, called Live Kilometres Support Grant (LKSG), is only paid when the bus is being used to transport passengers (i.e. 'live' kilometres). This is a change from BSOG, which was paid to operators for all mileage including 'dead' mileage, where no passengers are transported.

The financial year (April 2013 to March 2014) is a transition year between the old and new ways of working whilst SWWITCH develops its Regional Network Strategy, which will guide its decisions on what services it will support in the future, and how the distribution of RTSG within the region might change to achieve this.

The other point about RTSG is that it is a fixed pot of funds. Under the old system, BSOG was guaranteed to be paid for all eligible mileage at the specified rate. Since April 2013, RTSG is limited to a fixed total decided by Welsh Government, and has reduced by about 26% from the totals for 2011/12. SWWITCH will need to make sure that all payments can be made within its budget, but it does not yet know what this budget will be from April 2014.

1.3 Development of the Strategy

SWWITCH had been engaging with the bus and community transport operators for a number of months (including workshop sessions) in respect of the changes to the bus funding mechanism and the requirement to prepare a Regional Network Strategy. However, it was recognised that more capacity was needed and so SWWITCH appointed consultants AECOM working with The TAS Partnership to:

- Look at the current situation in the SWWITCH region in terms of the commercial tendered bus and community transport networks;
- Get the views of as many bus operator and representative organisations as possible on a number of different options;
- Draw up a draft Regional Network Strategy (RNS) taking on board the views expressed for consultation by SWWITCH; and
- Consider the results of the SWWITCH consultation, undertake an appraisal of the options to recommend the best strategy.

SWWITCH and its consultants initially arranged a briefing and workshop event in Carmarthen on 15th July 2013 in order to explain the development of the RNS for SWWITCH to interested parties. Bus and CT operators, users' representatives and taxi licensing officers were invited to this meeting, which aimed to find out the initial views of the bus and taxi industries and CT sector. About 20 people attended the workshop event to listen and give their views.

Consultants then also met on a one-to-one basis with each of the four local authorities, several major bus operators in the SWWITCH area, the Community Transport Association, the Confederation of Passenger Transport and bus users' representatives. Alongside these activities the consultants collected data, analysed the current bus network and CT provision, and modelled the expected effects of various funding options. This work was used to inform the development of a draft strategy, which on the 26th July was put out for formal consultation. The deadline for responses was the 13th of September and these responses have been reviewed and incorporated into this final strategy.

1.4 Objectives

SWWITCH aims to achieve the following high level objectives through the development of the RNS as defined at the scoping stage of the strategy:

- To support access to employment, health, education, retail and leisure - to minimise deprivation and isolation;
- To maximise the value of investment, taking into account variations in topography, population dispersal and journey patterns;
- To achieve a balance of services across the region;
- To maximise market growth (within the confines of the resources available and the balance of services across the region);
- To frame an options appraisal template that enables prioritisation of investment to meet the key objectives set out above; and
- To include key quality outcomes to meet the requirements of the Regional Transport Services Grant with effect from 1st April 2014.

These objectives have been derived from the wider SWWITCH Regional Transport Plan objectives and highlight the sometimes competing needs which the bus network seeks to deliver across the region. SWWITCH will have to seek to achieve these objectives within the budgetary limits set by the Welsh Government. The strategy must therefore be pragmatic and aim to enable the best public transport network possible with the resources available, while trying to minimise the damage resulting from funding cuts elsewhere.

1.5 Report Structure

This report is structured in the following sections:

- Section 2 provides an overview of the baseline conditions in the SWWITCH region in relation to the bus industry and the levels of bus and community transport service provision currently present in the SWWITCH area;

- Section 3 outlines the process that has been adopted to identify and develop suitable options for consideration and the involvement that key stakeholders have had in this process;
- Section 4 outlines the three alternative financing options that were put forward for consideration as part of the formal consultation on the draft Regional Network Strategy;
- Section 5 summarises the views expressed as part of the formal consultation process;
- Section 6 outlines the key financial impacts of the strategy options being considered;
- Section 7 indicates the likely strategic accessibility impacts of each of the strategy options;
- Section 8 provides an overall appraisal of each of the three options and provides a justification for the selection of a preferred option;
- Section 9 outlines the content of the SWWITCH final strategy;
- Section 10 discusses the further considerations which fall outside of the scope of this strategy but none the less have the potential to significantly influence bus and community transport provision over the coming years; and

2. BASELINE

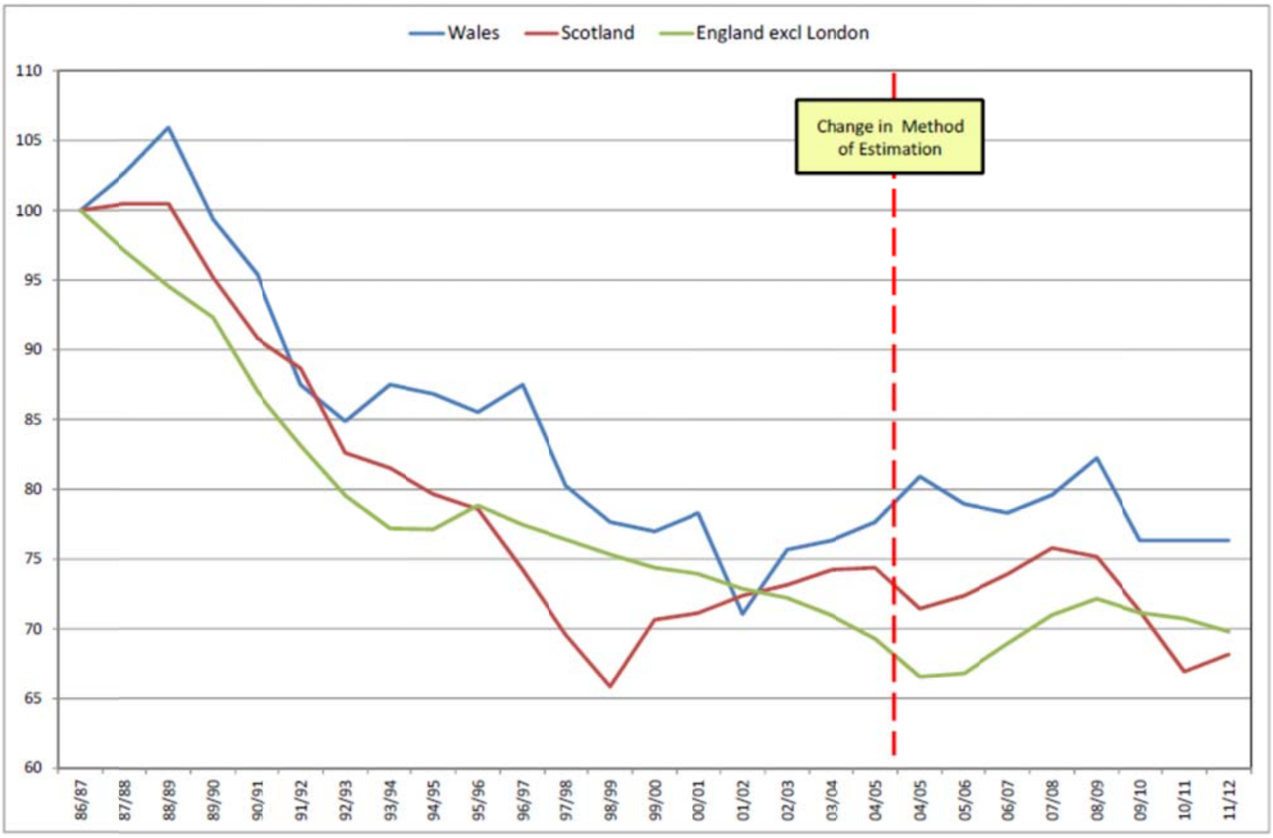
2.1 Introduction

In order to better understand how changes to the funding of bus services might influence the bus network in the SWWITCH region, it is first necessary to understand the historic and current levels and patterns of service provision in the area. This section first provides an overview of the historic trends in bus patronage and operating revenue in Wales before secondly, considering the current levels of service provision in the SWWITCH area including summary mapping of levels of service provision. This information will then be used in subsequent sections as the baseline against which to test the impact of different potential funding options on the levels and patterns of service provision.

2.2 Historic Trends

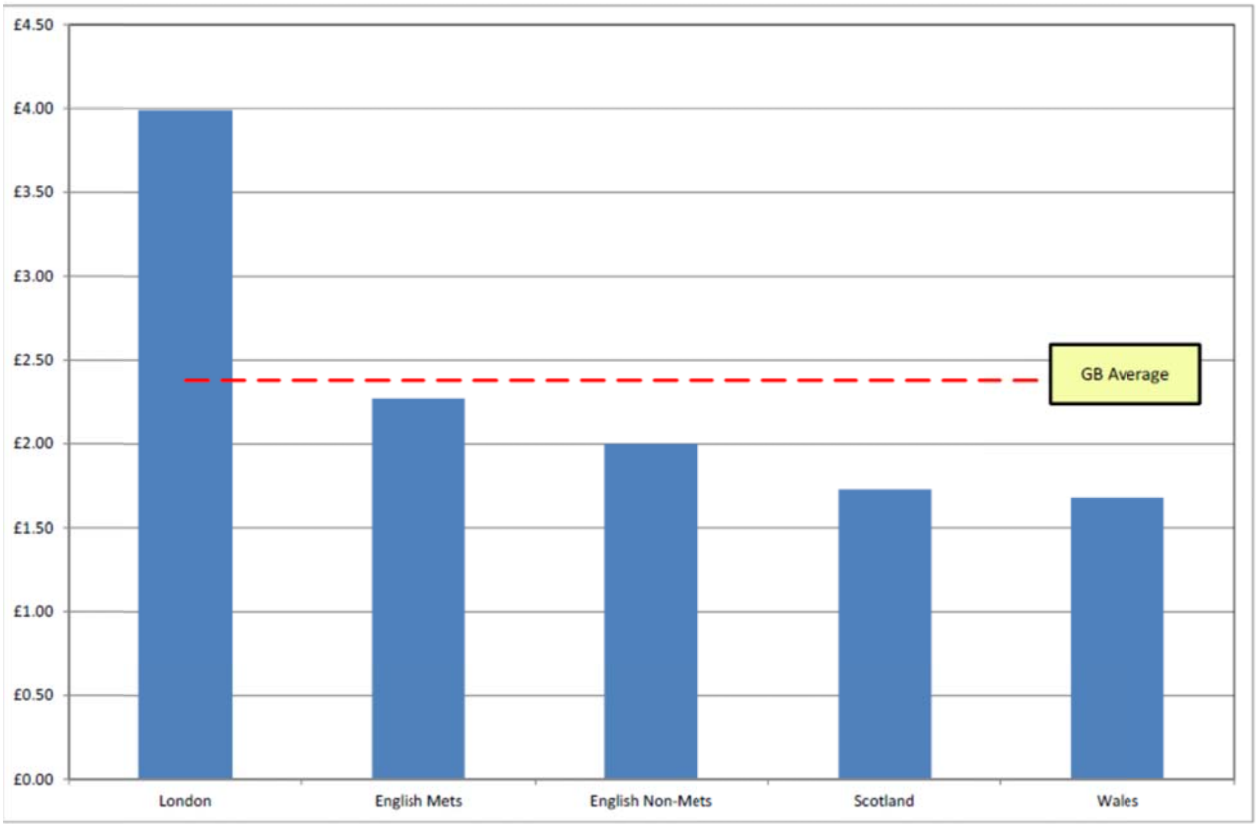
To better understand current levels of service provision and funding it is first necessary to understand the historic trends that have led to the present situation. Figure 2.1 shows the change in bus patronage for Wales, Scotland and England (excluding London) since deregulation of local bus services in 1986 and shows the downward trend that existed throughout much of the 1980's and 90s in all three countries. However, since the turn of the century, Wales has tended to perform better than Scotland or England, with patronage levels in Wales stabilising over the last decade at around 75% to 80% of the level that existed at the time of deregulation.

Figure 2.1: Indexed Change in Patronage since Deregulation (Source: DfT Statistics 2011/12)



This comparatively better performance in patronage levels masks the fact that the financial performance of the bus network in Wales is the lowest in Great Britain in terms of operating revenue (fares, concessionary reimbursement, Bus Services Operators' Grant and tender/contract revenue) per kilometre. Figure 2.2 shows levels of operating revenue by area for 2010/11 and highlights that Wales is significantly below the average for Great Britain, although this is partially a reflection of the lower population density of Wales.

Figure 2.2: Operating Revenue per Vehicle Kilometre (Source: DfT Statistics 2010/11)

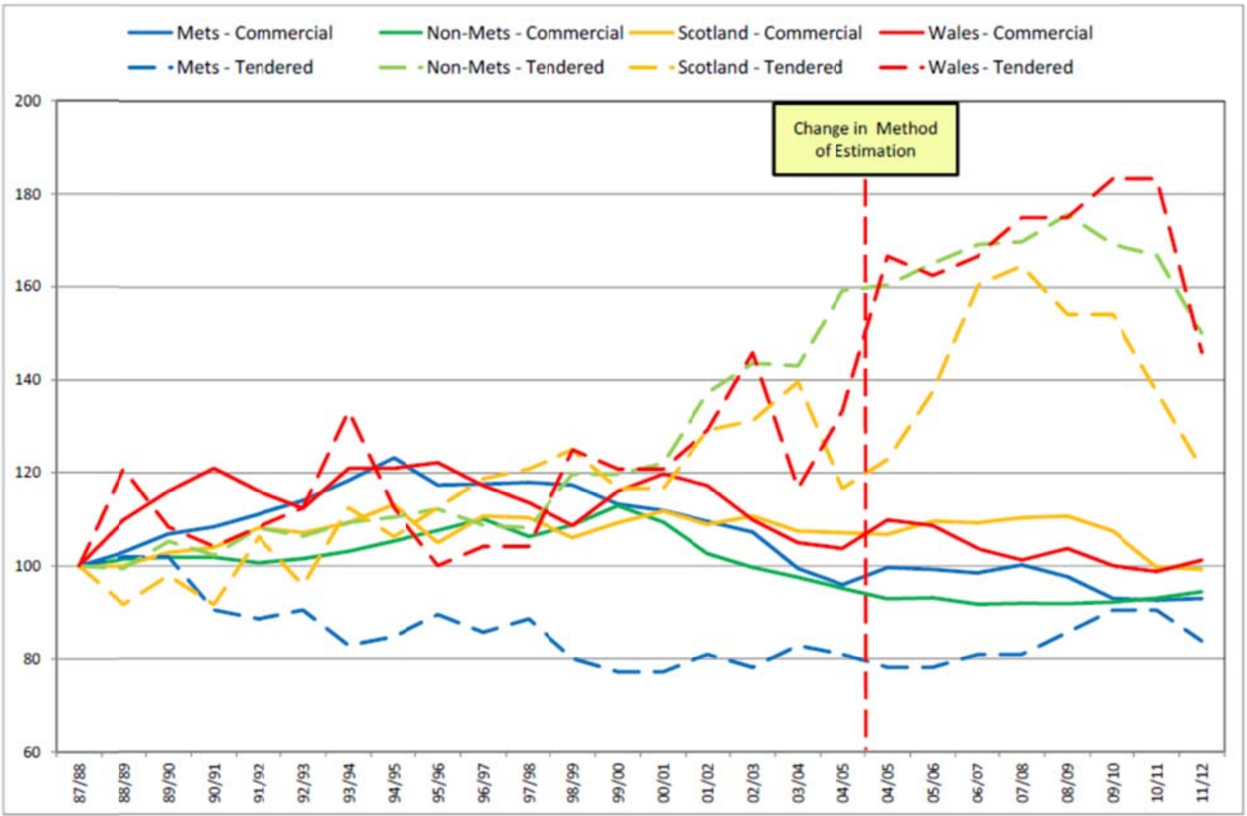


Across Great Britain there is currently a move both at national and local levels of government to reduce expenditure on bus services as part of wider ongoing austerity measures. However, the impacts of any cuts for Wales may be exacerbated by the lower starting point in terms of revenue per kilometre. The impacts of this for the SWWITCH region will be considered as part of this strategy.

Figure 2.3 provides a comparison between the level of commercial and tendered bus mileage for each area of Great Britain. This indicates that the pattern of change in commercial mileage in Wales is comparable to that in the English Metropolitan areas, rising by around 20% in the period immediately after deregulation. However, levels have since fallen back to a position comparable to that experienced prior to deregulation. In terms of tendered services supported by the public sector mileage in Wales has increased by more than 80% to 2010/11, before falling back markedly in the last year to 2011/12. Overall levels of mileage in Wales have remained more stable than in other parts of the UK and have perhaps increased slightly since deregulation. However a significant part of this increase has been delivered through public sector support in the form of tendered services. This highlights the importance of understanding the differing impacts that the Route Network Strategy could have on both commercial and tendered services and how this could play out spatially across the SWWITCH region.

Alongside the above operating context, the South West Wales region is diverse geographically, demographically and economically, with public transport provision generally reflecting the varied population distribution of the area which is illustrated later in this section. However, many common transport and accessibility problems exist and Local Authority and SWWITCH policy development over the last ten years has sought to improve the public transport offer and to provide a stable foundation for integrating public transport into wider policy objectives such as economic development, social inclusion and environmental sustainability.

Figure 2.3: Indexed Change in Mileage since Deregulation (Source: DfT Statistics 2010/11)



2.3 Current Financial Support

The total spent by SWWITCH authorities in 2012/13 on bus and CT support (excluding concessionary fares reimbursement) is shown in Table 2.1. This shows that the two predominantly rural authorities of Carmarthenshire and Pembrokeshire provide significantly higher levels of both bus and CT subsidy than the two more urban authorities.

Table 2.1: Local Authority Bus and CT Revenue Support in 2012/13

£000s	Bus subsidy		CT funding		
Authority	**LA**	**LTSG**	**LA**	**LTSG**	**CTCFI**
Carmarthenshire CC	1055	744	84	83	0
Neath Port Talbot CBC	315	426	141	98	127
Pembrokeshire CC	921	365	15	96	105
City & County of Swansea	713	569	25	64	o
Total	**3,004**	**2,104**	**265**	**341**	**232**

The total of locally-funded expenditure (£3.27m) is very close to that for LTSG (£2.45m). In addition to the total of £5.95 million, operators in the region claimed some £3.7 million in BSOG last year.

The total figure for Regional Transport Services Grant (RTSG) in 2013/14 is £5.11 million, split between LKSG and revenue support. The network has been modelled to assume existing levels of revenue support from Local Authorities. This total of around £7.5 million represents a reduction of around 20% in one year. SWWITCH also administers a capital funding programme (of £5.24 million in 2013/14) which includes expenditure on cycling, walking and roads schemes in addition to public transport infrastructure. Future levels of expenditure on public transport infrastructure will be determined by the allocation given to SWWITCH for the next round of the Regional Transport Plan, which are not yet known.

A further vital source of revenue for bus operators is reimbursement for the carriage of older and disabled people travelling free under the All-Wales Concessionary Fares Scheme. Our modelling suggests that around 37% of bus operators' total income is derived from concessionary reimbursement. While this is not subsidy to the operators, it is provided from public funding under the control of the Welsh Government, and the rate of reimbursement is currently under review. Any significant reduction would have a seriously adverse impact on all bus services, but especially those which carry the highest proportion of concessionary passengers – which, typically, are services already subsidised by the local authorities and are considered socially necessary.

2.4 Measuring Current Service Provision

To measure the current levels of service provision, data have been supplied by SWWITCH for June 2013 which records daily distances by service and by operator[2] in kilometres. This information has been used to develop a baseline for a four week period average by day of the week. A matrix of all services has then been compiled into a 'Bus Funding Model' which will be used as part of the strategy development process to assess the impacts of the different funding options on services. Additional information on this model can be found in Appendix E of the supporting document.

The data show that across the SWWITCH area more than 1.6 million bus kilometres are operated per four-week period; almost 70% of this is delivered by First Cymru.

Each operator's services and service levels have been tabulated to establish their four-weekly financial performance. This allows analysis of the income generated by:

- On- and off-bus revenue totals;
- Concessionary reimbursement;
- Tender income (Local Authority / RTSG); and
- Other income, e.g. Community Transport funding.

This provides, for a given four-week period, total distance operated and income generated, and also the amount of LKSG payable at the current rate of 13.32p/km.

From this it is possible to calculate measures of performance such as income per kilometre, and input variable influencing factors, for example applying percentage changes to overall funding rates. This tool also has the flexibility to be used in future to

[2] To distinguish between head-to-head competing commercial services, and elements of other services tendered by a local authority and provided by different operators.

assess the potential impacts that wider changes in bus funding levels may have on service frequencies.

2.5 Baseline Frequencies by Hour

Having ascertained the total mileage and income values from the available data, the baseline frequency per hour for each service has been calculated based on typical Monday-Saturday daytime provision, as shown in Table 2.2 below.

Table 2.2: Buses per Hour and Corresponding Headways

Baseline buses per hour	Corresponding headway value
5	12 minutes
4	15 minutes
3	20 minutes
2	30 minutes
1	60 minutes
0.67	90 minutes
0.5	2 hours
0.33	3 hours, or four journeys per day
0.25	4 hours, or three journeys per day
0.1	One journey, e.g. each way schools service.

The scenario options outlined in Section 4 which set out the impact of changes to income or frequency will then influence the numbers of buses per hour.

2.6 Zone System

To determine the impacts of different options visually, a zone system has been developed. The Explore Wales Pass Bus Map from 2013 has been used to show the bus service provision in the SWWITCH region within 44 urban and outer zones. (Note that this map shows only the principal bus routes.) The size and scale of each area has been designed to reflect the differing densities of population and levels of service provision across the SWWITCH area.

