



All Assembly Members

02 October 2015

Dear Assembly Member

During my Ministerial questions on 23 September, I committed to write to you about options for future settlement arrangements on concessionary fares and also about arrangements for rail replacement bus services.

I established the Bus Policy Advisory Group to advise me on ways of improving the sustainability of the bus network and reducing its dependence on public subsidy. That work is coming to a conclusion and I expect to receive the Group's recommendations by the end of October. I will then consider what further measures are needed to be implemented. I have already made it clear that we are determined to exercise greater control over the provision of bus services so that they better meet people's reasonable expectations within the overall budget available.

Our hugely successful free concessionary bus travel scheme for older or disabled persons was always intended to allow those most deserving members of our society to travel by bus without any concerns about the cost. All local bus services, including those provided under Section 22 permits, are eligible for reimbursement under our scheme. Local authorities are responsible for the reimbursement arrangements and for determining the Reimbursement Rate. I have asked my Officials to work with local authority officers to see whether the existing mechanisms adequately and accurately reflect the costs that are incurred by Section 22 community transport services. I will announce the outcome of that work in due course.

I very much value the contribution that community transport makes to an integrated transport network, and I am providing £200,000 to the Community Transport Association in Wales during 2015-16 to enable it to advise and support the community transport sector. In addition, the community transport sector receives funding from local authorities under the Bus Services Support Grant which totals £25m this year.

On the matter of rail replacement bus services, under the current franchise arrangements, it is currently the responsibility of the rail operators to make the necessary arrangements. As part of the new Wales and Borders franchise, we will seek to maximise opportunities to involve community transport operators in the provision of replacement bus services. We are currently inviting bus and coach operators to join a new Welsh Government Bus Framework Agreement. I have asked my Officials to ensure that community transport organisations are aware of this opportunity. Operators have until 20 October to apply to join this Framework Agreement. If they are successful, they will have the opportunity to bid to operate future Welsh Government managed bus and coach contracts, using either PSV or Section 22 Permits.

*Edwina Hart*