These notes refer to the Bus Services (Wales) Act 2026 (asc 2)
which received Royal Assent on 2 February 2026

BUS SERVICES (WALES) ACT 2026

EXPLANATORY NOTES

INTRODUCTION

1. These Explanatory Notes are for the Bus Services (Wales) Act 2026 ("the Act") which was passed by Senedd Cymru on 9 December 2025 and received Royal Assent on 2 February 2026. They have been prepared by the Transport & Digital Connectivity Directorate of the Welsh Government to assist the reader of the Act. The Explanatory Notes should be read in conjunction with the Act but are not part of it.

SUMMARY

2. The Act has 6 Parts, containing 49 sections and one Schedule.

3. The Act brings the planning and coordination of the local bus services network in Wales into public control. It replaces the de-regulated system introduced by the Transport Act 1985.The Act seeks to increase efficiencies within the planning and delivery of the local bus network, offer better control over public spending, and improve integration with other public transport methods.

4. The Act requires the Welsh Ministers to identify local bus services that they consider are needed for the purposes of securing safe, integrated, sustainable, efficient and economic transport in Wales ; to set the key particulars of those services out in the Welsh Bus Network Plan ("the Plan"); and to secure the provision of those services. Local authorities, Corporate Joint Committees, and other key stakeholders will be consulted before the Plan is published.

5. Under the Act, the Welsh Ministers must secure services either by entering into local bus service contracts with operators (i.e., by entering into the type of arrangements in respect of local bus services that are often referred to as franchising services); by granting local bus service permits to operators ; by providing local bus services directly; by relying on the provision of certain other services, such as community bus services; or by some combination of these things.

6. The Act lifts the restriction imposed in section 66 of the Transport Act 1985 on local authorities providing bus services, to enable local authorities to provide services directly or via their own bus companies (municipal bus companies).

7. The Act also makes provision in respect of data and information sharing. The objective behind this is to enable the public to access the information needed to make best use of the local bus network. It is also intended to assist the Welsh Ministers with the development and maintenance of the local bus service network.

GENERAL BACKGROUND

8. The main body of current law in relation to bus services in Wales is set out in various statutes, including the Public Passenger Vehicles Act 1981 (the "1981 Act"), and the Transport Act 1985 (the "1985 Act").

9. The 1981 Act establishes traffic commissioners for traffic areas in England and Wales (Part 1) and makes provision about public service vehicles (PSVs) and the licensing of persons to operate them (Part 2). The 1981 Act is not amended by this Act (indeed PSV operator licensing is a matter reserved to the UK Parliament under paragraph 113 of Schedule 7A to the Government of Wales Act 2006). These provisions are however relevant to the subject matter of the Act in that one of the two potential qualifying criteria for entering into a local bus service contract under the Act with an operator, or granting an operator a local bus service permit under the Act, is that the operator must hold a PSV operator's licence.

10. The 1985 Act requires a local service (as defined in that Act) to be registered with a traffic commissioner under section 6 of that Act. This provision is amended by the Act in its application to local bus services, as discussed below.

COMMENTARY ON SECTIONS

Part 1 – Key Concepts and General Objectives

11. This Part defines the key concepts used in the Act and sets out the general objectives to which the Welsh Ministers must have regard in exercising functions under the Act.

12. **Section 1** defines a "local bus service" as a service for the carriage of passengers by road, at separate fares, using one or more public service vehicles, that has one or more embarkation or disembarkation points (defined in **section 2**) in Wales. In addition, to amount to a local bus service, each of the points at which passengers may disembark form the service must be less than 15 miles away from the previous embarkation point, when measured in a straight line, and every point on the route between the embarkation and disembarkation points must be less than 15 miles away from each of those points when measured in a straight line.

13. Where a service as a whole does not meet the requirements set out above but a part of it *does* meet those requirements, that part which does meet the requirements is to be treated as a local bus service for the purposes of the Act, except for **section 5(1)(a)** and the preparation of the Plan. (An example might be a long distance service between Cardiff and London that contains a few stops that happen to meet the definition of a local bus service due to their proximity: the part of the service that comprises those stops will be a local bus service for the purposes of the Act, but the Welsh Ministers will not need to consider whether those stops are a necessary element of the long distance service, for the purposes of determining which services are required under **section 5(1)(a).)**

14. Certain services are excluded from the definition of "local bus service". These are services where every vehicle is used under a permit granted under section 19 of the 1985 Act (permits for public service vehicles used by educational and other bodies), services where every vehicle is used in circumstances in which the conditions set out in Part 3 of Schedule 1 to the 1981 Act are met, excursions or tours (as defined in the 1985 Act), and rail replacement services (as defined in **section 1(4)(c)** of the Act).

15. **Section 3** defines "flexible local bus services" as local bus services which are so flexible that it is not practicable to identify their routes for the purposes of the Plan. "Standard local bus services" are all other local bus services. (This distinction reflects the fact that some local bus services in Wales may not have fixed routes, and that the system established by the Act needs to work for services of this type.)

16. **Section 4** sets out general objectives to which the Welsh Ministers must have regard when exercising any function under the Act. The objectives are not written in any order of importance, and each objective is important to delivery.