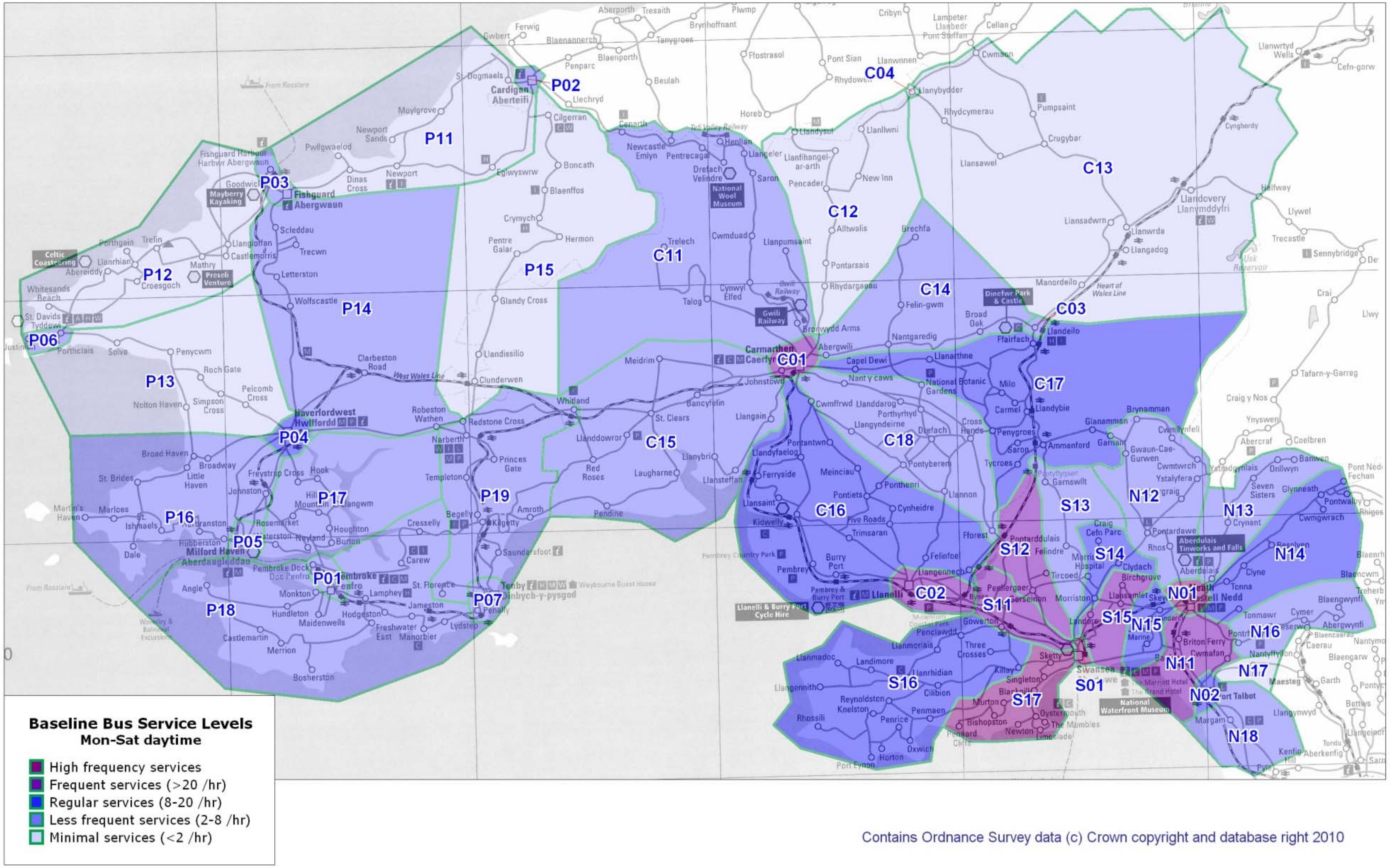
For information, a reference code has been assigned to each area consisting of one letter and then two digits – the first letter represents the county; the first digit is either 0 for an urban centre or 1 for an outer area, with the second digit being a sequential digit, for example, N01 for Neath, N02 for Port Talbot and S16 for the Gower Peninsula. This will allow comparisons between urban areas such as Llanelli and Swansea, and contrasts at county level between Neath Port Talbot and Pembrokeshire.

2.7 Baseline Levels of Service

Figure 2.4 shows the baseline levels of bus service provision for each identified zone based upon the analysis described above. This clearly highlights the differences between each of the four local authorities. Most of Pembrokeshire and Carmarthenshire have less frequent or minimal service levels outside the key towns of Carmarthen and Haverfordwest. Swansea and Neath Port Talbot, in contrast, have much higher levels of service, particularly in the urban areas of Swansea and Neath. However, even in these more densely populated local authorities, there are areas with lower levels of service provision, such as the Gower Peninsula in Swansea and Dulais Valley in Neath Port Talbot.

Nonetheless, the network remains quite comprehensive, and provides journey opportunities to meet most needs across the vast majority of the area’s population. Given the funding available to operators and transport authorities, the current network appears to achieve a good balance of availability, accessibility and affordability.

Figure 2.4: Baseline Levels of Service Provision



2.8 Community Transport

One of the responsibilities of SWWITCH is the commissioning and funding of community transport (CT) across the region and CT is an important part of this Regional Network Strategy.

As is typical with CT services in many other areas, the sector has developed organically on a local basis within districts in each of the four Local Authorities. This generally reflects the perceived levels of need, available funds, and a customer focus which often involves service users (and their representatives) as part of the management board of the delivery organisations. However, when viewed strategically at SWWITCH level, the sector can appear to be piecemeal and inconsistent.

Definitions of CT can also vary from area to area, but they generally have in common a not-for-profit operational model (often delivered by voluntary sector charities) and offer services that are aimed at specific sections of the community (for example, those with mobility impairments, at risk of social exclusion or geographic isolation) rather than the general public.

There are many different models of CT, such as:

- Voluntary car schemes;
- Demand responsive transport;
- Dial-a-Ride;
- S22 community bus; and
- Group transport

There are different ways of delivering CT, for example:

- Using paid staff;
- Using volunteers; or
- Sub-contracting the commercial sector.

There are also different ways of funding CT, for example:

- Funding by local / central / regional government via grants, service level agreements or contracts;
- Funding from users; or
- Funding from external charitable sources

Analysis of CT across the SWWITCH region confirms that there are many CT schemes (over 30) of many different types (see Table 2.3 following). The impact on CT of different funding options will be considered as part of this strategy.

Although not classed as CT it is also important to note the role that taxis and Private Hire Vehicles play in the overall public transport mix. These modes currently offer comprehensive coverage

2.9 Summary of Key Issues

The analysis of the current baseline situation has indicated that:

- The financial performance of the bus network in Wales is the lowest in the UK in terms of operating revenue and this is likely to exacerbate the impacts of any cuts in funding.

- The South West Wales region is diverse geographically, demographically and economically and the public transport network reflects this varied population distribution.
- The level and distribution of bus subsidy between the two predominantly urban and two predominantly rural local authorities in the SWWITCH area is markedly different, with the rural authorities having to provide significantly higher levels of subsidy than urban.
- Concessionary fares reimbursement is a critical source of funding, representing around 37% of bus operators total income and the current rate of reimbursement is under review by the Welsh Government.
- Community transport in the SWWITCH network is diverse and a diverse range of funding mechanisms are used by the CT sector.

Table 2.3: South West Wales Community Transport Provision

Local Council District	Door to Door Minibus	Car Scheme	Group Transport	School / ASC / Health Contracts	Shopmobility	Rural Bus / DRT
Carmarthenshire County Council		Country Cars (Carmarthenshire CC / RVS) in Ammanford, Llanelli, Kidwelly, Gwendraeth, Whitland, Llandeilo, St Clears, Trelech, Pencader, Newcastle Emlyn and surrounding area Ystradgynlais Community Car Scheme Pontarddulais and District Community Car Scheme	Carmarthenshire County Council (Social Services)	Carmarthenshire CC (Social Services) vehicles for access to health services	Carmarthen Shopmobility Caerfyrddin Llanelli & District Shopmobility	Bwcabus
City & County of Swansea	DANSA Ltd	DANSA Ltd Pontarddulais and District Community Car Scheme Gorseinon Car Scheme Gower Voluntary Transport	DANSA Ltd Neath Port Talbot CT	DANSA Ltd City & County of Swansea (Social Services)	Swansea Mobility Hire	DANSA Ltd
Neath Port Talbot County Borough Council	DANSA Ltd Neath Port Talbot CT	DANSA Ltd Upper Amman Car Scheme Neath Port Talbot CT Ystalyfera Car Scheme	DANSA Ltd Canolfan Gofal Plant Tiddlywinks Childcare Centre Neath Port Talbot CT	DANSA Ltd Neath Port Talbot CT	Neath Port Talbot Shopmobility	DANSA Ltd
Pembrokeshire County Council	The Bloomfield Bus Preseli Rural Transport Association (Green Dragon Bus / Town Rider) Guildhall Dial a Ride Theatre Mwldan Film Club (Dial a Ride) Manorbier CT	Cars for Carers RVS Pembrokeshire Country Cars	The Bloomfield Bus Preseli Rural Transport Association (Green Dragon Bus / Town Rider) Pembrokeshire CT Services Pembrokeshire Voluntary Transport Manorbier CT	Pembrokeshire County Council (Social services fleet) access to health services. Pembrokeshire Voluntary Transport, Access to Health services		

3 DEVELOPMENT OF OPTIONS

3.1 Introduction

SWWITCH recognises the critical importance of continued engagement with the bus industry, key stakeholder organisations and a wide range of interested in the development of a Regional Network Strategy that is fit for purpose and meets the identified objectives for the region. Therefore, SWWITCH has consulted with stakeholders to help identify and shape the strategy options for consideration. As part of the development the consultation draft strategy the stakeholder engagement undertaken consisted of four main strands:

- A stakeholder briefing and workshop in Carmarthen on 15th July 2013;
- One-to-one meetings with the four bus companies responsible for the largest number of services in the SWWITCH region;
- Meetings with each of the passenger transport managers from the four local authorities in the SWWITCH region; and
- Separate meetings with representative organisations of operators and bus users

For the purposes of this initial phase of consultation and to elicit views, the options presented for initial consideration were:

- To continue with the current interim funding arrangements;
- To move all funds to LKSG, removing all funding for revenue support; or
- To move all funds to revenue support, removing all LKSG funding.

An overview of the views expressed at each of the above events or meetings is presented below, separately for each strand.

3.2 Stakeholder Meeting - 15th July 2013

A stakeholder workshop was arranged for the 15th July in Carmarthen and was attended by over twenty stakeholders from the commercial and community transport, user and government sectors. Appendix A provides a list of the stakeholders who attended the event, as well as the presentation slides and key findings. The purpose of this workshop was to raise awareness of the Regional Network Strategy process and to gather initial opinions about possible proposals to be included in the full, formal, six-week public consultation to follow. A scenario approach was used to test opinion about some of the key issues (for example funding for rural areas versus funding for urban areas) that any final strategy would need to address. Some key points made at the event were that:

- Commercial operators were still absorbing and dealing with the changes made in April 2013 (along with other changes);
- Both the option of moving all RTSG to Live Kilometres Support Grant (LKSG) and the option of moving all funding to revenue support were seen as being problematical. The former because it could lead to the loss of many currently contracted services; the latter because it would result in some currently commercial services becoming unviable and requiring subsidy; and
- Service quality was seen as being important, but support for penalising failure to meet specified standards was limited. It was commented that getting the basics right (availability and reliability) was far more important to passengers.

3.3 Operator Views

One-to-one meetings were held with the four commercial operators responsible for operating most of the bus services in the SWWITCH region, namely:

- First Cymru, Swansea;
- Richards Brothers, Cardigan;
- Silcox Coaches, Pembroke Dock; and
- South Wales Transport, Neath.

Whilst individual operators' opinions varied, there was a clear consensus that uncertainty and change, without sufficient lead-time to allow businesses to adapt, would cause significant difficulty for operators and instability in services.

There was limited support for adjusting the balance between LKSG and revenue support, but a warning that if this went too far (in either direction) then services would suffer, and fares would have to rise.

3.4 Local Authority Views

Meetings were held with the Heads of Passenger Transport (and other appropriate staff) from each of the four local authorities in the SWWITCH region.

There is a lack of transparency about what is a wholly commercial service (i.e. one which could operate without any LKSG or revenue support) was believed to be a hindrance. Ideally these services would receive no SWWITCH funding, thereby leaving more money to support services that would not operate without help.

There was interest in the potential for CT to 'close the gaps' that exist in bus provision, but some concern was expressed about the unstructured way in which CT is currently funded. Clearer guidelines, and a shared view of what CT should be doing, are important.

Some flexibility was evident about the desirable balance between LKSG and revenue funding, with recognition of the pros and cons of moving the balance between these. However, the amount and timing of any changes was seen as critical.

There was recognition of the synergies between home-to-school transport and local bus services. It was also agreed that the opportunities for co-ordination with health transport are interesting, as long as funding from the health sector accompanies new passengers.

Concern was expressed by more than one authority about limited supply in the bus market in some areas. This results in fragility, because the withdrawal of one key operator (for whatever reason) would leave gaps which would be difficult to fill.

The two rural counties to the west of the region expressed a view that they are very different from the two more densely populated authorities to the east of the region, and that the RNS needed to take these differences into account.

3.5 Views of Representative Bodies

Four representative bodies were consulted on the draft strategy, these being Bus Users UK Wales, the Confederation of Passenger Transport Wales, the Community Transport Association Wales and the Public Transport Users' Committee. A summary of the views of each body is presented below.

3.5.1 Bus Users UK Wales

Bus Users UK (BUUK) believed that if a choice is to be made about where funding goes, it should be on the basis of meeting social need and dealing with rurality. They were supportive of CT generally, but believed that there should be funding transparency, and better monitoring in place.

BUUK could see that there are pros and cons in moving funding between LKSG and revenue support (in either direction), and felt that these should be explored further. Their view was that making significant changes by April 2014 may be impossible to achieve, and suggested that April 2015 may be a better date to make major changes.

3.5.2 Confederation of Passenger Transport Wales

Echoing the view from the commercial operators consulted, uncertainty was seen as the major concern of CPT. The timescales proposed were regarded as being very tight, indicating that local authorities will need more staff and expertise to manage a complete review of the network. Complex issues remain to be resolved, including around concessionary fares.

A danger was perceived that the good working relationship between operators and local authorities could be permanently damaged by significant changes to the system. CPT believed that the kind of changes being proposed cannot happen by April 2014 and a more extended lead time is required.

3.5.3 Community Transport Association Wales

CTA welcomed a more robust approach to funding, if it incorporates more transparency over the bidding process and more effective monitoring.

The piecemeal nature of the current funding arrangements was acknowledged; funding is different in each local authority area. CT services themselves also vary greatly from area to area. CTA believed that there should be more consistency in the local authorities' approach to funding CT. CTA also expressed interest in exploring working with the health sector, and in engaging with discussions about new and innovative ways of working.

3.5.4 Public Transport Users' Committee

PTUC welcomed the LKSG system and proposals to associate levels of payment with service quality standards. It felt that any changes should be driven by the goal of achieving benefits for passengers and that proper consultation should be undertaken with users. Balance was needed between the outcomes of different funding options and should follow policy priorities; thus preference to social inclusion and rural issues over commercial service support.

CT was noted as patchy in the SWWITCH region, with good and bad examples. There is a need for enhanced standards, transparency and accountability and additional CT Officer support from authorities might be helpful, but any changes need to be 'user driven'. They agreed that there is scope to link the RNS to NHS transport policy.

PTUC also supported the concept of linking RTSG revenue support to that provided by local authorities.

3.6 Conclusions

Consultation has been a key element in the development of this strategy, with engagement with key stakeholders, such as the bus operators helping to shape the different strategy options from the early stages. In the development of a draft strategy consultation was undertaken with a variety of key stakeholders in the form of a workshop event, as well as separate meetings with the key operators within the SWWITCH region, the four Local Authorities and Representative Bodies. Views varied significantly between different stakeholders. However, there was consensus of opinion that a significant amount of time and resources would be needed to review the network in detail, and that operators would need sufficient time to adapt to any change to the current funding arrangements if service instability is to be avoided. This initial consultation also strongly indicated that moving all funding to either LKSG or Revenue Support would not be supported by key stakeholders in the SWWITCH area. The options taken to formal consultation were therefore toned down to reflect these views, as outlined in Section 4.

4 IDENTIFIED FORMAL CONSULTATION OPTIONS

4.1 Introduction

This section outlines the different options considered by SWWITCH for the distribution of RTSG funds and the impacts that these could have upon different parts of the SWWITCH region if they were implemented. The options presented in this section formed the basis of the draft strategy that was taken to formal consultation and were deliberately chosen to be radical in nature to allow the impacts of different funding approaches to be assessed and to ascertain the views of stakeholders and the public on the key concepts. This section provides an overview of the options and a brief summary of their impacts. The wider impacts of these options are further explored in subsequent sections which consider the views expressed by the public and stakeholders on the consultation draft strategy and options, the financial performance and impacts of the options, as well as the accessibility impacts of each option. Section 8 provides an overview of the appraisal of these options and a justification for the preferred strategy, which is outlined in Section 9.

4.2 Identified Options

The SWWITCH RNS is intended to be a comprehensive document, which guides all decisions by SWWITCH and its constituent authorities about the bus and CT services they want to shape and support. As noted before, however, the main tool they have to do this is RTSG funding, and the way that will be distributed forms the central issue for consideration. This decision is important and can influence whether bus services survive in some areas, or the extent to which they can be controlled by the public sector.

In any case, it should be borne in mind that the amount of public money available to help fund passenger transport services is likely to diminish in the next few years. If service users are not to be seriously affected, the lost funds will need to be made up from operators' commercial initiatives and / or smarter ways of using the available funds. However, the starting point for the analysis presented in this section is that any reduction in overall income to operators will lead to reductions in services as well as higher fares. For the purposes of our modelling and option appraisal we have assumed that all other forms of funding – including local authorities' own bus subsidy funding – will remain unchanged, although we recognise this may not reflect the real world.

To assess the impacts of potential changes, we have developed a spreadsheet model which includes all bus services in the SWWITCH Area, and estimates their income from all sources (e.g. passenger fares, RTSG, council revenue support). More details on this model can be found in the supporting documentation Appendix E. This allows us to see how income varies for each service under different conditions, and to apply realistic algorithms to the financial results to predict how operators' reactions are likely to affect the supply of services. This approach only works with conventional bus services, of course: the funding and operation of CT services have different criteria, and are considered separately later in this strategy.

We have considered two main ways in which the balance between the two streams of RTSG might be altered from the current baseline:

- Reducing LKSG, and putting more money into revenue support (services run under contract to the councils), some of which will be needed to replace currently 'commercial' services which cease to be viable as a result; or

- Transferring money from revenue support into raising the value of LKSG, so that fewer services should need council subsidy and supporting development of successful services which can encourage modal shift

Taking forward either of these options to their extremes (i.e. all RTSG funding to provide revenue support or putting all funds into LKSG) was rejected in the light of stakeholders' views at the Stakeholder workshop and individual meetings as outlined in Section 3. Therefore the following scenarios were developed:

Scenario 1:	– Maintain the current balance between revenue support and LKSG
Scenario 2:	– Reduce LKSG by 70%, while RTSG revenue support is increased by 80%.
Scenario 3:	– Increase LKSG by 50%, while RTSG revenue support is reduced by 60%.

4.3 Overview of Option Impacts

Scenario 1 is effectively the maintenance of the interim arrangements currently in place in relation to the balance between Revenue Support and LKSG. Therefore the information presented in the Baseline section of this report (Section 2) outlines the levels of service provision predicted with this option. The changes in the overall level of bus services anticipated resulting from Options 2 and 3 within each part of the SWWITCH area are illustrated in Figures 4.1 and 4.2. Note that these refer to the overall supply of services, and not to the frequency offered on any one particular route. It must also be noted that we have had to use generic data in our modelling of most operators' services at this stage, so the results can only be regarded as indicative. The maps show only principal bus routes, and refer only to daytime services on Mondays to Saturdays; effects might be different on evening and Sunday services.

4.3.1 Scenario 2

Scenario 2 assumes that LKSG would be reduced by 70%, while RTSG revenue support would increase by 80%.

The expected results of this (shown in Figure 4.1) would be that:

- Overall service levels would reduce significantly (by 10-30%) in Swansea, Port Talbot and the Swansea and Neath valleys, where current services are predominantly run commercially, but the adverse effects would be greatest in rural Carmarthenshire and Pembrokeshire, including the Tenby area.
- This may be taken as a 'worst case' illustration, since the model does not reallocate any 'excess' RTSG revenue support to other services. However, this would be balanced by the need to transfer funds to other (local authority) contracted services, which would require additional support to compensate for the reduction in LKSG.
- The only areas relatively unaffected would be the upper Afan Valley and Llanelli and its hinterland. This partly reflects the high incidence of RTSG-funded contracts in the latter area. This also helps to mitigate the impacts in the Swansea and Neath Port Talbot areas, where there would tend to be a transfer of services from the commercial to the contracted sectors – if they could be afforded.

4.3.2 Scenario 3

Scenario 3 assumes that LKSG would be increased by 50%, while RTSG revenue support would reduce by 60%.

The expected results of this (shown in Figure 4.2) would be that:

- Overall service levels would reduce significantly (by over 10%) across much of rural Carmarthenshire and Pembrokeshire, with the most severe adverse effects in the areas north-east and south-west of Carmarthen and south of Pembroke Dock.
- In Swansea and Neath Port Talbot, where most services currently run commercially, risks to services would be minimal, and there should be opportunities for development of routes and extension of commercial operations. Even in the Tenby and Newport areas, services should be stable or positive.
- The worst affected areas are those most dependent on services directly supported by RTSG especially Carmarthenshire and Pembrokeshire. It would be expected that the need for contracted services would decline in urban areas, possibly allowing some diversion of RTSG to support additional services, but this would require a regional approach and agreement. This would not be possible if individual LAs sought to retain any savings locally, even if they arose from previously 'authority' funded contracts.

4.4 Quality Standards

Welsh Government guidance indicates that the payment of RTSG should enable the RTC to ensure the provision of enhanced quality services, and SWWITCH is required to indicate the outcomes it will seek to enforce. It has indicated to the government that it agrees with proposals that certain standards should be basic conditions of RTSG payment to operators, covering:

- Reliability;
- Punctuality;
- Cleanliness of vehicles;
- Good information; and
- Operation of a Customer Charter.

However, proposals for up to 21 separate standards to be met on a national basis are viewed by SWWITCH and stakeholder consultees as unduly onerous, and likely to reduce the supply of actual and potential bus operators to inadequate levels, especially in sparsely populated areas. The effort and cost of complying with so many standards, some of which appear to offer little if any benefit to passengers, would deter or defeat many smaller concerns. The penalties suggested for non-compliance would ensure their services ceased to be sustainable.

SWWITCH proposes that a two-tier approach could be adopted to the payment of LKSG, with a premium rate payable to those operators which entered and adhered to a Quality Standards Agreement (QSA) with SWWITCH. It is envisaged that there would be a small number of templates for QSAs, enabling them to be tailored to the circumstances of the operator and area. For example, a QSA covering lightly-used rural services is likely to exclude technological features such as audio-visual 'next stop' announcements (which can be compensated for by personalised customer care by the driver), while one covering busy city services might well include this feature as well as other innovations, such as smart ticketing.

As part of the formal consultation views were requested on the appropriateness of the above approach.

4.5 Community Transport

The specific characteristics of CT, both operationally and in its relationship with its users, are such that the planning and commissioning approaches used for conventional public transport services are unlikely to be appropriate or effective. In any case, SWWITCH will continue to dedicate 10% of RTSG to CT, in line with Welsh Government guidance, alongside varying levels of additional support from the individual LAs.

The CT sector in South West Wales has developed in response to needs which are not being met by commercial providers. It typically has a different character in rural locations compared to urban areas. Some DRT services, such as Bwcabus, combine some elements of CT (advance booking; provision for passengers with reduced mobility) with delivery by conventional bus operators.

The starting point for SWWITCH is to recognise that CT has a role to play in delivering the outcomes of the RNS, and that the support for CT should be targeted towards these RNS outcomes. This may seem obvious; however, this might then lead to a series of logical assumptions which could potentially have significant implications for the current CT sector. For example, the change from the status quo in both funds available for individual operators, and the kinds of service they might be called upon to deliver.

If CT is to contribute effectively to the RNS, then there needs to be a regional strategy for community transport. This strategy should be based on an objective assessment of needs (demand) and an assessment of how much of this demand SWWITCH and its constituent LAs can realistically hope to meet. The other key factor is the capacity and capability of the existing CT sector. There are established methodologies for determining both the level of need, and the resources an efficient CT operator would require in meeting that need. The central role of need in deciding CT provision, highlights the fact that part of the function of CT will be to fill gaps in the conventional transport network; hence, although it will always be a dynamic situation, the desired shape of CT provision within the region can only be determined once the effects of funding changes on the mainstream network are known. In other words, there will be a time lag before it is sensible to make detailed decisions on CT.

The extent to which users are able, or expected, to contribute in fares is also a matter of policy that would determine the cost base of services. All these factors need to be taken into account as part of the process of formulating a service specification. Ultimately, procurement of CT should be rationalised across the SWWITCH region in a way that demonstrates a consistent contribution to the RNS, but which also recognises the local strength of the current operations, and how a productive balance between the two might be achieved.

