

HOUSE OF COMMONS

MINUTES OF EVIDENCE

TAKEN BEFORE

HOUSE OF COMMONS WELSH AFFAIRS SELECT COMMITTEE
AND NATIONAL ASSEMBLY FOR WALES ECONOMIC DEVELOPMENT
AND TRANSPORT COMMITTEE

THE DRAFT TRANSPORT (WALES) BILL

THURSDAY 24 JUNE 2004

PROFESSOR STUART COLE

MR SANDY BLAIR, DR KEVIN BISHOP, MS RACHEL JOWITT,
MR CHRIS KAY, CLLR ROGER PHILLIPS, MR ROB SURL,
MR RICHARD BALL and MR DANNY LAMB

Evidence heard in Public

Questions 221 - 311

Oral Evidence

Taken before the House of Commons Welsh Affairs Select Committee
and National Assembly for Wales Economic Development and Transport Committee
on Thursday 24 June 2004

Members present

Welsh Affairs Committee

Mr Martyn Jones, in the chair

Mr Nigel Evans
Dr Hywel Francis
Albert Owen

Hywel Williams
Mr Roger Williams

Economic Development and Transport Committee

Christine Gwyther, in the Chair

Leighton Andrews	Elin Jones
Alun Cairns	Lynne Neagle
Christine Chapman	Jenny Randerson
Janet Davies	
Lisa Francis	
Brian Gibbons	

Written evidence from the Wales Transport Research Centre, University of Glamorgan is printed on page Ev 6

Examination of Witness

Witness: **Professor Stuart Cole**, Director of the Wales Transport Research Centre, University of Glamorgan, examined.

Q221 Mr Martyn Jones MP, Chairman: Welcome to this historic joint session of the Welsh Affairs Committee and the Economic Development and Transport Committee of the Welsh Assembly. We all know who you are, Stuart, because you are Mr Transport in Wales, but it would be very good if you could tell us who you are and what you do, for the record.

Professor Cole: I am Professor Stuart Cole. I am Professor of Transport and Director of the Wales Transport Research Centre at the University of Glamorgan. I am also Cadeirydd of the Chartered Institute of Logistics and Transport Cymru of Wales.

Q222 Mr Martyn Jones MP, Chairman: Thank you very much. First of all, could you just tell us whether you think that the draft Bill is a good idea in principle?

Professor Cole: In a word, Chairman, yes, it is. It brings a new focus on to transport policy issues in Wales. The key thing to remember about the Bill is that it is a policy framework, it is not a statement of policy and, therefore, should be seen as a way in which policies can be developed in Wales within the context of an integrated transport policy. In terms of how it might be welcome, one could do no worse than look at the set of criteria which the predecessor of the Economic Development and Transport Committee at the National

Assembly set out in their *Policy Review of Public Transport* report, which came out a couple of years ago. Basically they were saying that changes in the administration and the governance of transport in Wales can be justified on the grounds of a number of criteria. I think we can look at the Bill and, therefore, welcome the Bill in terms of those criteria. The first is its relevance to the area. Is it something which will provide an improvement to the way in which decisions are made in terms of transport, both on a local and a national level in Wales? Second, is there accountability? Is there both bottom-up and top-down aspects to the way in which transport will be dealt with? Having read the Bill, so long as a certain approach, for example, is made to the joint transport authorities then that bottom-up and top-down approach and, indeed, accountability can be achieved. Third was the development of an integrated transport policy. I think the Bill fills in those gaps. It was John Curley who gave evidence earlier in the week who was pointing out that it is now completing the circle in terms of provision of facilities for an integrated transport policy. There are issues like the quality of decision making, effective rail powers, which are clearly coming from this Bill. Perhaps one of the things the Bill lacks is effective bus powers, and again that was one of the criteria. There is still a free-for-all in terms of the bus marketplace in the main. Highways powers are already with the local authorities or with the National Assembly. Land use planning and its relationship with transport, again, can be achieved through the elements of this Bill. Most important of all, the reporting of the criteria set down by the Environment, Planning and Transport Committee in its report was the impact on passenger travel and whether this Bill will improve the facilities for passengers, in particular in terms of integrating various forms of transport: the car, the bus, the train, the taxi, those kinds of different modes. Those are the criteria and I think on that basis the Bill achieves most of those criteria, Chairman.

Mr Martyn Jones MP, Chairman: Thank you, Professor. That is the longest endorsement we have had of this Bill. Can I ask Christine Gwyther to ask the next question?

Q223 Christine Gwyther AM: Good morning, Stuart. The shortest endorsement was yes, that was yesterday. You have said where the Bill closes some of the gaps in previous legislation. Can you amplify where you think some of the gaps in the Bill might be and where you think things could have been included that maybe were left out?

Professor Cole: Yes, thank you. The one I just mentioned, which was a form of bus franchising similar to rail franchising, is one thing that might be added in possibly. The issue of direction and guidance over the Strategic Rail Authority by the National Assembly is a vital part of closing the circle that is in the Bill. There are two elements of the Wales rail network which are not included. Those are the services provided by Virgin Trains and First Great Western. The Bill really relates to the Wales and Borders franchise. The difficulty is that in terms of First Great Western and Virgin Trains there is only advice being offered to the Strategic Rail Authority rather than direction, and yet First Great Western, in the morning peak, provide something like 60% of the services between Cardiff and Swansea, and, similarly, on the North Wales Main Line Virgin are an important operator on that route. In terms of things like the joint transport authority, I think there needs to be clarity in there of exactly who will be members of that body. I have heard the Local Government Association, who will be speaking later, make their point about their concerns and I think the clearing up of the fact that the joint transport authority is very much a local body needs to be included in the Bill. The Severn Bridge tolls possibly might be included. The role of the Traffic Commissioner and currently his responsibility at the moment to the UK Government, perhaps that might be considered in terms of the National Assembly. I think it was pleasing to see the Rail Passengers Committee Chairman now to be appointed by the National Assembly, but the appointment of the members of the Rail Passengers Committee still appears to be in the hands of the Department for Transport. The other issue which came up when the Welsh Affairs Committee were considering the Transport Bill 2000 was the issue of consultation and putting on the face of the Bill the names of consultees. I know there is a difference of opinion on whether one should prescribe a list and, therefore, irritate somebody who is not on the list. I

think there are advantages in having a set list of people, like the county councils and the county borough councils, the joint transport authorities. This is in respect perhaps of the Transport Strategy document which the National Assembly is to produce. Clearly all the operators need to be consulted, the Confederation for Passenger Transport, the Strategic Rail Authority, Network Rail and the users, like RPC. There may be others, following the wording of the Bill, which says “people may be consulted as the National Assembly decides”. Maybe there should be a given list and then an additional “and anybody else the National Assembly thinks ought to be consulted”. Those are the main points. Perhaps there is one other issue which is the relationship between the National Assembly and Network Rail, which is not very clear in the Bill; in fact, it is not mentioned in the Bill at all. Those are the things that are missing.

Q224 Christine Gwyther AM: Thank you, Stuart. You mentioned the Severn Bridge tolls; why particularly?

Professor Cole: The Severn Bridge is a gateway to Wales. We have no evidence that the tolls are putting people off and yet, because it is a gateway, it is only by accident that in the arrangements for the Department for Transport negotiating with the owners of the bridge, because the bridge is privately owned, there are a set of rules in terms of by how much the tolls might go up, but those negotiations take place with the Department for Transport and perhaps it might be more appropriate for them to take place with the National Assembly.

Christine Gwyther AM: Thank you very much.

Q225 Hywel Williams MP: (Translated from Welsh) Good morning. May I ask a specific question about something that you have already mentioned twice, namely the potential problems with the joint transport

C225 Hywel Williams AS: Bore da. A gaf i ofyn cwestiwn penodol ynglŷn â rhywbeth yr ydych wedi sôn amdano ddwywaith yn barod, sef problemau posibl gyda'r awdurdodau trafniadaeth ar y cyd—yr awdurdodau

authorities—the local transport authorities? trafnidiaeth lleol? Byddwn yn trafod hynny
We will discuss this later on, but I am yn nes ymlaen, ond yr wyf yn meddwl yn
thinking specifically in terms of planning. nhermau cynllunio yn benodol. Yr hyn yr
What you have mentioned twice is the ydych wedi sôn amdano ddwywaith yw'r
potential problems with communication from problemau posibl gyda chyfathrebu o'r pen
the top down and from the bottom up, and uchaf i'r gwaelod ac o'r gwaelod i fyny, a
people's concerns. Can you briefly refer to phryderon pobl. A allwch chi gyfeirio at
that now? hynny yn fyr iawn yn awr?

Professor Cole: (Translated from Welsh) **Professor Cole:** Wel, mae'n rhaid sicrhau
Well, we have to ensure that the members of bod yr awdurdodau hyn yn cael eu haelodau
these authorities come not only from the nid dim ond o'r Cynulliad, ond o'r
Assembly, but from local authorities as well. awdurdodau lleol hefyd. Er enghraifft, os
For example, if we are looking for a specific ydym yn edrych am rif penodol o aelodau,
number of members, say that there are 15 dywedwch fod 15 o aelodau ar yr awdurdod
members on the transport authority, the joint trafnidiaeth, y cyd-awdurdod trafnidiaeth,
transport authority, perhaps two or three will bydd efallai ddau neu dri yn dod o'r
come from the Assembly, but the majority— Cynulliad, ond bydd y mwyafrif—sef rhyw
13 or more—will come from the local 13 neu fwy—yn dod o'r aelodau awdurdodau
authority members of the joint authority. I lleol sydd ar y cyd-awdurdod. Yr wyf yn
think that that is the way forward to get rid of meddwl mai dyna'r ffordd ymlaen i gael
the problem that the Welsh Local gwared ar y broblem y mae Cymdeithas
Government Association has said that it is Llywodraeth Leol Cymru wedi dweud sydd
concerned about. Then, perhaps, it will be yn ei phoeni. Yna, efallai y bydd yn hapus
happy with the situation. gyda'r sefyllfa.

Q226 Dr Hywel Francis MP: Good morning. You mentioned in your memorandum that the National Assembly already produces a number of transport documents, such as *The Wales Transport Framework*. Could you explain to us, briefly, what the benefits are of establishing the Wales Transport Strategy on a statutory basis?

Professor Cole: Yes. The objective of the Bill, if you look at the beginning of the Bill, is to achieve a series of policies to “promote and encourage safe, integrated, efficient and economic transport facilities”. At the moment there is a Welsh Transport Framework produced by the Assembly Government and that has no statutory position, of course. The benefits that come from a statutory position are, first of all, because Wales is not homogeneous in terms of its population spread there is the opportunity for policies for rural and urban areas to be clearly delineated. Second, there is the opportunity to ensure that the local plans which are produced, depending on what the Bill determines, either by the county or county borough councils, as they are at the moment, or possibly the Joint Transport Authority, do fit together. Also we have the objective in terms of any transport policy to provide for a strong modern economy that requires modern infrastructure. In order to provide a consistency with any national policy in terms of sustainable development, social inclusion and equal opportunities, there is a need to have a format which is common to all of the local authorities providing their local plans and feeding into the Wales Transport Strategy. Having, if you like, a non-statutory strategy is difficult in terms of trying to achieve that cohesion. Also, of course, it puts on the Assembly itself an obligation to provide a Wales Transport Strategy. It is not just the statutory impact, it is also that the obligation is there. That then brings together, with the whole planning system, a national network of road and rail, a good local bus network, good local roads, traffic management, bus priority schemes, for example, and in rural areas a totally new approach to public transport, but it does mean that different parts of Wales can have different strategies and also they can fit into the overall national strategy. I think the statutory issue is one of making clear what the process of governance is, which at the moment is not clear. That is one of the overriding issues.

Q227 Mr Nigel Evans MP: Professor Cole, you mention in your submission that Wales is homogeneous, that in the North West of Wales there are six people per hectare, yet in the South East it is 120. What are the hopes of realising a proper national strategy which will apply to the whole of Wales?

Professor Cole: I think the question of this lack of homogeneity is one that we have to face. We have this enormous collection of people, nearly half the population, tucked away into the bottom right-hand corner and the rest of the population spread out over the rest of the country and, therefore, we have to look at different solutions. The role of the Transport Strategy, because I think that was the context in which I mentioned homogeneity, does mean that we are able to look quite differently at the solutions for rural Wales as opposed to urban Wales. Urban Wales has a series of problems to do with congestion, in some cases very serious congestion, and environmental pollution. In rural Wales we have issues to do with basic mobility and the improvement of that basic mobility. There will not be one single strategy but there will be appropriate elements of the strategy with the same objectives, and I think that is the distinction.

Q228 Mr Nigel Evans MP: Looking through the draft Bill, certain groups like the disabled are mentioned but there seems to be a lack of mention of anybody living in rural areas where, quite rightly, their needs are completely different. There is always a suspicion, particularly amongst those who live outside of the urban areas, that they are going to lose out, that all the money is going to go into Cardiff and the bigger cities to tackle the major problems that you say exist there, and yet you are going to be forgotten about if you live outside in rural areas. Do you think that there should be more prescription within the draft Bill, or within the Bill when it becomes an Act, which then gives some sort of protection and recognition of the needs of those living outside of the big urban areas?

Professor Cole: I do see what you mean. I think the problem that we often face, and we have faced for many years, in transport planning is that many of the ideas originate in big cities,

many of the ideas originate in London, and a lot of the policies that have come out from London are quite inappropriate, not just for Wales but also for Yorkshire, for the West Country and so on. We tend to get this over-preponderance of a view which is, “There are lots of buses around and there are lots of trains around so we can easily get people out of their cars on to public transport”. In Merionydd or in Ceredigion in Pembrokeshire that is not the case. It is not just in the rural areas, what I call the deep rural areas, it is also in those smaller towns. There are a lot of towns in Wales with populations of 10,000 to 15,000 and the same principles apply. We have to ensure that rural areas are properly catered for. Whether that is on the face of the Bill is a difficult one to answer because the Bill really sets out the process and once you start talking about “rural” and “urban” in the Bill ----

Q229 Mr Nigel Evans MP: It talks about disabled people there. The fact is when you talk about London, quite rightly so, there are always suspicions among those who live outside London that London and the South East would dominate and the same suspicion exists within Wales, that Cardiff dominates and if you live in the North East or North West you are as remote from Cardiff as you were from London in the past. That is why I say if they are prepared to mention one section within the Bill, why not mention rural people as well who need the same recognition and the same protection in their transport needs as anybody else.

Professor Cole: It might be possible in section 1 of the Bill to mention that dichotomy in terms of an approach to policy because the general transport duty in section 1 does refer to “...promotion and encouragement of safe, integrated, efficient and economic transport facilities”, as I mentioned earlier. That could be added to in terms of rural and urban areas, there would be no difficulty in that, I do not think, unless the drafters of the Bill find difficulty. I do take your point very strongly that we do suffer in rural areas from policies that are made in big cities. Although, having said that, to the Assembly Government’s credit, the Transport Research Centre at Glamorgan is currently carrying out a study in rural Carmarthenshire into how bus services there can be substantially improved using modern

technology, such as geographical positioning systems, computers and so on, to allocate bus operations.