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

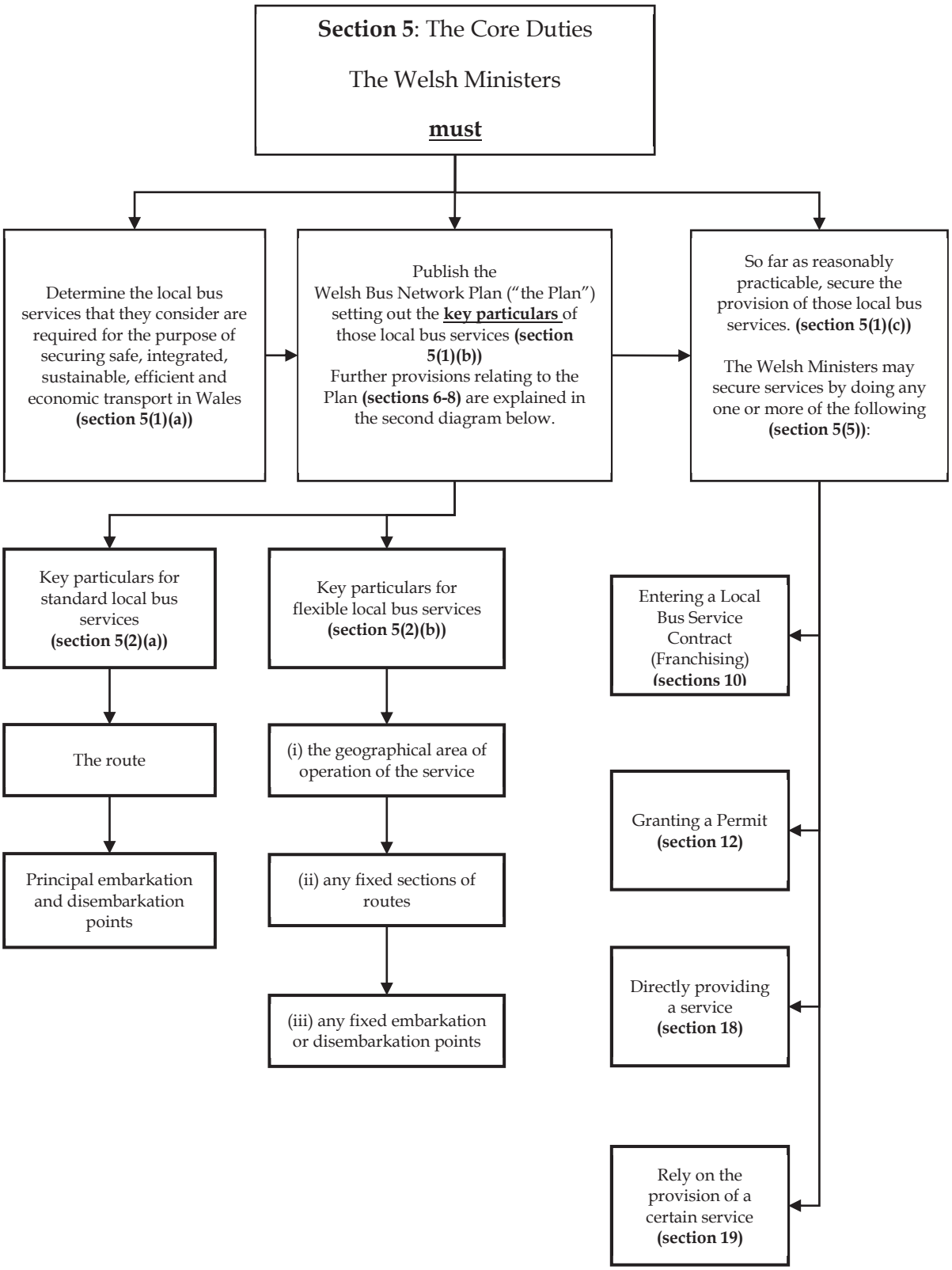
17. This Part sets out the core duties and other functions of the Welsh Ministers relating to local bus services.

18. **Section 5(1)(a)** requires the Welsh Ministers to, first, determine the local bus services required for the purpose of the provision of safe, integrated, sustainable, efficient and economic transport in Wales.

19. The Welsh Ministers must then prepare (in consultation with a range of stakeholders), publish, and lay before Senedd Cymru a Welsh Bus Network Plan ("the Plan") under which they will be required to set out the key particulars of those local bus services which have been identified as required for the purposes described above (**section 5(1)(b), (2) and (3)**).

20. The Welsh Ministers must then, if reasonably practicable to do so, secure those local bus services (**section 5(1)(c)**). The diagram below sets out the ways in which the Welsh Ministers may satisfy the duty to secure. Essentially the Welsh Ministers can secure a service by franchising it (i.e. by entering into a local bus service contract in respect of it), by permitting it, by directly providing it, or by relying on the provision of certain other services (**section 5(5)**). Or they can secure it by using any combination of these methods (**section 5(5)**).

21. It may be that a long distance service (for instance, a bus from Cardiff to London) contains an element that would meet the definition of a "local bus service". If so, that part of the long distance service can be relied upon by the Welsh Ministers (despite not having to be considered for the purpose of determining which services are required under section 5(1)(a)) in order to comply with their duty to secure a local bus service that is set out in the Welsh Bus Network Plan ("the Plan"), if that is an appropriate way forward. (It is expected that in practice the short distance element of a long distance service, as in this example, is likely to be the subject of a local bus service permit, rather than a contract.)

