



Eich cyf/Your ref - LW.436.20

Local Authority Transport Lead Members

18 December 2020

Dear Members,

Following my letter of the 19 November explaining the next phase of the Bus Emergency Scheme that will ensure longer-term partnership from operators in return for their bail out funding, I am pleased to follow up with a summary document explaining the rationale and approach. This has been developed and agreed with the Welsh Local Government Association, the Association of Transport Coordination Officers, Transport for Wales, and the Welsh Government.

Since the start of the COVID 19 pandemic, we have worked together to maintain bus services in spite of the significant reduction in passenger numbers and associated fare income. To date, the BES arrangements have been short term, only providing security for a few months at a time. Money is still being provided to operators on an emergency basis under the terms and conditions of the BES 1.5 agreement which expires at the end of March 2021.

BES 2 sets out longer term arrangements for delivering bus services while operators continue to receive support from the Welsh Government and local authorities to address the short fall in revenue. The agreements sit alongside existing local authority contracts and support your ability to act to address the impact of COVID-19, providing the legal basis for the additional funding that operators are receiving in respect of their supported contracts to cover the loss of farebox.

The BES 2 agreement has four parties to it – namely the Welsh Government, Local Authorities, Transport for Wales and Operators. The BES2 agreement does not fundamentally alter the role and decision-making powers of Local Authorities but provides a framework for working with operators to ensure that bus services meet priorities, allowing you to better direct where we want the available funds to be spent so that we can jointly better manage the recovery of bus services. Each operator is expected to continue to operate routes that are largely similar to those which they operated pre-COVID, amended as necessary to respond to the crisis. Without these agreements, operators could instead choose to shrink their networks to the minimum required and/or reduce the quality of their services to make a commercial return.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Given the urgency of moving towards a more sustainable footing, it is imperative that this is done early in the New Year so that we can offer certainty to the industry, maintain essential services for communities, and maximise the benefits of our significant funding. I hope that you will be in a position to agree the new contract in January to align with our expectation that operators will also sign early in the New Year. Simon Jones, Director of Economic Infrastructure, will send separately to local authority Chief Executives the Bus Emergency Scheme 2 contract and the WLGA will send a template report for your cabinets that you can adapt and refine to meet your own needs. If you need any further information or support, please let me know.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lee Waters', with a large, sweeping flourish extending to the right.

Lee Waters AS/MS

Dirprwy Weinidog yr Economi a Thrafnidiaeth
Deputy Minister for Economy and Transport