Q230 Christine Chapman: Just to follow on from that question, I am just wondering, you talk about different transport needs but should we not be looking at basic standards for everyone as a starting point? I realise there is a real issue with rural areas versus urban areas, and we all have had this debate anyway, but we want basic standards. For example, in certain parts of Wales, if you look at the Valleys, it is very difficult to get public transport after about six o'clock. Whether you live in rural areas or urban areas, although we have different transport needs it must reflect this but we also want basic standards as well.

Professor Cole: Yes, I agree with you 100% but whether you want to put that into this Bill is the issue. As I mentioned at the beginning, I think the Bill is a framework for working towards those kinds of policies. Again, in the general transport duty it may be that you want to put into that paragraph some additional words about basic transport not just in rural areas but also in many of the smaller towns in the Wales. I do not notice an enormous number of buses in Llanelli after seven o'clock, which is a sizeable town. It is not just what we might think of as deep rural, it is a lot of towns which are outside big cities like Cardiff and Newport. It may be arguable to put those kinds of words in the first section to highlight certain areas.

Q231 Leighton Andrews AM: I am not entirely persuaded by this argument about putting words around "rural" into the Bill. I would like to ask you about your definition of the term "rural". For example, parts of my constituency, the Upper Valleys areas, are defined as rural under certain kinds of provisions that the Assembly operates and not defined as rural under others. What is the real issue we are trying to talk about here? What is your definition of the problems of rurality that need separate expression? Are we really talking about remoteness? Are we talking about sparsity? If it is remoteness then, frankly, the distance that people in

Upper Valleys communities have to travel to major services is often as severe as what I assume you were calling previously “deep rural”.

Professor Cole: This is the point I was starting to make a little bit earlier. I just think in Wales we can define three kinds of area. There is the urban area, which is clearly Swansea, Cardiff, Newport, maybe Wrexham, one or two other sizeable towns in the Valleys. Then we have what is called urban shadow, which includes places like the Gower and the Vale of Glamorgan. They are areas which appear to be rural, they have lots of farms and agricultural industries in them, but a large number of people living there actually work in an adjacent large urban area. Then we have what we might call deep rural, which is just about everything else. In terms of South Wales it is west of Llanelli or the Gwendraeth Valley and, going northward, anything north of the Valleys. But, as you say, there are some areas of the Valleys which are a considerable distance away from any large settlement. I guess we might call them urban shadow in one way, but they do not really form the normal definition, which is commuter land into a major city. Trying to define certain areas which, if you like, are extensions, and the Valleys is a good example of it, they are somewhat unique in that you have very long, strung out settlements, many of which have quite low densities of population if you took the whole of the area up the sides of the Valleys as part of the constituency, those areas can be dealt with. I take your point about a simple distinction between rural and urban and you may then want to look at some of the other spatial descriptions that there have been of a whole series of different areas and then it depends on the extent to which you want to go into that detail in the Bill.

Q232 Mr Roger Williams MP: But is that not the point, that what we are talking about is detail and the Bill should be just a framework in which the Assembly can operate and in the end the Assembly will be judged on how they deal with rural, urban and other issues. If we are going to believe in giving devolved powers to the Assembly then we must not just prescribe, we must enable. We could go into huge detail but what we be doing then is raising

a transport policy to the Assembly in legislation, which is the very thing we were setting out not to do in terms of devolution.

Professor Cole: That was exactly the point that I made at the beginning, Chairman. The issue of the extent to which this Bill is used as a means of making policy and the extent to which it is used as a means of creating a framework within which to make policy is a fundamental decision of the Bill. The Bill as it stands is a Bill which sets out a framework. I think that was the objective of the Bill, although there are some detailed aspects to do with the Strategic Rail Authority subsequently. In terms of the policy making powers and responsibilities of the National Assembly and the local authorities, it is very much a framework and really depends how far down the road of detail the Committees would wish to go.

Q233 Janet Davies AM: You mentioned right at the beginning there was no mention of the relationship between the National Assembly and Network Rail. Do you think the draft Bill in its present form does actually provide the National Assembly with the necessary powers to achieve the National Strategy, in particular with regard to Network Rail's operations in England that affect Wales? We all know that you cannot go from north to south without rail going into ----

Professor Cole: The question of what powers and responsibilities would be required to achieve the kind of transport policy which is generally being talked about, some of the powers which I think are missing I have already mentioned. For example, the relationship with Network Rail is not in the Bill at all. The relationship concentrates on that with the Strategic Rail Authority as the providers of the services. Network Rail are one step removed. Of course, some of this will depend on what the rail review says in the next few weeks. The relationship with Network Rail does need to be in there. There needs to be at least consultation and exchange of information. We have a current position at the moment with the North Wales Main Line, the discussions over what work Network Rail have actually done in

terms of identifying the cost of increasing line speeds and, therefore, reducing journey times on that route has not been made available generally. Various people have said, “Yes, work is being done” but nothing has come out in definitive terms of what exactly has been done. That kind of relationship needs to be built into this legislation somewhere.

Q234 Janet Davies AM: Not just north/south but if you want to travel from South Wales to Birmingham, the whole issue of that track and signalling condition between Newport and Birmingham is absolutely crucial to that service being in any way useful to people in Wales, particularly if you are going on further. Whatever the timing is in theory, it can take something like four hours to get to Birmingham.

Professor Cole: From?

Q235 Janet Davies AM: From Cardiff. In practice, not what is on the timetable.

Professor Cole: My experience is substantially less than that in terms of journey time, but I take your point in principle. There are two aspects that come in here. One is the north/south rail link, and hopefully Arriva will achieve their desired objective of introducing five direct trains a day which will connect also with services to Aberystwyth at Shrewsbury and, indeed, to Birmingham and Shrewsbury. I think one of the doubtful aspects of the Wales and Borders franchise was the fact that the Cardiff-Birmingham service was excluded from that franchise. It was originally a service partly run by the previous Wales and Borders company who ran the franchise, it was partly in the Wales and Borders franchise and was taken out and put entirely into a different franchise. Personally I think that was a mistake, I think that is a key service as far as Wales is concerned within the non-Intercity network. Because of the wording of this Bill, the Assembly will only have an advisory role in terms of that service, and it is an important service.

Q236 Janet Davies AM: Do you think that these powers should be more than advisory? Is there any way they could be more than advisory?

Professor Cole: They could be more than advisory, it would depend on the wording of the Bill. Let me refer to the Bill. The wording is quite specific. In clause 9(1)(a), (b) and (c), what that is saying is (a) and (b), if you read them very carefully word for word, relate to the Wales and Borders franchise because it is prescriptive on what services are being referred to. In (c) the advice relates to companies who only have at least one stop in Wales, and that clearly refers to First Great Western, Virgin Trains and Central Trains. The advisory role, as I think was said in evidence earlier in the week, is not as strong by any means as direction and guidance. As I mentioned earlier, there is a significant part of both North Wales and South Wales Main Line Service which is provided by companies covered by the advice, not by the direction and guidance and, therefore, maybe it would be appropriate to look carefully at those sub-paragraphs (a), (b) and (c) in clause 9 to see how that wording might be amended and maybe you would take “advice” out altogether and put all it of is under “direction or control”. It does mean that there are several franchises, one complete franchise and three parts of franchises, over which the National Assembly is given direction. Whether that would present problems for the Strategic Rail Authority, I think one would have to ask them.

Janet Davies AM: Thank you very much.

Q237 Mr Martyn Jones MP, Chairman: Leading on from that, one of the problems is the track bed problem between London and South Wales, the Severn Tunnel, all those things impinge on the speed that you can travel between London and Wales, which is an important line. We have raised this before. Network Rail, as you pointed out, is not answerable directly to anybody in a sense because it is a private company. If they are answerable to anybody at all, it is the SRA. Would it be better, or at least a step along the way, if in this Bill we specified that there were two members or more, unlikely but if there were more members representing Wales rather than just being Welsh? We have one who is Welsh at the moment but, as you know, our Committee recommended there should be two who would be appointed

by the Welsh Assembly and would be able to represent the views directly to Network Rail through the SRA.

Professor Cole: Did you mean members of the SRA Board or Network Rail Board?

Q238 Mr Martyn Jones MP, Chairman: The SRA Board.

Professor Cole: Yes, indeed. According to the SRA's previous statements, and also as Chris Austin said earlier in the week, what the SRA are looking for is a need for a wide range of skills, not a geographical member. Those were Chris's words. Chris also mentioned that the SRA were involved in the preparation of this Bill. In terms of the member who was appointed following the advertisement through the normal public appointment procedures, if I recall the advertisement correctly it was for a person with an interest in railways in Wales, I do not think it was something which said to represent Wales. The particular person involved was at the rail review seminar held by the Secretary of State, Alistair Darling, in Cardiff about six weeks ago and then involved Mrs Janet Lewis-Jones, who did say in so many words, "I do not represent Wales on the SRA" and she was quite unequivocal about that fact. That does fit in with what Chris Austin said in evidence to the Committees earlier in the week. Of course, the Welsh Affairs Committee has said twice in its reports, one on the provision of rail services in Wales and the other on transport in Wales, that the appointment of members, at least two members but we might only get one, of the Strategic Rail Authority should be in the hands of the National Assembly. I think there is another argument here, which is quite a real one. If you take into context the comments that I have just made and quotes from various members of the SRA Board, the worrying thing is when you put that alongside an article by Nick Newton, who is the Director of Franchising for the Strategic Rail Authority. Nick Newton, in an article in *Modern Railways* about a year ago, said that the railways are good at two things: moving large numbers of people, by which he meant London and the South East, and possibly Birmingham; and moving them over long distances, by which he was clearly referring to the West Coast Main Line, East Coast Main Line and the Channel Tunnel Rail Link. Noticeably,

despite the SRA's arguments to the contrary, none of those affect Wales particularly, although we have seen the speed limitation on the West Coast Main Line redevelopment has affected services to North Wales. None of them are in Wales. Clearly the SRA's priorities lie in those areas, London and the big long distance routes out of London. I do not think they even have the Great Western Main Line uppermost in their set of priorities, which is a line that would directly affect Wales. That view being taken by the SRA that they have certain priorities, and one understands the priorities that they have set themselves, that is where their biggest movement problems are, that is where their money is going, £10 billion or more into the West Coast Main Line, but there is the apparent inability at the same time to find something like £30 million to increase line speeds on the North Wales Main Line. I think the views of a peripheral part of the network, if that network is not to continue to be peripheral and under funded, is one which requires representation directly on to the SRA's Board and through the SRA to Network Rail who will be doing the work.

Mr Martyn Jones MP, Chairman: On that point, can I bring Albert Owen in.

Q239 Albert Owen MP: (Translated from Welsh) You have talked about the fact that the Welsh Affairs Committee and, of course, the Assembly believe that it is important that a member of the SRA is selected by the National Assembly, and you have talked about the view of the SRA itself. What is your view on this issue?

C239 Albert Owen AS: Yr ydych wedi sôn am y ffaith bod y Pwyllgor Materion Cymreig ac, wrth gwrs, y Cynulliad yn meddwl ei bod yn bwysig bod aelod o'r SRA yn cael ei ddewis gan y Cynulliad Cenedlaethol, ac yr ydych wedi sôn am farn yr SRA ei hun. Beth yw eich barn chi ar y mater hwn?

Professor Cole: (Translated from Welsh) My view is that the Assembly must decide on

Professor Cole: Fy marn i yw fod yn rhaid i'r Cynulliad benderfynu ar un neu ddau o'r

one or two members. I agreed 100 per cent with the committee on that, because of what people like Nick Newton, the franchise director, have said. The SRA has priorities in one place, and to get ideas on what we must have on the railways in Wales directly into the SRA, we must have members from Wales. They must know where they come from. At the moment, they come from the SRA, not from Wales.

Q240 Albert Owen MP: (Translated from Welsh) Do you believe that it is important to get that included in the Act now?

Professor Cole: (Translated from Welsh) Yes. It was not in the Transport Act 2000, as the select committee requested, so this is the second chance to get the resolutions of the Welsh Affairs Committee into the new Act.

Q241 Hywel Williams MP: (Translated from Welsh) For the record, therefore, will you give your view on the clause in the advertisement which talks of an interest in the railways in Wales? Is such an appointment

aelodau. Yr oeddwn yn cytuno 100 y cant gyda'r pwyllgor ar hynny, achos beth mae pobl fel Nick Newton, y cyfarwyddwr rhyddfrentiau, wedi'i ddweud. Mae gan yr SRA flaenoriaethau sydd mewn un lle, ac i gael syniadau ar bethau y mae'n rhaid i ni eu cael ar y rheilffyrdd yng Nghymru i fynd yn syth i'r SRA, mae'n rhaid cael aelodau o Gymru. Mae'n rhaid iddynt wybod o le y maent yn dod. Ar hyn o bryd, maent yn dod o'r SRA, nid o Gymru.

C240 Albert Owen AS: Ydych chi'n meddwl ei fod yn bwysig cael hynny yn y Ddeddf yn awr?

Professor Cole: Ydw. Nid oedd hyn yn Neddf Trafnidiaeth 2000, fel yr oedd y pwyllgor dethol wedi gofyn amdano, felly dyma'r ail gyfle i gael penderfyniadau'r Pwyllgor Materion Cymreig yn y Ddeddf newydd.

C241 Hywel Williams AS: Er mwyn y cofnod felly, a wnewch chi roi eich barn ar y cymal yn yr hysbyseb a oedd yn sôn am ddi-ddordeb mewn rheilffyrdd yng Nghymru? A yw trefn benodi o'r fath o unrhyw werth

process of any practical value? Considering that we are today discussing a Transport Bill for Wales, the person with an interest in Wales has not appeared before us.

Professor Cole: (Translated from Welsh) Well, as I said, the advertisement to find someone to represent Wales on the rail authority mentioned someone with an interest in the railways in Wales, not someone who spoke on behalf of the railways in Wales. I believe that that is the difference. We must have someone who speaks for Wales and the problem that we have on the periphery of the system, rather than someone with just an interest. That is not the member's fault; it was the Government's fault in deciding on the criteria to appoint the member, and on what sort of member it was looking for. It must be said that the SRA is completely centralised in many ways. That may be the way in which it wants to run itself, but it is looking out from London rather than looking out from all parts of Great Britain. This is not only a Welsh problem.

ymarferol? O ystyried ein bod yn trafod Mesur Trafnidiaeth i Gymru heddiw, nid yw'r person sydd â diddordeb yng Nghymru wedi bod ger ein bron ni.