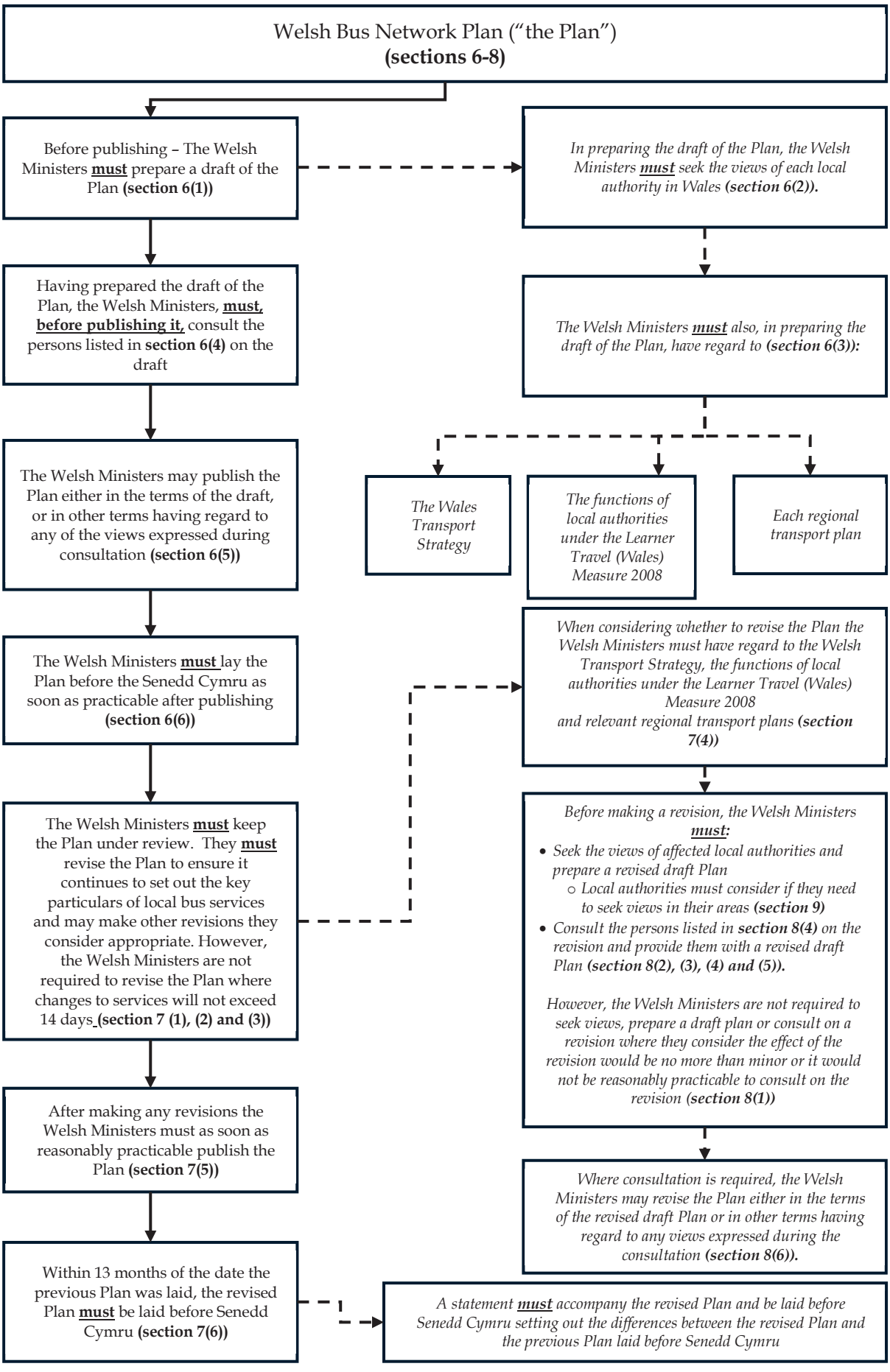

Section 5: The Core Duties
The Welsh Ministers
must
Determine the local bus services that they consider are required for the purpose of securing safe, integrated, sustainable, efficient and economic transport in Wales **(section 5(1)(a))**
Publish the Welsh Bus Network Plan ("the Plan") setting out the **key particulars** of those local bus services **(section 5(1)(b))**
Further provisions relating to the Plan **(sections 6-8)** are explained in the second diagram below.
So far as reasonably practicable, secure the provision of those local bus services. **(section 5(1)(c))**
The Welsh Ministers may secure services by doing any one or more of the following **(section 5(5))**:
Key particulars for standard local bus services **(section 5(2)(a))**
Key particulars for flexible local bus services **(section 5(2)(b))**
The route
Principal embarkation and disembarkation points
(i) the geographical area of operation of the service
(ii) any fixed sections of routes
(iii) any fixed embarkation or disembarkation points
Entering a Local Bus Service Contract (Franchising) **(sections 10)**
Granting a Permit **(section 12)**
Directly providing a service **(section 18)**
Rely on the provision of a certain service **(section 19)**

22. **Section 6** makes provision in respect of the process for preparing, publishing and laying the Plan. The Welsh Ministers will be required to prepare a draft of the Plan. In doing so, they will be required to have regard to certain documents and to the functions (i.e. the powers and duties) of local authorities under the Learner Travel (Wales) Measure 2008. They must also seek the views of each local authority in Wales when preparing the draft Plan. Having prepared the draft Plan, they will need to consult with specified stakeholders on the draft Plan prior to its publication as the Welsh Bus Network Plan ("the Plan"). The Welsh Ministers will need to lay the Plan before Senedd Cymru as soon as reasonably practicable after publication.

23. **Sections 7 and 8** make provision in respect of the process for review and revision of the Plan. The Welsh Ministers will be required to keep the Plan under review and revise the Plan to ensure it continues to set out the routes and principal stopping places of standard local bus services and the geographical areas, and any fixed routes or stopping places, of flexible local bus services. (Though this is subject to an exception: the Plan need not be revised if the Welsh Ministers consider that the revision would relate to a change that will not remain in effect for more than 14 days. An example might be a 5 day traffic detour reflecting roadworks, that affect the route of a bus.) When considering whether to revise the Plan and the nature of any revision, the Welsh Ministers must have regard to certain documents and the functions (i.e. the powers and duties) of local authorities under the Learner Travel (Wales) Measure 2008. Before making a revision, they will need to seek the views of affected local authorities, prepare a revised draft Plan and consult with specified stakeholders on the revised draft Plan, unless the conditions in **section 8(1)(a)** or **(b)** are met. As soon as reasonably practicable after making a revision, the Welsh Ministers must publish the revised Plan. In addition, where the Plan is revised, the Welsh Ministers must lay a copy of the Plan before Senedd Cymru, with a statement setting out the differences between it and the copy of the Plan that was most recently laid before Senedd Cymru. This will need to be done within a 13-month period following the date on which the Plan was last laid. So, for example, if a revised copy of the Plan is laid before Senedd Cymru on 1 July 2029, and revisions are made to it in January 2030, March 2030, and June 2030, a revised copy of the Plan incorporating the revisions will need to be laid by the end of July 2030 at the latest.