Although the work to achieve the service specification can be specialised and time-consuming, it is only the first step. Moving from the current system of provision and support for CT to a more strategic pattern of commissioning, while simultaneously acting in a way that does not undermine or unnecessarily damage the existing CT providers, is a challenging task which will require:

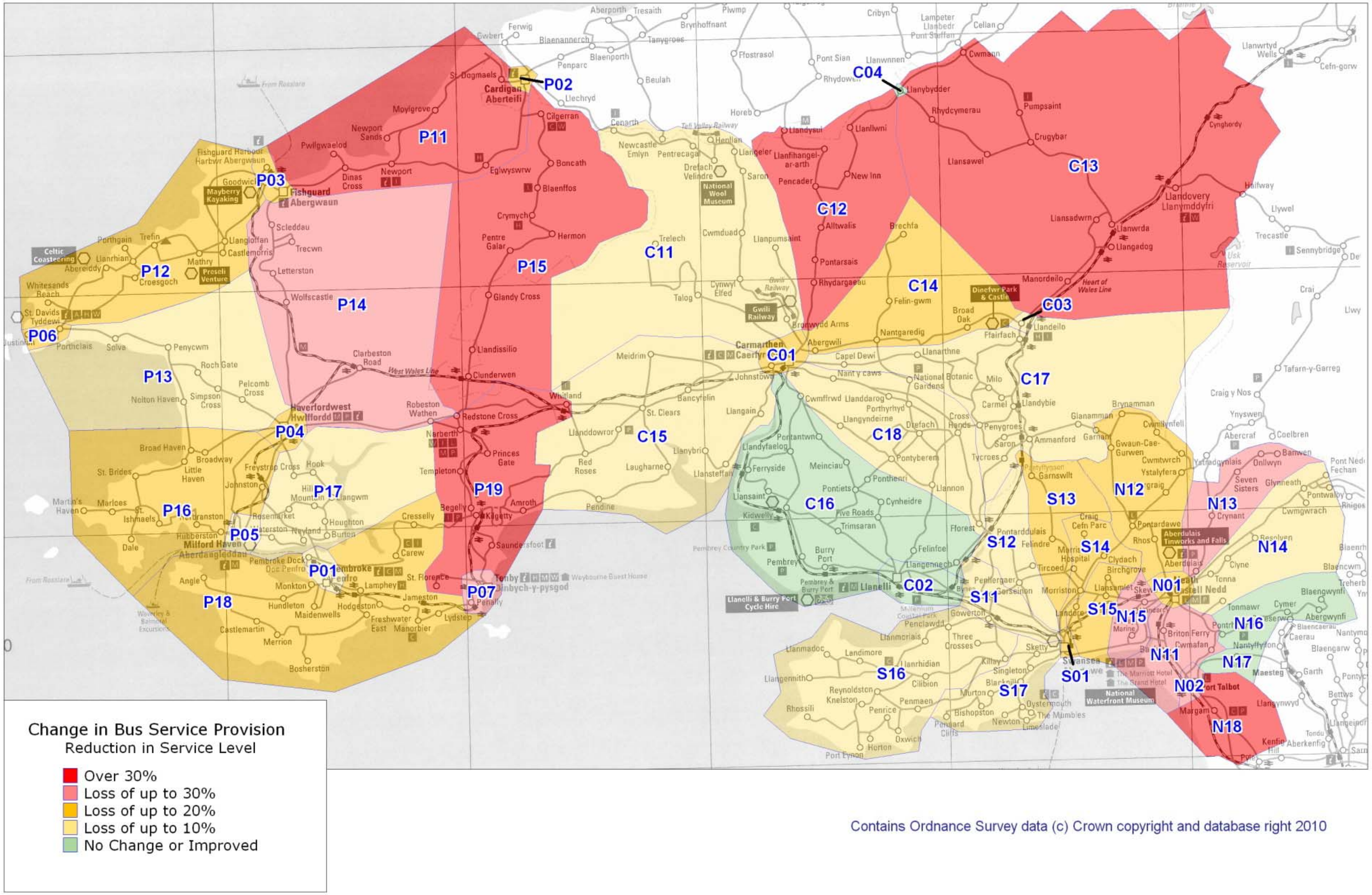
- an understanding of the existing, baseline provision;
- an understanding of the individual CT operators' business models;
- capacity building initiatives, where appropriate, for existing CT groups (potentially this could be carried out by the local authorities, with involvement from the Community Transport Association);
- consultation with a range of stakeholders and service users in each community;
- a view of which procurement methods are appropriate and effective in securing the services that each community needs; and
- an understanding of the 'softer' issues that relate to CT – e.g. political will, levels of volunteer input, quality standards, and community engagement.

4.6 Conclusions

The options presented in section 4.2 highlight the varied impacts that could result from different extreme positions in relation to the balance with which RTSG funds could be spent. The two alternative options for the bus network are both predicted to have significant negative consequences for some parts of the SWWITCH region, although there are also potential benefits for some areas from both, and the full repercussions of each option cannot be simply illustrated.

Figure 4.1: The Impact of Scenario 2 on Service Levels

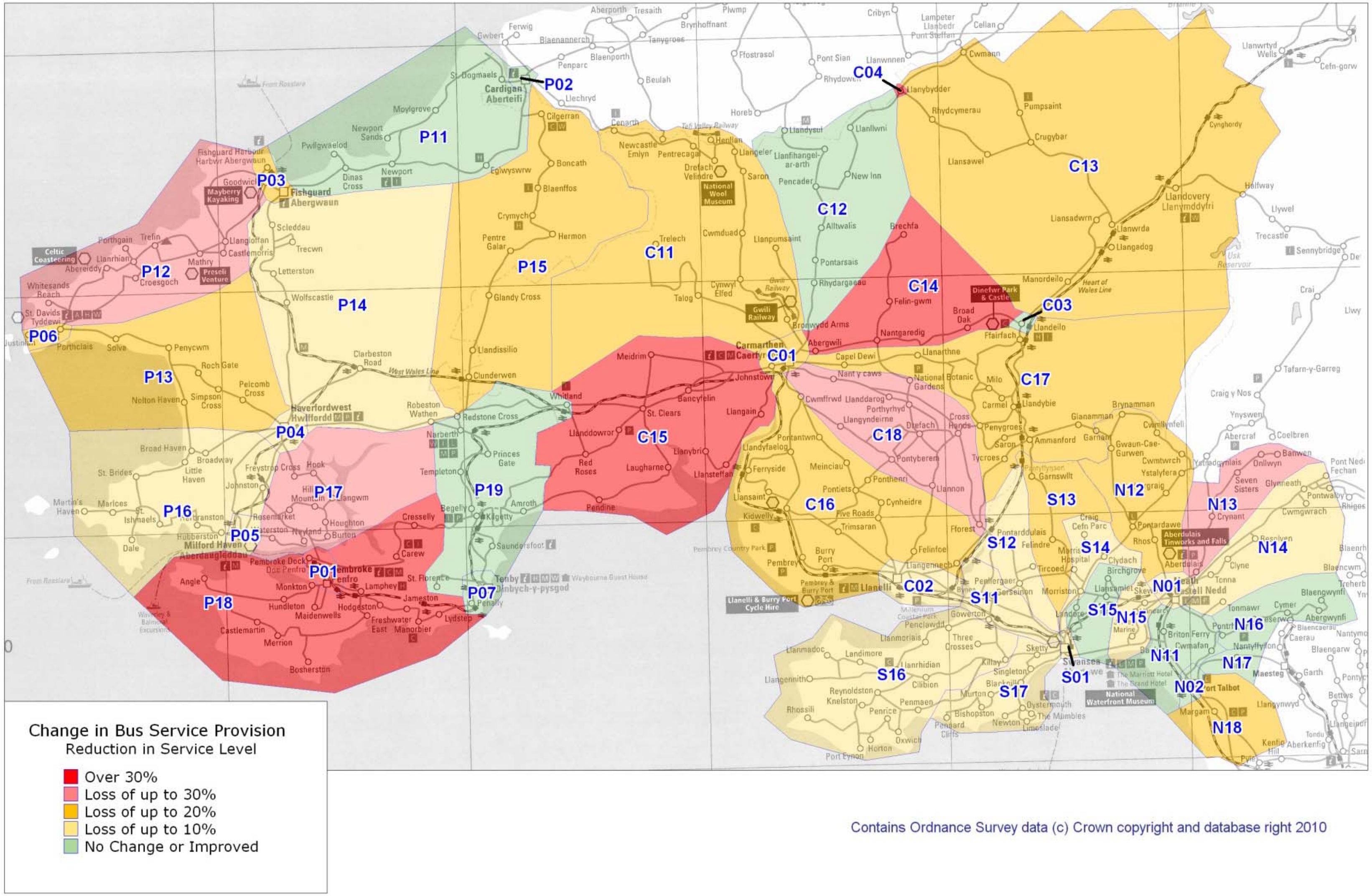
Scenario 2



Contains Ordnance Survey data (c) Crown copyright and database right 2010

Figure 4.2: The Impact of Scenario 3 on Service Levels

Scenario 3



5 FORMAL CONSULTATION RESPONSES

5.1 Introduction

As well as undertaking initial consultation to help shape the development of the draft strategy options formal consultation was undertaken on the consultation draft strategy report over a six week period from the 26th July to the 13th September 2013. As part of this the consultation draft strategy was distributed widely to key local stakeholders within the SWWITCH area including parish and county councillors, bus operators, passenger groups and key national bodies representing different interest groups. The document was also advertised on the SWWITCH website for comments from the wider public. As well as requesting general comments on the draft strategy the following key questions were asked as part of this consultation:

1. Do you agree with the SWWITCH high level objectives for the Regional Network strategy?
2. Would you support the continuation of the current mechanism for distributing RTSG funding (scenario 1 – the baseline position)?
3. Would you support changing the current mechanism for distributing RTSG funding so that LKSG would be reduced by 70% and RTSG revenue support would be increased by 80% (scenario 2)?
4. Would you support changing the current mechanism for distributing RTSG funding so that LKSG would be increased by 50% and RTSG revenue support would be reduced by 60% (scenario 3)?
5. Do you support the introduction of quality standards across the region as set out in section 4.4?
6. Would you support the introduction of the two tier approach to quality outcomes where standards are tailored to the area and type of bus operation?

The responses to these questions as well as a flavour of the detailed comments received is outlined in this section of the report and has been used to help inform the appraisal of strategy options (Section 8) as well as the development of the final strategy (Section 9).

5.2 Response Rate

In total 61 separate responses were received on the consultation draft strategy from a wide range of different groups including members of the public, bus and community transport operators, town and parish council representatives, councillors, and groups representing specific causes. Appendix B provides a list of the groups who responded to this consultation. Detailed comments were provided by these individuals on the strategy, although not all respondents felt sufficiently able to answer or comment on all of the above questions.

5.3 Views on the SWWITCH RNS Objectives

Table 5.1 and Figure 5.1 indicate the responses received to each of the six consultation questions. In terms of question 1 on the high level objectives of the RNS (as outlined in section 1.4 of this report) the majority of consultees (92%) agreed with the SWWITCH high level objectives for the RNS. The below quotes give a flavour of the responses received to this question.

- *Broadly agree (with the RNS objectives), but rural areas must be protected and not sacrificed for the sake of urban*. **Bus Operator**

- *We understand the aspirations of having a balance of services across the region, however we are concerned about how this will be achieved given the differences in provision across the region.* **Local Transport Forum**
- *With reference to the inclusion of 'user needs', we would emphasise the importance of proactively engaging with older people about changes to services which may affect them, given that many older people rely on public transport to get out and about*. **Age Cymru**
- *We agree with the high level objectives identified, especially those of maximising market growth and also the aim of identifying key quality outcomes to meet the requirements of the Regional Transport Services Grant.* **Public Transport Users' Committee for Wales**

5.4 Views on the Strategy Options

Fewer respondents felt qualified to indicate what their preferred strategy option would be due to the complexity of the issues involved. However, 79% of those who did respond to these questions said they would support the continuation of the current funding arrangements. In terms of the two proposed alternative approaches only 9% of people would support either of these approaches, with 48 to 50% not supporting either option and a further 41 to 42% unsure. In terms of the comments received on the various options the below quotes provide an overview of the responses.

- *In the absence of any better alternative, we would support the continuation of the current mechanism for distribution RTSG funding*. **Bus Operator**
- *This (Option* 1 – the current funding arrangements*) would be the preferred scenario as it is a known quantity and would avoid further change/disruption for key stakeholders.* **Local Interest Group**
- *Yes, we support the baseline position* (Option 1) *which would provide the most balanced support required for the continuation of community transport services*. **CTA Cymru**
- *No (*To Option 2*), as we feel this would have a negative impact on commercial providers and will push the cost of fares up.* **Community Transport Operator**
- *We would not support this scenario (*Option 3*) as not only would this involve further change and disruption for key stakeholders, it is likely to heavily impact on rural areas where there are a high proportion of subsidised services.* **Local Interest Group**
- *Reduction in or loss of services would impact on health and welfare provision, the economy and the general standard of living for many residing in this predominantly rural area*. **Community Council**
- *No, this option (Option 3) would clearly favour urban areas, therefore more money to commercial services and less to traditionally supported services.* **Local Councillor**

5.5 Views on Quality Standards

The concept of introducing quality standards was consulted upon. Of those who responded to the RNS consultation 90% supported the concept of introducing quality standards. On the concept of a two-tier approach 66% of respondents also supported this concept, although fewer respondents felt able to answer this particular question, with 21% unsure. A number of comments were received in relation to quality standards and the below quotes provide a flavour of the responses received.

- *We agree with the thinking that 21 separate standards from 2014/15 is too onerous and that an element of prioritisation over say a 5 year period would be better*. **Traveline Cymru**

- *Yes, quality standards are important but the idea of varying standards for different types of operator makes sense. I also agree that the standards should be brought in gradually to allow operators to make buses accessible firs*t. **Member of Public**
- *We have no objection to the introduction of quality standards so long as they are designed to improve the overall customer experience and are not so punitive that they are a disincentive to operate*. **Bus Operator**
- *Yes. We think it's very important to introduce quality standards throughout the region*. **Community Council**
- *In principle ABMUHB supports the quality standards proposed. The two tier approach suggested appears sensible*. **Abertawe Bro Morgannwg University Health Board**

5.6 Views on Timescales

Although not a question specifically asked as part of the formal consultation a number of respondents commented on the issue of the timescales imposed by the Welsh Government for implementation of the RNS strategy and any changes which would directly affect operators. The below quotes provide examples of the kind of views held on this issue.

- *Given the concern that short-notice funding changes would damage bus services, I would suggest a long notice period before any changes are implemented during which time bus operators should be approached to established whether they intend to stop operating any services. This should allow replacement services to be tendered ready to take over when the previous service is withdrawn*. **Member of Public**
- *I feel that more time is necessary to explore all the options*. **Unnamed**
- *At least one more year is required in order to fully assess the impact and implement changes necessary to minimise further disruption to bus operations in Wales. Driving forward further changes at this time will not help bus operators realign their operations and stabilise their business to take account of the reduced funding already in place*. **Bus Operator**
- *We totally agree that the timescale is too tight especially as there is the Welsh Ambulance Review to consider... Time and resources are needed to review the current network in detail before appropriate plans and strategies are to be introduced*. **Local Community Council**

5.7 Additional Consultation with the Health Boards

Additional meetings were held during the consultation period with both the Local Health Boards covering the SWWITCH area, Abertawe Bro Morgannwg University Health Board (ABMU) and Hywel Dda Health Board (HDHB).[3] These gave particular attention to the issue of non-emergency patient transport, or patient care service (PCS), which was concurrently undergoing review at national level. The form of PCS organisation following reconfiguration of the Welsh Ambulance Service NHS Trust (WAST) was unclear at the time of the meetings, although it was clear that the Health Boards would play a larger role than hitherto. ABMU also supplemented its comments at the meeting by a written consultation submission.

Both ABMU and HDHB are already working with SWWITCH and the relevant constituent authorities on transport issues. Existing initiatives include, for example, the contracting

[3] ABMU covers City & County of Swansea and Neath Port Talbot CBC, as well as Bridgend CBC; HDHB covers Carmarthenshire and Pembrokeshire CCs, along with Ceredigion CC

by HDHB of local authority accessible minibuses for patient discharge transport during their downtime between social services duties.

It was agreed by both Boards that there is considerable scope for improvements in the quality and efficiency of services through better integration of health and public or community transport. However, the practical approach of each differs: while ABMU had been looking to centralise the organisation of PCS with WAST, including that provided by external suppliers, HDHB is taking over direct responsibility for arranging a growing proportion of PCS journeys. ABMU drew particular attention to the impacts of shared service development between health and social services, and the need to take full account of the reshaping plans for NHS services in south Wales.

Both of the Health Boards expressed willingness to work with SWWITCH in developing and implementing the RNS, stressing the importance of cross-boundary movements to their planning and their patients. An evolutionary approach was favoured, with continuation of current funding arrangements in 2014/15 while discussions continue about potential integration of services.

5.8 Additional Consultation with the Community Transport Association

A further consultation meeting was held with the Director - Wales of the CTA in late October, to discuss a draft of this final report.

CTA reiterated the desirability of a consistent approach to and provision of CT across the region, based on assessed needs. The sector is already working closely with local authorities, RTCs and the health service to explore issues of co-ordination and to implement initiatives to improve the efficiency and delivery of services. In view of this, concern was expressed that the potential for additional SWWITCH resources in this field might lead to duplication of effort, although it was acknowledged that it was unclear how well all the existing initiatives interacted.

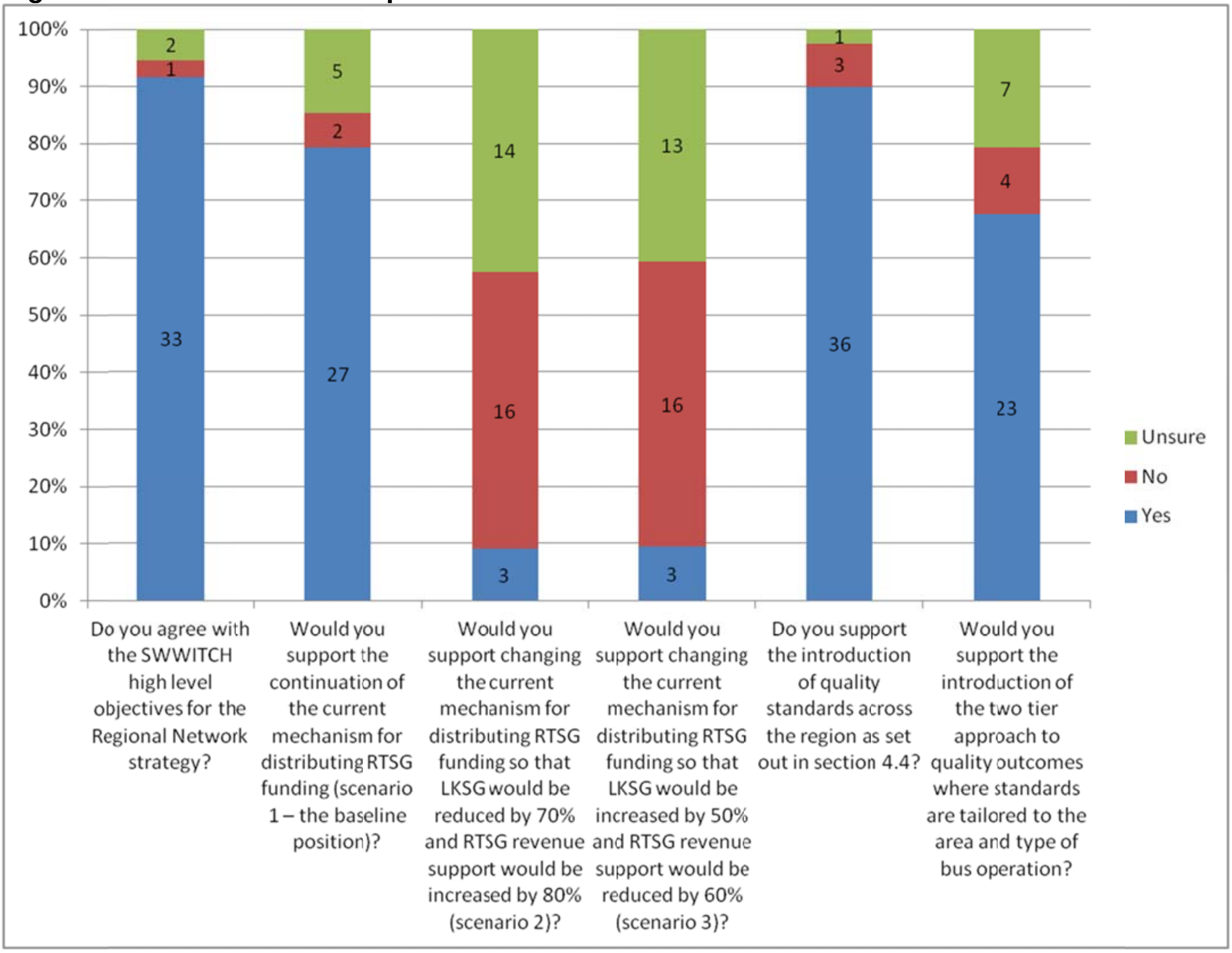
There was some disappointment that the RNS was not more focussed on defining an improved regional network, combining bus and CT services, to address identified gaps in provision and with Quality Outcomes established for CT from the outset. However, the rationale for (and difficulties of) the holistic approach sought in the RNS was appreciated, although CTA took the view that uncertainties about future policies and funding should not deter us from taking decisions now.

5.9 Conclusions

As part of the formal consultation SWWITCH has undertaken on the draft RNS strategy the opinions of a range of organisations and interested individuals has been sought. This has indicated strong support for the SWWITCH RNS objectives, as well as support for the option of maintaining the current funding mechanisms. Respondents stressed the need for adequate periods of time to be allowed for considered decision-making by all parties, and measured adaptation to changed circumstances. Those taking part in the consultation have also indicated strong support for the introduction of quality standards and moderate support for the concept of a two-tiered approach. These views have been incorporated into the appraisal of the three options (outlined in Section 8) and the development of the final strategy, as outlined in Section 9.

Table 5.1: Consultation Responses		No.			%		
		Yes	No	Unsure	Yes	No	Unsure
Q1	Do you agree with the SWWITCH high level objectives for the Regional Network strategy?	33	1	2	92%	3%	6%
Q2	Would you support the continuation of the current mechanism for distributing RTSG funding (scenario 1 – the baseline position)?	27	2	5	79%	6%	15%
Q3	Would you support changing the current mechanism for distributing RTSG funding so that LKSG would be reduced by 70% and RTSG revenue support would be increased by 80% (scenario 2)?	3	16	14	9%	48%	42%
Q4	Would you support changing the current mechanism for distributing RTSG funding so that LKSG would be increased by 50% and RTSG revenue support would be reduced by 60% (scenario 3)?	3	16	13	9%	50%	41%
Q5	Do you support the introduction of quality standards across the region as set out in section 4.4?	36	3	1	90%	8%	3%
Q6	Would you support the introduction of the two tier approach to quality outcomes where standards are tailored to the area and type of bus operation?	23	4	7	68%	12%	21%

Figure 5.1: Consultation Responses



6 FINANCIAL IMPACTS

6.1 Introduction

Our assessment of the financial impacts of the strategy options being considered is based on a detailed model of operators' service-by-service income, which was developed specifically for this project, more details on which can be found in Appendix E of the supporting evidence. This model draws upon several sources of data, including:

- SWWITCH data on km run and LKSG payments;
- Operators' electronic ticket and revenue data; and
- Local authorities' data on contract payments and concessionary reimbursement.