Professor Cole: Wel, fel y dywedais, yr oedd yr hysbyseb i ddod o hyd i rywun i fod ar awdurdod y rheilffyrdd o Gymru yn dweud rhywun â diddordeb yn y rheilffyrdd yng Nghymru, nid rhywun sydd yn siarad ar ran y rheilffyrdd yng Nghymru. Dyna'r gwahaniaeth, yr wyf yn meddwl. Mae'n rhaid cael rhywun sy'n siarad dros Gymru a'r problemau sydd gennym ar ymyl y system, yn hytrach na rhywun sydd â diddordeb yn unig. Nid bai'r aelod yw hynny; bai'r Llywodraeth ydoedd wrth benderfynu beth oedd y meini prawf i benodi'r aelod, a pha fath o aelod yr oedd yn chwilio amdano. Mae'n rhaid dweud bod yr SRA wedi'i ganoli'n llwyr mewn llawer o ffyrdd. Efallai mai dyna'r ffordd y mae am redeg ei hun, ond mae'n edrych allan o Lundain yn hytrach nag edrych allan o bobman ym Mhrydain Fawr. Nid problem i Gymru yn unig yw hon.

Q242 Jenny Randerson AM: There is not a specific SRA member for Scotland either, is there? Is there a similar call for that change to take place in Scotland, are you aware?

Professor Cole: I think Scotland is in a slightly different position from Wales because they have powers. They have had powers of direction right from the start. They also have a resident SRA officer in Scotland, a senior member of the SRA staff lives in Glasgow, and, therefore, he, as it happens to be at the moment, is a person who is constantly in contact with other people in the Scottish Executive and in the railway business in Scotland and, therefore, is in a much better position to understand what is going on and to represent that back through the official channels within the SRA. The fact there are powers of direction has made an enormous difference. We will have powers of direction if this Bill goes through as it stands. As I understand it, I think the Scots would also like to see direct representation on to the non-executive board of the SRA to have a voice when decisions are being made. The direction and control aspect does give us substantial improvements in the position that we have in relation to the SRA.

Q243 Jenny Randerson AM: So the physical presence of the member of staff is, therefore, one would deduce, of equal importance to having a member on the board?

Professor Cole: That is what people in the Scottish Executive tell me, that they find it very useful to be able to have a daily dialogue almost with the SRA's manager in Scotland. Chris Austin earlier in the week did say that there are people within the SRA who are responsible for the Wales and Borders franchise. There is a manager for the franchise, there are project managers who are dealing with the project in Wales. There is that big psychological difference. The SRA member happens to have an office in Glasgow and if you are constantly working with people locally you do have a slightly different view where you are using local trains very often. There is quite a big difference between an officer working in Victoria Street in Central London whose journey to work may well be from Tunbridge Wells surrounded by *Daily Telegraphs* on a rather overcrowded commuter service. His or her view of the railways will be quite different from somebody who is constantly travelling within Wales, say from Swansea to Cardiff or Cardiff to Wrexham and so on.

Q244 Leighton Andrews AM: Professor Cole, in your written evidence you seemed to express some doubt that the Bill would give powers for policy to diverge substantially from the rest of the UK. For example, you point out it does not include London-style bus franchising arrangements. What do you see as the benefits of including such powers within the Bill for the Assembly's overall Transport Strategy?

Professor Cole: The decisions on rail services, quality of rail services, funding and so on, are on a franchising basis and are made currently by the SRA but hopefully after this Bill goes through will be made by the National Assembly working very closely with the SRA. In terms of London-style bus franchising, I think the benefits in London have been quite clear. London is one of the few parts of the United Kingdom where bus service quality has increased, where there is a constant stream of new vehicles, where bus ridership has gone up. There is a variety of reasons for that, but one of them is the fact that there is a network, it is not a collection of companies providing services, there is a clear network operated by London Transport but which has the benefit of the private sector's efficiency, a target and efficiency approach, through what we might call supply side competition. There is competition for the route contracts. There is market research, and it is proper market research, it is not what some people might disparagingly refer to as planners coming up with all sorts of ideas, Transport for London has a planning and research department whose job it is to do the kind of market research which identifies where the demand is, what kind of changes ought to be made and so on. It prevents companies coming in to cherry pick on certain routes. There has been evidence in places all over Britain of companies entering the bus market, and it is very easy to enter the bus market, and picking one or two routes between nine in the morning and seven in the evening and really concentrating their operation there to the detriment of the overall network and certainly to the detriment maybe of another company who may be operating and who might be happy to do some kind of cross-subsidy. One does not know what the detailed aspects of the contracts are between, say, the county and a bus company and how they might take into account money they are making elsewhere in order to be more competitive for a

county contract. The other thing, and it is an issue often missed by the Office of Fair Trading, is competition within the bus industry is not really what we are looking for, that is not what brings the benefits overall to the community. The competition is really with the motorcar. It is the bus and the train on one side, public transport if you like on one side, against the motorcar. The motorcar is the big competitor. Sadly, the Office of Fair Trading have never quite understood that. It is an issue to remember. It is one of the things which was behind the franchising of buses in London, that there was a clear picture given by London Transport to the Government of the day that London should be excluded from the open competition that took place elsewhere and the benefits have come through in terms of quality of vehicle and increase in patronage.

Q245 Leighton Andrews AM: Can I just be clear on a factual basis. You are suggesting that London is excluded from the Office of Fair Trading's rules?

Professor Cole: As I understand it, because the bus services in London are not provided on a demand side competition basis which is what the Office of Fair Trading would be looking at.

Q246 Leighton Andrews AM: So if we wanted Wales, for the sake of this argument, in principle anyway, to be so excluded, we would have to amend other legislation, would we?

Professor Cole: We would have to amend the Competition Act. I am not a lawyer so I bow to the better competences of others. The legislation which established the competitive nature of the bus industry in the rest of Britain and replaced what had previously been a set of licences provided by the Traffic Commissioner ---- The Traffic Commissioner still has to provide licences but the regulations under which those licences were provided were often monopoly regulations. They were removed and replaced by open competition, so anyone with certain competences could begin a bus service on a particular route. That applied everywhere except London.

Q247 Leighton Andrews AM: Leaving aside that issue of legislation for a second, from your point of view what would be the sensible level for Wales to plan its bus services at if it was going to follow a similar model to London? Are you talking of a national level or what?

Professor Cole: I think this is where we look at what bus services are and what train services are, there is a distinction. I see the rail network as being a national network. I see the new coach network which is beginning to be established at the moment through the National Assembly to be a national network. I do not believe that bus services can be determined in Caernarfon from Cardiff and that is where I see the consortia doing a very valuable job currently and developing into something like the joint transport authorities. They would be the people who would provide the equivalent of London Transport locally on a franchising basis. They would do the market research in their localities. They would be interacting with the providers of traffic management, whether they were these transport authorities or whether they were the county borough councils, to ensure that locally bus services were being provided on a franchise basis and on a network basis locally where the tickets would not be individual bus company tickets, they would be consortia or transport authority tickets, as in the case of London Transport.

Leighton Andrews AM: Chairman, I wonder whether we could get a note on this Competition Act point.

Mr Martyn Jones MP, Chairman: I am sure we can.

Q248 Jenny Randerson AM: On franchising, when the Confederation of Passenger Transport came to talk to us, not surprisingly perhaps they were not keen on the idea and said that the same thing could be achieved through quality contracts, quality standards. Do you believe that will be the case?

Professor Cole: You are absolutely right in that they were not overly enthusiastic about franchising, but I think these other elements come together with the franchising issue because the quality contracts, for example, can be achieved and they are a form of franchising. They

are an arrangement between the local authority and a particular bus company, or rural bus companies maybe, to produce a local set of rules. That local set of rules has a specification, a timetable, quality of vehicle and so on, which is specified jointly by the local authority and by the bus company. Indirectly it is a form of franchising, if you define franchising as supply side competition rather than free-for-all competition. There are similarities. I would not like to suggest that the Confederation for Passenger Transport were making over-use of semantics in their discussion but certainly I think there is a feeling amongst some of the bus companies that a franchising model would not be a bad idea because some of them are currently facing a degree of competition which would not be there if there was a franchising operation.

Q249 Jenny Randerson AM: Thank you. The draft Bill would allow the National Assembly to direct local authorities to work together to discharge their transport functions and to establish joint transport authorities. Why would you see that there would be a need for both?

Professor Cole: This is an interesting point. Clearly there are some aspects of the function of the joint transport authority which the drafters of the Bill felt were in addition to how they had described the joint transport authority. I see the joint transport authorities as being an extension of the consortia. Some of the consortia have been established longer than others and, therefore, have got further. Tiger and SWIFT merged recently into a transport board called the South East Wales Transport Alliance. They are probably more advanced than some of the others because they started earlier and they had more immediate problems perhaps. I think the advantage of the joint transport authority and why that is in the legislation is that we would have a consistency throughout Wales that would enable the current four consortia to catch up with one another, as it were, have a consistent standard of operation and also, as I mentioned earlier, provide for bottom-up decision making. My view of the JTAs is that they can provide for the diverse transport needs of Wales, as I mentioned. Rural Wales and urban Wales have these differences but it is certainly important to consider the view of the Welsh

Local Government Association. As I understand it, a number of local authorities are concerned that their current powers in terms of their involvement in the consortia, depending how far the transport authorities go in terms of traffic management, for example, will be transferred to some body which is separate from them. That would not be the style of authority which I would like to see. I would like to see purely the consortia on a statutory basis, it would provide for bottom-up decision making. The over-preponderance of membership would be the local authorities. Also, I do not see why a JTA has to be a precepting body or a quango. As the county and county boroughs currently obtain their money through transport grant, as I understand it there is no technical problem with providing such an authority properly and statutorily constituted with the same procedures for applying for transport grant as the counties and county boroughs do currently. The membership balance is very important to reassure the local authorities who have quite reasonable concerns that may or may not be justified, I would not like to comment on that, that the National Assembly is trying to ease away some of their powers and some of their responsibilities. There are a number of responsibilities, including things like traffic management, local roads, local bus services, which are rightly the responsibility of the local authorities and not the National Assembly, but providing a mechanism whereby the local transport organisation, public sector organisation, whether it be consortia or authority is able to work closely with the national body which, under the terms of this Bill, is providing powers of direction over the Strategic Rail Authority for the railways and also the national road network in Wales and, indeed, the long distance coach network which is just starting up.

Q250 Lisa Francis AM: The evidence presented by the WLGA, going back to fundings, I think criticised the regulatory impact assessment on the draft Bill, that it did not look at the implications of JTAs on local authorities and particularly did not assess the amount of finance needed to deliver that sort of a full vision of integrated transport plan. Would you like to comment on that or would you agree with that?

Professor Cole: There is one aspect in the Bill which relates the powers of direction of the National Assembly over local authorities and then there is another aspect to do with funding. There is the possibility of a significant difference of opinion. One hopes that it would be dealt with in terms of consultation because the National Assembly is required, for example, to consult on the transport strategy with those persons and organisations it chooses. As I said earlier, I think there needs to be a degree of prescription in there to ensure that the National Assembly does discuss its transport strategy. Similarly, when it comes up with a requirement for a local authority, that there is sufficient funding for that. What the Bill does not have is means of dealing with a problem which has no immediate answer where there is a failure to agree and maybe there is a need to look for a mechanism which deals with that. Similarly, in terms of the local transport plans, there is the clause in the Bill which suggests that local transport plans would have to keep coming back to the National Assembly until the National Assembly agreed with them. Again, there needs to be a process of consultation in there which avoids that. I am sure that the WLGA will give you their particular phrase, I cannot remember it exactly, but which was mentioned to me some weeks ago.

Q251 Lisa Francis AM: Dictate and deliver.

Professor Cole: I think that has to be avoided at all costs; that is exactly what we do not want in terms of an integrated policy and set of policies both local and national in Wales.

Q252 Mr Martin Caton MP: Can I explore this whole question a little further, Professor Cole. You pose both in your written evidence and you have just done it again now the question of what happens if there is a dispute between the local authority and the National Assembly on a local transport plan. At the moment, if the Bill remains unamended, how does that get resolved or how do you see that getting resolved?

Professor Cole: At present, all local authorities are required to provide a local transport plan. The consortia are also asked to provide their bus strategies and those goes to the National

Assembly Government and, from those strategies, the Assembly Government determines the transport grant funding. So, there is a bid for transport grant associated with the local transport plans and the strategies. That, I guess, becomes resolved because there is a funding issue and I have no doubt that, as has happened over the years and there is an awful lot of experience of this, local authorities will discuss with Central Government, whether it is at a Wales level or a UK level, the amount of funding they will get in respect of their plans and there will be preferences by the Central Government as to what they think the money should be spent on and, when the discussions are being undertaken, there will be arguments about whether this particular strategy, this particular aspect of the plan, is one which the National Assembly would be prepared to support. There have been a number of instances in Wales and indeed elsewhere where a local authority has come up with a scheme which has not fitted into what the Central Government wants and, in consequence, the funding has not been forthcoming and, on a number of occasions, that same plan will have come up in different formats and will still not have been funded because, for example, the National Assembly Government currently is very enthusiastic about what are called packages of road and public transport schemes and, if a major piece of investment comes up which does not come into that package style of a balanced approach, then the funding is unlikely to be forthcoming and has occurred in your constituency, in Gower, if I remember correctly.

Q253 Mr Martin Caton MP: Yes. The power of the purse introduces an element of dictate and deliver in the current arrangements, from what you are saying. You also said a little earlier that you would like to see a mechanism in the Bill to avoid certainly the situation getting any worse. Do you have any idea of how that mechanism would work? Could you draft us a couple of clauses?

Professor Cole: There are those who are far more experienced and have direct experience of the relationships between central and local government. Invariably, in my experience, having worked for five years in local government – and this may be a somewhat cynical view – the

local authority will eventually look for ways in which it can maximise the grants which it gets from various sources like Central Government and it may present its plans in a particular way. Local authorities know that unless they are prepared to present a plan which fits in with the funder, then they are unlikely to get the funding and very often that becomes the determining factor. That is a sad way of making the decision but that is the way it seems to have been. What I would like to see is some kind of process of arbitration. I am not a drafter of bills otherwise I would be more than happy to do it for you but, if there is some way in which this kind of arbitration can be introduced ... The other thing is that, if there is to be a Wales Transport Strategy, there cannot be any opt-outs by a particular local authority who wants to go on a completely different route but I suspect that that probably is not the case in Wales. However, I do not think there are any obvious local authorities that would opt out, but there is a need for some kind of arbitration.

Q254 Mr Martin Caton MP: On finance, can I quote from the submission from the WLGA to these Committees where they quote the then Minister for the Environment, Planning and Transport when the whole transport issue was being looked at in 2001 when she undertook to analyse the investment needed, capital and revenue, to bring about the required changes. No report to the plenary in the Assembly has shown that that work has been completed and they therefore argue that, without this analysis, the debate about structures for delivery seems premature. Is there any fairness in that criticism?

Professor Cole: Certainly from the point of view of there being a process which Sue Essex had said she would instigate, as you say, that process needs to be there somewhere because otherwise you do have what WLGA have called “dictate and deliver”. On the other hand, although there needs to be agreement somewhere and I can see the concern of the WLGA in that its members will lose a degree of independence perhaps, the need to come up with some kind of structure ought to be going along in parallel with the Bill and it may be that the Bill needs to specify that. I do not think that actually stops the Bill going through in terms of the

creation of a new framework within which transport policy might be made in Wales, but that is an area which is of concern.