24. **Section 9** imposes a duty on a local authority when its views are sought on a proposed revision to the Plan under section 8(3). A local authority must, in giving its views, have regard to the needs of individuals in its area who it considers use, or are likely to use, local bus services affected by the proposed revision, including in particular their needs relating to the accessibility of local bus services. A local authority must also consider whether, in order to meet this duty to have regard to local peoples' needs, consultation with people in its area is needed.

25. The diagram below sets out further detail regarding the process for preparing, publishing, laying and reviewing the Plan.


Welsh Bus Network Plan ("the Plan")
(sections 6-8)
Before publishing – The Welsh Ministers **must** prepare a draft of the Plan **(section 6(1))**
*In preparing the draft of the Plan, the Welsh Ministers **must** seek the views of each local authority in Wales **(section 6(2)).***
Having prepared the draft of the Plan, the Welsh Ministers, **must, before publishing it,** consult the persons listed in **section 6(4)** on the draft
*The Welsh Ministers **must** also, in preparing the draft of the Plan, have regard to **(section 6(3)):***
The Wales Transport Strategy
The functions of local authorities under the Learner Travel (Wales) Measure 2008
Each regional transport plan
The Welsh Ministers may publish the Plan either in the terms of the draft, or in other terms having regard to any of the views expressed during consultation **(section 6(5))**
The Welsh Ministers **must** lay the Plan before the Senedd Cymru as soon as practicable after publishing **(section 6(6))**
*When considering whether to revise the Plan the Welsh Ministers must have regard to the Welsh Transport Strategy, the functions of local authorities under the Learner Travel (Wales) Measure 2008 and relevant regional transport plans **(section 7(4))***
The Welsh Ministers **must** keep the Plan under review. They **must** revise the Plan to ensure it continues to set out the key particulars of local bus services and may make other revisions they consider appropriate. However, the Welsh Ministers are not required to revise the Plan where changes to services will not exceed 14 days **(section 7 (1), (2) and (3))**
*Before making a revision, the Welsh Ministers **must:***
- *Seek the views of affected local authorities and prepare a revised draft Plan*
  - *Local authorities must consider if they need to seek views in their areas **(section 9)***
- *Consult the persons listed in **section 8(4)** on the revision and provide them with a revised draft Plan **(section 8(2), (3), (4) and (5)).***

*However, the Welsh Ministers are not required to seek views, prepare a draft plan or consult on a revision where they consider the effect of the revision would be no more than minor or it would not be reasonably practicable to consult on the revision **(section 8(1))***
After making any revisions the Welsh Ministers must as soon as reasonably practicable publish the Plan **(section 7(5))**
*Where consultation is required, the Welsh Ministers may revise the Plan either in the terms of the revised draft Plan or in other terms having regard to any views expressed during the consultation **(section 8(6)).***
Within 13 months of the date the previous Plan was laid, the revised Plan **must** be laid before Senedd Cymru **(section 7(6))**
*A statement **must** accompany the revised Plan and be laid before Senedd Cymru setting out the differences between the revised Plan and the previous Plan laid before Senedd Cymru*

Local Bus Service Contracts

26. **Section 10** provides for the Welsh Ministers to enter into local bus service contracts in respect of local bus services in order to fulfil their duty under **section 5(1)(c)**. A local bus service contract will provide an operator with the right to operate one or more services and set out terms (these might for instance relate to matters such as frequency, timing, fares and standards of service) that the operator will need to comply with.

27. Local bus service contracts can only be awarded to operators who hold a PSV operator's licence or a community bus permit. Where a local bus service contract is entered into in respect of a community bus service (a service which meets the requirements of section 22(1) of the 1985 Act) the contract must require that the service is provided as a community bus service and that each vehicle used in providing the service is used under and in accordance with a community bus permit.

28. It is envisaged that most of the local bus network in Wales will be grouped into franchise packages made up of one or more service(s). In practice, although this is not mentioned in the Act, it is envisaged that operators will bid for local bus service contracts as part of a procurement exercise, conducted in line with procurement legislation. (The relevant legislation being the Procurement Act 2023 and the Social Partnership and Public Procurement (Wales) Act 2023.) It is envisaged that, in the first instance, Transport for Wales will administer and manage the tendering process on behalf of the Welsh Ministers.

29. **Section 11** allows the Welsh Ministers to make provision in regulations specifying terms that must be included in local bus service contracts (whether in a standard form or not). Examples of the possible subject matter of required terms are given in the section, although no duty to make provision of this type is imposed, and the list of examples is not exhaustive.

30. The power to specify required terms is intended to ensure consistency in delivery across different operators across the network. Whilst some terms will be included in all contracts, there will be some differences between different types of contracts. This is to recognise the complex geography and varied operator market in Wales.

Local bus service permits

31. **Section 12** provides the Welsh Ministers with a power to grant a permit to an operator authorising that operator to provide a particular local bus service. That power may be exercised to fulfil the Welsh Ministers' duty under **section 5(1)(c)**, or where an operator wants to provide a local bus service that the Welsh Ministers are not required to secure under **section 5(1)(c)** (for instance, because it is not specified in the Plan). (In these circumstances, a permit would be needed in order to avoid the operator falling foul of the **section 23** restriction on providing local bus services, discussed below.) A permit can only be granted by the Welsh Ministers in respect of a service where the service would not have a material adverse impact on services provided under a local bus service contract or by the Welsh Ministers under **section 18**, or be inconsistent with the Welsh Transport Strategy. (This restriction ensures that, where an operator is granted a permit to operate a service in respect of which the duty to secure services does not apply, that service will not have an adverse effect on those services that are secured by the Welsh Ministers under the duty to secure services.) Permits can only be awarded to operators who hold a PSV operator's licence or a community bus permit. It is envisaged that, in the first instance, Transport for Wales will administer the permitting system on behalf of the Welsh Ministers.