Where actual data were not available, such as for passengers and revenue on commercially operated services, we have applied estimates based on TAS' experience of the typical levels of revenue required to sustain services of different types[4] run by either major (group) or minor operators. Rates for the latter are lower, reflecting this sector's typically lower cost base and willingness to accept reduced margins.

Using these data, we built up a picture of total income on each bus service in the SWWITCH area for a nominal four-week period, comprising three school term weeks and one week of school holidays (thus approximating to the proportions across a year). These were standardised into revenue per kilometre; these and the (weekday daytime) service frequency (expressed as buses per hour) entered as fixed 'baseline' figures into the spreadsheets.

The Options scenarios were then modelled by varying the input multipliers for the LKSG rate per km and the RTSG subsidy payments, and measuring the outturn revenue per km against the baseline figure for each service. From this, a percentage reduction (or increase) in revenue was calculated, which was translated into a 'service impact indicator' at the levels shown in the following table.

Table 6.1: Correlation between change in Revenue per km and Service Impact Indicator

Reduction in Revenue per km	Service Impact Indicator
2% or less	2
3% to 8%	3
9% to 18%	4
19% to 28%	5
29% or more	6

The service impact indicator correlates the existing frequency with a revised frequency (buses per hour) based on our assessment of the likely outcome of a fall in revenue of that magnitude. This is a mixture of the operator's commercial evaluation and the likely patronage response to any initial change; it is therefore intended to represent the medium-term position, including any further need to economise as a result of further revenue loss from service reductions[5]. This measure is necessarily subjective in part.

In all of the following, it is important to note that we are considering a zero-sum situation: the total amount of money distributed through LKSG or RTSG subsidy would remain

[4] Services split between: Urban; Rural; Inter-urban; Schools
[5] Using a service elasticity of demand of 0.44

unchanged. Therefore any ‘winners’ from one source must be balanced by ‘losers’ from the other. Differences between the scenarios arise from the way in which the funds are distributed, and not from any change in the total.

6.2 Scenario 2 results

The results for Scenario 2 showed that the amount paid directly to operators as LKSG would reduce by £150,000, while the RTSG subsidy pot would increase by a similar amount. Overall, 13 operators would receive less in **combined** RTSG, while 8 would receive more (before any redistribution, discussed in Section 7.1).

The most adversely affected would be those operators running the greatest proportion of fully commercial services, many of which could be expected to become unsustainable and thus require some subsidy if they were to continue. The reductions would also affect all tendered services (whether RTSG- or council-funded), which might require an uplift in subsidy to maintain their viability. (It should be noted that the operator retains the commercial risk on nearly all tendered services in the SWWITCH area.)

6.3 Scenario 3 results

The results for Scenario 3 showed that the amount paid directly to operators as LKSG would increase by £105,000, while the RTSG subsidy pot would decrease by a similar amount. Overall, 8 operators would receive less in **combined** RTSG – the mirror image of the Scenario 2 list – while 13 would receive more (before any redistribution).

The most adversely affected would be those operators running the greatest proportion of services in receipt of RTSG-funded subsidy, which may be quite arbitrarily separated from those paid for by councils’ core funding. Although such services would, like all others, benefit from the uplift in LKSG, this would generally be insignificant compared with the loss of subsidy payments.

6.4 Summary of Financial Implications

The above analysis of the financial impacts of the two scenario alternatives indicate that both options would have significant impacts on different operators in terms of the overall levels of funding available to them. Both options therefore have the potential for services to be cancelled or even for operators to go out of business. Therefore in financial terms neither option would be considered preferential over maintenance of the current arrangements.

7 ACCESSIBILITY IMPACTS

7.1 Introduction

The key role of any public transport network is to provide the public with the access they require to key destinations, such as employment, education and health. Where accessibility to these key services is poor or not available this can lead to a range of social exclusion and associated deprivation issues. Therefore the RNS seeks to maximise the levels of accessibility that can be achieved to help avoid issues of deprivation and isolation.

A key objective of this strategy is:

- To support access to employment, health, education, retail and leisure - to minimise deprivation and isolation;

Therefore, to ensure that the RNS maximises the benefits of any changes to the existing bus network and avoids causing social exclusion impacts the different options under consideration have been tested in terms of their strategic accessibility impacts. This assessment initially looks at the spatial impacts of changes in service levels in terms of the impacts on urban and rural areas before considering how these impacts could affect people currently experiencing deprivation issues and how the changes in service could affect different journey purposes.

It should be noted that both Options generate a net increase in funding for certain operators, the effects of which cannot be readily allocated to any particular services. In the case of Option 2, reclaim of this increase would generate some subsidy funds for re-distribution by SWWITCH, although this would be unlikely to buy back all the services withdrawn by the net losers. Option 3 would place the 'surplus' with some operators, which would enable them to run a wider range of services commercially. In turn, this should free some subsidy funds to buy back other lost services. Although this would to some extent help to mitigate the negative effects described below, in neither case could it be expected that the current network would be maintained.

7.2 Urban and Rural Impacts

The options presented in Section 4 of this report are likely to impact upon the balance of services present in urban and rural parts of the SWWITCH area. To understand these impacts the modelled changes in service level on a corridor basis have been assessed against the urban and rural classification devised by the ONS. Figure 7.1 presents this classification for the SWWITCH area. This shows that the areas classified as urban are focused in Swansea and Neath Port Talbot local authority areas, with only small patches classified as urban in Pembrokeshire and Carmarthenshire. The majority of these two counties are classified as either villages or hamlets and isolated dwellings. The financial model zones have been divided into these four different urban/rural classification groupings.

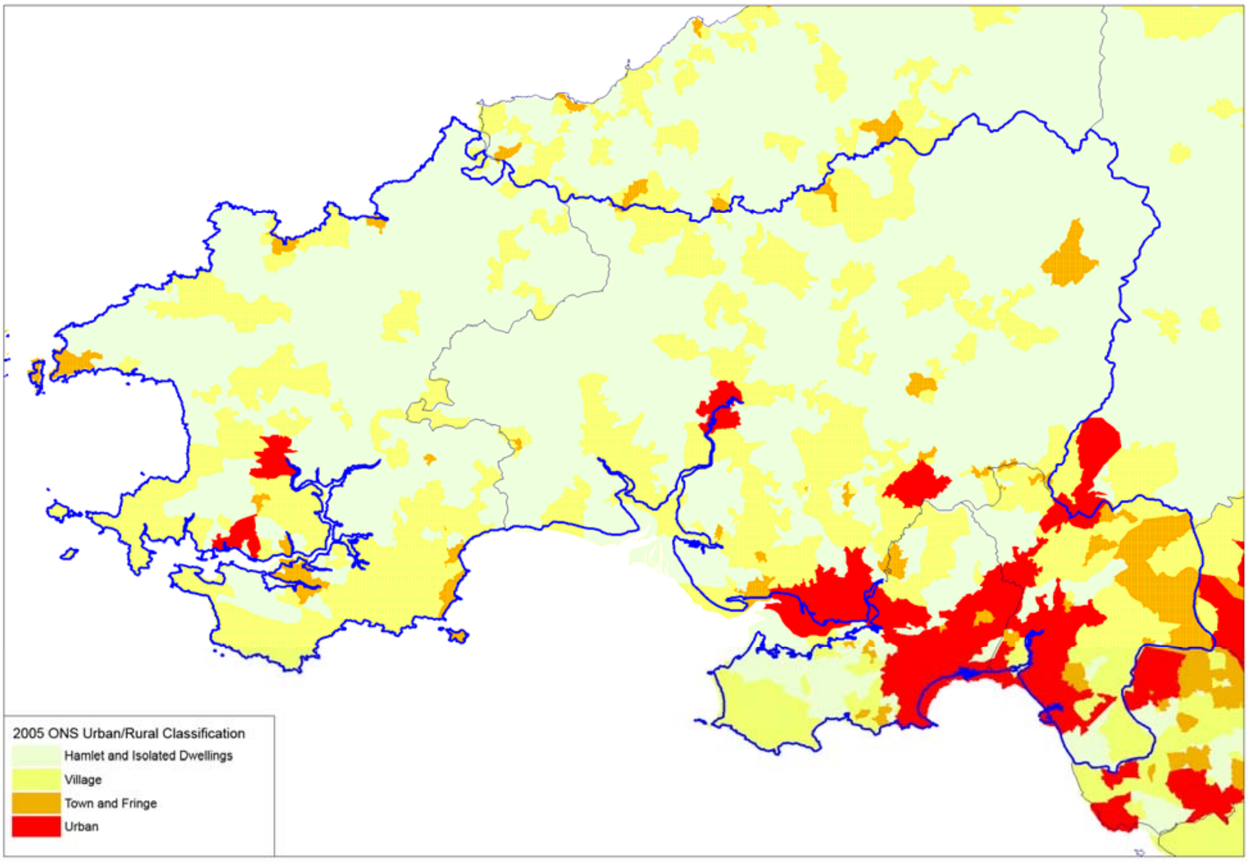
The average change in service level has been presented by urban and rural classification in Table 7.1 to illustrate the likely impacts. This analysis shows that Option 2 is particularly bad for urban areas, reducing service levels by an average of 3.5 buses per hour on corridors in the urban areas. For the most rural classification (Hamlets and Isolated Dwellings) the option reduces service levels only slightly, by less than 0.5 services per hour on average.

Option 3 reduces service levels in urban areas less than Option 2, by slightly over one service per hour. This option also has similar impacts to Option 2 on services for corridors in villages, hamlets and isolated dwellings, indicating that it is slightly better all round. However, neither option presents positive impacts over the present situation, which offers better levels of service for both urban and rural areas than the alternatives presented.

Table 7.1: Service Level Changes by Urban / Rural Classification

		Average change in buses per hour		
	Zone Type	**Option 1**	**Option 2**	**Option 3**
Most Urban	Urban	0	-3.5	-1.2
↓	Town and Fringe	0	-1.0	-0.6
	Village	0	-0.6	-0.6
Most Rural	Hamlets and Isolated Dwellings	0	-0.4	-0.4

Figure 7.1: ONS Urban Rural Classification



7.3 Index of Multiple Deprivation

To ensure that the RNS has a positive impact on people experiencing deprivation it is first necessary to understand the current spatial patterns of deprivation within the SWWITCH area. The Welsh Index of Multiple Deprivation (WIMD 2011) has been analysed to establish the current patterns of deprivation. Figure 7.2 shows the pattern of overall combined deprivation score for each Lower Super Output Area. This highlights that the most deprived areas (in red) are focused into urban parts of the SWWITCH area, including Port Talbot, Neath, Llanelli, Swansea, Pembroke Dock and Milford Haven. The overall score suggests that the rural parts of the study area do not suffer the same levels of deprivation as the urban areas. However, this measure somewhat overlooks the issues that rural residents have in accessing key services of which public transport provision is a key determinant, and the impacts that this can have on them in terms of social inclusion. Figure 7.3 therefore focuses on the issue of access to services. This indicates a very different picture, with the rural parts of Carmarthenshire, Pembrokeshire and Swansea experiencing high levels of deprivation due to poor levels of access to services, with the urban areas experiencing much lower levels of access to services deprivation. This highlights the importance of public transport provision to the residents of these rural areas.

Each of the strategy financial options have been assessed in terms of how the zone by zone changes in service frequency anticipated would impact upon overall and access to services deprivation. The scores contained in table 7.2 are average changes in service level weighted by the WIMD scores for each zone. Comparisons of the weighted changes in service frequency across the area by scenario indicates that scenario 2 would have the largest negative impact both for overall deprivation and access to services deprivation as the largest decreases in service provision correlate more strongly with areas which exhibit higher levels of deprivation. Scenario 3 involves service impacts which are less strongly correlated with the areas which exhibit deprivation, but neither option is an improvement on the current situation and current service frequencies.

Table 7.2: Average change in service level weighted by WIMD Score

	Scenario		
Option	**1 (Current)**	**2**	**3**
WIMD Overall	0	-1.6	-0.7
WIMD Access to Services	0	-0.9	-0.6

Figure 7.2: Overall IMD Score

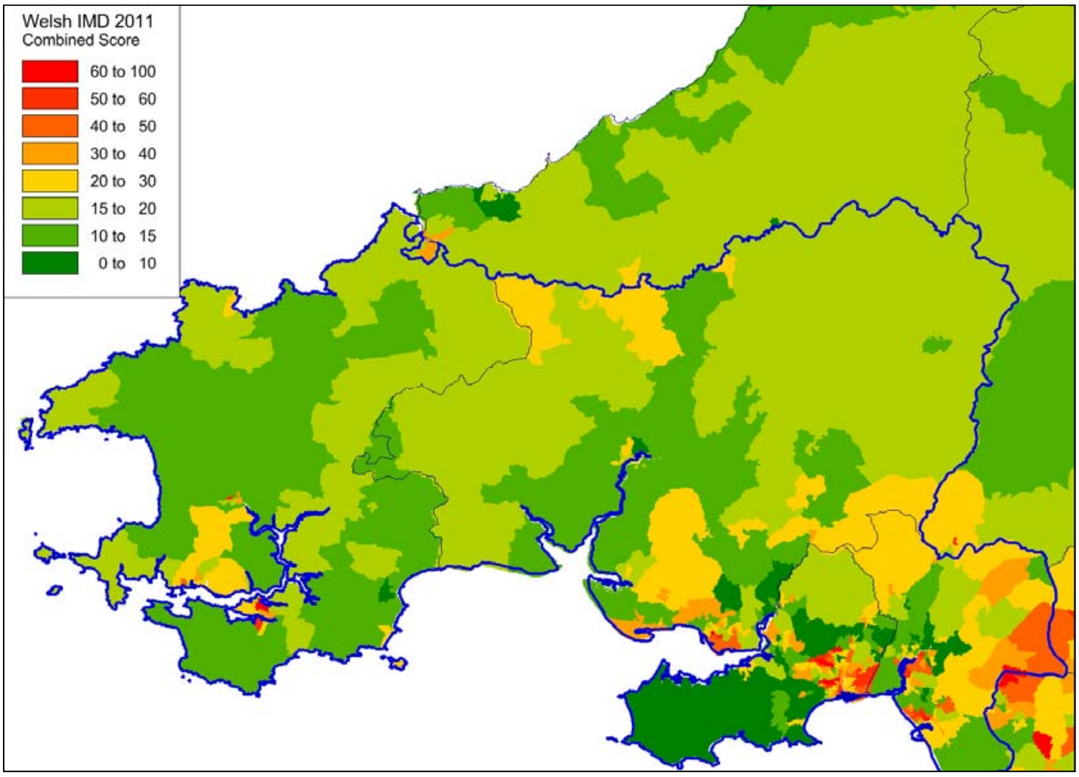
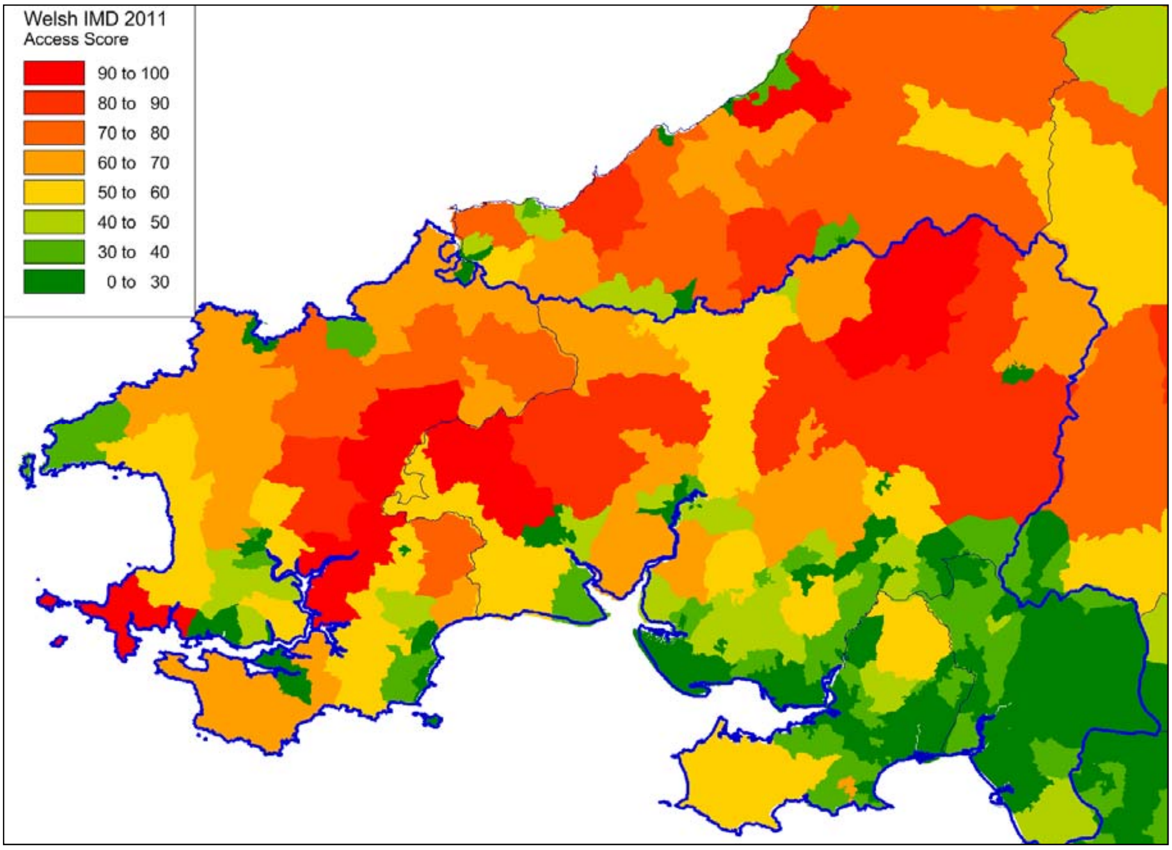


Figure 7.3 IMD Access to Services Score



7.4 Assessing Accessibility Impacts

The locations of key strategically important destinations in the study area have been established for each of the following key themes to tie in with the RNS objective of supporting access to employment, health, education, retail and leisure:

- Access to Employment
- Access to Hospital
- Access to Secondary, Further and Higher Education
- Access to key retail centres
- Access to leisure and tourist destinations.

Figures 7.4 to 7.8 show the locations of these destinations. Further details about the destinations used in this assessment can be found in the supporting documentation Appendix D.

To assess the accessibility impacts of the different proposed financial scenarios GIS software has been used to establish which bus corridor each key destination is served by. The changes in service frequency predicted for each corridor have then been weighted using the destination information at a zonal level to establish the extent of impacts that could be expected from each option for each destination type. Table 7.3 shows the weighted average changes in service levels predicted for each destination type for each option. This shows that Option 2 causes larger service frequency decreases for each destination type than Option 1. Option 2 has particularly significant negative impacts for access to retail destinations. Access to hospitals is the least negatively affected journey purpose for Option 2. Option 3, although having slightly lower levels service frequency reduction than scenario 2 also has negative impacts for all trip purposes. The impacts again are worst for retail, with employment, leisure and tourism the least badly affected trip purposes. Neither option 2 or 3 presents positive benefits over maintenance of the current situation at a zonal level, therefore in accessibility terms it is recommended that the current status quo is maintained.

Table 7.3: Change in service level by destination type (change in average buses per hour)

	Scenario		
Option	**1 (Current)**	**2**	**3**
Education	0	-1.9	-1.2
Employment	0	-2.1	-1.1
Hospital	0	-1.2	-1.2
Leisure and Tourism	0	-1.8	-1.1
Retail	0	-3.0	-1.5