Q255 Mr Roger Williams MP: There is another bill on the legislative horizon being introduced by the Department of Education which would abolish the statutory requirement for free school transport and make it a requirement for local authorities as local education authorities to submit plans to the Assembly in Wales and obviously to the appropriate department in Westminster. Has this been taken into account in this Bill and is there going to be confusion as a result of that or is there a possibility of getting better integrated transport with school transport and transport for other departments of local authorities being involved?

Professor Cole: There are two issues here: one is the question of the ending of free school transport and the second is integrating school transport into the rest of the network. To some extent, school transport is already integrated, not so much in terms of who uses a bus at a particular time but, for example, you may well get a bus service which is a school service from, say, 8.30 to 9.00 and, at 9.00 becomes, on its return journey, if it is a school in an out-of-town site as many of our schools are these days, a bus journey into town. There are other companies who specialise only in school transport and have no desire to become involved in public passenger transport. It depends very much on the operator. So, there is an integration aspect here to consider. Whether the drafters of the two bills actually spoke to one another is a separate issue. The school transport aspects of the Bill to which you referred has not been extensively publicised and certainly there is no cross-reference in the Bill as it stands at the moment with the Bill in relation to school transport. If what you are saying is, should we actually be looking at school transport as a part of the overall transport network, in many of the counties it is the same people who deal with both school transport and public transport coordination and they will try as best they can to get the best value out of the overall resource which is available and try and either have specific school transport where both school children or pupils/students are using the same buses – you might like to call them the general public, as

it were – or whether those buses are used in some kind of integrated way during the course of the day to provide a whole series of services and get better value in that way and get better usage out of the vehicles. That is the integrated aspect but there is certainly no mention of the Schools Bill in this piece of legislation.

Q256 Mr Roger Williams MP: On a specific point, Section 7 specifically includes school transport in the Bill and there is a requirement under the Education Bill that is being put forward for local authorities to produce a plan for school transport. There is also a requirement for us to have a local transport plan. Should those not actually be one plan for each local authority and at least that would encourage the local authorities to look at this in an integrated way rather than two separate requirements?

Professor Cole: Certainly as I mentioned, the majority of local authorities these days have a transport coordinator, even within the consortia similarly, whose role it is to look at both public transport in terms of general public use of buses and, secondly, to look at school transport particularly where that involved subsidies to the public transport element because clearly the companies are trying to get as much as they can out of the money they have in terms of the transport provision. Of course, there is no relationship between the commercial services, that is purely a decision for private companies. Where services are provided under subsidy, most local authorities will be looking at both schools and other provision. As you say, there is reference to schools transport in the Bill but no direct cross-reference to the other piece of legislation.

Q257 Alun Cairns AM: Professor Cole, the powers of the Bill are one thing but obviously the financing of the implementation of the Bill is another thing. How reliant are the powers on having the necessary finance available to the National Assembly?

Professor Cole: This is something we touched on a moment ago. In one of the clauses, the National Assembly is able to direct a local authority to carry out a certain function and it

would seem therefore to be fair that an appropriate amount of money is allocated to enable that function to be carried out. We know from experience that other pieces of legislation which have come from Westminster have not had associated with them appropriate amounts of funding. There have been a number of pieces of transport legislation more recently such as issues to do with workplace parking charges. That was a piece of legislation passed in Westminster for the whole of Great Britain and yet there was no specific funding attached to that. You then get to the position of, do you want to have particular directions with particular chunks of money attached to them which might restrict the freedom of decision making by some local authorities when that money is handed over into the transport grant or do you want to go for what is a set of things in terms of a transport strategy that we, the National Assembly Government, would like to do and then give local authorities a lump sum of money in terms of transport grant to do a whole range of things according to what they think is the most important in their area? That is a dichotomy which we find ourselves in in terms of relating a particular direction to a particular piece of money. The franchising operation does that; it does have a prescriptive basis which is, "Here is a contract with Arriva Trains Wales to run the services and here is the sum of money with which you do it." It has at one end that kind of very restrictive agreement and contract and, at the other end, giving more freedom to local authorities to react to what they think are the most important things in their areas.

Q258 Alun Cairns AM: The WLGA quote in their paper that the start-up cost of the Joint Transport Authority would be £1 million plus £100,000 a year for four staff running it. How robust are those figures?

Professor Cole: They sound like figures that someone has thought up without too much analysis behind them¹. Round figures of £1 million do not often come to mind as a result of some robust financial analysis. When you are starting point is a policy which has been very

¹ A breakdown of the additional costs was not included in the Explanatory Notes. Thus it appeared reasonable to see them as an indicative round figure. The Assembly Government's subsequent assumptions and analysis of the £1m figure appear to be a reasonable estimate of the costs.

much to do with competition and very much to do with free competition particularly in terms of bus operations and you want to shift into one where there is more public sector planning of the operations, then that will involve the employment of high-quality staff in order to do that. Currently, some of those people might well be working within other areas in the private sector but there is a national UK shortage – and this will relate perhaps to the costs – of 5,000 transport planners and associated kinds of people at a professional level. The UK Government have been desperately trying to find ways of solving this problem. That gives you an idea of the kind of numbers of extra people that would be required if the sort of policies that were set out, for example, in Mr Prescott’s ten-year plan five years ago are to come to fruition. There is a change in the whole way in which transport is looked at from a purely competitive position to one which is more of a planned structure. Therefore, there are these skills which now have to be developed from somewhere and they will cost money. As I do not know on what basis the £1 million or the other figure were arrived at, I cannot tell you if that is realistic but it does not look too realistic to me in terms of the kinds of people that we will be looking for to carry on the additional roles involved in the ... Even in the consortia, the name “Joint Transport Authority” is a name but there is a consortia structure there already and that consortia structure requires additional staff if it is to develop in the kind of way that those consortia would like to develop.

Q259 Alun Cairns AM: The £1 million is one side but, on the other hand, bearing in mind the shortage of transport professionals that you have mentioned, £100,000 for four members of staff probably is not realistic either on the other side of the argument.

Professor Cole: That implies £25,000 a year each.

Q260 Alun Cairns AM: Bearing in mind the shortage in the market that you mentioned.

Professor Cole: Indeed. That £25,000 per person, which presumably includes on-cost, would not reflect the kind of professional level of staff that one would be looking for in the context of either the consortia or the joint transport authorities.

Q261 Alun Cairns AM: When we are talking about the direction to the SRA and the funding in terms of directing it, quite obviously, that would be dependent on what additional front money the Assembly can make available, but how can we preserve the additionality factor in terms of directing the SRA?

Professor Cole: The first question there is about the funding level and I think John Armit, the Managing Director of Network Rail, made the point earlier in the week that when discussions are taking place about rolling stock improvements, track improvements and so on, the issue of funding has to be there from the start so that nobody then says at the end, “Gosh, this is going to cost ten times as much as we thought it was going to cost.” Any discussions have to involve not just the technical aspects but also the financial aspects. I think that is the first part of your question. With regard to your second point in terms of additionality, at the moment, the funding provision for the Wales and Borders franchise for 2004/2005 is £120 million. That falls to £102 million in 2017/2018, the end of the franchise. First of all, that money is inadequate to provide Wales with a modern rail service but that is the amount of money which is already in the pot. One presumes that there is a mechanism which will ensure that that money will be transferred to the National Assembly in order for the process of allocation to continue. There is, as I understand it, an issue being raised by the SRA about the part of the Wales and Borders franchise which is in England and therefore let us take next year next year’s sum of £120 million, that somehow has to be divided up between the services in England and the services in Wales or some way of ensuring that the Assembly Government does in fact provide for services in England and that is in the Bill anyway. In terms of any additional sum of money, that can come from two sources: one from the National Assembly’s existing budget and it may wish to renegotiate certain aspects of in relation to the railways

and second via the funds to Network Rail because Network Rail are still the owners of the track and I think what we have to be careful of in operational terms is that Network Rail still receive an appropriate amount of money from the SRA to fund track improvements in Wales. The kind of sums of money about which they are talking at the moment are not the sums of money that would give us a thoroughly modern European railway but they are substantially more than the figures we are talking about at the moment.

Q262 Hywel Williams MP: (Translated from Welsh) I refer you to air transport and, in particular, to clause 11. Will clause 11 provide sufficient funding for us to have a viable link between south and north Wales in future that people can choose to use?

C262 Hywel Williams AS: Fe'ch cyfeirïaf at drafnidiaeth awyr ac, yn benodol, at gymal 11. A fydd cymal 11 yn darparu digon o arian i ni allu cael cysylltiad rhwng y De a'r Gogledd sy'n hyfyw at y dyfodol y gellir dewis ei ddefnyddio?

Professor Cole: (Translated from Welsh) This Bill gives powers to the Assembly to develop services between south and north Wales if that appears to be a good idea. It does not state that we must have that and it does not state that that will happen, but, at the moment, the Department for Transport and the Department of Trade and Industry decide whether some kind of air service can receive a public service obligation grant. This money is given by the public sector to private companies under European regulations.

Professor Cole: Mae'r Mesur hwn yn rhoi pwerau i'r Cynulliad ddatblygu gwasanaethau rhwng y De a'r Gogledd os yw'n ymddangos bod hynny'n syniad da. Nid yw'n dweud bod yn rhaid cael hynny ac nid yw'n dweud y bydd hynny'n digwydd, ond, ar hyn o bryd, yr Adran Drafnidiaeth a'r Adran Masnach a Diwydiant yn Llundain sy'n penderfynu os gall rhyw fath o wasanaeth awyrennau gael grant rhwymedigaeth gwasanaeth cyhoeddus. Rhoddir yr arian hwn i gwmnïau preifat gan y sector cyhoeddus o dan y rheoliadau

Therefore, the DTI currently decides on this. Ewropeaidd. Felly, ar hyn o bryd, y DTI sydd yn penderfynu ynglŷn â hynny. Mae'r Mesur Assembly. We must also remember, of hwn yn trosglwyddo'r pwerau hynny i'r Cynulliad. Hefyd, wrth gwrs, rhaid inni gofio course, that this service appears to be a good Cynulliad. Hefyd, wrth gwrs, rhaid inni gofio thing, but, according to the regulations, it bod y gwasanaeth hwn yn ymddangos fel must be proven that there is no other service rhywbeth da, ond, yn ôl y rheoliadau, rhaid that is more or less the same and is more or profi nad oes gwasanaeth arall sydd fwy neu less as good as what will be provided by the lai yr un peth ac sydd fwy neu lai cystal â'r air service. For example, if the airport in hyn a geir gan y gwasanaeth awyr. Er north Wales is situated in Valley in Anglesey, enghraifft, os bydd y maes awyr a geir yn y and a service goes directly to Cardiff, the DTI Gogledd yn y Fali yn Ynys Môn, a bod y currently carries out the work of seeing gwasanaeth yn rhedeg yn syth i Gaerdydd, y whether the journey would take more or less DTI sy'n gwneud y gwaith ar hyn o bryd o the same amount of time for most people if weld os y byddai'r daith yn cymryd mwy neu they were to go by rail. Most of the people lai yr un faint o amser i'r rhan fwyaf o bobl who live in Bangor, for example, would have pe byddent yn defnyddio'r rheilffyrdd. to travel to Valley, travel for around three Byddai'r rhan fwyaf o'r bobl sy'n byw ym quarters of an hour in an aeroplane to Cardiff Mangor, er enghraifft, yn gorfod teithio i'r and then travel from Cardiff airport to central Fali, teithio am ryw dri chwarter awr mewn Cardiff. That is the trip or the journey. That awyren i Gaerdydd ac yna teithio o faes awyr would take around two to two and a half Caerdydd i ganol Caerdydd. Dyna'r trip neu'r hours after people have got their tickets and siwrnai. Bydd hynny'n cymryd dwy i ddwy so on. If the time that trains take to travel awr a hanner ar ôl i bobl gael eu ticedi ac ati. from Bangor to Cardiff reduces to three Os bydd amser teithio y trennau o Fangor i hours, it will be difficult to persuade the Gaerdydd yn gostwng i dair awr, bydd yn European Union that that is not another anodd perswadio'r Undeb Ewropeaidd nad

service that people can use. That is part of the policy once the Bill has been passed. The Bill transfers the powers from the DTI in London to the Assembly in Cardiff.

yw hwnnw'n wasanaeth arall y gall pobl ei ddefnyddio. Mae hynny'n rhan o'r polisi wedi i'r Mesur gael ei basio. Mae'r Mesur yn trosglwyddo'r pwerau o'r DTI yn Llundain i'r Cynulliad yng Nghaerdydd.

Q263 Hywel Williams MP: (Translated from Welsh) You mentioned the European Union. Is it possible to get Objective 1 funding to run a service such as the one that you mentioned?

C263 Albert Owen AS: Bu ichi sôn am yr Undeb Ewropeaidd. A yw'n bosibl cael arian Amcan 1 i redeg gwasanaeth fel yr un y bu ichi sôn amdano?

Professor Cole: (Translated from Welsh) That is a good question. Objective 1 funding can be used to buy static capital assets. For example, if Ynys Môn was an Objective 1 area, Objective 1 funding could be used to build a terminal building at the airport in Valley. The question is whether Objective 1 funding could be used to buy aeroplanes. The Treasury in London has said over the years that that is not possible because they are what it calls moveable assets. However, if we look at what is happening in Ireland, Dublin Bus has bought buses with Objective 1 funding and some of the funding for the new tram system has come from Objective 1 funding.

Professor Cole: Mae hwnnw'n gwestiwn da. Gellir defnyddio arian Amcan 1 i brynu asedau cyfalaf nad ydynt yn symud. Er enghraifft, pe bai Ynys Môn yn ardal Amcan 1, gellid defnyddio arian Amcan 1 i adeiladu terminws yn y maes awyr yn y Fali. Y cwestiwn yw a ellir defnyddio arian Amcan 1 i brynu awyrennau. Mae'r Trysorlys yn Llundain wedi dweud dros y blynyddoedd nad yw hynny'n bosibl oherwydd eu bod yn asedau symudol, yn eu tyb hwy. Ond, os edrychwn ar yr hyn sy'n digwydd yn Iwerddon, mae Dublin Bus wedi prynu bysiau gydag arian Amcan 1, a daw peth o'r arian ar gyfer y system dramiau newydd o

Officials in Brussels have agreed with people in Dublin that that is possible and they have spent the money and have established quality bus corridors in Dublin. It is possible to use the funding for moveable assets, but the Treasury in London has interpreted Brussels regulations differently, in my view.

arian Amcan 1. Mae swyddogion ym Mrwsel wedi cytuno â phobl yn Nulyn bod hynny'n bosibl ac maent wedi gwario'r arian ac wedi sefydlu coridorau bysiau o safon yn Nulyn. Mae'n bosibl defnyddio'r arian ar gyfer asedau symudol, ond mae'r Trysorlys yn Llundain wedi dadansoddi rheoliadau Brwsel yn wahanol, yn fy marn i.

Mr Martyn Jones MP, Chairman: Thank you very much, Professor Cole.