32. **Section 13** requires a permit to specify the period for which it has effect and explains when a permit ceases to have effect.

33. **Section 14** makes further provision about the conditions that may be attached to permits and specifies that where a permit is granted in respect of a community bus service, the permit must require the service to be provided as a community bus service and each vehicle used in providing the service to be used under, and in accordance with, a community bus permit. **Section 14** also provides the Welsh Ministers with a power to make regulations specifying further mandatory conditions that must be included in permits. Examples of the possible subject matter of required conditions are given in the section, although no duty to make provision of this type is imposed, and the list of examples is not exhaustive.

34. Under **section 14**, the Welsh Ministers can remove a condition attached to a permit by giving notice to this effect to the permit holder. The section also provides that they can vary a permit by attaching a new condition to it, or by revising an existing condition. But this second type of change will need to be made either with the permit holder's consent, or as the result of provision made in regulations under **section 14(2)**. So, for instance if regulations made under **section 14(2)** specify a mandatory condition to be included in all permits, and that condition is not already attached to a permit that was granted before the regulations were made, the Welsh Ministers can attach that condition to the permit without needing to obtain the permit holder's consent.

35. **Section 16** makes provision relating to the revocation and suspension of permits. Under **subsection (1)**, the Welsh Ministers may revoke or suspend a permit if any of the grounds in **subsection (3)** are satisfied. This is effected by giving notice to the permit holder. Under **subsection (2)**, the notice must specify the grounds on which the permit is revoked or suspended, the date when the revocation or suspension takes effect, and (in the case of suspension only) the period of suspension and the conditions to be met before the end of the suspension period.

36. Under **subsection (4)**, the revocation or suspension can take effect on the date the notice is given, or on a future date specified in the notice (though this is subject to any provision made by regulations under **section 16(5))**. This gives flexibility to reflect the severity and impact of the identified grounds for revoking or suspending the permit.

37. Regulations under **section 16(5)** may modify the grounds upon which a permit may be revoked or suspended (including by removing existing grounds or adding new ones). They may also make provision about when the revocation or suspension of a permit takes effect.

38. **Section 17** enables applicants to appeal to the First-tier Tribunal against:
    - Refusal to grant a permit,
    - Conditions attached to a permit, including a revision of a condition (but not against a condition attached under **section 14(1)**),
    - Revocation of a permit,
    - Suspension of a permit, the length of the suspension, or the conditions that are required to be complied with during the period of the suspension.

39. The First-tier Tribunal may, under **section 17(6)**, uphold the decision which is the subject of the appeal, quash it, or substitute another decision for it.

Provision of local bus services by the Welsh Ministers

40. **Section 18** provides the Welsh Ministers with a power to provide a local bus service (other than a community bus service) directly if they are satisfied that it would be a more effective way of fulfilling their duty in **section 5(1)(c)** than entering into a local bus service contract would be. It is intended that the Welsh Ministers will, in the first instance, directly provide services via Transport for Wales.

Reliance on certain services (section 19)

41. It is envisaged in practice that the following types of services will continue to provide an important transport resource:
    - Services operating under a permit under section 19 or 22 of the 1985 Act.
    - Learner travel services that allow fare paying passengers (see section 46(1) of the 1981 Act).
    - Services that operate as described in Part 3 of Schedule 1 to the 1981 Act. (These are services organised privately by persons acting independently of vehicle operators. Passengers on this type of service will all pay the same fare and will travel to the same destination. These services are not advertised to the public.)

42. In recognition of this, the Act allows the Welsh Ministers to rely on a service of this type in order to satisfy the duty in **section 5(1)(c)** in respect of a local bus service, without having to enter into a local bus service contract or grant a permit to its operator. This means for instance that if the Welsh Ministers determine that a local bus service to a hospital is needed, and a service provided under section 22 of the 1985 Act meets that need (either wholly or in part), the Welsh Ministers can rely on that service (either wholly or in part, depending on the circumstances) for the purposes of their duty under **section 5(1)(c)**, without entering a contract in respect of it, or granting a permit to its operator

Cross-border services

43. **Section 20** sets out how the Act applies to cross-border services.

44. A standard local bus service (as defined in **section 3**) is a cross-border service for the purpose of this section if the route of the service is set out in the Plan and that route is partly in Wales and partly in England. In the case of a flexible local bus service (as defined in **section 3** again), the service is a cross-border service if its geographical area of operation is set out in the Plan, and this area includes territory on both sides of the England/Wales border.

45. The effect of **section 20** is that the Welsh Ministers are not required to secure the part of a cross-border service that operates in England, provided that they consider that, even if they do not secure the service, Welsh needs for the service will be met (for instance because it is being provided under arrangements made in England). When considering whether this is the case, the Welsh Ministers cannot take account of services secured by county councils in England under section 63 of the 1985 Act (which requires county councils to secure needed services that would not otherwise be provided). This exclusion is required to ensure that section 63 of the 1985 Act and **section 20** can work together without circularity. Where the effect of **section 20** is that the Welsh Ministers are not required to secure the English part of a cross-border service, this means that the English part of that service cannot be the subject of a local bus service contract, or directly provided (in that the powers in respect of local bus service contracts and direct provision are available only where a service is secured for the purposes of the **section 5(1)(c)** duty). The operator could be granted a local bus service permit to operate the English part of the service; but since the English part of the service would not be within the **section 23** restriction, this would not be essential, in that the English part of the service can operate without a local bus service permit. (The English part of the service will however be subject to any requirements imposed in legislation in respect of the provision of services of this type in England.)