Figure 7.4: Key Education Destinations

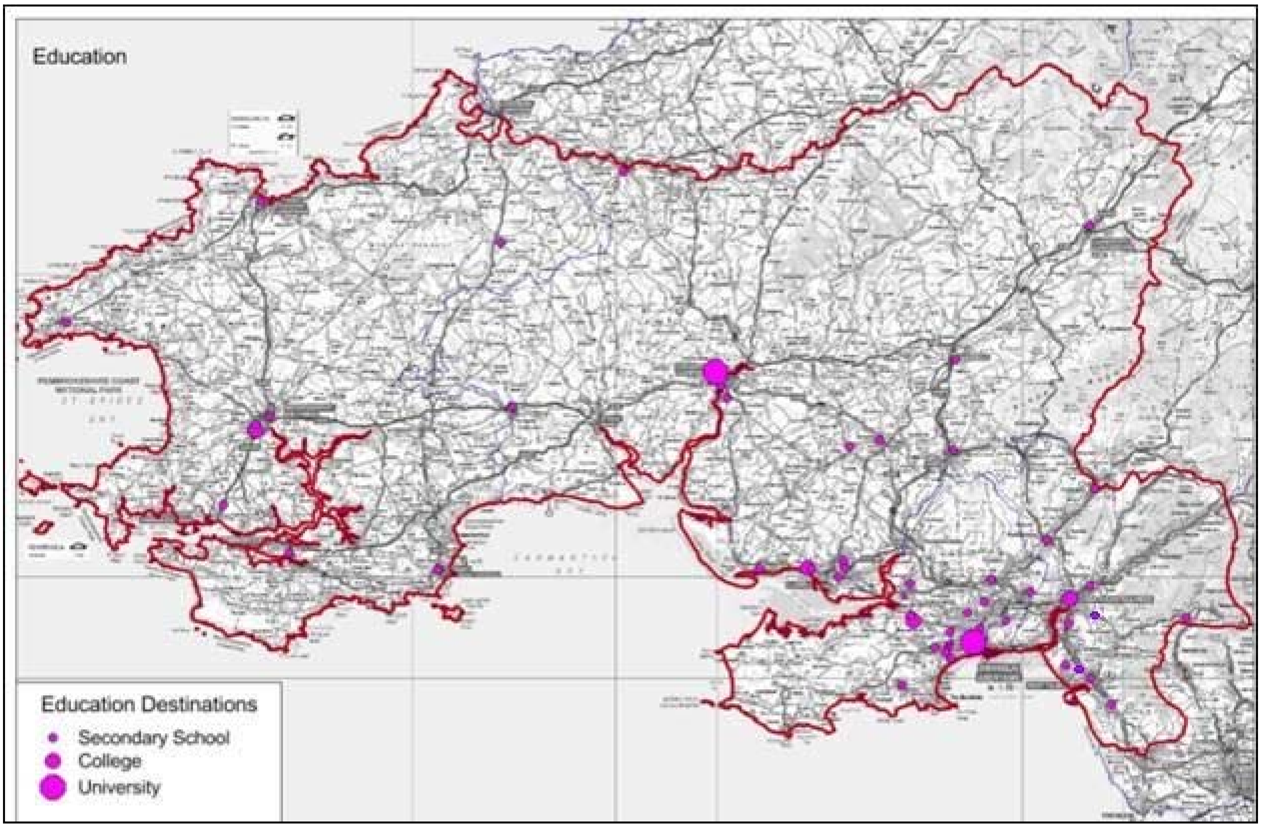


Figure 7.5: Key Employment Destinations

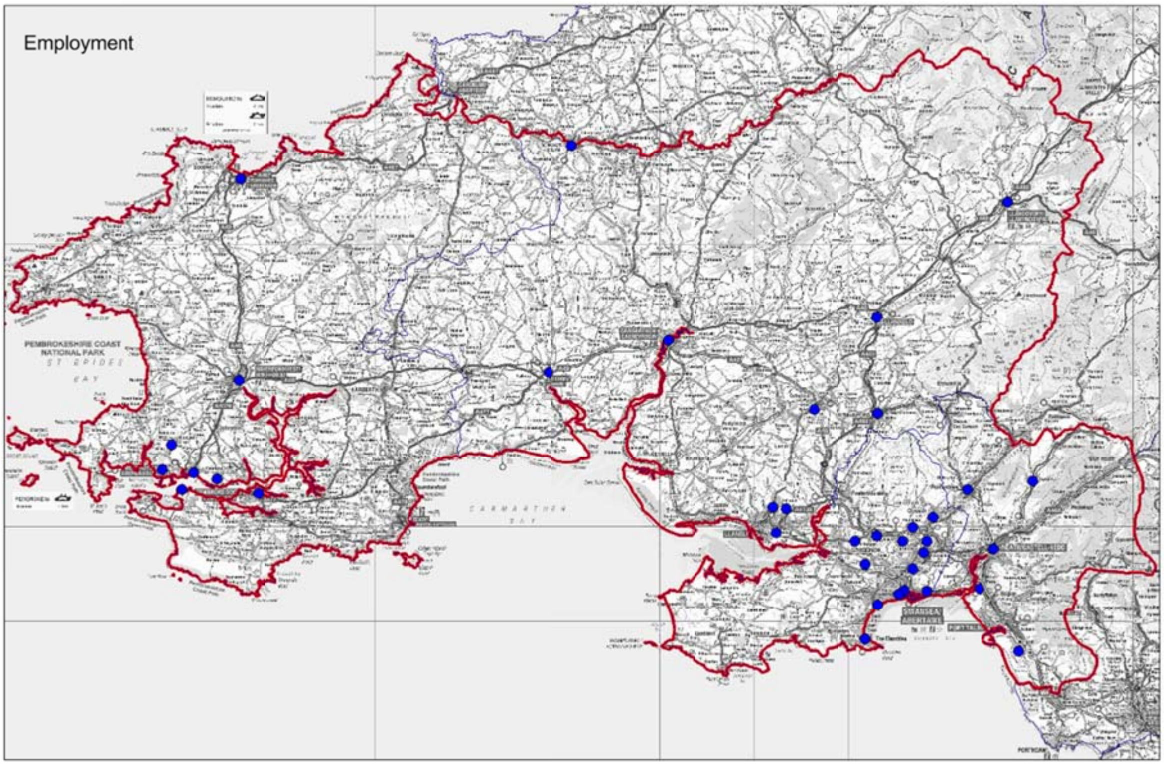


Figure 7.6: Key Health Destinations

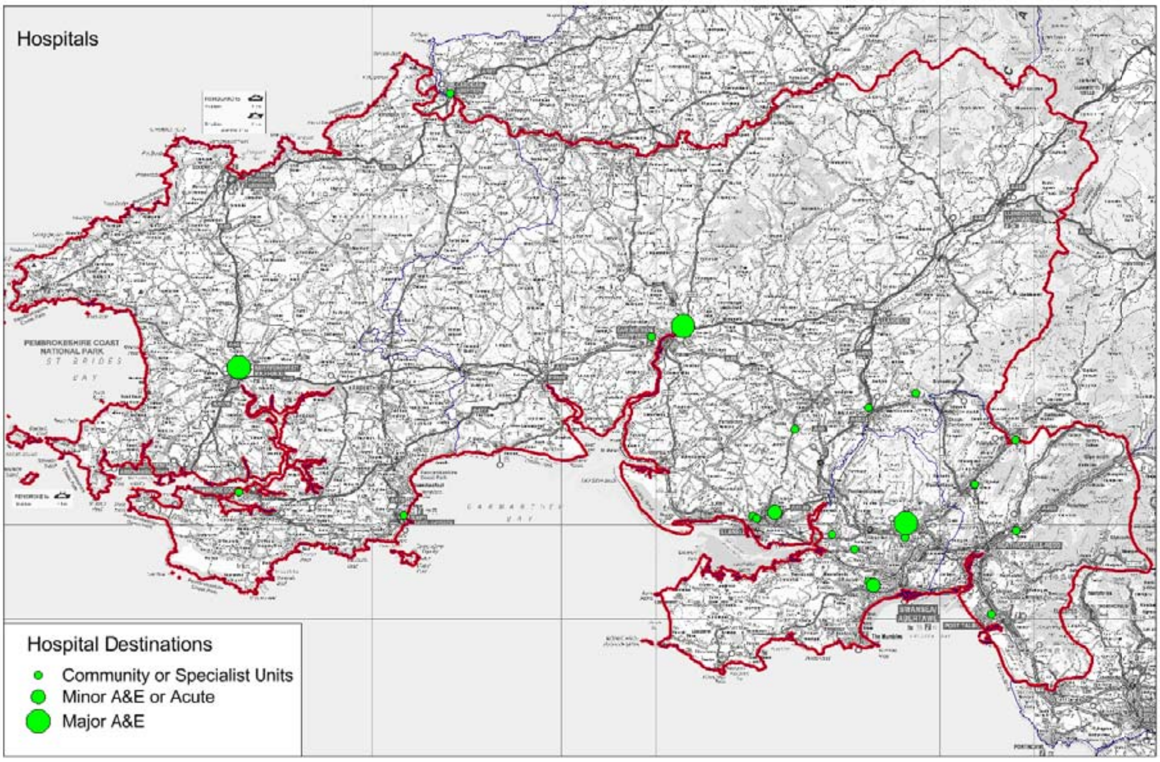


Figure 7.7: Key Leisure and Tourist Destinations

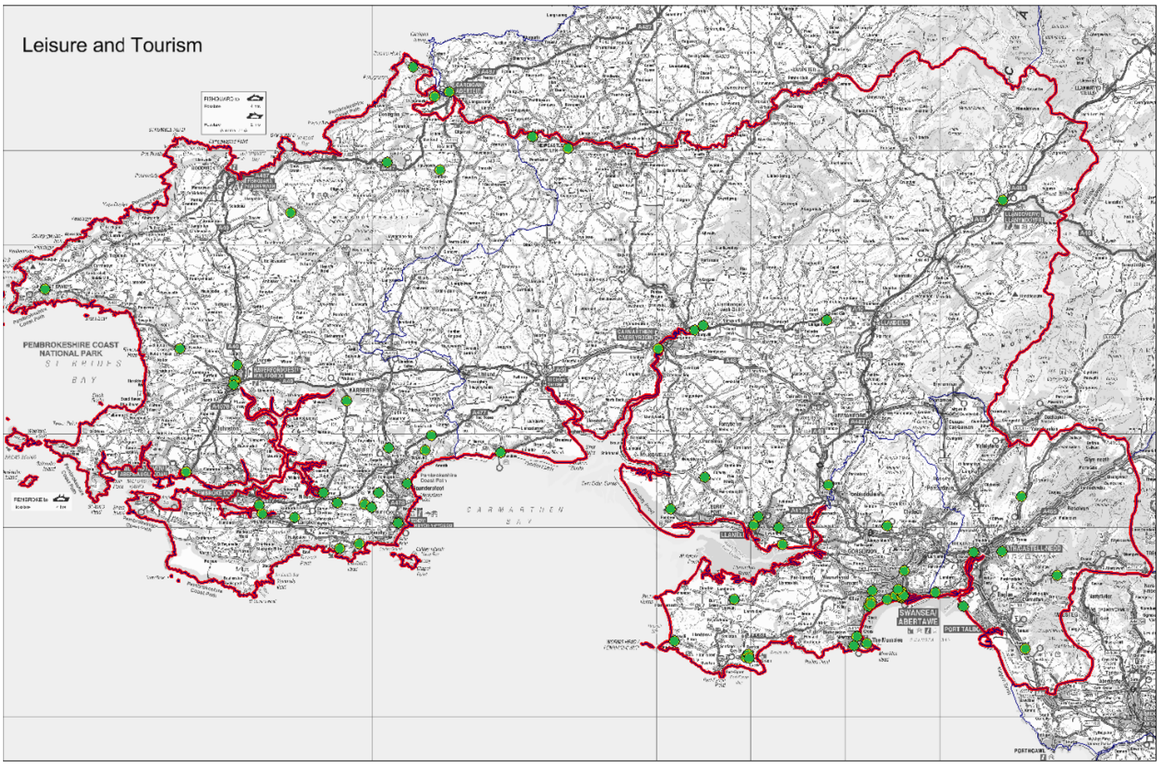
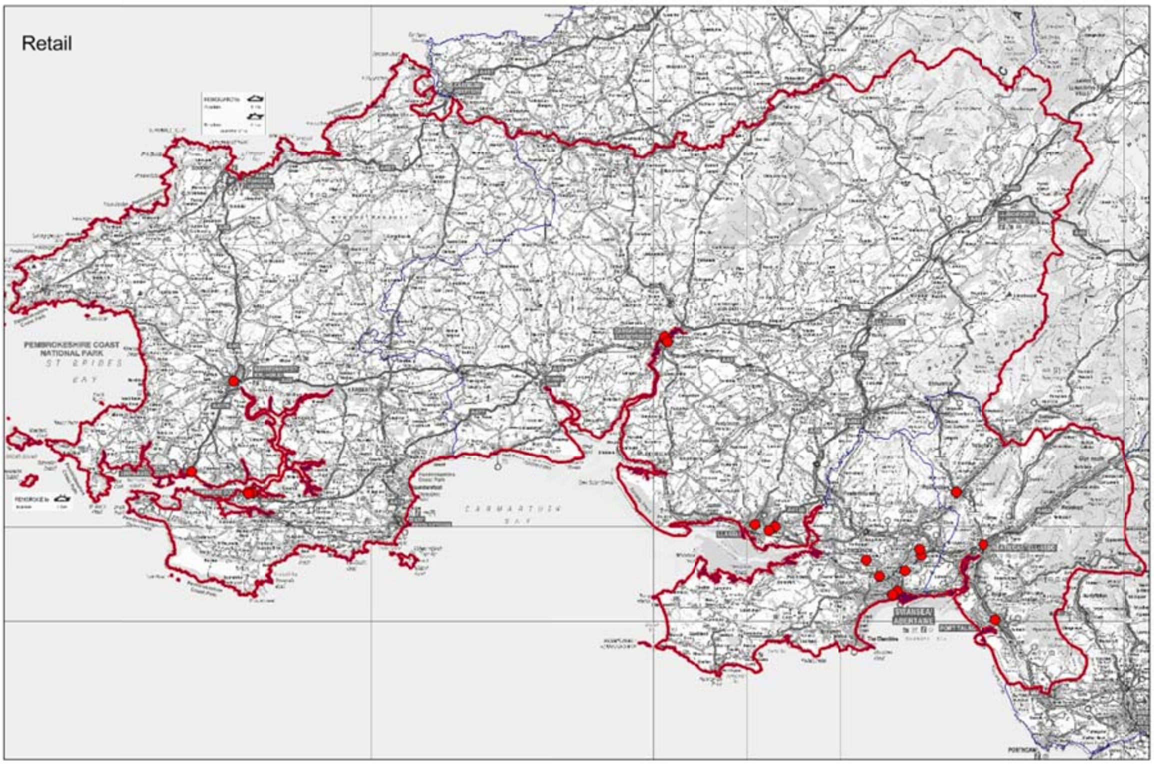


Figure 7.8: Key Retail Destinations



7.5 Accessibility Conclusions

The provision of accessibility is a fundamental requirement of the public transport network to help avoid social exclusion and deprivation amongst the population. In the study area development and deprivation patterns are spatially complex, with high levels of overall deprivation focused in some urban areas, but large rural parts of the study area whilst not deprived overall experience significant impacts due to lack of access to services. In terms of how the proposed options will influence deprived areas both options 2 and 3 have negative consequences, with option 2 particularly severe for deprived urban areas. The impacts of the options for different types of destination have also been assessed. This suggests that both options will have significant negative impacts, particularly for retail trips, which may then have knock on consequences for the vitality of town retail centres. Again Option 2 has more significant negative impacts than Option 3, but neither option appears as good as maintaining current funding arrangements (Option 1).

8 OPTION APPRAISAL AND JUSTIFICATION OF A PREFERRED OPTION

8.1 Introduction

This section of the report provides an overview of the appraisal of each option and provides a framework for determining the preferred strategy option. This assessment follows the principals of the Welsh Transport Appraisal Guidance (WelTAG) in that is assesses each option against the Welsh pillars of sustainable development; Economy, Environment and Society. To ensure that the preferred option is also consistent with SWWITCH's objectives the options have also been assessed against the key Transport Planning Objectives (TPOs) of the study. Namely:

- To support access to employment, health, education, retail and leisure - to minimise deprivation and isolation;
- To maximise the value of investment, taking into account variations in topography, population dispersal and journey patterns;
- To achieve a balance of services across the region;
- To maximise market growth (within the confines of the resources available and the balance of services across the region);

Options 2 and 3 have been assessed against a Do Minimum scenario (Option 1). Therefore there is no separate assessment of Option 1.

8.2 Appraisal of Options

Tables 8.1 and 8.2 present the summary appraisal of Options 2 and 3 against the Do Minimum scenario.

Table 8.1: Appraisal of Option 2

Option Description: Scenario 2: Reduce LKSG by 70%, while RTSG revenue support is increased by 80%.	
Regional Network Strategy Objectives	
Objective	**Assessment**
To support access to employment, health, education, retail and leisure - to minimise deprivation and isolation	*Modelling indicates that this option would reduce levels of accessibility significantly compared to the Do Minimum option for all destination types, with retail access particularly badly affected and education, leisure and tourism less badly affected.* ***Large Negative***
To maximise the value of investment, taking into account variations in topography, population dispersal and journey patterns	*This option would reduce service provision significantly in the urban areas of Swansea and Port Talbot, where services are predominantly run commercially. The largest impacts would however be felt on commercial services in rural Carmarthenshire and Pembrokeshire, which are heavily reliant on LKSG funds. Additional locally sourced revenue support might be required to compensate for the reductions in LKSG.* ***Slight Negative***
To achieve a balance of services across the region	*This option is likely to reduce service provision in urban areas, with services in rural areas particularly affected where services run commercially and less affected where the number of RTSG funded contracts are high. This would to some extent maintain a balance of services across the region.* ***Neutral***
To maximise market growth (within the confines of the resources available and the balance of services across the region)	*This option would lead to a reduction in the commercial bus market, particularly in urban areas.* ***Moderate Negative***

Welsh Impact Areas			
Criteria	**Assessment**	**Distribution**	**Significance**
Economy			
TEE (Transport Economic Efficiency)	*Costs: This option involves maintaining the current level of overall bus subsidy, but changing the balance towards Revenue Support and away from LKSG. No capital costs would be involved.* *The anticipated overall reduction in service levels and frequencies resulting from this option would negatively affect bus journey times for users. Overall Vehicle Operating Costs would also reduce due to the reduced number of vehicles serving the area.* *Levels of public subsidy from Local Authorities might have to increase to compensate for the loss of LKSG on contracted services and where it is identified that lost commercial service provision should be contracted.* *Limited RTSG funding would be free to apply to these needs,*	*Service reductions are likely to be most severe on the least and most frequent routes. Connectivity would thus be lost or seriously reduced in rural areas, and significantly reduced in the densest urban areas, with intermediate results in other locations.*	Moderate Negative

	but insufficient to meet all demands.		
EALI (Economic Activity and Location Impacts)	*Increasing revenue support and reducing LKSG would tend to preserve service provision in remote rural areas at the expense of urban areas. This could help to maintain the economy of rural areas whilst slightly reducing the economic competitiveness of areas such as Swansea and Port Talbot where service levels have reduced. This option would also be likely to reduce access to retail centres, with associated impacts on the retail sectors in these urban areas.*	Potential benefits for rural areas at the expense of urban areas.	Slight Negative
Environment			
Noise	*The reduction in service provision in many parts of the study area will lead to a reduction in noise from buses, however some additional journeys by car are likely to result, with associated noise impacts.*	Small reductions in noise where service levels reduce.	Neutral
Local Air Quality	*Reductions in service provision in some areas may reduce local emissions; particularly relating to NOx and particulates from diesel bus engines. However, additional car journeys may result.*	There may be localised benefits for some urban areas currently with high concentrations of buses.	Neutral
Greenhouse Gas Emissions	*The net loss in levels of service provision is likely to result in additional trips being made by car. This will lead to additional carbon emissions.*	Across study area	Slight Negative
Landscape and Townscape	*This option is likely to reduce the number of buses travelling near to key landscape and townscape assets particularly in urban parts of the area. This is likely to slightly reduce visual intrusion in these areas, although an increase in cars may also result.*	Potential benefits for landscape and townscape assets in urban areas.	Neutral
Bio-diversity	*This option is anticipated to have a neutral impact on bio-diversity as no construction is involved.*	No impacts	Neutral
Heritage	*This option is likely to reduce the number of buses travelling near to key heritage assets particularly in urban parts of the area. This is likely to slightly reduce visual intrusion in these areas, although an increase in cars may also result.*	Potential benefits for heritage sites in urban areas.	Neutral
Water Environment	*This option is anticipated to have a neutral impact on soil quality as no construction is involved.*	No impacts	Neutral
Soils	*This option is anticipated to have a neutral impact on soil quality as no construction is involved.*	No impacts	Neutral

Social			
Transport safety	*A reduction in bus service provision may lead to an increase in the number of pedestrian trips. This could increase the risk of accidents between pedestrians and motorised modes particularly for trips between rural settlements where segregated pedestrian routes and lighting are not present. An increase in car trips will also slightly increase the likelihood of accidents.*	Negative impacts particularly for rural areas.	Slight Negative
Personal security	*Reductions in service provision particularly in urban areas will reduce personal security as more journeys will have to be made by other modes, such as on foot with associated perceived personal security issues.*	Negative impacts particularly for urban areas.	Moderate Negative
Permeability	*This option will not influence pedestrian permeability.*	No Impact	Neutral
Physical fitness	*This option will reduce overall public transport provision. This could have a positive impact on physical fitness where trips are made on foot or by bike instead. However, additional car trips are also likely, reducing physical fitness for these individuals who would no longer walk to or from bus stops.*	Potential health benefits for some individuals within urban areas. Other individuals may experience disbenefits due to additional car travel or trips not being made any more.	Neutral
Social inclusion	*This option would have a negative impact on social inclusion as it would negatively affect urban areas experiencing high levels of overall deprivation. Negative impacts are anticipated particularly for access to retail.*	Negative impacts for urban areas suffering deprivation.	Significant Negative
Equality, Diversity & Human Rights	*Reductions in public transport provision are likely to have a negative impact on specific groups that are more reliant on public transport including young people, older people and women. Deprived groups are also anticipated to be negatively affected.*	Disbenefits particularly for rural areas where reliance on public transport is higher.	Significant Negative
Public Acceptability: *Public consultation indicated that 48% of people did not support this option, a further 42% were unsure. Only 9% of respondents would support this option.*			
Acceptability to other stakeholders: *Responses from consultation with bus operators, bus user groups, town and parish councils strongly indicate that this option would not be considered acceptable due to the reduction in service provision anticipated.*			
Technical and operational feasibility: *This option would be technically feasible. The operational impacts of the proposed changes could be severe and complex and it is not possible to fully predict how operators would respond to such changes at this stage.*			
Financial affordability and deliverability: *As this option would maintain current levels of funding it is financially affordable and deliverable.*			
Risks: *Key risks include potential unintended consequences caused by the anticipated loss in service provision and a lack of resources at the local authorities and SWWITCH to resolve these issues.*			

Table 8.2: Appraisal of Option 3

Option Description: Scenario 3: Increase LKSG by 50%, while RTSG revenue support is reduced by 60%.	
Regional Network Strategy Objectives	
Objective	**Assessment**
To support access to employment, health, education, retail and leisure - to minimise deprivation and isolation	*Modelling indicated that this option would reduce levels of service compared to the Do Minimum option for all destination types, with retail access particularly badly affected and employment, leisure and tourism less badly affected.* ***Moderate Negative***
To maximise the value of investment, taking into account variations in topography, population dispersal and journey patterns	*This option to some extent maintains service levels in the urban areas, such as Swansea and Neath Port Talbot, where the largest concentrations of population can benefit from them. It also offers the potential for additional commercial services to be delivered with the extra LKSG funds given to commercial operators. However, the reduction in revenue support could lead to a reduction in service provision for sparsely populated rural areas where tendered services dominate.* ***Neutral***
To achieve a balance of services across the region	*This option is likely to reduce service provision in rural areas, with services in urban areas less affected and in some instances increased. This would not maintain a balance of services across the region.* ***Slight Negative***
To maximise market growth (within the confines of the resources available and the balance of services across the region)	*This option would lead to growth in some urban corridors and potential for expansion of commercial operations. However, the overall impacts are a reduction in the bus market, particularly in rural areas.* ***Moderate Negative***

Welsh Impact Areas			
Criteria	**Assessment**	**Distribution**	**Significance**
Economy			
TEE (Transport Economic Efficiency)	*Costs: This option involves maintaining the current level of overall bus subsidy, but changing the balance towards LKSG and away from revenue support. No capital costs would be involved.* *The anticipated overall reduction in service levels resulting from this option would negatively affect public transport journey times for users. Overall Vehicle Operating Costs would reduce due to the reduced number of vehicles serving the area.* *Increased LKSG will benefit all categories of service, and should free some funds currently supporting marginal routes to apply to services which would lose RTSG support. This would mitigate, but not negate, the loss of these services.*	*Negative impacts would be concentrated in areas where greatest use has been made of RTSG subsidy, which are largely rural.*	Slight Negative

EALI (Economic Activity and Location Impacts)	*Increasing LKSG and reducing revenue support would tend to preserve service provision in urban areas at the expense of rural areas. This could lead to companies relocating to these better served areas at the expense of rural areas where service levels have reduced. Also, potential impacts for the retail centres in rural areas, such as market towns due to reduced access for shoppers.*	Job losses in rural areas, with jobs moving to better served urban areas.	Moderate Negative
Environment			
Noise	*The reduction in service provision in many parts of the study area will lead to a reduction in noise from buses, however some additional journeys by car are likely to result, with associated noise impacts.*	Small reductions in noise where service levels reduce.	Neutral
Local Air Quality	*Reductions in service provision in some areas may reduce local emissions; particularly relating to NOx and particulates from diesel bus engines. However, additional car journeys may result.*	There may be localised benefits in areas with poor air quality where bus provision is anticipated to reduce.	Neutral
Greenhouse Gas Emissions	*The net loss in levels of service provision is likely to result in additional trips being made by car. This will lead to additional carbon emissions.*	Across study area	Slight Negative
Landscape and Townscape	*This option is likely to reduce the number of buses travelling near to key landscape and townscape assets particularly in rural parts of the area. This is likely to slightly reduce visual intrusion in these areas, although an increase in cars may also result.*	Potential benefits for landscape and townscape assets in rural areas.	Neutral
Bio-diversity	*This option is anticipated to have a neutral impact on bio-diversity as no construction is involved.*	No impacts	Neutral
Heritage	*This option is likely to reduce the number of buses travelling near to key heritage assets particularly in rural parts of the area. This is likely to slightly reduce visual intrusion in these areas, although an increase in cars may also result.*	Potential benefits for heritage sites in rural areas.	Neutral
Water Environment	*This option is anticipated to have a neutral impact on soil quality as no construction is involved.*	No impacts	Neutral
Soils	*This option is anticipated to have a neutral impact on soil quality as no construction is involved.*	No impacts	Neutral
Social			
Transport safety	*A reduction in bus service provision may lead to an increase in the number of pedestrian trips. This could increase the risk of*	Negative impacts particularly for rural areas.	Slight Negative

	accidents between pedestrians and motorised modes particularly for trips between rural settlements where segregated pedestrian routes and lighting are not present. An increase in car trips will also slightly increase the likelihood of accidents.		
Personal security	*Reductions in service provision particularly in rural areas will reduce personal security as more journeys will have to be made by other modes, such as on foot with associated perceived personal security issues.*	Negative impacts particularly for rural areas.	Slight Negative
Permeability	*This option will not influence pedestrian permeability.*	No Impact	Neutral
Physical fitness	*This option will reduce overall public transport provision. This could have a positive impact on physical fitness where trips are made on foot or by bike instead. However, additional car trips are also likely particularly in rural areas, reducing physical fitness for these individuals.*	Potential health benefits for some individuals within urban areas. Other individuals may experience disbenefits due to additional car travel.	Neutral
Social inclusion	*This option would have a negative impact on social inclusion as it would negatively affect areas experiencing deprivation due to a lack of access to services. Negative impacts are also anticipated particularly for access to retail.*	Negative impacts for rural areas suffering deprivation due to poor access to services.	Significant Negative
Equality, Diversity & Human Rights	*Reductions in public transport provision are likely to have a negative impact on groups that are more reliant on public transport including young people, older people and women. Deprived groups are also anticipated to be negatively affected.*	Disbenefits particularly for rural areas where reliance on public transport is higher.	Significant Negative
Public Acceptability: *Public consultation indicated that 50% of people did not support this option, a further 41% were unsure. Only 9% of respondents would support this option.*			
Acceptability to other stakeholders: *Responses from consultation with bus operators, bus user groups, town and parish councils strongly indicate that this option would not be considered acceptable due to the reduction in service provision anticipated.*			
Technical and operational feasibility: *This option would be technically feasible. The operational impacts of the proposed changes could be severe and it is not possible to fully predict how operators would respond to such changes at this stage.*			
Financial affordability and deliverability: *As this option would maintain current levels of funding it is financially affordable and deliverable.*			
Risks: *Key risks include potential unintended consequences caused by the anticipated loss in service provision.*			

8.3 Justification for Preferred Option

The appraisal of Options 2 and 3 in tables 8.1 and 8.2 above indicates that neither of these options contributes positively to the identified RNS objectives. Additionally both options have neutral or negative consequences across the majority of the Economic, Environmental and Social appraisal criteria. In almost all cases both options are considered worse than continuation of the current arrangements (Option 1). Table 8.3 provides an overview of the relative performance of each of the options. This is also backed up by the views expressed by the vast majority of consultation respondents, 79% supporting the continuation of the current funding mechanism, with only 9% supporting either of the alternatives. Therefore our preferred option is to maintain the current funding arrangements, at least in the short term.