Examination of Witnesses

Witnesses: **Mr Sandy Blair**, Director, **Dr Kevin Bishop**, Head of Policy, Regeneration and Environment, **Ms Rachel Jowitt**, Policy Officer (Environment), and **Mr Chris Kay**, Director, Transportation, Planning and Environment, Flintshire County Council, WLGA Transport Adviser, Welsh Local Government Association; and **Cllr Roger Phillips**, Leader of Herefordshire Council and Chair of the West Midlands Regional Transport Partnership, **Mr Rob Surl**, Head of Transportation, Shropshire County Council, **Mr Richard Ball**, Lead Planner (Transportation), Herefordshire Council, and **Mr Danny Lamb**, Strategic Transport Adviser, West Midlands LGA, West Midlands Local Government Association, examined.

Q264 Mr Martyn Jones MP, Chairman: Welcome to you all. There are rather a lot of you and I am sure that you have a lot to say but it would probably be best if you do not all say it. Can I ask you to introduce yourselves, say where you are from and what you are doing for the record.

Mr Ball: I am Richard Ball and I am the Lead Planner (Transportation) for Herefordshire Council.

Mr Surl: My name is Rob Surl and I am Head of Transportation, Shropshire County Council.

Mr Lamb: My name is Danny Lamb and I am the Strategic Transport Adviser at West Midlands Local Government Association.

Cllr Phillips: I am Cllr Roger Phillips and I am Chairman of the West Midlands Regional Transport Partnership and also Leader of Herefordshire Council.

Mr Blair: I am Sandy Blair and I am the Director of the Welsh Local Government Association and I bring the apologies of my members who are not quite in a position to come and attend themselves at the moment.

Dr Bishop: I am Kevin Bishop and I am Head of Regeneration and Environment at WLGA.

Mr Kay: I am Chris Kay, Director of Transportation, Planning and the Environment for Flintshire County Council and a WLGA Transport Adviser.

Ms Jowitt: I am Rachel Jowitt, WLGA Policy Officer.

Q265 Mr Martyn Jones MP, Chairman: Do both of your organisations welcome the aims of the Bill?

Mr Blair: I think that we can say initially that we welcome the proposed devolution of powers to the Assembly to undertake a strategic approach to transport and, in that regard, we welcome the aims. We do however, as will be obvious from our written submission, have a considerable number of reservations about the detail.

Cllr Phillips: Obviously we on this side of the border find it a very interesting Bill. I think we are concerned about the impact it is going to have on the ground and the good working that is going across the borders. It raises the issue about the whole problem between regions and the boundaries between regions. Those of us who have lived in the Welsh borders all our lives know that, in Herefordshire and Shropshire, we probably have the main artery that brings North and South Wales together by the A49 and the good railway line we have there. We recognise that that has benefits for those of us who live in Herefordshire and Shropshire but I think there is concern that we make sure that the mechanisms are there but should at any time something is not going right, the good partnership working that does exist can maintain continuum because otherwise it has a big impact on the economic, transport and communities of both sides of the border because, if you go up the Welsh border up from Abergavenny, Kington, Knighton and Presteigne, right up the way to Oswestry and beyond, the economic survival and communities of those towns market rely on the good commonsense of transport links on both sides of the border and in between links and the development of any Welsh strategy needs to make sure that it is not in conflict with what is going on that other side of the border as well.

Mr Martyn Jones MP, Chairman: Absolutely. As someone with a constituency that borders England, I am very well aware of the problems of cross-border travel.

Q266 Christine Gwyther AM: You have given us in your written submission some of the sort of devil in the detail of the Bill but can both organisations tell me if there is anything you think should have been included in the Bill which has actually been left out.

Dr Bishop: We did not explore this in any detail in our submission and we would welcome the opportunity to submit supplementary evidence because there are a number of areas where we think the Bill could be used to strengthen, if you like, powers that relate in particular to service delivery rather than the administrative end of transport. For example, the potential for a Bus Passengers' Committee for Wales. There are more people in Wales who travel by bus than by rail. We would like to see some strengthening of the arrangements around quality bus partnerships, particularly the concerns we have about restrictions or use of existing facilities. We would like to see bus operators restricted in terms of minimum standards. The Traffic Commissioner for Wales: we have one; he is obviously based in Birmingham; we believe there might be potential benefits of having a Traffic Commissioner for Wales based in Wales who is able to deal more accurately, if you like, with rogue operators and so forth. We would like to see some amendments that relate to bus service contact duration, to extend the period from, as I understand it, five years to perhaps seven or ten to allow private operators to invest in new vehicles, there will be benefits for school transport there and there are other areas that I can speak of but, if you like, we would like to see a more service focused element to the Bill.

Mr Surl: Our main issue is around the issue of consultation because so many important Welsh transport links are located within the English regions. We would like to be reassured that there will be adequate consultation during the preparation of the transport strategy. Briefly and specifically, in clause 2(5), it says that the Assembly "must consult", but it then says, "any persons it considers appropriate." We believe that clause should be strengthened to

include a requirement to consult neighbouring local transport authorities and regional assemblies in England. We would like to see a similar provision made in clause 3 or specifically in schedule 1 which is referred to therein. In clause 7(2), we believe that, in exercising its powers under sub-section (1), the Assembly should also have regard to the views of neighbouring local transport authorities in England in regard to services affecting the areas for which they are responsible and generally, in clause 7, we believe there should be reference to the need for joint working with local transport authorities. My colleagues will have more to say about partnership a little later on.

Q267 Christine Gwyther AM: Bearing in mind your opening remarks and especially the arterial route, the north/south route, what are your views on having a discrete Welsh Traffic Commissioner?

Mr Surl: Our concerns generally are not about the structure of administration on the other side of the border, our concern is how it affects us and what we do. So, we have concentrated our comments mainly on a need for consultation and joint working with whoever is the authority on the other side of the border.

Q268 Christine Chapman: This might come up later but I was interested in Dr Bishop talking about the quality bus services or contracts. That sounds a very interesting idea with a lot of merit in it but do you think that, in reality, there would be conflict between cost as far as local authorities are concerned and the quality? Is it aspirational rather than realistic?

Dr Bishop: As I understand it, there are particular problems at the moment with quality bus partnerships in terms of the process of establishing such a partnership on a statutory basis and that process is quite convoluted and complex. It would perhaps be a good opportunity to reform that to make it simpler and easier to put in place, which would actually potentially be a cost saving and, in particular, the issue of not being able to restrict the use of existing

facilities to bus operators who meet minimum standards. We want to raise the standards of public transport and that is one of the areas we would look for.

Q269 Mr Martin Caton MP: Mr Surl just referred to clause 2(5) of the draft Bill which, as he said, states only that the National Assembly must consult any persons it considers appropriate in preparing or revising the transport strategy. In fact, both the delegations here have argued for local authorities to be included in that clause. Who else would you consider to be appropriate persons or bodies?

Mr Blair: We have not thought it appropriate to have a long list but we did think there ought to be a wider recognition of the whole range of agencies and organisations that might be appropriate and we thought of the various Assembly sponsored bodies, the cross-border authorities, obviously the local authorities themselves and possibly specific authorities with responsibility for the ports, the airport authorities, the whole range of those authorities. Whether it is appropriate to have a long list which might then become restrictive is always a question, it seems to me, for drafting but I think we would generally agree (a) that we thought it was appropriate because of our statutory functions that local authorities should be specifically mentioned and (b) that there should be an indication that there would be other authorities whom the Assembly ought to take into account.

Mr Lamb: In addition to the local authorities, certainly within the English regions, it would be worth having liaison and partnership meetings with the regional development agencies who have specific responsibility for the economic strategies and also the regional assemblies within England with responsibility for spatial planning and the English regional transport strategies. I think the other organisations that have been mentioned elsewhere included the transport operators and, within the West Midlands region again, the Passenger Transport Authority and Executive that we have.

Dr Bishop: This relates to the requirements on consultation but for clause 2 and clause 1, the general transport duty, it seems strange that for a statutory body, the Assembly Government,

which has a legal duty to promote sustainable development in the exercise of all its functions the general transport duty is very narrow in its focus and includes no specific reference to environment. I think it would be useful to have that reference in and obviously that would then have a knock-on implication in terms of the Wales Transport Strategy and the requirements of consultation on that.

Q270 Albert Owen MP: If I can return to the cross-border issues – and as Cllr Phillips mentioned as being very important in his opening remarks – as you know, a number of the transport systems contained in this draft covers both England and Wales. Are you satisfied that the English customer is safeguarded within this Bill?

Mr Ball: As we have said already, our aim is to ensure continued joint working to bring benefits to both English and Welsh customers, both in terms of road transport and rail transport. We would like to see clauses 7 and 9 strengthened to require this greater joint working in relation to the public passenger transport services and consultation with local transport authorities in England in relation to that. At the present time, both Herefordshire Council and Shropshire County Council have a number of cross-border agreements in relation to bus service provision and we feel that this should be continued. In relation to clause 9, the power to give directions to the Strategic Rail Authority, we would also wish to see continued joint working and liaison in relation to the exercising of those directions and this particularly relates to the Marches line running through Herefordshire and Shropshire which does provide a very key link between North and South Wales. Also, the issues of ensuring that inconsistencies do not occur on the Aberystwyth/Shrewsbury/Birmingham line in relation to services either side of the border. Obviously that is a key route feeding into the national rail hub at Birmingham New Street. The main issue there is that we would want to suggest that there should be agreement between the Welsh Assembly and English Local Transport Authority, Centro and train operating companies in relation to the content and detail of directions as they may affect English passengers.

Cllr Phillips: There is the definition of customer but there are also the road users to use as well and we have talked about the A49 and the significant spine that that is to the Welsh Border regions but also there are the east/west routes as well, the A44 in particular which is vital to the regeneration of Mid Wales and its connection towards the M5. I think we always have to bear that in mind and make sure that the perception is always right because, if we are not careful, people will get the wrong perception and that will undermine a lot of economic activity on both side of the borders, in particular a rural area where we are already suffering and that is what we always have to watch and be mindful of.

Q271 Albert Owen MP: I understand that and I take on board the points you made but my specific question is, is it possible to put all the issues you are talking about with the policy decisions this into the Bill because, as Mr Blair said, it could be too restrictive if these clauses were put into the Bill? That is the sort of question I am asking because the purpose of this Bill is to provide a framework for the National Assembly and I am asking the question whether this precludes the English customers/residents who may or may not travel backwards and forwards to work.

Cllr Phillips: That will depend on the genuineness and the real consultation that is going to take place with Herefordshire and Shropshire and, if there is a time when we believe that the Welsh strategy is developing and not being mindful of those things, then obviously the English customer is not going to be represented and I do not think you can determine just as the English customer, you can say that Welsh Border customer, full stop.

Q272 Janet Davies AM: You have already referred to clause 2(5) and I think you said that consultation should occur with regional assemblies and/or regional transport bodies. Do you think that would be as satisfactory as actually consulting with local authorities who are affected in England?

Mr Lamb: I think it is both that needs to be consulted. The strength of the consortia in Wales and the strength of the partnerships that we have in England are the bottom-up approach that they take and it is very important that the local authorities and the regional authorities are included in this consultation. There is a very strong move towards sub-regional arrangements for transport within England at the moment. We cannot forget about what happens across the border between Hereford and Wales and between Shropshire and Wales within that discussion.

Janet Davies AM: I think we have considered this aspect quite a lot, so I will leave it there.

Q273 Elin Jones AM: (Translated from **C273 Elin Jones AC:** Mae'r Mesur drafft yn Welsh) The draft Bill proposes that the cynnig y bydd gan y Cynulliad Cenedlaethol National Assembly be given the right to yr hawl i wrthod unrhyw gynllun trafndiaeth reject any local transport scheme that does lleol os nad yw'n cyd-fynd â strategaeth not fit in with the Welsh transport strategy. If drafnidiaeth Cymru. Os bydd anghydfod o'r such a dispute arises between the local and fath yn codi rhwng y lleol a'r cenedlaethol, the national, how will that be settled? sut fyddai hynny'n gallu cael ei setlo?

Dr Bishop: You are quite right. The Bill as currently drafted totally changes the relationships and the role of the local transport plans. In future, they will become in essence implementation plans for the Welsh Transport Strategy and the Assembly will have powers to approve them. It will also have powers to dictate to local authorities how they produce those plans. Rather than tackle the problem at the end of the pipe, which is what you have alluded to, we would much rather an amendment that sees the Assembly become a statutory consultee and play an active role in the formulation of the local transport plans rather than sit as judge and jury at the end of the process. We believe that acting as a statutory consultee would much more fairly reflect their national role. They could then input in terms of the Wales Transport

Strategy but it would also ensure that local transport plans remain exactly as the name suggests, local, in that you would have a requirement to take on board the views of the statutory consultee but you would also retain the ownership of those plans and the ability to reflect local opinions and local needs. That would be a much better way of tackling the problem which the Bill may potentially give rise to.

Mr Blair: I think this goes right to the very heart of the Association's concerns and that is that we welcome a bill that facilitates the delivery of local transport and transport at a strategic level, but we are uncomfortable with the flavour of the bill because it does appear to try to create a process for imposing rather than building and I think the mechanism that Kevin has just referred to would certainly be far more in accord with the style and approach that has been developed in Wales about the relationship and the understanding which is being further developed in the plan rationalisation approach for all services, which shows a proper relationship between the strategic objectives of the Assembly for national matters and the local development of policies to reflect community well being and the integration of those policies with the other localised policies such as health and well being, children and young persons. I think we are concerned that this Bill, in having a narrow approach to transport, is in danger of reflecting more of a silo thinking in the Assembly than the rest of the Assembly's development of plans and we would certainly prefer to see a way of taking this forward which does not involve trying to find a way of dealing with problems later on but starts on the premise that we are capable and sophisticated enough now to work on this together from the beginning.

Q274 Elin Jones AM: (Translated from **C274 Elin Jones AC:** A derbyn bod Welsh) Accepting that there will be an gwelliant—ac y byddai'r Cynulliad yn amendment—and the Assembly would be a ymgynghorai statudol, fel yr oeddech yn statutory consultee, as you mentioned—even sôn—hyd yn oed ar ddiwedd y broses, yn

at the end of the process, during the process ystod y broses neu hyd yn oed ar ôl hynny, a
or even after that, and that a disagreement bod anghydweld yn parhau, oes yna rywbeth
persists, is there any provision later on in the ychwanegol yn nes ymlaen yn y broses y
process that could be proposed for the Bill gellid ei gynnig ar gyfer y Mesur a fyddai'n
which would be a mechanism that could fecanwaith fyddai'n gallu setlo anghydfod
settle a dispute between the local and the rhwng y lleol a'r cenedlaethol?
national?

Dr Bishop: Accepting that we have a fundamental problem with the starting point at which we are coming in on this and that is that we do not accept the need for the Assembly to approve and we can have real concerns that that will lead to the conflict to which you have just alluded. If we do end up with this, then the only way in which you are going to get conflict resolution is by having some form of independent, almost inspectorate level, adjudication and I think we run the risk then of creating a bureaucracy which is totally out of play to what we have at the moment which seems to be the local transport plans are in effect working, by and large, and I think in the evidence and the questioning of Professor Cole, one of the problems with the transport plans is the resource element of this which the Bill obviously does not have the powers to address at all. We would rather not go down that *cul-de-sac* and I think it is a potential *cul-de-sac*. We would much rather see reforms within a Bill which takes away this approval requirement.