46. Where the Welsh Ministers are required to secure the English part of a cross-border service, that cross-border service (whether in England or Wales) can be secured through a local bus service contract, or a permit, or direct provision, or by relying on a service as described in **section 19**, or by any combination of these methods, in the usual way.

Reporting requirements

47. **Section 21** requires the Welsh Ministers to prepare a report setting out the way in which, and the extent to which, the Welsh Ministers' exercise of their functions under the Act over the reporting period has contributed to achieving the objectives in **section 4**. (This requirement does not encompass the Welsh Ministers' functions relating to commencement of the Act, however.)

48. The report must be published and laid before Senedd Cymru no later than 12 months after the end of the reporting period. In relation to the first report, the reporting period is the period of two years starting with the date on which the duty to secure services under **section 5(1)(c)** comes into force to any extent. (So that for instance if **section 5(1)(c)** is first brought into force as from a particular date in relation to a particular area, the period will start to run as from that date.) Subsequent reporting periods are successive periods of four years.

Notification to be given to a traffic commissioner

49. **Section 22** requires the Welsh Ministers to notify a traffic commissioner when a local bus service contract is entered into or terminated; and when a local bus service permit is granted, or revoked or suspended. The notification must be given as soon as reasonably practicable after the event in question. Traffic commissioners are responsible for enforcing the restriction on local bus services established under Part 3 of the Act. Ensuring they have access to information relating to the operation of local bus services will enable them to take appropriate action where required.

Part 3 - Restriction on providing local bus services

50. **Section 23** prohibits anyone from providing a local bus service in Wales, unless that service is:
    (a) subject to a local bus service contact,
    (b) subject to a local bus service permit, or
    (c) directly provided by the Welsh Ministers under **section 18**.

51. **Section 23(2)** provides that community bus services (i.e., services provided under a permit under section 22 of the 1985 Act) and services provided as described in section 46 of the 1981 Act (i.e., paying passengers on school buses) are not caught by the restriction. This means that these local bus services will be able to operate in Wales without needing to be granted a local bus service contract or permit. The section also confers power on the Welsh Ministers to make regulations that bring other services within the restriction, or exclude services from it (**section 23(3)**).

52. **Section 24** requires the Welsh Ministers to inform a traffic commissioner if they consider that a person is operating or has operated a local bus service in contravention of **section 23**.

53. Under **section 25**, if a traffic commissioner is satisfied that a service is being, or has been, operated in breach of the restriction and the person operating the service has failed to take all reasonable steps to avoid such a breach, the traffic commissioner may impose a monetary penalty not exceeding 110% of the upper limit (as defined in the section) (**section 25(2)(a)**) and/or make one or more orders of any other descriptions prescribed by the Welsh Ministers in regulations (**section 25(2)(b)**).

54. Where a person fails to comply with an order, and either the order has been upheld on appeal, or the period within which an appeal can be brought has elapsed and no appeal has been made, an additional monetary penalty, again not exceeding 110% of the upper limit (as defined in the section) can be imposed by a traffic commissioner (**section 25(3) and (4)**). (Although this is not referred to in the section, the effect is that in a case where more than one order is made under **section 25(2)**, and not complied with, the traffic commissioner can potentially impose an additional penalty in respect of each order that has not been complied with.)

55. The upper limit for an operator who is licensed to use vehicles under a PSV operator's licence is the amount calculated by multiplying the total number of vehicles used under all the PSV licences held by that operator by an amount specified in regulations by the Welsh Ministers or, if no amount is specified, by £550. The upper limit for an operator who is not licensed to use vehicles under a PSV licence is an amount specified in regulations by the Welsh Ministers or, if no amount is specified, £550.

56. **Section 26** enables appeals to be made to the Upper Tribunal, against an order made under **section 25(2)** (in respect of a breach of the restriction), and an order made under **section 25(3)** (in respect of a failure to comply with an order under **section 25(2))**, and provides for the Upper Tribunal to uphold the order in respect of which the appeal was brought, or to quash it, or to substitute another order for it.

Part 4 - Information and data

57. **Part 4** makes provision about information that is to be provided to the Welsh Ministers, and information that is to be made available to members of the public.

58. **Section 27** enables the Welsh Ministers to give notice requiring operators and former operators of certain services (local bus services, section 19 services, and Part 3 of Schedule 1 services) to provide information to the Welsh Ministers. The information that is required to be provided must be of a type specified in regulations under the section; and the Welsh Ministers must consider that it is needed for the purposes of the exercise of their functions under Part 2 or 3 of the Act, or other functions of theirs that are exercisable in respect of a local bus service contract or a local bus service permit, or a service relied on by them under **section 19** (an example might be monitoring the punctuality of service provided under a local bus service contract, for contractual purposes) It is envisaged that the data collected under this provision will, in particular, assist with the development and revision of the Plan. Information cannot be requested if it relates to a period ending more than 5 years before, or to a date that is more than 5 years before, the date on which the notice is given.

59. Examples of the possible types of information that may be specified in regulations under the section are given in the section, although no duty to specify these specific types of information is imposed, and the list of examples is not exhaustive.

60. Regulations made under **section 27** must also make provision about appeals and may make provision about disclosure of information. This power could be used for instance to make provision about how information obtained under this section is to be used.

61. **Section 28** enables the Welsh Ministers to give notice to local authorities or community councils requiring them to provide information specified in the notice. The information required must be of a type specified in regulations under this section, and the Welsh Ministers must consider that it is required for the exercise of their functions under Part 2. The intention is to use this power to require the provision of information that is available to local authorities and community councils, relating to matters such as bus routes, bus stops and infrastructure, which will be relevant for the development and management of the Plan, and assist with securing services. Examples of the possible types of information that may be specified in regulations under the section are given in the section, although no duty to specify these specific types of information is imposed, and the list of examples is not exhaustive.