The next section of the report will outline our final strategy and the changes we propose to make to build upon current funding arrangements and seek to maximise the current network in line with the stated RNS objectives.

Table 8.3 – Comparison of Option Scores

Appraisal Criteria		Option 1	Option 2	Option 3
Transport Planning Objectives	To support access to employment, health, education, retail and leisure - to minimise deprivation and isolation	0	-3	-2
	To maximise the value of investment, taking into account variations in topography, population dispersal and journey patterns	0	-1	0
	To achieve a balance of services across the region	0	0	-1
	To maximise market growth (within the confines of the resources available and the balance of services across the region)	0	-2	-2
Econo my	Transport Economic Efficiency	0	-2	-1
	Economic Activity and Locational Impacts	0	-1	-2
Environment	Noise	0	0	0
	Local Air Quality	0	0	0
	Greenhouse Gas Emissions	0	-1	-1
	Landscape and Townscape	0	0	0
	Bio-diversity	0	0	0
	Heritage	0	0	0
	Water Environment	0	0	0
	Soils	0	0	0
Society	Transport Safety	0	-1	-1
	Personal Security	0	-2	-1
	Permeability	0	0	0
	Physical Fitness	0	0	0
	Social Inclusion	0	-3	-3
	Equality, Diversity and Human Rights	0	-3	-3
Accept ability	Public Acceptability	3	-3	-3
	Stakeholder Acceptability	3	-3	-3
Total Score		**6**	**-25**	**-23**

9 THE FINAL STRATEGY

9.1 Introduction

The Regional Network Strategy aims to support the achievement of the objectives of the Regional Transport Plan and of SWWITCH's constituent authorities. However, it is recognised that the background is uncertain and volatile, particularly in terms of funding; the RNS itself must therefore remain flexible and able to respond to new obstacles and opportunities. It is anticipated that public revenue funding towards buses will decline further in the immediate future, notably through:

- Lower settlements for local authorities from Welsh Government, which will impact disproportionately on 'unprotected' services such as subsidised bus services; and
- A reduction in the rate at which bus operators are reimbursed for free concessionary travel by older and disabled people.

The latter has particular potential for damage to the Welsh bus network, since it would affect the income for an average of 34% of passengers on all services, including those run commercially. A further uncertainty is that the actual amount of RTSG will be unknown until late in the budgeting process, making it very difficult for SWWITCH to plan for the forthcoming financial year.

Bus and CT operations in many parts of the SWWITCH area are fragile, and operators need to deploy their resources (vehicles, depots and staff) as efficiently as possible. Any change in funding will impact on viability and, once it is clear that a service will cease to be economically viable, the operator has little choice but to reduce or withdraw it as soon as possible, usually giving just 8 weeks' notice. Uncertainty and short-notice change also undermine operators' ability to rationally plan both their services and their investment; the latter is critical at present, as the 2015-2017 deadlines loom for 'large bus' services to be entirely operated by vehicles compliant with the PSV Accessibility Regulations, requiring replacement of a significant proportion of some SWWITCH area fleets.

Moreover, if local authorities are forced into hasty responses to knee-jerk decisions by operators, it is very unlikely that the results will be optimal; authorities need time to assess, plan for and procure appropriate services on a rational basis. This could result in bus services being withdrawn, with a gap before subsidised replacements begin. This would inconvenience and deter passengers, undermine longer-term confidence in these services and bus travel as a whole and result in poor value for money. Sufficient time will have to be allowed for operators and authorities to make considered decisions about their responses to any significant funding changes, and for passengers to be adequately consulted and informed in advance – processes which may take up to 12 months.

Within these constraints, however, the RNS is intended to help guide the decisions of SWWITCH and its members so as to offer some stability to bus and CT services, minimise adverse effects on them, and maximise their contributions to regional objectives, which are:

- To support access to employment, health, education, retail and leisure, to minimise deprivation and isolation;
- To maximise the value of investment, taking into account variations in topography, population dispersal and journey patterns;
- To achieve a balance of services across the region;
- To maximise market growth (within the confines of the resources available and the balance of services across the region); and

- To include key quality outcomes to meet the requirements of RTSG from April 2014.

Local communities and politicians also need time to absorb the detail of any significant service changes which result from alterations to or reductions in the funds available. Failure to achieve buy-in to, or at least acceptance of, the consequences of any changes, might substantially damage the effectiveness and stability of the RNS.

The RNS therefore aims, as far as possible, to take a gradual, evolutionary approach to change.

9.2 Regional Transport Services Grant

SWWITCH intends to continue distributing RTSG in a similar way to that adopted in 2013/14, and in broadly similar proportions as between revenue support and LKSG, and between local bus and CT services. This is intended to provide an element of stability for operators and planners, and to allow for proper joint assessment of opportunities for more co-ordinated provision of services across the public, community and health transport sectors (see below).

This strategy will be subject to revision if there is a major change in the amount of RTSG allocated by the Welsh Government.

9.3 RTSG Revenue Support

Revenue support to local bus services will continue to be provided, as a similar proportion of total RTSG as in 2013/14. The amount will not be known until the annual allocation is confirmed by Welsh Government.

It is recognised that the balance between services subsidised through RTSG and those subsidised from councils' core funds will alter over time, as individual authorities make decisions about their own budgets and prioritising the needs for different services. In the event that the demand for subsidy exceeds the available budget, or appears likely to do so, SWWITCH may prioritise and direct the allocation of RTSG funding to services on the basis of the RNS objectives and relative improvement (or reduction in degradation) of accessibility, in accordance with its agreed strategies and plans. However, contracts will continue normally to be tendered and managed by individual local authorities, working in conjunction with SWWITCH and each other.

9.4 Live Kilometre Support Grant

LKSG will continue to be paid to all local bus services, to operators who accept the terms and conditions of the LKSG scheme. The rate of payment will depend on compliance with Quality Outcomes as set out in the following section. The process will be similar to that adopted for 2013/14, with quarterly advance payments and annual reconciliation to the budgeted figure. The budget will depend on the RTSG allocation from Welsh Government, while the rates payable will also depend on the level of bus service provision during the relevant year.

It is not proposed to differentiate rates between different areas or types of registered local bus service.

9.5 Quality Outcomes Assurance

New conditions will be applied to the partial payment of LKSG for registered local bus services related to quality outcomes as set out below. Note that both the mandatory and discretionary elements of Quality Outcomes will be subject to revision in the light of final guidance from the Welsh Government.

A two-tier system of payments will be implemented from April 2014. The upper rate will be paid only for those services covered by a Quality Standards Agreement (QSA) between SWWITCH and the operator; all kilometres run on other services, or on services which fail to comply with the terms of a QSA, will be paid at the lower rate.

The content of the QSA will be variable to reflect local circumstances, but all will contain the following mandatory elements:

- Reliability and Punctuality – The service will operate according to the Senior Traffic Commissioner's current guideline on punctuality (at present 95% of journeys running no more than 1 minute early or 5 minutes late), and with no more than 1% of scheduled live kilometres lost for reasons within the operator's control.
- Cleanliness – All vehicles used on the service will be well presented and swept out on every day of operation, washed externally on at least every second day, and given an interior deep clean at intervals of no more than eight weeks.
- Passenger feedback – All vehicles used on the service will clearly display contact details for the operator to receive comments or complaints by post, telephone and electronic means, and contact details for the relevant complaints appeals body. The operator must apply a complaints handling policy agreed with SWWITCH.

For appropriate services – generally those which are more commercially robust, or where quality enhancements are supported by public funding – an enhanced QSA may be required by SWWITCH. It is intended that such QSAs will be developed and implemented progressively after April 2014. These QSAs will contain additional or more stringent conditions, which might include items selected from such elements as enhanced reliability targets, application of a Passengers' Charter, additional security or information systems or fare discounts for young people.

9.6 Community Transport Services

It is intended to allocate a similar proportion of RTSG to CT services as in 2013/14. This will be split between three streams, as follows:

- Live Kilometres Support Grant, based on the process applied in 2013/14, at a rate commensurate with the available budget and activity levels.
- Grant support to CT organisations, continuing the established basis.
- Contractual arrangements

It is intended that Quality Outcome criteria will be applied to part of the LKSG funding for CT in a similar way to that for registered local bus services. However, SWWITCH considers that the outcomes applicable to CT operations and their metrics are not adequately defined for application in 2014/15, when further work will be necessary to devise, consult on and refine these. It is therefore expected that such criteria will be published during 2014, and applied from April 2015.

CT will be a key component in public transport, particularly in rural areas and for people who are unable to use conventional buses. Deciding which CT schemes are prioritised, and procuring / providing support for CT, involves tackling a different set of issues from deciding on support for buses. CT is by its very nature unconventional, varied and frequently dependent on specific local characteristics (especially the availability of interested and capable volunteers). The pattern of CT provision is therefore uneven, tailored to local circumstances and unlikely to match demand. CT operations are also more fragile than commercial operators, partly because they are often strongly tied to a particular locality, and partly because of their non-competitive nature – thus, a small change in a block grant can have a disproportionate impact on a group's viability. These factors dictate that reconfiguring CT funding is a time-consuming process, requiring delicate decisions and much input from senior officers. SWWITCH will continue to review options for further support and capacity for the sector, complementing and supporting the work done by existing CT development officers within local authorities and the Community Transport Association.

9.7 Planning for Future Services

SWWITCH believes that a once-in-a-generation opportunity currently exists to achieve mutually beneficial co-ordination of passenger transport between the commercial, voluntary, local authority and health sectors, building in particular on the Welsh Government's review of the role and organisation of the Welsh Ambulance Service NHS Trust (WAST).

Although the WAST review was led by concerns over its emergency service, the outcomes will extend to the non-emergency patient transport (or Patient Care Service, PCS), with its own set of characteristics which relate much more closely to current CT, local authority and public transport requirements. Responsibility for commissioning PCS will in future lie with the Local Heath Boards, which currently have little expertise or capability in this field. However, coinciding with increased emphasis on partnership working between NHS Wales and local authorities, who are well placed to provide such expertise, this creates the opportunity to re-cast PCS provision so that it is both better co-ordinated with other local transport, and better meets patients' needs.

Building on the links and initiatives already established with the two Health Boards covering the SWWITCH area (Abertawe Bro Morgannwg and Hywel Dda), SWWITCH will continue to explore the potential for means of achieving efficient co-ordination (not only in transport operation, but also in single-point access to transport for health) and shared service commissioning. Providing this coordination at the regional level is more appropriate than through individual local authorities, reflecting the preference of the Health Boards from consultation. The objective will be to move towards an integrated transport booking and provision service for all needs, including health, funded from pooled resources. While this will be of particular relevance to deployment of CT, local authority and WAST resources, the mainstream public transport network will also be involved, not least for NHS staff movements – which will outnumber patient journeys five to one at a typical general hospital.

10 CONCLUSIONS

10.1 Introduction

This report provides an overview of the work undertaken to develop a Regional Network Strategy for the bus and community transport network in the SWWITCH region following the Welsh Government's recent restructuring of the previous public funding arrangements for buses and transfer of funding control to the Regional Consortia which was introduced in April 2013.

This document outlines the process that has been followed to identify and shape a pragmatic and viable strategy which considers the wider changes ongoing within the bus industry and makes use of considerable input from key stakeholders. Potential strategy options have been identified and consultation has been undertaken on these options. An appraisal process considering the likely costs and benefits in economic, environmental and social terms has also been undertaken to establish the most appropriate final strategy approach.

The approach used to distribution Regional Transport Services Grant (RTSG) funds was identified as the central additional power given to SWWITCH by the Welsh Government with which it can seek to influence the bus network in the area. A financial model has been created to assess the likely impacts of different financing arrangements and to understand the likely impacts of these geographically. Different scenarios have been considered in relation to altering the current balance between Live Kilometer Support Grant (LKSG) and Revenue Support to positively influence the SWWITCH Regional Network Strategy objectives. Our assessment of these alternatives has indicated that these alternative approaches have the potential to have significant negative consequences in terms of their impacts on service provision when compared to the current approach. Consultation has also indicated strong opposition to changing current financing arrangements, especially in an environment with significant financial uncertainty, for example relating to the current review of concessionary fares reimbursement. Therefore, SWWITCH propose to provide operators and public transport users with as much stability as possible by maintaining current funding arrangements in terms of Revenue Support and LKSG and the current balance of funds currently provided to bus and community transport operators.

The Strategy also proposes a series of quality outcomes for April 2014 relating to reliability, punctuality, cleanliness and passenger feedback and these, along with other potential measures which could be implemented after this date, will be used to determine the rate of LKSG funds provided to operators to help encourage improvements in service quality throughout the SWWITCH region. These will apply to bus and community transport services, although in different forms, and further work will be required to refine and calibrate these measures in both fields.

Community transport plays an important role in meeting the transport needs of the area, and the Consortium will continue to develop its links with and support to the sector. SWWITCH is also committed to working with the Local Health Boards to achieve mutually beneficial co-ordination of passenger transport between the commercial, voluntary, local authority and health sectors to better meet the needs of both patients and NHS staff. This will build on the successful co-ordination initiatives piloted between Hywel Dda Health Board and councils in Carmarthenshire and Pembrokeshire, which have demonstrated some of the benefits to be achieved from the pooling of resources across the local authority and NHS divide.

APPENDIX A: STAKEHOLDER WORKSHOP

Introduction

Key stakeholders were invited to an introductory workshop to raise awareness of the Regional Network Strategy (RNS) process.

It was outlined that the RNS will primarily be concerned with methods of distributing RTSG (Regional Transport Services Grant) and its co-ordination with local authority (LA) contracted services spending (and, possibly, use of some capital spending). This will aim to support a combined network of bus and community transport (CT) services which meets minimum accessibility needs, and maximises its contribution to the objectives of SWWITCH and its four constituent Local Authorities.

The workshop was also an opportunity to gather opinions on certain scenarios to inform the initial development of options for the public consultation, which is scheduled to commence from the 28th July for a six week period.

Table 1: List of Attendees

Name	Organisation
Craig Bell	AECOM
David Brown	The TAS Partnership
Andy Cairns	The TAS Partnership
Betsan Caldwell	CTA Wales
John Cooper	Arriva Buses Wales
Barclay Davies	Bus Users UK
Bert Dix	Silcox Coaches
John Godfrey	The TAS Partnership
Brendan Griffiths	Pembrokeshire CC / SWWITCH
Rhian Higgins	CTA Wales
Dawn Hoskins	Select Bus
Ron Hoskins	Select Bus
Peter Jackson	Neath Port Talbot County Borough Council
Clive Johns	Taf Valley Coaches
Lisa Lewis	Swansea Social Services
Carys Miles	Neath Port Talbot Council for Voluntary Service
Sue Miles	SWWITCH
Alison Owen	DANSA
Steve Pilliner	Carmarthenshire County Council
Ceri Rees	Pembrokeshire County Council
Sue Reed	Neath Port Talbot County Borough Council
Simon Richards	Richards Brothers
Claire Smith	Neath Port Talbot Community Transport
Alison Thomas	Welsh Government
Owen Williams	First Cymru

Programme and Presentation

The programme for the workshop was as follows:

1330 Welcome and housekeeping

1335 Presentation

1415 Discussion groups

1445 Tea / coffee break

1500 Feedback from groups

1515 Question and answer session

1545 Summary of next steps

1600 Close

The presentation was delivered by John Godfrey and David Brown from The TAS Partnership Ltd (TAS) and is included at the end of this Appendix.

Discussion Groups

Attendees were split into 3 groups, each facilitated by a representative from TAS. Each group was asked to focus on the funding methodology (RTSG) and to consider a number of scenarios ranging from maintaining the status quo to moving all funding into LKSG (Live Kilometres Support Grant) or moving all RTSG into revenue support. Groups considered the impact on networks and passengers, and looked at the practicalities of various options / scenarios. Participants were also asked to consider the issues of rural versus urban services, making funding conditional on meeting quality standards and the potential for capital projects to replace revenue support.

A summary of the key points from each discussion are outlined below.

Group 1:

- Operators still unsure about what the impact of the current changes (2013/14) will have on their operations, therefore difficult to speculate on 2014/15 and beyond.
- Allied to this they would like to see and know what the level of funding in 2014/15 will be. This will provide more stability / certainty, thus aiding their decision making with regard to this process.
- Innovation is happening now, so need to capture, understand and fund these initiatives; e.g. satellite centres to avoid dead mileage (CT services to health care).
- Bus Users: Need to gain views of silent majority, in addition to views of vocal minority.
- Quality vs. service provision: Real dilemma and not resolved in this discussion. However all understood that quality does drive passenger demand.
- Commercial operators identified that some bus services are currently operating at the margins, so any further cuts or changes to funding could have a significant impact on some services.
- Would consider adjusting network between summer and winter, so that services reflect thinner traffic in the winter months. Would also consider focusing on Monday to Friday 0800 to 1800.
- Level of integration is reasonably good now, but realise that more could be done. Needs to be more collaboration between conventional bus and CT services, but will need to carefully manage the ’grey’ area in the middle.

Group 2:

- Moving all of the RTSG funds into LKSG is not seen as desirable, as it would lead to loss of a number of contracted bus services which is unlikely to be balanced by conversions to commercial operation.
- Moving all RTSG funds into revenue support also seen as undesirable as clearly many currently commercial services would cease to be viable, and require tendered replacement. This could also impact on vehicle investment, with significant requirements outstanding to meet accessibility deadlines from 2015.
- Both of the above scenarios are seen as high risk in the current economic climate, therefore something close to the 'status quo' is seen as the most desirable.
- Urban vs. rural: Difficult to define what is rural (as discovered in redefining the Welsh Government's Rural Development Plan). Although there are distinct differences across the region, the work required to group services in this way could outweigh any benefits.
- Quality Standards: Understand the benefits but felt that there is still a need to get the basics (reliability and punctuality) right first; in most cases providing a service in the first place is significantly more important than concentrating on enhancements.
- Struggled to find examples where capital expenditure could be used to replace regular revenue funding. This is exacerbated by the disparate nature of the SWWITCH region, which makes it difficult to apportion suitable amounts of funding appropriately. However, there may be limited examples, e.g. potential investment in management systems for CT operators.

Group 3:

- Consensus was that a good network should provide good access to all services but realised that there is a need to prioritise. Agreed that employment and education should be at the top of any list.
- Important issue is to understand demand. What do people want? Currently there is limited data.
- Moving all funds into LKSG seen as unrealistic, particularly by CT operators who would struggle to maintain the current level of service. CT Operators and Local Authorities also use (the current) LTSG block amounts as match funding to bring in other sources of funding, e.g. European money.
- Moving all RTSG funds into revenue support also seen as undesirable, especially by commercial operators who are running a number of marginal services which are only operating because of the existing grant support. CT sector also believe that they would suffer as Section 19 services also benefit from funding derived from live mileage.
- Preferred option would be a form of the 'status quo' with further improvements to integration and consideration of an urban / rural split.
- Group also considered alternative concepts including having the level of RTSG linked to the size of the community served or linked to fare levels (operators / services with lower fares receive more support relative to those with higher fares).
- Felt there is some merit in establishing quality standards aligned to RTSG. However there would need to be careful consideration and agreement on what these standards are (e.g. could be different for rural and urban networks).
- Capital funding projects which could contribute to and / or replace revenue funding include wider use of RTPI and enhancements to security measures.

General Questions

Q – How will cross boundary issues be addressed? A – SWWITCH officers meeting regularly with officers from neighbouring regions to understand each other's strategic direction. This will ensure that RNS's are aligned with each other, or where there are differences there are good reasons for any divergence.

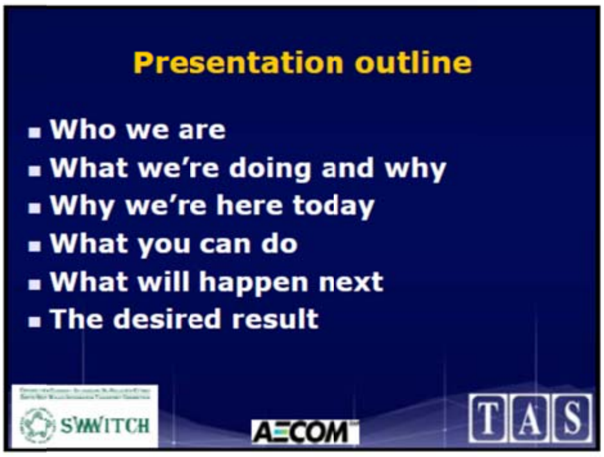
Q – Will the strategy consider best practice from across the UK and Europe? A – Yes, but different regulatory systems (Europe) and concessionary fare reimbursement rates (UK) may make this difficult.

Q – Strategy will need to consider integration with school transport network. In all 4 LAs, especially Carmarthenshire and Pembrokeshire, there is a strong overlap. Any changes to the public transport / local bus network will need to ensure that there is not an adverse impact on the network of schools services. A – Yes, this is recognised, and will be taken into account as far as possible.

Next Steps

- Key points from the workshop will be fed into the developing strategy.
- One-to-one meetings will be held with a number of key stakeholders over the forthcoming week.
- Draft RNS framework for consultation to be forwarded to SWWITCH on the 24th July.
- Formal consultation commences 28th for a six week period.
- Thereafter (during September / October) the RNS options will be reviewed and refined in the light of consultation responses, and AECOM / TAS will present a recommended strategy to SWWITCH by the end of October for political approval and adoption.
- The new RNS will take effect from 1 April 2014.