Ms Jowitt: If a local authority is not meeting its statutory functions and obligations and is failing to deliver services, the Assembly already have powers under the best value legislation to intervene as appropriate. There is already that mechanism to go into local authority.

Q275 Mr Martin Caton MP: I wonder if the case you are making has not been a little exaggerated. As you say, you heard what Professor Coles said. He sees the combination of bottom-up and top-down provided for in the Bill as very welcome and he also said in response

to me that, in practice, because of the power that was just mentioned there and also because of the power of finance, the National Assembly can to some extent direct and require you to deliver anyway. Are we talking about the cultural change that you seem to be suggesting or is it something less significant?

Mr Blair: I think there is a real question of maintaining local democratic ownership. I think there is an issue about emphasising the mutual responsibilities recognising, I suppose in European jargon, the subsidiarity elements that recognise and applaud the strategic objectives at national level but also welcome and applaud the local objectives and the setting of those local objectives in a context that reflects the community at local level. That then leads on to views about collaboration between authorities for relevant purposes recognised at local level. I suppose it is a question of reinforcing the positioning of the relationship between the devolved government and local government in Wales, and whilst there is always scope for improvement and there is always scope for understanding better ways of using the limited resources that are available, obviously we argue that there is as yet no evidence that the current process is radically wrong, we recognise the need for some scope for the Assembly long term but we do not think that it is appropriate that that mechanism should automatically include powers that are additional to the ones they have and could use already.

Q276 Mr Martin Caton MP: If we followed the line that you would like to take where the Assembly is a consultee for the local transport plans, then obviously the final decision remains with the local authority. You would find it acceptable that you could have a local transport plan that was contrary to the Wales Transport Strategy? I do not think it is very likely but the theoretical possibility is there.

Mr Blair: There is the theoretical possibility that there could be local deviation from a national strategy because that is a better reflection. One could see that argued through in a sophisticated way with the National Assembly within the whole relationship between that local authority, remembering that this plan will be part of an approach which has at its core

policy Agreement between the Assembly and that local authority for all its funding, where there will be mechanisms, as you yourself said, the power of the purse, to use other levers. I am not anticipating that there would end up with a really major diversion but if there was then we have a view that the Assembly ultimately has other powers and it is unnecessary to add it into it.

Q277 Mr Roger Williams MP: Perhaps I could ask WLGA, you might have heard me questioning Professor Cole about the potential for legislation to do away with the statutory duty to provide free school transport for children. The purpose of that Bill is to improve, as I understand it, school transport but there is a possibility that local education authorities seeing themselves as just education authorities could see that as a potential for saving money which could cause quite a lot of transport chaos as well. Is this not a time when we could co-ordinate this bit of legislation with that and instead of having a separate school transport policy and a separate local transport policy, one which tries to integrate and develop better use of the facilities that we have got?

Mr Blair: An entirely relevant and very proper question and Rachel will give a more detailed answer.

Ms Jowitt: We have referred to this in our submission. You mentioned earlier clause 7 of the Bill mentions school transport. I think in our submission we highlight at the back all the work that is ongoing currently in Wales as part of the school transport debate, particularly the Education Committee's review into school transport as well. In our submission we have put in that we think it is premature for this Bill to specifically mention school transport in the light of all the work that is going on which could potentially impact on this Bill and also the School Joint Transport Bill you have mentioned as well. Our view at the moment is that it might be best to take it out of the Bill, to review all the work that is going on. We have commissioned research which is due in next month and we can share it with the Committee when it is published. Also the Vale of Glamorgan are doing work, the Assembly itself is doing work as

is the Children's Commissioner. I think we need to get a detailed picture of school transport across the board, the public transport provision and the Education Act provision before we start putting clauses in the Bills which have not yet been thought through.

Q278 Mr Nigel Evans MP: I am a great believer in local democracy and a former county councillor myself in West Glamorgan and probably being a believer of true devolution which means that we do ensure that the powers rest at the lowest level possible. The impact of all of this, where it interests me, is clearly on the consumer, on the transport user, on those who have not got a car who need to get around, particularly in rural areas. You were not here earlier on when I was making the case for rural dwellers that everything seems to be centred towards city areas, urban areas and indeed the same city in urban areas, and I am speaking as a Swansea Jack here, possibly with a huge chip on my shoulder about Cardiff but, there you are, I am getting over it slowly. Do you believe that if your recommendations come about that it is going to benefit people living in rural areas and more deprived areas and that they may be the ones that lose out if this just gets steamrolled through as it is suggested currently?

Mr Blair: I am most happy for you to answer that, Kevin!

Dr Bishop: I would like clarification about our proposals because obviously the Bill does not contain our proposals as such.

Q279 Mr Nigel Evans MP: No.

Dr Bishop: I would argue that local authorities and the four existing consortia are working hard to meet the needs of rural Wales. You only have to look at the successful implementation of the concessionary fares scheme, an Assembly initiative which has been delivered by local government in partnership with the Assembly extending to rural areas. Now the current debate about the extension of Community transport as well, local authorities are engaged in this. I still think that there is a potential fundamental just position between

what we have got at the moment, which seems to be working, and what the Bill is proposing which might knock down what we have got at the moment. Our position, and hopefully that is clear through the submission that we put in, is that we want to work with the Assembly to make sure that what we have got at the moment delivers the service improvements that rural, urban, valley Wales wants to see. I will argue it does not matter who delivers it but what they want to do is to see a link between their locally elected members, who they know who they are, they can complain to them, and the services that they receive which is what you have got at the moment.

Q280 Mr Nigel Evans MP: Clearly you think that somebody is going to lose out if the Bill becomes an Act as it is suggested currently. It cannot be just the county councillors who are the ones who are going to lose out because there will be total sympathy there, it has got to be the transport users so how are they going to lose out if this carries on as it is suggested currently?

Dr Bishop: I think our real concern is that we enter a period of administrative reform where, if you like, attention is taken away from front line services to put in place potential joint transport authorities. There is no doubt that will be time consuming, it will be resource consuming as well in terms of having to staff it, find offices for it and so forth. During that time I think attention will be taken away from transport services.

Q281 Mr Nigel Evans MP: It will be hugely more bureaucratic, more expensive and poorer front line services?

Dr Bishop: That is our real concern.

Mr Kay: Could I just perhaps emphasise from the local authority service delivery point of view, one of the concerns I think that we have is that the way in which the Bill is currently set out there is still a possibility of a large number of authorities providing public transport services. One of the key issues for us in rural areas is that integration, to get the best value

out of the service provider. If we have a situation where the Assembly, the consortia, the local transport authority and the joint transport authority are all providing local bus services within an area or adjacent areas we have a situation, I think, where we are not integrating it and we are not looking at it in a rural situation. I think the travelling public could suffer in that situation.

Ms Jowitt: I think taking that point further from what you said about service delivery, at the moment we have not seen any extra resources being made available through this Bill to deliver improvements from a local authority's perspective, as Kevin said, it is all administrative reform. Whether or not in just changing where officers sit and who they report to you can see a change on the ground is questionable.

Q282 Janet Davies AM: At the moment as far as bus transport is concerned, we have four regional consortia in Wales. Would you consider that they are delivering a consistent strategy and consistent services on the ground which are of good quality?

Mr Kay: I think the important thing is the mechanism that is put in place to deliver that because obviously there are different regional needs across the Principality. Certainly in the current mechanisms, and I can speak here for the North of Wales situation where the development of a regional bus strategy has enabled us to co-ordinate that service delivery, all consortia are to some extent hampered within the constraints of the commercial operations, and that is certainly one difficulty that we face. Nonetheless I think each of the consortia has adopted this regional approach and as far as it is able co-ordinated the work of individual authorities in terms of that bus transport provision.

Q283 Janet Davies AM: I am from South East Wales and I am quite aware of the very good work that is done by the previous two consortia, now one consortium, and it seems to be working very well in that area. Anything I say about the rest of Wales is second hand, it is

not direct experience. It has been suggested to me that in other parts of Wales this has not been working as well.

Dr Bishop: We understand that the Assembly government received a report from independent consultants earlier this year, regional public transport strategies, which indicated firstly that local transport plans were essentially sound and secondly that there were good signs of potential with the existing regional consortia. I think that independent consultants showed that things were in place to deliver and that the transport plans were working effectively as well.

Janet Davies AM: Potential rather than actually happened in some areas.

Q284 Jenny Randerson AM: Can I take you back to your claim that this will be the creation of a large bureaucratic structure. How many staff do the consortia employ at the moment across Wales? How do you counter the claim in Professor Stuart Cole's evidence I believe which is that in fact you are duplicating a lot of things across 22 local authorities and that many local authorities in Wales, by virtue of their size, are not adequately staffed to deal with the challenges they face on transport issues?

Mr Blair: I will just make a very brief comment, and I am sorry I do not have all the facts and figures myself, but if my colleagues do I will praise them for bringing them with them. The experience at the time of local government reorganisation was to recognise that a number of specialties would require collaboration and support and as you are aware obviously there are a number of joint highway agencies, most of those also deal with either integrated or part integrated planning on transport support for the transport expenditure. They recognise they would not be able to all deliver with their own individual staff so they share specialists, and that has been a way which local authorities have dealt and they have learnt from that and we are looking for other ways of doing the same. I do not think we are suggesting that the proposals from the Assembly are going to lead to a large bureaucratic thing, I think we said there would be some extra expenditure and it would need to be found as would the key staff.

I do agree with Professor Cole in that in the transport area and in some other specialist areas there are shortages of very key people and that can drive up costs but it is also another argument for greater collaboration and there are ways of doing that. How many people we employ, I am not sure about that.

Dr Bishop: I understand that it is only SWWITCH that has a specific, if you like, human resource capability and that is one full-time manager and a regional travel plan co-ordinator. The principle of the regional consortia as they exist at the moment is sharing resources amongst the constituent authorities so maybe one authority having an expertise in one area which they share with another which is a classic example of how SEWTA is taking things forward in South East Wales.

Q285 Mr Martin Caton MP: You have mentioned the work you are doing in improving bus services, particularly in North Wales, I think you mentioned. Also you flagged up possible problems in the Bill to deliver development of bus services. How does the WLGA feel about Professor Cole's suggestion that the Bill should include provision for franchising arrangements on a similar basis to what we have in London?

Mr Kay: Certainly that is something that I do not think we have actively considered as a proposal to take forward. I think it is a question really of balancing that intervention in terms of supporting the service and encouraging the commercial service. It depends on the regions within Wales in terms of where it will be applicable and I do not think it will necessarily be applicable across the whole of Wales. There will have to be a lot more work done on it before we can formulate a view.

Mr Blair: I think it is an interesting suggestion but certainly I would wish to research it a bit more before I give you a clear answer.

Q286 Mr Martin Caton MP: It just seemed a very sensible point that Professor Cole made that the real competition is between public transport and the private motor car and that is the

competition we should be really addressing rather than creating these competitive environments for bus operators to fight each other and not necessarily benefit our communities.

Mr Blair: Yes.

Q287 Christine Gwyther AM: I want to return to something that Stuart Cole gave us in his evidence earlier on this morning also and that was he thought there could be something lacking in the Bill with regard to bridges and the financing and toll charges. Do you think this Bill is an appropriate vehicle to devolve bridge financing? I have a local interest in this in that the Cleddau Bridge in my constituency splits the county of Pembrokeshire with huge economic impact.

Mr Blair: I think that is what is known as a googly, is it not?

Q288 Mr Martyn Jones MP, Chairman: Unintentional.

Mr Blair: Yes. I need obviously to take other soundings before I can commit the Association specifically but from a personal point of view I can say that it seems to me that such powers are going to be needed in due course and as such this vehicle would seem to be an appropriate one for using it. Now that is an entirely personal view without taking political soundings, if you like, but it does seem to me that long term, if we go back to the point that Martin Caton just made about the interface between public transport as we understand it and the use of the private motor car and all the issues that need to be looked forward over the next 20 years and Kevin's point at the very beginning about sustainable development, then issues about tolling are going to arise, and that the Assembly should have the right to make decisions about that rather than Westminster seems to me to be an appropriate line to take.

Christine Gwyther AM: Thank you. I am very pleased with that answer.

Q289 Mr Martyn Jones MP, Chairman: Supported politically.

Mr Blair: I have only got five weeks to go.

Mr Martyn Jones MP, Chairman: You are safe.

Q290 Jenny Randerson AM: We have touched on some of the implications of this before but your evidence – this is a question for WLGA – states that currently local authorities have to produce strategies and submit them to the Assembly either for information or approval. Within the transport field the local transport plan is a statutory document. How does that process differ from the proposals for local transport plans in the Bill?

Mr Kay: Currently obviously, I think it is fair to say, all 22 authorities prepare a local transport plan. Now in the schedule that is currently proposed what we are not certain about is essentially two points really: the regional linkages with those regional plans and also the difficulty we have in relation to understanding whether in fact the local transport authority can act jointly and will have to produce its own local transport plan over and above any requirement for a joint transport plan; that is unclear. Nonetheless, moving on from that, once the plan is produced there is an annual review process undertaken so we can measure our performance, we can report back to the various bodies that we consult with. We have new focus groups each year to see how we are progressing so we have that accountability at local level. At the present time it is not clear how that progress monitoring will be implemented so that is a slight uncertainty and a slight unknown, particularly as we are looking at it, as was said, as an implementation plan for a national strategy and how that will relate to that local accountability in terms of the performance indicators. I think also, as I alluded to right at the start, we are concerned that there is not a very strong reference to the regional plans and the way that those regional plans will fit within the national strategy. They are a very important document and we think they are a building block to help that national strategy. As currently set down it is not clear how they will link with that national strategy and therefore how that link will take place. The other thing which is slightly different is that the Assembly will be able to direct actions that the local transport authority takes in implementing that plan. What is also not clear is in directing those actions, and therefore maybe altering priorities, what the

funding implications of that are and how that will be met. Whereas currently it is very much funded at local level through local resources and it is programmed so it can be met at local level, if there is a national intervention we are not sure how that will be dealt with. I think the other thing that is also perhaps worth pointing out, the new Bill will determine how the current voluntary consortium will be arranged and again I think that can impact too much in the way in which the detail of the local plan can be brought forward in the way the consortia can best act within local interests.

Dr Bishop: If I may comment, Chairman. I think there is an important synergy between, if you like, the current local transport plans and the way in which they are produced and the community leadership role of local authorities. We talk about integrated transport, well integrated transport means looking at the links with planning, health, all the other services which local authorities have a remit and a role in terms of delivering. We have a real concern that taking that and putting it at a regional level with joint transport authority weakens those links.