62. **Section 29** places a duty on the Welsh Ministers to make arrangements to secure that information specified in regulations under this section is made available to the public. The regulations must also specify how and when the information is to be provided to the public. The intention is to ensure that information is made available to the public in whatever way is most effective and appropriate for the type of information concerned. Examples of the possible types of information that may be specified in regulations under the section are given in the section, although no duty to specify these specific types of information is imposed, and the list of examples is not exhaustive.

63. **Section 30** enables the Welsh Ministers to make regulations requiring operators of certain services (local bus services, **section 19** services that are relied on as described in section 19 of the Act, and Part 3 of Schedule 1 services that are relied on as described in section 19 of the Act) to provide information to the Welsh Ministers. The information specified in the regulations must be information that the Welsh Ministers consider is required for the purposes of their duty under **section 29** to make arrangements to secure that information is available to the public. Regulations made under **section 30** must specify how and when information is to be provided.

64. **Section 31** excludes from the information sharing requirements in **sections 27**, **28** and **30** any information that would be subject to legal privilege in legal proceedings.

65. Under **section 32**, if a traffic commissioner is satisfied that a person has, without reasonable excuse, failed to provide information in accordance with a **section 27** notice or regulations made under **section 30**, the traffic commissioner may impose a monetary penalty not exceeding 110% of the upper limit (as defined in the section) (**section 32(2)(a)**) and/or make one or more orders of any other description prescribed by the Welsh Ministers in regulations (**section 32(2)(b)**). Where an operator fails to comply with an order under **section 32(2)**, and either the order has been upheld on appeal or the period within which an appeal can be brought has elapsed and no appeal has been made, an additional monetary penalty, again not exceeding 110% of the upper limit (as defined in the section) can be imposed by a traffic commissioner (**section 32(3)**). (Although this is not referred to in the section, the effect is that in a case where more than one order is made under **section 32(2)**, and not complied with, the traffic commissioner can potentially impose an additional penalty in respect of each order that has not been complied with.)

66. The upper limit for an operator who is licensed to use vehicles under a PSV operator's licence is the sum calculated by multiplying the total number of vehicles used under all the PSV licences held by that operator (at the time the notice is given under **section 27** or the operator fails to provide information requested under **section 28**) by an amount specified in regulations by the Welsh Ministers or, if no amount is specified, by £550. The upper limit for an operator who is not licensed to use vehicles under a PSV licence is an amount specified in regulations by the Welsh Ministers or, if no amount is specified, £550.

67. **Section 33** enables appeals to be made to the Upper Tribunal, against an order made by a traffic commissioner under **section 32(2) or (3)**, and enables the Upper Tribunal to uphold the order in respect of which the appeal was brought, or to quash it, or to substitute another order for it.

Part 5 - Local Authority Powers and Duties

68. **Part 5** amends statutory provisions relating to certain duties and powers of local authorities in relation to bus services.

69. S**ection 34** amends section 66 of the 1985 Act to exclude local authorities in Wales from the restriction, imposed by that section, in respect of the provision of local bus services by a local authority. (This does not affect the fact that, in order to provide a local bus service that is subject to the restriction in **section 23**, a local authority will need to have been granted a local bus service contract or local bus service permit.)

70. Where local authorities wish to run bus services commercially, they will need to establish a company, and it is expected that they will rely on the general power of competence ("GPOC") contained in section 24 of the Local Government and Elections (Wales) Act 2021 to do this.

71. The amendment made to section 66 of the 1985 Act does not affect the two local authority bus companies ("Cardiff Bus" and "Newport Bus") operating in Wales (by virtue of certain exceptions to the section 66 restriction) prior to the amendment to section 66 coming into force. These companies were formed under section 67 of the 1985 Act, subject to requirements set out in sections 73 to 79 of the 1985 Act, and the Act does not make provision in relation to these requirements. However if a local authority providing local bus services through a bus company existing before the coming into force of the amendment to section 66 were to establish new companies to provide bus services, after the coming into force of that amendment, the requirements set out in sections 73 to 79 of the 1985 Act would not apply to those new companies.

72. Although this is not mentioned in the Act, sections 67 to 73 of the Local Government and Housing Act 1989 and the Local Authorities (Companies) Order 1995 will apply in relation to any companies established by local authorities under GPOC for the provision of bus services, once the section 66 restriction has been removed (including to any new companies formed by local authorities that were providing local bus services prior to the amendment to section 66 coming into force, as discussed above).

73. **Section 35** amends section 63 of the 1985 Act. The effect of the amendment is that the requirement imposed by that section (for a county council to secure public passenger transport services that it considers are needed to meet transport needs within the county, where those needs would not otherwise be met, for instance where there is service failure or where services are not delivered to the appropriate standard) will not apply to a county council or county borough council in Wales so as to require it to secure a service that is a local bus service. It is envisaged that, under the system established by the Act, where local authorities in Wales wish to provide a local bus service, they will rely on GPOC to do so (and, unless the service in question is outside the restriction in **section 23**, a local bus service contract or local bus service permit will be required in respect of the service).

74. **Section 36(1)** provides local authorities with the power to give financial assistance in connection with the provision of a local bus service. The effect of s**ection 36(2)** is that the requirements in sections 89 to 92 of the 1985 Act do not apply to financial assistance given under **subsection (1)**. This does not however exempt local authorities from existing statutory constraints regarding the provision of subsidies contained in the Subsidy Control Act 2022 or any applicable future statutory constraints regarding subsidies. **Section 36(3)** also amends section 63(9) of the 1985 Act. The effect of the amendment is that local authorities are not able to promote local bus services, using their power under section 63(6)(a), that have been subsidised under **section 36(1)** of the Act.