Presentation Slides



How we're helping

- Consultation in development phase
- Developing strategic options
- Testing option impacts through –
  - Spreadsheet funding model
  - Accessibility and WelTAG analysis
- Refining options after consultation
- Recommending optimum approach

SWWITCH AECOM TAS

Why we're here now

- Raise awareness of the RNS process and encourage responses
  - Including people who aren't here today – please spread the word!
- Allow input to inform development of options
- Give a chance for dialogue and explanation

SWWITCH AECOM TAS

What you can do

- Give us your thoughts today on how RTSG can best be distributed:
  - Radical options or 'status quo'?
  - ... but we must accept realities (in funding and wider policies)
- Provide data to us, if requested
- Think in the longer term –
  - Respond to the formal consultation
  - Encourage others to do so too

SWWITCH AECOM TAS

What happens next?

- Formal consultation –
  - Open to all stakeholders and public
  - Starts on 28 July
  - Continues for 6 weeks
- Review of RNS options / impacts
- Final RNS recommendations to SWWITCH in October 2013
- Approval process in SWWITCH

SWWITCH AECOM TAS

The desired result

- A RNS which –
  - Supports viable bus and CT networks for the medium term
  - Maximises contributions to SWWITCH and LA objectives
  - Co-ordinates with capital programmes
- Approved RNS takes effect 1/4/14

SWWITCH AECOM TAS

APPENDIX B FORMAL CONSULTATION RESPONDENTS

Name of Organisation or Individual
Abertawe Bro Morgannwg University Health Board
Age Cymru
Angle Community Council
Boncath Community Council
Bus Users UK Cymru
Child And Family CCS
Chwarae Teg
Cllr Bob Kilmister
Cllr Daphne Bush
Cllr Davis Howlett
Cllr Mike James
Cllr P Lloyd
Cllr Paul Harries
Cllr Umelda Havard
CTA Cymru
CTA Cymru
Dansa
Disability Wales
First Cymru Buses Ltd
Green Dragon
Greenways
Hywel Dda LHB talking Health panel
KILGETTY Begelly Community Council
Llandyfaelog Community Council
Llanelli Town Council
Llanfihangel ar arth Community Council
Llangennech Community Council

Llangwm Community Council

Marloes & St. Brides Community Council

Member of Public

Member of Public

Member of Public

Member of Public

Member of Public

Member of Public

Member of Public

Milford Haven Town Council

Myddfia Community Council

Neath Port Talbot Community Transport

Neath Port Talbot Council for Voluntary Service

Nevern Community Council

North Pembrokeshire Transport Forum

NPT Community Transport Ltd

NPT Transport Forum

Paul Davies AM

Public Transport Users' Committee for Wales

Richards Bros

Sandra Young SEWA Community Council

Silcox Coaches

South Wales Transport

St Dogmaels Community Council

Sustrans

The Guide Dogs for the Blind Association Guide Dogs Cymru

Traveline Cymru

5 X Unnamed Respondent Comments

APPENDIX C: EQUALITIES IMPACT ASSESSMENT

Scope of this Assessment

This appendix outlines the work undertaken to complete an Equality Impact Assessment (EqIA) as part of the SWWITCH Regional Network Strategy (RNS).

As part of the Welsh Transport Planning and Appraisal Guidance (WelTAG), an EqIA must be completed where impacts are anticipated on any equality group as a result of a developed strategy or scheme. This appendix therefore seeks to consider the potential impacts of the SWWITCH RNS Final strategy on these groups and identify potential means of overcoming these issues to ensure that the strategy meets the needs of everyone.

Report Structure

The below sections (1.2 and 1.3) provide an overview of the statutory requirements placed on SWWITCH in relation to undertaking an EqIA. Section 1.4 provides an overview of the consultation responses received from representative bodies relating to equality issues. Section 1.5 then discusses the likely impacts for the final RNS strategy approach in terms of impacts for equality groups. Section 1.6 then discusses further areas for consideration in terms of safeguarding service provision for those who need it most.

What is an Equality Impact Assessment?

An Equality Impact Assessment is a way of assessing the potential impacts of any developed policies, strategies or proposals on certain groups or individuals who may have specific requirements or be at risk of unequal treatment in their use of the identified proposals. As well as seeking to ensure that any proposals meet the necessary statutory equalities duties an Equality Impact Assessment is also a means of identifying improvements which can benefit everyone. This is achieved through the review of relevant evidence and consultation with relevant groups and individuals.

Statutory Equalities Duties

The WelTAG guidance highlights the following statutory duties placed upon SWWITCH relating to equalities:

Race

• To promote equality of opportunity
• To eliminate race discrimination
• To promote good race relations

Disability

• To promote equality of opportunity between disabled people and other people
• To eliminate discrimination that is unlawful under the Disability Discrimination Act
• To eliminate harassment of disabled people that is related to their disability
• To promote positive attitudes towards disabled people
• To encourage participation by disabled people in public life
• To take steps to meet disabled people's needs, even if this requires more favourable treatment

Gender

• To eliminate discrimination and harassment
• To promote equality of opportunity between men and women

Consultation with Equalities Groups

As part of the wider formal consultation undertaken on the Consultation Draft RNS a number of different organisations which represent the interests of different groups at risk of discrimination or unequal treatment were asked to provide input into the strategy, as shown in table 1.

Table 1: Equalities Impact Groups Consulted

Equalities Impact Groups
50+ Network
Age Concern Pembrokeshire
Age Cymru
Alzheimer's Society
Carers Wales
Chwarae Teg (womans economic development)
Citizens Panel and 50+ Forum
Disability Wales
Disabled Access Groups
Equality Carmarthenshire
Funky dragon - Youth forum Fe Fi Forum (LAC)
Guide dogs for the blind
Haverfordwest Arthritis Care
Interfaith Council for Wales
LGBT Centre of Excellence
MENCAP
MIND
Minority Ethnic Womans Network
National Youth Advocacy Service
NPT Representative for Young People
Pembrokeshire Access Group
Pembrokeshire County Youth Officer
Pembrokeshire Mencap
Pembrokeshire Mind
Shopmobility
Stonewall Cymru
Swansea access for everyone
Swansea Alliance Independent Living
Swansea Bay Racial Equality Council
Swansea Disability Forum
Wales Council for deaf people
Wales Council for the Blind
Welsh Refugee Council
Welsh Women's Aid

Comments were received back from Disability Wales, Guide Dogs for the Blind Cymru, and Age Cymru, collectively representing the interests of blind, disabled people and older people who use or may wish to use public transport. The responses given by these organisations have been taken on board in the development of the final strategy, but also provide wider insight into the issues which are particularly important for different groups when considering bus travel.

The below extracts from the comments received give an indication of the issues of particular concern to different equalities impact groups:

‘To improve access, all busses in rural areas as well as larger towns and cities should be low level access enabling wheelchair users to board and alight a bus with ease.’

‘Infrequent bus services, unreliability of bus services or withdrawal of financially unviable routes due to funding changes will restrict disabled passengers independence and will have an adverse effect on disabled people generally especially those in rural communities.’

‘It is essential that older people can easily access information about bus services. A research study by Age Cymru in 2013 looking at older people’s experience of bus services in Wales, highlighted problems on the readability of timetable information for anyone with slight eyesight impairments. It was pointed out that even if timetable information was available, it was often in small print which was difficult or impossible for older people to read.’

‘Public transport can play a vital role in helping older people to maintain their independence and wellbeing as well as access services, facilities and amenities in their communities. Two-thirds of single pensioners in Wales do not have a car. Reliable local transport networks become increasingly significant as people get older, with journeys for essential items and social activities sometimes becoming more of a challenge.’

‘Accessible transport is a key priority in the Welsh Government’s Framework for Action on Independent Living. Disabled people have the right to live independently in the community and accessible public transport is at the centre of disabled people’s independence. The ability to travel from A to B whether it is to shops, GP surgeries or other local amenities spontaneously without reliance on support workers or family is only possible due to accessible public transport. Infrequent bus services, unreliability of bus services or withdrawal of financially unviable routes due to funding changes will restrict disabled passengers independence and will have an adverse effect on disabled people generally especially those in rural communities.’

The above quotes highlight the importance of public transport to these groups, as well as the specific areas that need to be addressed to ensure that everyone within society can make efficient use of the public transport network.

The Final Strategy

Please see the main report for a full outline of the content of the SWWITCH RNS Final Strategy. The below only considers the elements and issues considered of specific relevance to those at risk of unequal treatment or discrimination as a result of the final strategy.

<u>Distribution of Regional Transport Services Grant</u>

Through consultation and appraisal of the alternative options it has been identified that the SWWITCH RNS final strategy should be based around the option of maintaining current funding arrangements in terms of the distribution of RTSG funds between revenue support and Live Kilometre Support Grant. This is in line with the views expressed by the equalities groups who responded to the consultation who were concerned about the repercussions of changes to funding arrangements in terms of the potential loss of services and the impacts of this for groups particularly reliant on public transport. The views of these groups as well as the wider consultation responses strongly indicated a lack of support for alternative funding options which could have negative impacts on levels of service, particularly in rural areas. Maintenance of the current arrangements was therefore seen as the most appropriate way of safeguarding current levels of service given the wider uncertainty and volatility in terms of funding for public transport. Therefore this policy decision is not anticipated to have any direct impacts upon equalities impact groups.

<u>Quality Outcomes</u>
SWWITCH proposes to apply a two tiered approach to the payment of LKSG whereby an upper rate is paid to services which meet certain requirements in terms of reliability, punctuality, cleanliness and passenger feedback. A more stringent set of conditions are then intended to be development progressively after April 2014.

Consultation indicated that Quality Outcomes were strongly supported by the organisations representing the interests of equality groups as these were seen as important in achieving equality for these groups in terms of their ability to successfully access and use buses in the SWWITCH region.

Any improvements in reliability and punctuality that can be achieved as a result of the quality outcomes will particularly benefit vulnerable users, such as the blind, who particularly rely on a predictable service.

Encouraging operators to provide a means for passengers to provide feedback will also be beneficial in giving passengers with specific needs a mechanism to be heard by operators.

<u>Community Transport</u>
Community Transport provision is particularly important to vulnerable groups in society, such as the elderly or disabled, who may not be able to use conventional public transport. Therefore, any changes in community transport provision have potentially significant implications for these groups. The RNS proposes that LSKG and Grant support are provided to operators in line with the current funding basis. This should help to provide community transport operators with a stable platform, limiting community transport service impacts for the vulnerable users that rely on these services.

<u>Planning for future services</u>
The SWWITCH RNS proposes further coordination of passenger transport between commercial, voluntary, local authority and health sector transport provision, building upon the Welsh Government review of the Welsh Ambulance Service. This offers the potential for better coordination between services and provision of services which better meet the needs of NHS patients. Any improvements in access to healthcare will particularly benefit vulnerable groups, such as the elderly and disabled who are more likely to require regular access to these facilities.

Areas for consideration
This Equalities Impact assessment has indicated the statutory duties of SWWITCH in relation to promoting race, disability and gender equality as part of its plans and policies. Consultation undertaken with organisations representing the needs of at risk groups has been undertaken and has helped to shape the development of the final Regional

Network Strategy, but this has also highlighted the specific issues that different groups face when using public transport.

The SWWITCH final strategy has been assessed in terms of its Equality Impacts and a number of potentially positive impacts have been identified relating to the implementation of appropriate quality outcomes and greater integration with health transport provision which have the potential to particularly benefit at risk groups. However, as the strategy identifies there are potentially a number of financial pressures both locally and nationally on the funding of public transport in the future. It is therefore important that the impacts of any changes in funding for public transport or reductions in service provision are fully understood, with relevant groups consulted to establish the direct and wider impacts that changes may have on equality groups who rely on these services and are at risk of unequal treatment due to any loss of provision.

APPENDIX D: ACCESSIBILITY ANALYSIS DESTINATIONS

The following list of destinations was used to undertake the destination based strategic accessibility analysis. This was not meant to be an exhaustive list of all possible destinations under each theme but to include those destinations considered strategically important.

Name	Type	Level	Zone
Coedcae School	Education	3	C02
Coleg Sir Gar	Education	2	C16
Queen Elizabeth High	Education	3	C01
St John Lloyd R C School	Education	3	C16
Ysgol Dyffryn Aman	Education	3	C17
Ysgol Glan-Y-Mor School	Education	3	C16
Ysgol Gyfun Dyffryn Taf	Education	3	P19
Ysgol Gyfun Emlyn	Education	3	C11
Ysgol Gyfun Gymraeg Bro Myrddin	Education	3	C16
Ysgol Gyfun Maes Yr Yrfa	Education	3	C18
Ysgol Gyfun Pantycelyn	Education	3	C13
Ysgol Gyfun Tregib	Education	3	C03
Ysgol Gyfun Y Strade	Education	3	C16
Ysgol Y Gwendraeth	Education	3	C18
University of Wales, Trinity Saint David	Education	1	C01
Cefn Saeson Comprehensive School	Education	3	N12
Cwmtawe Community School	Education	3	N12
Cwrt Sart Community Comprehensive School	Education	3	N11
Cymer Afan Comprehensive School	Education	3	N16
Dwr Y Felin Comprehensive School	Education	3	N01
Dyffryn School	Education	3	N18
Glan Afan Comprehensive School	Education	3	N02
Llangatwg Community School	Education	3	N12
Neath Port Talbot College	Education	2	N01

Sandfields Comprehensive School	Education	3	N11
St Joseph's RC School and 6th Form Centre	Education	3	N12
Ysgol Gyfun Ystalyfera	Education	3	N12
Milford Haven School	Education	3	P05
Pembroke School/ Ysgol Penfro	Education	3	P01
Pembrokeshire College	Education	2	P04
Sir Thomas Picton School	Education	3	P04
Tasker-Milward V.C. School	Education	3	P04
The Greenhill School	Education	3	P07
Ysgol Bro Gwaun	Education	3	P03
Ysgol Dewi Sant	Education	3	P13
Ysgol Gyfun Ddwyieithog Y Preseli	Education	3	S15
Birchgrove Comprehensive School	Education	3	S17
Bishop Gore School	Education	3	S14
Bishop Vaughan R.C. School	Education	3	S17
Bishopston Comprehensive School	Education	3	S15
Cefn Hengoed Community School	Education	3	S11
Dylan Thomas Community School	Education	3	S11
Gower College	Education	2	S11
Gowerton School	Education	3	S14
Morriston Comprehensive School	Education	3	S17
Olchfa School	Education	3	S15
Pentrehafod School	Education	3	S11
Penyrheol Comprehensive School	Education	3	S11
Pontarddulais Comprehensive School	Education	3	S11
Ysgol Gyfun Gwyr	Education	3	S13
Ysgol Gyfun Gymraeg Bryn Tawe	Education	3	S17
Swansea University	Education	1	S01

Swansea Metropolitan University	Education	1	S01
Bryngwyn Comprehensive School	Education	3	C16
Gower College Gorseinon Campus	Education	0	S11
Gower College Tycoch Campus	Education	0	S11
Carmarthen Town Centre	Employment		C01
Tata Steelworks	Employment		N18
Morfa Shopping Park	Employment		S15
Govt. Offices, Strand, Swansea	Employment		S01
Main shopping precinct, Swansea	Employment		S01
Hospital and University, Swansea	Employment		S17
Swansea Enterprise Park	Employment		S15
Morriston North Industrial Estate	Employment		S15
Morriston Hospital, School, Leisure Centre	Employment		S14
Clydach Industrial Estate	Employment		S14
Govt. Offices Morriston	Employment		S13
Fabian Way Works	Employment		S15
Pontardawe Industrial Park	Employment		N12
Trostre Park	Employment		C02
Dafen Industrial Park	Employment		C16
Pont Adulam Works/ Brewery	Employment		C16
Pembroke Dock	Employment		P01
Haverfordwest Centre	Employment		P04
Fishguard Centre	Employment		P03
Ammanford Centre	Employment		C17
Llandeilo Centre	Employment		C03
Llandovery Centre	Employment		C13
Newcastle Centre	Employment		C11
St Clears Centre	Employment		C15

Swansea West Business Park	Employment	S11
The Mumbles/ Oystermouth	Employment	S17
Cross Hands	Employment	C18
South Hook LNG	Employment	P16
Milford Haven Town and Port	Employment	P05
Neath Town Centre	Employment	N01
Penllergaer Council Offices and Welsh Government	Employment	S12
Garngoch Industrial Estate - 3M	Employment	S12
Dragon LNG	Employment	P17
Oil Refinery	Employment	P16
Oil Refinery and Power Station	Employment	P18
Crynant Business Park	Employment	N13
Baglan Engery Park	Employment	N11
Teamforce Paintball and Activity Centre	Leisure and Tourism	S13
The Chocolate Factory (Swansea West business Park)	Leisure and Tourism	S11
Dynamic Rock (Clydach)	Leisure and Tourism	S14
Dinefwr Park and Castle	Leisure and Tourism	C14
Quad Challenge, Ammanford	Leisure and Tourism	C18
Bro Meigan Gardens	Leisure and Tourism	P15
Pembery Motor Sports Centre	Leisure and Tourism	C16
Burry Port Harbour & Beach, Cefn Sidan Beach	Leisure and Tourism	C16
Pembrey Country Park	Leisure and Tourism	C16
Cardigan Bay	Leisure and Tourism	P11
Cardigan Swimming and Leisure Complex	Leisure and Tourism	P02
St Dogmaels Abbey	Leisure and Tourism	P11
Welsh Wildlife Centre	Leisure and Tourism	P15
Aberglasney Gardens	Leisure and Tourism	C14
Carmarthen Leisure Centre	Leisure and Tourism	C01

Carmarthenshire County Museum	Leisure and Tourism	C14
Merlins Hill Centre	Leisure and Tourism	C14
Museum of Speed	Leisure and Tourism	C15
St Clears Leisure Centre	Leisure and Tourism	C15
Carmarthen Castle	Leisure and Tourism	C01
Dylan Thomas Boathouse	Leisure and Tourism	C15
Gwili Railway	Leisure and Tourism	C11
Laugharne Castle	Leisure and Tourism	C15
Llansteffan Beach	Leisure and Tourism	C15
Oriel Myrddin	Leisure and Tourism	C01
Paxtons Tower (N.T.)	Leisure and Tourism	C17
Pendine Beach	Leisure and Tourism	C15
Castell Henllys Iron Age Fort	Leisure and Tourism	P11
Gwaun Valley Brewery	Leisure and Tourism	P14
Fishguard Leisure Centre	Leisure and Tourism	P03
BP Karting	Leisure and Tourism	P04
Haverfordwest Castle	Leisure and Tourism	P04
Haverfordwest Town Museum	Leisure and Tourism	P04
Haverfordwest Sports Centre	Leisure and Tourism	P04
Scolton Manor Museum and Country Park	Leisure and Tourism	P14
St Davids Cathedral	Leisure and Tourism	P06
Whitesands	Leisure and Tourism	P12
Newgale	Leisure and Tourism	P13
Pembrokeshire Motor Musem	Leisure and Tourism	P13
Picton Castle	Leisure and Tourism	P17
Ffos Las Racecourse	Leisure and Tourism	C16
Ferryside Beach	Leisure and Tourism	C16
Kidwelly Castle	Leisure and Tourism	C16

Kidwelly Industrial Museum	Leisure and Tourism	C16
Folly Farm Adventure Park and Zoo	Leisure and Tourism	P19
Gower Heritage Centre	Leisure and Tourism	S17
Greenways of Gower Leisure Park	Leisure and Tourism	S16
Langland Bay	Leisure and Tourism	S17
Caswell Bay	Leisure and Tourism	S17
Llandovery Swimming Pool	Leisure and Tourism	C13
Oxwich Bay	Leisure and Tourism	S16
Oxwich Castle	Leisure and Tourism	S16
Oystermouth Castle	Leisure and Tourism	S17
Perriswood Archery and Falconry Centre	Leisure and Tourism	S16
Rhossili Bay	Leisure and Tourism	S16
Weobley Castle	Leisure and Tourism	S16
Llandovery Castle	Leisure and Tourism	C13
Llandovery Heritage Centre	Leisure and Tourism	C13
Llangennith Bay (surfing)	Leisure and Tourism	S16
Port Eynon (beach and camping)	Leisure and Tourism	S16
Pennard Castle/ Three Cliffs Bay	Leisure and Tourism	S17
National Wool Museum	Leisure and Tourism	C11
West Wales Museum of Childhood	Leisure and Tourism	C11
Llanelli Leisure Centre	Leisure and Tourism	C02
National Wetlands Centre Wales	Leisure and Tourism	C02
Parc Howard Art Gallery and Museum	Leisure and Tourism	C16
Parc y Scarlets Rugby Stadium	Leisure and Tourism	C02
Cwm Cerrig Farm Shop	Leisure and Tourism	C18
Llanelli House	Leisure and Tourism	C02
Mynydd Mawr Woodland Park	Leisure and Tourism	C18
Play King, Dafen	Leisure and Tourism	C16

Stradey Castle	Leisure and Tourism	C16
Y Ffwrnes, Theatre	Leisure and Tourism	C02
Gower College Sports Centre	Leisure and Tourism	S11
Singleton Park	Leisure and Tourism	S17
Wales National Pool Swansea	Leisure and Tourism	S17
Dolaucothi Roman Goldmines (N.T.)	Leisure and Tourism	C13
Red Kite Feeding Centre, Llanddeusant	Leisure and Tourism	C13
Swansea Canal and Pontardawe Arts Centre	Leisure and Tourism	N12
Pontardawe swimming Pool	Leisure and Tourism	N12
Battlefield LIVE	Leisure and Tourism	P19
Colby Woodland Gardens	Leisure and Tourism	P19
Narberth Museum	Leisure and Tourism	P19
Oakwood Theme Park, Blue Lagoon, Bluestone National Park Resort and Adventure Centre	Leisure and Tourism	P17
Newcastle Emlyn Leisure Centre	Leisure and Tourism	C11
National Coracle Centre and Cenarth Adventure Centre	Leisure and Tourism	C11
Lamphey Bishop's Palace	Leisure and Tourism	P18
Pembroke Castle	Leisure and Tourism	P01
Pembroke Leisure Centre	Leisure and Tourism	P01
Freshwater West	Leisure and Tourism	P18
Stackpole Estate	Leisure and Tourism	P18
National Botanic Garden of Wales	Leisure and Tourism	C18
Saundersfoot, Saundersfoot Beach	Leisure and Tourism	P19
1940's Swansea Bay	Leisure and Tourism	S15
Aberavon Seafront	Leisure and Tourism	N11
Afan Forest Park Visitor Centre	Leisure and Tourism	N16
Brangwyn Hall	Leisure and Tourism	S17
Cefn Coed Colliery Museum	Leisure and Tourism	N13

Dylan Thomas Centre	Leisure and Tourism	S01
National Waterfront Museum	Leisure and Tourism	S01
Glynn Vivian Art Gallery	Leisure and Tourism	S01
Gnoll Country Park	Leisure and Tourism	N01
Margam Country Park	Leisure and Tourism	N18
Neath Abbey	Leisure and Tourism	N01
Plantasia	Leisure and Tourism	S01
Swansea Grand Theatre	Leisure and Tourism	S01
Swansea Leisure Centre	Leisure and Tourism	S01
Swansea Marina	Leisure and Tourism	S01
Swansea Market	Leisure and Tourism	S01
Swansea Museum	Leisure and Tourism	S01
Liberty Stadium, Swansea	Leisure and Tourism	S15
Aberdulias Tinworks and waterfall	Leisure and Tourism	N13
Go Ape	Leisure and Tourism	N18
Glyncorrwg Ponda Visitor Centre	Leisure and Tourism	N14
Neath Leisure Centre	Leisure and Tourism	N01
South Wales Miners Museum	Leisure and Tourism	N16
Vale of Neath Liesure Centre	Leisure and Tourism	N14
Princess royal Theatre	Leisure and Tourism	N11
The Gwyn Hall	Leisure and Tourism	N01
Apollo Cinema	Leisure and Tourism	N11
Gwenffrwd-Dinas RSPB Reserve	Leisure and Tourism	C13
Carew Castle and Tidal Mill	Leisure and Tourism	P18
Carew Karting	Leisure and Tourism	P18
Heatherton World of Activities	Leisure and Tourism	P19
Makin' Tracks	Leisure and Tourism	P19
Manor House Wildlife Park	Leisure and Tourism	P19

Manorbier Castle	Leisure and Tourism		P18
Tenby Dinosaur Park,	Leisure and Tourism		P19
Ocean Commotion	Leisure and Tourism		P07
Tenby Leisure Centre	Leisure and Tourism		P07
Tenby and Tenby Beach	Leisure and Tourism		P07
Hywel Dda Centre, Whitland	Leisure and Tourism		P19
Hill House Hospital	Hospital	3	S11
Cefn Coed Hospital	Hospital	3	S11
Garngoch Hospital	Hospital	3	S14
Llwyneryr Unit	Hospital	3	S11
Gorseinon Hospital	Hospital	3	S13
Morriston Hospital	Hospital	1	S13
Neath Port Talbot Hospital	Hospital	3	N11
Prince Philip Hospital	Hospital	2	C16
Bryntirion Hospital	Hospital	3	C02
Brynmair Clinic Day Hospital	Hospital	3	C02
Mynydd Mawr Hospital	Hospital	3	C18
Swn-y-Gwynt Day Hospital	Hospital	3	C17
Amman Valley Hospital	Hospital	3	C17
Cwm Seren, Tudor House & Ty Bryn	Hospital	3	C01
Glangwili General Hospital	Hospital	1	C01
Bro Cerwyn / St Brynach Day Hospitals	Hospital	3	P04
Withybush General Hospital	Hospital	1	P04
South Pembrokeshire Hospital	Hospital	3	P18
Tenby Cottage Hospital	Hospital	3	P07
Cardigan & District Memorial Hospital	Hospital	3	P02
Llandovery Hospital	Hospital	3	N12
Ystradgynlais Community Hospital	Hospital	3	N12

Gellinudd Hospital	Hospital	3	N12
Tonna Hospital	Hospital	3	N13
Singleton Hospital	Hospital	2	S11
Enterprise Retail Park	Retail		S15
Merlin's Walk Shopping Centre	Retail		C01
Morfa Retail Park	Retail		S15
Parc Cwmdu Retail Park	Retail		S12
Parc Pemberton Retail Park	Retail		C02
Parc Tawe Retail Park	Retail		S01
Pembrokeshire Retail Park	Retail		P01
Pontardawe Retail Park	Retail		N12
Portadulais Retail Park	Retail		S12
Riverside Shopping	Retail		P04
Saint Govans Shopping Centre	Retail		P01
Samlet Shopping Centre	Retail		S15
St Elli Centre	Retail		C02
St. Catherine's Walk Shopping Centre	Retail		C01
The Quadrant Shopping Centre	Retail		S01
Towy Retail Park	Retail		C01
Trostre Retail Park	Retail		C02
Vale of Neath Business Park	Retail		N01
Milford Haven Town Centre	Retail		P05
Haverfordwest Town Centre	Retail		P04
Aberafan Shopping Centre	Retail		N11

APPENDIX E: THE FINANCIAL MODEL

This Appendix provides additional detail about the Bus Funding Model which was developed for this project, and is described in outline in Section 6 of the Regional Network Strategy.