Q291 Jenny Randerson AM: Integrated transport also means making sure you can get from one area to another using the same bus ticket and timetables interchange and that is what comes to people's minds as a first thought when you use the term integrated transport. The purpose of this part of the Bill is clearly intended, whether you agree with it or not. The intention is to make sure that you have a coherent picture, a coherent strategy for the whole of Wales. Now currently you are relying on voluntary consortia which you say are working well. What arrangements are there currently for work between consortia? How much do the consortia in practice work together in order to produce a coherent picture for the whole of Wales?

Mr Kay: There is an organisation in Wales called the Welsh Association of Technical Officers which effectively is the local authority chief technical officers in the field and it meets regularly to co-ordinate and develop best practice. They bring together those lead

officers from the four consortia who meet in that forum and we discuss ways in which we can take on board that dimension and learn from best practice in each of the various consortia and develop in a way that complements each of the regional activities.

Q292 Jenny Randerson AM: How often does that kind of meeting take place?

Mr Kay: There are regularly three or four meetings a year and there are also a number of officer working groups that report through to that group. The main group also links in with the County of Surveyors Society and the Technical Advisory Group and the national bodies so there is a very strong linkage, quite regular meetings.

Q293 Alun Cairns AM: Mr Blair, in your opinion what is the difference between the role of the existing consortia and the proposed joint transport authorities?

Mr Blair: I think Chris Kay has just demonstrated that by making the point that they are bottom up, the current arrangements. The need to work with others is owned between them and they build up proposals that are based on an understanding of what is needed in a particular area by the residents, whether it is through focus groups or consultation or whatever. The arrangement that appears to us for the joint transport authorities appears to be one that wants to set - I understand this - some national frameworks but then wants to direct the delivery of those. We think that can be done in a different form of relationship with the National Assembly rather than through the creation of a separate authority. Kevin do you want to add to that?

Dr Bishop: Yes. Obviously the current consortia arrangements were instigated, if you like, by local authorities. They are bottom-up. SEWTA and TAITH now are formal boards with member steering groups and officer support groups. Interestingly, they involve wider stakeholders than just local government so, for example, the operators are represented on them as well. They do not have a formal vote if things come to a vote. If you like I would say that the consortia are at different stages in moving in the same direction and that probably

reflects the different transport priorities across Wales as well. It is important also to know that there is a strong link between the regional transport consortia and the existing regional economic fora as well with, for example, in SWITCH observer status on both, for corresponding members and so forth. I think that link is really important. What the current structures do is protect local democratic accountability. There is a clear line of communication, a clear line of ownership which we fear would be lost through joint transport authorities which are in essence the Assembly imposing things top-down, this whole notion of dictate and you deliver. Also the funding arrangements at the moment, obviously transport grant, there are arrangements whereby that is focused at a regional level, local authorities agreeing bids and so forth. The potential under the Bill is that joint transport authorities would be a levying body on the council tax which would be totally different from what we have got at the moment and we have got no idea what the boundaries of joint transport authorities would be. Would they be the same as the existing consortia, what would happen if we go down this road, if one authority wants to opt in to a joint transport authority would that be allowed or not allowed? Would it be part of a local authority area?

Q294 Alun Cairns AM: Bearing in mind all of these uncertainties how do you come up with a figure of a million pounds in your paper and how robust is that?

Dr Bishop: The figure of a million pounds is in the Explanatory Notes to the Bill so it is the Assembly Government's figure. As I understand it, it is a figure that relates to the administrative costs of establishing one joint transport authority. I think we question the robustness of that figure. I think Professor Cole alluded to the fact that it seemed to be a nice round number that could have been plucked out of the air.

Mr Blair: But not by us.

Q295 Alun Cairns AM: Let me put the same question in a different sort of way. What do you think the figure should be then?

Dr Bishop: That is an interesting question because I think what we are arguing is in actual fact that you could save the million pounds by making sure that the existing consortia work. If you look at passenger transport authorities in England, as I understand it, they have a staffing ratio of approximately 1.5 staff per 10,000 population. If you extend that to us, it means 440 staff for the whole of Wales compared with, as we understand it, about 150 staff working in local authorities on public transport issues. Now I have not done the maths but if you look at those figures I think one million pounds is quite a conservative estimate.

Q296 Alun Cairns AM: Finally then, you have answered partly the question, does local government in Wales believe that the existing consortia can deliver the Assembly's strategic transport policy. What changes would we need to see to the local consortia in order to deliver it more effectively?

Dr Bishop: I think more money.

Q297 Christine Chapman: You have alluded to this issue but I want to clarify something. What is the difference do you think in the democratic accountability between the existing consortia and the proposed joint transport authorities? I know your report does talk about this democratic accountability but I just wonder whether you can be very precise as to what concerns you have got about that? That is to the WLGA.

Mr Blair: I think we start from the premise that the existing arrangements are all based on democratically elected members and we are unclear as to the extent of direct democratic accountability that would be available through the proposals. At the moment they are an enabling proposal which allows for discussion presumably and suggestions about the various types of membership and the Bill recognises that different members may have different rights, different responsibilities and I think we feel generally fairly uncomfortable about that for local government. We think it would be better to leave it as for instance PTEs are in England which are solely local authority members.

Q298 Christine Chapman: Can I just ask, obviously this is something the Assembly will become involved with but the Assembly is a democratically accountable organisation as well so I just wonder, is it the uncertainty that concerns you? Do you want reassurances on that if you go down that road?

Mr Blair: It is partly the uncertainty and it is partly - forgive me for saying so – the current nature of the Assembly. I need to be very careful about how I say this. One of the experiences that we have in our relationships is to what extent is the relationship with the Welsh Assembly Government executive to executive having the opportunity to have responsible accountability and to what extent is it a relationship between local government and the National Assembly, part of which obviously, as you are now doing, is as a scrutiny responsibility of examining the way in which the Assembly Government works. The current arrangements are not quite clear, right at the top in terms, for instance, of the partnership council as to what the relationship is. Without the opportunity of being involved in the very early development of all the proposals here, we feel uncomfortable so we put our marker up that says “We think it would be better to leave it as it is”.

Dr Bishop: It is an issue of uncertainty for us because we do not know whether clause 5(4)(a) means that the Assembly would be appointing AMs to a joint transport authority or whether it would be more akin to a national park authority where you appoint national experts to the joint transport authority.

Cllr Phillips: Can I just add also, you did not throw it at us, but there is this issue that we have to deal with of the democratic accountability of the people of Herefordshire and Shropshire who suddenly see that their railways and their bus services and a section of their roads as well, very key to their communities and key to their economic survival, where is the democratic accountability and linkage? That is why it is so important that the partnership is genuine and works, that the co-ordination and harmony between the Welsh Transport Strategy and the local transport plans of Herefordshire and Shropshire that there is harmony there. The day there is conflict there then you start to have severe undermining.

Q299 Leighton Andrews AM: Dr Bishop has just referred to clause 5(4)(a) of the draft Bill, that obviously suggests that any orders to establish a joint transport authority may include provision about the composition and appointment of the joint transport authorities. Can I ask both organisations whether you would be happier if a statutory right for local authorities to appoint members of a joint transport authority is included?

Mr Blair: Yes.

Leighton Andrews AM: Thank you for the briefest answer I have had so far.

Mr Martyn Jones MP, Chairman: Good answer.

Q300 Leighton Andrews AM: In that case, can you further go on to tell me what you think would be the right division of appointments between the National Assembly and local authorities on the joint transport authority?

Ms Jowitt: Can I possibly comment? It depends on the funding mechanism of such a body, that is the important issue. If it is to be a levy on the council tax, which is a possible proposal in this, is it not quite right, therefore, that locally elected members have the majority. If it is maybe a block grant, there could be other issues, I think, but the accountability of where money comes from and is spent is essential to this sort of discussion.

Mr Blair: Also it goes back to the issue I raised earlier about the division of responsibilities inside the Assembly and what status an Assembly appointed member has, whether they are there from an executive point of view or a non executive point of view. I suppose it does elect government too but we are being increasingly encouraged to put executive members on to outside bodies.

Q301 Leighton Andrews AM: If it is based on council tax payments does that mean then a large authority like RCT would get more places than a small authority like Merthyr, is that what you are suggesting?

Mr Blair: It can be. There are various models, are there not, which I am sure you are familiar with. My own Association works on the basis the bigger you are the more members you get but the more money you pay.

Q302 Leighton Andrews AM: Indeed.

Mr Lamb: Can I comment? West Midlands PTA are similar to a joint authority. The passenger transport authority that we have within the West Midlands conurbation, within the West Midlands region, it is a pro rata number of members from local authorities dependent on the size of population. Hence Birmingham, for example, has the largest proportion of members within the PTA, ten out of 27 but, as has been commented, they do have a levying ability. So each of the seven Metropolitan authorities has two members from each authority, both responsible for planning and transportation. It covers a broad range of issues and it is democratically accountable. The subject of whether the West Midlands would want to be working with a partnership on the other side of the border, I think we would welcome that but it would be as an observer status only, just to make sure that there are these linkages between the development LTPs rather than anything stronger than that.

Q303 Mr Martyn Jones MP, Chairman: If it was funded by a block grant would you be happy with Government telling you what your representation was going to be?

Mr Blair: No.

Mr Martyn Jones MP, Chairman: I thought not. Can we move on?

Q304 Albert Owen MP: Moving on to air transport - and this question is to the Welsh Local Government Association - you state in your paper that you are not convinced that a scheduled air service offers the right solution and it does not attempt to fully integrate transport in Wales. Can you explain the reason for that?

Mr Blair: Kevin?

Dr Bishop: There is a potential role for air transport in Wales but I think the emphasis has got to be on potential. We would like to see some more research into this in terms of its impact in terms of social inclusion as well. The feasibility of the service, if you look at the travel times' element, is it going to be that much quicker than using the train? What are the opportunity costs of putting the money into this, putting it into some other form of public transport or some other form of imaginative solution such as perhaps improved video conferencing links between north and south? We also question the links between this consultation and the Welsh Spatial Plan because the analysis which underpinned the Welsh Spatial Plan showed that the majority of the traffic movements and the transport movements were East-West and vice versa and there was very little movement north to south.

Q305 Albert Owen MP: Is that not true for historic reasons? If you are attempting to build a more cohesive Wales than the social cohesion that you talked about, you change those dimensions. Historically we have always been linked in the north with Manchester and Liverpool. You said you need further research but there are working models. Look at the Republic of Ireland which is decentralising and it is moving its main buildings out of Dublin to the peripheries and it is establishing an air service alongside those; Northern Europe, again models that are working and also in England, in Cornwall, there is a new service being set up which is working well and it links the capital city with the periphery.

Dr Bishop: If you extend that argument, that is about public sector decentralisation as well which is what the Assembly is looking at in terms of a North Wales presence which I understand is to be the Conwy-Llandudno Junction area. If you were looking at the feasibility of that then surely it is much better to use existing public transport roads and the railway service than it is to provide an air service which as I understand it may be based on Anglesey. The reality of the travel times to the airport, the check-in time, the journey time down to Cardiff and the journey time from Cardiff Airport into Cardiff itself I think mitigates potentially against the feasibility of this.

Q306 Albert Owen MP: I have to dispute that because if you go to these other parts the distance to the railway stations you have not taken into account, it takes an awfully long time for people who live in these areas, and check-in for internal flights is very quick and efficient, not the hour you state, you can go in there some 15 minutes before. So those journey times you have added up I do not think quite work. The economic driver is something you did mention as a positive thing but you seemed to dismiss it when you talked about pure transport links. Is it not one and the same thing, and should we not be looking at it in the broader context?

Dr Bishop: I think what we suggested actually was there should be a trial to test some of this in reality.

Q307 Albert Owen MP: You mention alternatives, are you suggesting that the railway could be improved to such a standard that north-south travel becomes quick and efficient?

Dr Bishop: Again it comes down to finance as well and the issue of which areas you are trying to serve.

Q308 Albert Owen MP: The North West and South East, for example?

Dr Bishop: The potential of rail is that it has a greater reach, if you like, in terms of connecting communities than an air service does.

Q309 Albert Owen MP: From the North West of Wales to the South East of Wales?

Dr Bishop: Yes.

Q310 Albert Owen MP: You really believe that?

Dr Bishop: The problem with North East Wales is that it suffers from a lack of public rail infrastructure.

Q311 Albert Owen MP: But if you were to link the towns along the North Wales coast, travelling from North West Wales to South East, you are going to slow your journey time down because you have to decelerate and it adds to time. I do believe it complements the rail service, not works against it, and if you are looking at true integration and talking about that linking, it is between different modes of transport as well. I am glad you have moved on to saying it should be given a chance.

Dr Bishop: I think that was quite clear in our submission on the consultation.

Albert Owen MP: Thank you very much.

Mr Martyn Jones MP, Chairman: Any further questions? Thank you very much indeed.

We will reconvene at 2 o'clock.

HOUSE OF COMMONS

MINUTES OF EVIDENCE

TAKEN BEFORE

HOUSE OF COMMONS WELSH AFFAIRS SELECT COMMITTEE
AND NATIONAL ASSEMBLY FOR WALES ECONOMIC DEVELOPMENT
AND TRANSPORT COMMITTEE

DRAFT TRANSPORT (WALES) BILL

THURSDAY 24 JUNE 2004

MR DON TOUHIG MP, MR ANDREW DAVIES AM, MR ROBIN SHAW,
MR DENZIL JONES and MR KEITH BUSH

Evidence heard in Public

Questions 312 - 376

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Oral Evidence

Taken before the Welsh Affairs Select Committee

and National Assembly for Wales Economic Development and Transport Committee

on Thursday 24 June 2004

Members present

Welsh Affairs Committee

Mr Martyn Jones, in the chair

Mr Martin Caton	Hywel Williams
Mr Nigel Evans	Mr Roger Williams
Dr Hywel Francis	
Albert Owen	

Economic Development and Transport Committee

Christine Gwyther, in the Chair

Leighton Andrews	Elin Jones
Alun Cairns	Jenny Randerson
Christine Chapman	
Janet Davies	
Lisa Francis	
Brian Gibbons	

Witnesses: **Mr Don Touhig**, a Member of the House, Parliamentary Under-Secretary of State for Wales, Wales Office, **Mr Andrew Davies**, AM, Minister for Economic Development and Transport, **Mr Robin Shaw**, Director of Transport, and **Mr Denzil Jones**, Head of Transport Policy Division, Welsh Assembly Government, and **Mr Keith Bush**, Legislative Counsel National Assembly for Wales, examined.

Q312 Mr Martyn Jones MP Chairman: Welcome to this historic session. We keep making history, I am delighted to say. This session has gone on to a further stage because we have both Ministers together before both Committees jointly, which is an excellent way

forward. We all know who you are but for the record would you mind introducing yourselves and your staff?

Mr Touhig MP: Don Touhig, Under-Secretary of State for Wales.

Mr Davies AM: Andrew Davies, Minister for Economic Development and Transport, accompanied by Robin Shaw, Director of Transport in our Transport Directorate, and Denzil Jones, Head of Transport Policy Division.

Mr Bush: I am Keith Bush. I am a lawyer from the Office of the Counsel General of the Assembly.