Part 6 - Miscellaneous and General

75. **Section 37** places a duty on the Welsh Ministers to make regulations specifying circumstances in which certain specific arrangements made under the Act (for instance, entering into a local bus service contract) will be treated as giving rise to a transfer that is within the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"), where this would not otherwise have been the case. The regulations must also apply certain provisions of, and made under, the Pensions Act 2004 in relation to a transfer of this type. This would mean that if, prior to the transfer, the transferred employee had access to an occupational pension scheme to which the employer contributed, or would have had access to such a scheme if they had been employed by the transferor for a longer period, then the new employer must secure at least the prescribed level of pension provision for the employee following the transfer.

76. **Under section 37(2)(b),** the Welsh Ministers also have a power to make supplementary provisions in regulations in connection with the application of TUPE.

Transport Act 1985: registration of services with traffic commissioner

77. Section 6 of the 1985 Act requires the operator of a local service (as defined in the 1985 Act) to register its particulars with a traffic commissioner. **Section 38** amends section 6 to disapply this requirement in the case of a service that is a local bus service for the purposes of the Act. However, the effect of the amendments to section 6 is that community bus services and services provided under section 46 of the 1981 Act (both of which are local bus services) will still be required to register unless they are operated under a local bus service contract or a local bus service permit. In a case where a local bus service permit is suspended, the permit will be treated as still having effect for this purpose. This is to ensure that a community bus service or a service provided under section 46 of the 1981 Act does not fall back into the section 6 registration regime because the local bus service permit granted in respect of it is suspended.

78. In the context of cross-border services, the effect of the amendments to section 6 is that where a standard local bus service has any stopping places outside Wales, or any point outside Wales at which travellers may ask to get on or off the service, the part of the service operating in England (and only that part) will still need to be registered with the traffic commissioner. Where a flexible local bus service has any part of its area of operation outside Wales, the part of the service operating in England (and only that part) will also still need to be registered with the traffic commissioner.

79. **Section 39** provides that where (by virtue of section 38) a local bus service ceases to be a local service for the purpose of section 6 of the 1985 Act, that service's registration under section 6 of the 1985 Act automatically ceases to have effect.

The Welsh Ministers' power to secure provision of public passenger transport services

Government of Wales Act 2006

80. Section 7 of the 2006 Act confers power on the Welsh Ministers to secure the provision of public passenger transport services where there is a need for them that would not otherwise be met. **Section 40** amends section 7 with the effect that this power is no longer available in respect of services that are local bus services for the purposes of the Act. This reflects the fact that local bus services will be secured under the new system established by the Act. **Section 40(4)** inserts a new subsection (4B) into section 7. The effect of this is to ensure that a local bus service contract is excluded from the restriction in section 7(4) of the 2006 Act. That restriction applies to "agreements providing for service subsidies": the definition of these agreements given in section 7(6) would otherwise catch a local bus service contract.

Transport Act 2000: local authority schemes

81. The effect of **section 41** is to remove the powers of all local authorities to make quality partnership schemes, quality contracts schemes, and joint ticketing schemes under sections 114, 124 and 135 of the Transport Act 2000 (respectively). Any quality partnership schemes, quality contract schemes or joint ticketing schemes in place in Wales at the time the provision is commenced, will cease to have effect. This repeal reflects the fact that these schemes, if retained, might conflict with the terms of local bus service contracts and local bus service permits.

General

82. **Section 42** makes further provision in relation to the regulation making powers contained in the Act and sets out the procedures which will apply to Welsh statutory instruments containing regulations, for which see sections 37C and 37E of the Legislation (Wales) Act 2019.

83. **Section 43** makes provision that applies for the purposes of any provision in the Act (or of regulations made under the Act) that provides for a person to be notified of something, or for a document to be given to a person. It specifies how the notification or document is to be provided.

84. **Section 46** provides that the Welsh Ministers may, by regulations, make incidental, supplementary, consequential, transitional or saving provisions, if they consider it necessary or appropriate to do so for the purposes of, or in consequence of, any provision of the Act; or if they consider it necessary or appropriate to do so to give full effect to any provision of the Act.

85. **Section 47** introduces the **Schedule** which makes minor and consequential amendments to the following Acts–

- Road Traffic Regulation Act 1984
- Transport Act 1985
- Transport Act 2000
- Local Transport Act 2008

86. **Section 48** sets out how the provisions of this Act come into force. **Sections 1** to **3, 5(6) and (7), 11, 14(2)** and **(3), 15(1)** and **(2), 27(3)(b), (4)** and **(5), 28(3)(b)** and **(4), 29(2)** to **(5), 30, 32(2)(b), (8), (9)(a)(i)** and **(9)(b)(i)** and **42 – 46, 48 and section 49** come into force on the day after the day on which the Act receives Royal Assent.

87. **Sections 4 and 21** come into force at the end of the period of two months beginning with the day on which the Act receives Royal Assent. The other provisions of the Act come into force on whatever day is appointed by commencement order made by the Welsh Ministers. A commencement order may include transitional or savings provision, and may provide for provisions to come into force on different days in relation to different areas and for different purposes. It is envisaged that certain provisions, including the duty imposed on the Welsh Ministers to secure services under **section 5(1)(c)**, will be brought into force by order on a zone by zone basis, in order to facilitate the roll out of the new system.

88. A commencement order is to be made by Welsh statutory instrument and laid before the Senedd after being made.

Short Title

89. **Section 49** sets out the short title of the Act, by which it may be known and referred. Either the Welsh or the English language title of the Act may be used, including as a citation in other enactments.

RECORD OF PROCEEDINGS IN SENEDD CYMRU

90. The following table sets out the dates for each stage of the Act's passage through the Senedd. The Record of Proceedings and further information on the passage of this Act can be found on the **Senedd website**.

Stage	**Date**
Introduced	31 March 2025
Stage 1 - Debate	16 September 2025
Stage 2 Scrutiny Committee – consideration of amendments	17 September 2025
Stage 3 Plenary - consideration of amendments	2 December 2025
Stage 4 Approved by the Senedd	9 December 2025
Royal Assent	2 February 2026