Our starting point was to construct a model of the total revenue currently earned by each bus service in the SWWITCH area, including:

- On-bus fares revenue
- Concessionary fares reimbursement
- Other off-bus revenue, e.g. for season tickets or scholars' passes
- Contracted subsidy payments, split between RTSG and authority-funded
- LKSG payments.

Some of these data were provided to us directly by SWWITCH or its member authorities. Other data were made available to us, not only for subsidised services but also for most commercial ones, through the co-operation of the operators, which we gratefully acknowledge. These were then standardised as Revenue per Live Kilometre.

Where commercial revenue data were not available, we have used estimates based on our experience of viable revenue levels for different types of service, distinguishing between major (group) and minor operators to reflect the different levels of overhead cost and profit target in each category. The assumptions used are shown in the table below.

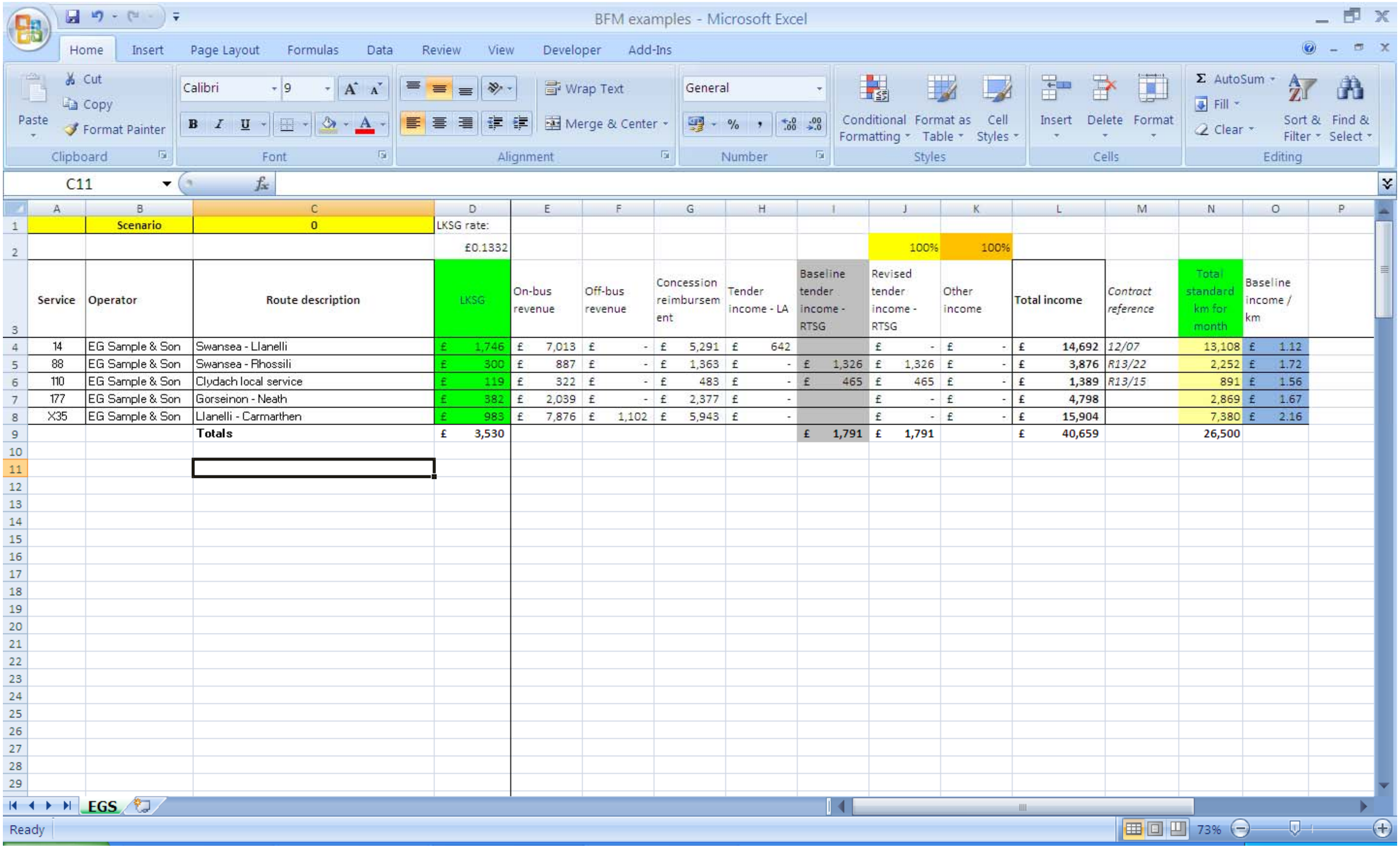
Table 1: Revenue Assumptions for Commercial Services

Operator type	Service type	Revenue /hr	Ave. speed km/hr	Revenue per km		
				On-bus	% conc'ns	Concession
Major operator	Urban service	£35.00	19	£1.11	40%	£0.74
	Rural service	£35.00	29	£0.66	45%	£0.54
	Interurban service	£40.00	40	£0.50	50%	£0.50
Minor operator	Urban service	£27.00	19	£0.71	50%	£0.71
	Rural service	£27.00	29	£0.42	55%	£0.51
	Interurban service	£30.00	40	£0.34	55%	£0.41
	Schools service	£32.00	19	£1.68	0%	£0.00

Using the LKSG calculation sheet from SWWITCH as a basis – which also confirmed that we captured all relevant services in the analysis – a Microsoft Excel workbook was created, with a separate worksheet for each operator. This allows our workings to be shared with the relevant operator for information or comment. As noted in Section 6, we have based all our workings on a notional four week period comprising three school term weeks and one school holiday week, which is broadly representative of the year as a whole.

An example operator worksheet, with fictionalised data representing the baseline summer 2013 scenario (numbered 0), appears at Figure 1 on the next page. This illustrates how the total Income, in column L, is derived from the sum of columns D to H, J and K for each service. At the extreme right is shown the baseline income per kilometre operated.

Figure 1: Illustrative Example of Operator’s Income Worksheet



Service	Operator	Route description	LKSG	On-bus revenue	Off-bus revenue	Concession reimbursement	Tender income - LA	Baseline tender income - RTSG	Revised tender income - RTSG	Other income	Total income	Contract reference	Total standard km for month	Baseline income / km
	Scenario	0	LKSG rate:											
			£0.1332						100%	100%				
14	EG Sample & Son	Swansea - Llanelli	£ 1,746	£ 7,013	£ -	£ 5,291	£ 642		£ -	£ -	£ 14,692	12/07	13,108	£ 1.12
88	EG Sample & Son	Swansea - Rhossili	£ 300	£ 887	£ -	£ 1,363	£ -	£ 1,326	£ 1,326	£ -	£ 3,876	R13/22	2,252	£ 1.72
110	EG Sample & Son	Clydach local service	£ 119	£ 322	£ -	£ 483	£ -	£ 465	£ 465	£ -	£ 1,389	R13/15	891	£ 1.56
177	EG Sample & Son	Gorseinon - Neath	£ 382	£ 2,039	£ -	£ 2,377	£ -		£ -	£ -	£ 4,798		2,869	£ 1.67
X35	EG Sample & Son	Llanelli - Carmarthen	£ 983	£ 7,876	£ 1,102	£ 5,943	£ -		£ -	£ -	£ 15,904		7,380	£ 2.16
		Totals	£ 3,530					£ 1,791	£ 1,791		£ 40,659		26,500	

Links to a summary input sheet enable the core parameters of the LKSG rate and RTSG subsidy payments to be varied proportionately throughout the workbook, one of which is created for each scenario. By comparing the results of the revised income per kilometre with the baseline figure, which is retained as a constant in the blue column O, we can estimate the percentage change in overall income on each service. Translating these into the likely effects on service levels requires further assumptions.

The first is that reductions in income will, in nearly all cases, result in pressure to reduce service levels, even on currently profitable services. We are convinced that this is a sound assumption in overall terms, since profit levels in the bus industry in general, and no less in south-west Wales, are lower than needed to be sustainable in the long term. However, the balance between particular services might be different from that shown by the model. We have converted percentage reductions in income to a banded Service Impact Indicator, as shown in Table 2 below.

Table 2: Correlation between Change in Income/km and Service Impact Indicator

Reduction in Income per km	Service Impact Indicator
2% or less	2
3% to 8%	3
9% to 18%	4
19% to 28%	5
29% or more	6

The Service Impact Indicator is then converted into a change in frequency, measured in buses per hour (bph) on weekday daytime services, which varies depending on the initial baseline frequency. As noted in Section 6, this involves some subjective judgment, particularly since it is intended to represent the medium-term outcome, taking account of passengers' resistance to initial service reductions. Our assumptions on these changes are summarised in Table 3 below.

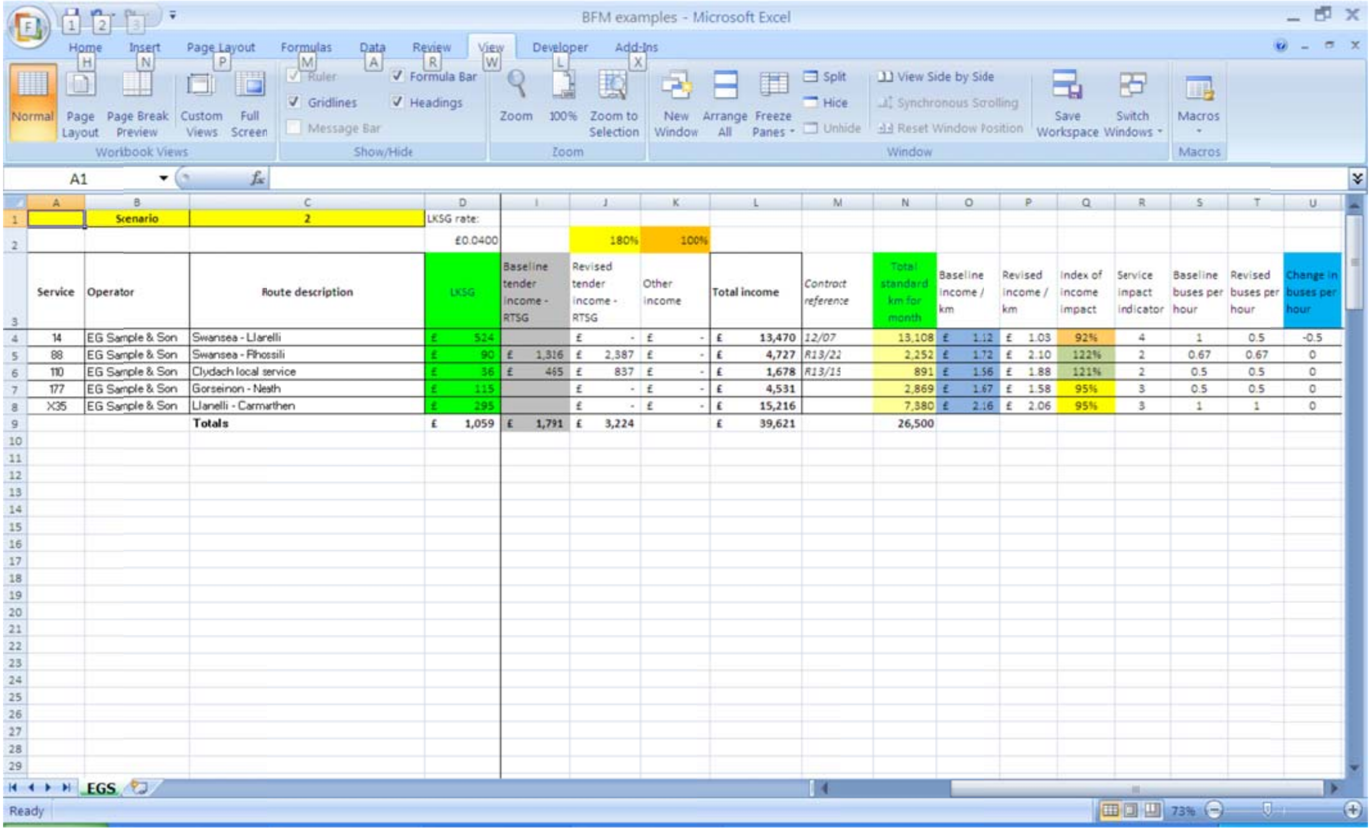
Figures 2 and 3 respectively show the results for our hypothetical operator in the previously described Scenarios 2 and 3. In these, income columns E to H are hidden, and the columns showing the effects of the scenario changes are visible to the right. Column Q shows the impact on income, colour coded from green through yellow and orange to red to indicate increasingly severe reductions relative to the baseline position. The column (U) at the extreme right indicates the expected change in actual frequency resulting from this scenario.

Scenario 2 would thus be expected to lead to service 14 reducing from hourly to once every two hours. However, 'surplus' funding would be provided for services 88 and 110, some of which could be redistributed to other services, but not necessarily those run by this operator. Scenario 3 would provide some additional funding to services 14, 177 and X35, but be expected to lead to the reduction of service 88 from every 90 minutes to every two hours and of service 110 from every two hours to every four hours. These frequency change outputs were fed into the accessibility modelling described in Section 7.

Table 3: Correlation between Service Impact Indicator and Revised Frequency

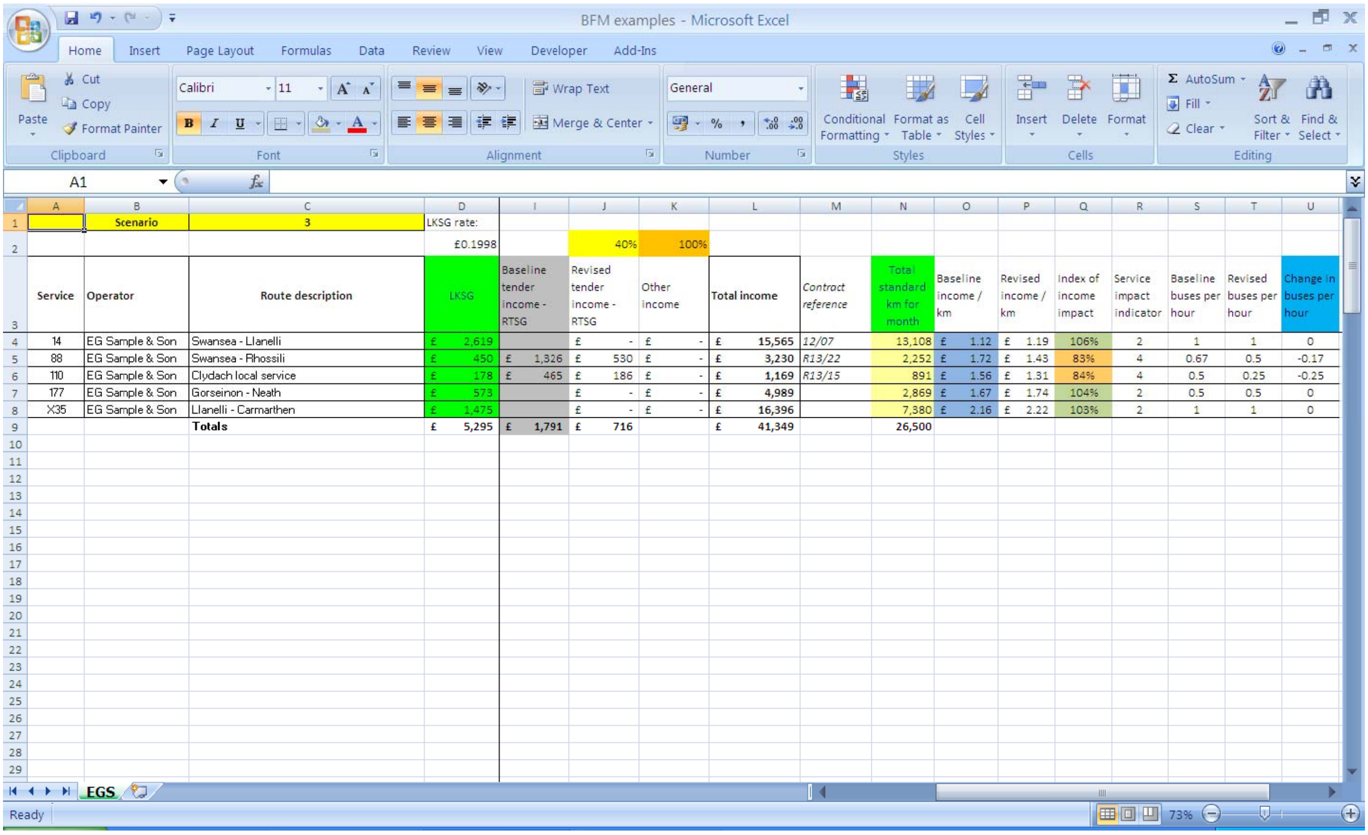
Existing bph	Revised bph at Service Impact level:				
	2	**3**	**4**	**5**	**6**
0.1	0.1	0.1	0	0	0
0.25	0.25	0.25	0.1	0	0
0.33	0.33	0.33	0.1	0	0
0.5	0.5	0.5	0.25	0.1	0
0.67	0.67	0.5	0.5	0.25	0
1	1	1	0.5	0.33	0
1.5	1.5	1	1	0.5	0
2	2	2	1	1	0.5
3	3	2	2	1	1
4	4	3	3	2	1
5	5	4	3	2	1
6	6	5	4	3	2
8	8	6	6	5	4

Figure 2: Impact of Scenario 2 on Illustrative Operator



Service	Operator	Route description	LKSG	Baseline tender income - RTSG	Revised tender income - RTSG	Other income	Total income	Contract reference	Total standard km for month	Baseline income / km	Revised income / km	Index of income impact	Service impact indicator	Baseline buses per hour	Revised buses per hour	Change in buses per hour
	Scenario	2	LKSG rate: £0.0400		180%	100%										
14	EG Sample & Son	Swansea - Llarelli	£ 524		£ -	£ -	£ 13,470	12/07	13,108	£ 1.12	£ 1.03	92%	4	1	0.5	-0.5
88	EG Sample & Son	Swansea - Rhossili	£ 90	£ 1,316	£ 2,387	£ -	£ 4,727	R13/22	2,252	£ 1.72	£ 2.10	122%	2	0.67	0.67	0
110	EG Sample & Son	Clydach local service	£ 36	£ 465	£ 837	£ -	£ 1,678	R13/15	891	£ 1.56	£ 1.88	121%	2	0.5	0.5	0
177	EG Sample & Son	Gorseinon - Neath	£ 115		£ -	£ -	£ 4,531		2,869	£ 1.67	£ 1.58	95%	3	0.5	0.5	0
X35	EG Sample & Son	Llanelli - Carmarthen	£ 295		£ -	£ -	£ 15,216		7,380	£ 2.16	£ 2.06	95%	3	1	1	0
		Totals	£ 1,059	£ 1,791	£ 3,224		£ 39,621		26,500							

Figure 3: Impact of Scenario 3 on Illustrative Operator



Service	Operator	Route description	LKSG	Baseline tender income - RTSG	Revised tender income - RTSG	Other income	Total income	Contract reference	Total standard km for month	Baseline income / km	Revised income / km	Index of income impact	Service impact indicator	Baseline buses per hour	Revised buses per hour	Change in buses per hour
	Scenario	3	LKSG rate: £0.1998		40%	100%										
14	EG Sample & Son	Swansea - Llanelli	£ 2,619		£ -	£ -	£ 15,565	12/07	13,108	£ 1.12	£ 1.19	106%	2	1	1	0
88	EG Sample & Son	Swansea - Rhossili	£ 450	£ 1,326	£ 530	£ -	£ 3,230	R13/22	2,252	£ 1.72	£ 1.43	83%	4	0.67	0.5	-0.17
110	EG Sample & Son	Clydach local service	£ 178	£ 465	£ 186	£ -	£ 1,169	R13/15	891	£ 1.56	£ 1.31	84%	4	0.5	0.25	-0.25
177	EG Sample & Son	Gorseinon - Neath	£ 573		£ -	£ -	£ 4,989		2,869	£ 1.67	£ 1.74	104%	2	0.5	0.5	0
X35	EG Sample & Son	Llanelli - Carmarthen	£ 1,475		£ -	£ -	£ 16,396		7,380	£ 2.16	£ 2.22	103%	2	1	1	0
		Totals	£ 5,295	£ 1,791	£ 716		£ 41,349		26,500							