Q313 Mr Martyn Jones MP Chairman: Thank you very much indeed. Can I just ask why the draft Bill does not specify a timescale for the preparation and review of the Wales Transport Strategy, or have you any plans to include one in the Bill?

Mr Davies AM: Yes. Obviously, once the Bill is passed and implemented we will be then looking to develop the Wales Transport Strategy. Bearing in mind the legislative framework I think we are looking at something like 2006 as the earliest point for that to be established, but obviously that will be done after very widespread consultation with all stakeholders and transport service providers as well as transport users.

Mr Martyn Jones MP Chairman: So it is not included but you are considering it on a realistic timescale.

Q314 Christine Gwyther AM: I have two questions. The first concerns Clause 2(5) of the draft Bill. In that clause it is stated that the National Assembly must “consult any persons it considers appropriate” in preparing or revising the strategy. Can I ask you who you would consider to be appropriate persons and why does that sub-clause not make it a duty to consult with those people or those organisations?

Mr Davies AM: On the first point, partly in response to the Chairman of the Welsh Affairs Committee, we will be looking at all the stakeholders in terms of transport providers and also

the other key stakeholders, which are obviously local authorities, but also the transport users, such as the Rail Passengers Committee and other stakeholders who have an interest in transport services in Wales.

Q315 Christine Gwyther AM: It sounds as if full consultation is implicit but would you think that it could be explicit?

Mr Touhig MP: Yes. It says “must”, “the Assembly must consult”. That is a duty upon the Assembly to consult those persons it considers appropriate.

Q316 Mr Martyn Jones MP Chairman: I think it is the definition of “appropriate” that we have been getting at.

Mr Touhig MP: We would take “must” to mean, Chairman, that it is a duty on the Assembly to consult. It is not an “if” or “maybe”. It is a duty.

Q317 Mr Martyn Jones MP Chairman: With all those lists that -----

Mr Davies AM: It is implicit rather than explicit.

Mr Bush: Perhaps I could add, Chair, that this is a very standard formulation. It is very similar to that which Parliament has just passed in the Planning and Compulsory Purchase Act in relation to the Wales Spatial Plan and also I think it is the same as in the Government of Wales Act in relation to the Assembly Sustainability Scheme.

Q318 Christine Gwyther AM: During our evidence sessions this morning two of the witnesses, including the Chief Executive of the Welsh Local Government Association, thought that this Bill might be an appropriate vehicle to devolve financial arrangements concerning bridges, and road bridges particularly. You will know that I have a constituency interest in this in that the Cleddau Bridge tolls provide a very real economic disbenefit to the people of Pembrokeshire. Would you consider that that sort of financial arrangement could

now be devolved to the Welsh Assembly Government and do you think this Bill is an appropriate vehicle with which to devolve it?

Mr Davies AM: If I can just take the Severn Bridge issue first, the toll on the Severn Bridge was established by the Severn Bridges Act in 1992 and the current concession is scheduled to last for a further 12 years; then the UK government is on schedule to continue tolling for a further five years to fulfil the remaining debt. Clearly there are major financial issues to be regarded in this area. There are existing commitments for £60 million per year over the next 17 years which will be well in excess of one billion. Obviously, in terms of competing priorities, as the Minister for the Assembly Government's budget I think it wouldn't be fair and feasible for that level of costs to be borne by the public expenditure rather than by road users. On the issue about Cleddau Bridge maybe I can ask Robin Shaw to come in on the detail on this, but my understanding was that that was established by a private Act. We are reviewing the Trunk Road Agency arrangements in Wales currently and we think that would then be swept up by the Trunk Road Agency arrangements and that might be an appropriate time to look at the Cleddau Bridge as a particular issue.

Mr Shaw: Can I add that in terms of the review we undertook of the trunk road network we have resolved that we will be trunking that road. As you are aware, it is on the list there, and clearly the financial arrangements around the bridge will have to be resolved between ourselves and the local authority at that time. That is the appropriate way to deal with that rather than use this Bill.

Mr Touhig MP: The Secretary of State has the responsibility for negotiating the settlement with the Treasury. We are about to conclude the next spending review and, even on the most optimistic hopes, I do not think we would persuade the Treasury to part with sufficient funds to allow the Assembly to have money to cover costs in terms of the Severn Bridge tolls of perhaps a billion pounds of commitments over the number of years. As my colleague minister has said, you know your own priorities within the Assembly in Cardiff. It would be

very difficult perhaps to justify that kind of expenditure, whatever one's sympathies and understanding might be, coming out of the public purse.

Q319 Alun Cairns AM: Ministers, can I return to Clause 2(5) which Christine Gwyther highlighted? The West Midlands Local Government Association made representations this morning and were obviously very concerned that they were not listed as an explicit consultee and they feel that that would protect their position. Do you agree that it would protect their position if they were an explicit consultee and would you agree with having that included within the Bill?

Mr Davies AM: We have not made any of the consultees explicit on the face of the Bill. Clearly the cross-border arrangements are extremely important. We have had discussions through the Wales Office and with the DfT about these cross-border issues. Officials have had discussions with the border local authorities in England. Also, already this week I have met with the Rail Passengers Committee, the Chair and the Secretary, to discuss these very issues to make sure that the views of rail passengers in the English border counties are taken on board. We are looking at setting up a mechanism by which the views of local authorities and other stakeholders in those areas are taken on board in terms of the delivery of rail services.

Mr Touhig MP: In our experience of taking legislation through the House that is as Welsh specific as this Bill will be we have always sought to recognise the importance of the devolution settlement and making the devolution settlement work, and we have had lots of what I call grey areas where we have been reluctant to specify things in too much detail because it would impinge upon the Assembly's right to make secondary legislation, for instance, and if we were to put on the face of the Bill specific names of organisations which had to be consulted only those organisations could be consulted and that could not be changed without legislation. We feel that it would be better for you in Cardiff to make that decision yourselves because that may vary. Someone who is not on our agenda to be consulted this

year in two or three years' time you might want to consult. If they are not on the face of the Bill you are prevented from doing that. Maybe your point was only to include one or two but it does mean that if you start putting who is to be consulted on the face of the Bill you are inhibiting your opportunity then to do what you want within the parameters of the Bill.

Q320 Alun Cairns AM: Thank you, Ministers, for the answer. I think it is a positive move that has been made in terms of officials having discussions with the local authorities across the English border and that would be welcomed on both sides, I have no doubt. Bearing in mind that so many of the routes, both rail and road, would be going through the border counties, Mr Touhig, can I also put it to you, that it is a Wales specific Bill but it has significant implications for the border counties and, bearing in mind that it is a UK Parliament passing UK law, do you not accept that they would have the right to be protected as well?

Mr Touhig MP: I do indeed, because if you remember the Health (Wales) Act, there were specific issues so far as CHAI and the Health Inspector unit Wales were concerned. We had a great deal of discussion in committee, mainly initiated, I must say, by members of the Opposition who were concerned about cross-border issues and the need to avoid duplication on inspections and so on, so we do have to take that into account and that will be reflected, I have no doubt, in the discussion we will have on this Bill as we go into committee etc. I do think it is important, as I say. It is a difficult and grey area. Perhaps I may be permitted, Chairman, to explain it in this way. If we are putting into place a piece of legislation that might be for England and Wales and we say that a Bill will give certain powers to a minister, in committee we will be challenged by members of the committee to say, "Precisely what powers are you giving the minister in the Welsh context?". I have been challenged in the past but if I am too specific about how you will operate those powers in Cardiff then I am preventing you from making secondary legislation, so I have to do it in such a way that it in no way impinges upon your right to do that, at the same time assuaging any fears of my colleagues here, that they have the right too, because we make the legislation on your behalf

to do that in an effective way. Andrew and I were only talking about this earlier. Some of you may remember on the Health (Wales) Act last year that there were a number of issues where I was being pressed by members of the committee to say, “What precisely will the Assembly do in this particular area?”, and in order to be helpful Jane Hutt, the Assembly Minister, wrote to me and set out the broad terms of how she would act. I was able to share that with committee members and members understood within broad terms how the Assembly ministers would exercise those particular powers. It is still a grey area but it is part of my duty, as it is the Secretary of State’s duty, to make the devolution settlement work and we do not wish in any way to impinge upon the right that the Government of Wales Act gives you to make secondary legislation.

Mr Davies AM: Can I just say specifically in addition to what I have already in terms of the discussions that have taken place that there are safeguards in the Bill about protecting the interests of stakeholders or users in English border areas. There is a safeguard in the Bill which requires the Assembly to consult local transport authorities in England and Wales in whose area transport services would or might be significantly affected by the Assembly’s proposed directions and guidance. Also, there are other specific provisions within the Bill which impose a duty on us to consult and to make sure that those interests are taken into account.

Q321 Alun Cairns AM: I accept those points that have been made on both sides, but in spite of discussions, in spite of those safeguards that you have mentioned, the West Midlands Local Government Association obviously felt sufficiently strongly to raise that again in the meeting, so there still seems to me some work that needs to be done in terms of clarifying positions and different rights and so on.

Mr Touhig MP: Can I just add that of course you are putting this on the agenda by raising it with us and you will also be covering it in your report. This is the beauty of the pre-legislative scrutiny, that at the end of the day legislation can be improved by this kind of

consultation and we will take account of those views as Andrew and I will be given responsibility when the public consultations are over of finally putting the Bill through for Parliament to consider.

Mr Davies AM: Absolutely.

Q322 Dr Hywel Francis MP: If we could move on specifically to the timing of the draft Bill. Could you explain why it appears to have taken so long to be brought forward?

Mr Touhig MP: Yes. This is the third draft Bill that you have very helpfully considered as part of the pre-legislative process. It was published on 27 May, which was a bit later than we did last year. We published the draft Bill in April last year, although the first draft Bill you considered we published on 17 May in 2002. Although the First Minister wrote to the Secretary of State, as he does every year, bidding for this as a piece of legislation, I think it was in 2002, for the future legislative programme to be published in draft, etc, there was a great deal of work to be done between ourselves, our colleagues in the Assembly and the Department for Transport. As you know, as work was going on in preparing this draft Bill, the Secretary of State for Transport announced a review of rail and that too impacted upon parts at least of the areas he is consulting on which are covered in this Bill. It was one of those unfortunate things where there was a great deal of work that needed to be done in order that we could get where we are today. It has not been entirely easy and, as you are aware, the Secretary of State for Transport is consulting now on an aspect of rail transport that is covered in part of this Bill.

Q323 Dr Hywel Francis MP: Would it be true to say that this is a much more substantial draft Bill as well compared with the other two?

Mr Touhig MP: If you look back at, say, the Health (Wales) Act, if I recall that was about ten clauses; it was not a terribly substantial Bill in size. The work was well advanced on that because, of course, with our colleagues in the Assembly we had hoped to include certain

elements there in the NHS Reform and Health Care Professions Act. We got two of those. There is one to set up local health boards and one to require local authorities and other stakeholders and health bodies to have wellbeing strategies. There were other elements we wanted to get in that Bill but time prevented us, so a lot of work was done on the Health Bill, so when we came to present the Health Bill the Assembly and ourselves have done a great deal of work. On the Audit (Wales) Bill, it is a large Bill. It starts, as you know, in committee in the Commons next week, with 70-odd clauses, but again a great deal of work had already been done on that over a period of time. Andrew, you could speak from your department's point of view but in my experience of the three Bills, in terms of the work that had to be done this is possibly more substantial because if you look at the Audit Bill a degree of it is built on existing audit legislation anyway which is being replicated into the new Audit Bill. This is pretty well brand-new. It is not really off the shelf.

Q324 Lisa Francis AM: What undertaking can you give the committees that next year's draft Bill will be published in good time for us to scrutinise it at a more sensible pace?

Mr Touhig MP: I cannot give you any undertakings to say that there will be a draft Bill next year. It has been our objective, of course, to consult with our colleagues in the Assembly who make bids for legislation, and of course the Secretary of State (and while he is Leader of the House I actually do it as Under-Secretary of State) makes the bid to the Cabinet's legislative programme committee to consider. There are obviously discussions in the pipeline about what might be in next year's legislative programme because I believe the Assembly has already debated the proposals set down by the First Minister for the Assembly's future legislative bids. I would hope that there would be legislation in that but at a time of possible reshuffle it is more than my job is worth to speculate on what might be in next year's legislative programme. I do take account of the point you make. We seek to give the maximum amount of time. We are very grateful to this committee and the Assembly committee, and it is the first time in London that you have sat together, for undertaking this

work. I would point out that on the Health Act you had a seven-week period to consider the Bill. From the time we published it to the time you presented your report Parliament was in a one-week recess during that. On the Audit Bill I think there was a 13-week period from the time we published the Bill to the time you presented your report and in that time there was a three-week recess because Easter overlapped it and we also had a bit of purdah so far as the Assembly was concerned with the Assembly elections. On this Bill it is a seven-week period again from publication to the time that we are told that the Welsh Affairs Committee at least will publish its report and we have had a one-week recess in that. I do appreciate that time is tight. I would only ask you to share this with me. For the last three years we have sought, where we have had draft Bills, to complete the consultation round about the summer recess so that, as the Minister, then working with my colleague Minister in the Assembly, we can then consider your comments, your recommendations, others' comments and recommendations so that when Parliament returns in the autumn I am able to say, whatever problems other departments have got, "We have a Bill". That is my backstop. I seek, by the time Parliament comes back, say, after the party conference breaks in about October, there is a meeting of the Legislative Programme Committee to be able to go to it and say, "I have a Bill. I can start tomorrow". I have got to be ready by that time. I do appreciate the value of the work that you are doing in quite a restricted period of time and it is important that we do it this way; I think you all see the benefits of that, but I really do not want to be in a position – I am sure you would not want us to be in a position as the Wales Minister, working with colleague Ministers in Cardiff – to say, "Here we are. Here is the new parliamentary session. Sorry, the Wales Bill ain't ready". That is what I have to try and work to.

Q325 Mr Martyn Jones MP Chairman: Since we are now working together as a committee, if we can carry on doing this joint committee we can possibly do two Bills in the time that you have allowed us to do it.

Mr Touhig MP: I could not possibly comment!

Mr Martyn Jones MP Chairman: Not at this stage anyway!

Q326 Jenny Randerson AM: The WLGA has argued that the Bill will create a “dictate and deliver” approach in which the National Assembly dictates and local government is expected to deliver. How would you reassure them that a true partnership approach is to be prepared with ministers?

Mr Davies AM: I will repeat the words I used when I addressed the Local Government Partnership back in February this year with the then Leader of the WLGA and his colleagues, when I said that I wanted this to be done on the basis of co-operation. However, there is a need to look at the transport needs. If you just take Cardiff, for example, you cannot just look at the transport needs of Cardiff in isolation from the surrounding hinterland. There is a daily massive influx of people who are commuting from the valleys and other parts of South Wales, so you can only really deal with those issues on a cross-authority basis, on a basis of co-operation. Reference was made earlier to a transport strategy. We would develop that, as I said, in collaboration with all the stakeholders and obviously key in that would be any local authorities and we would want to work with them in terms of developing that strategy which we would then hope through an iterative process would very much inform their own transport plans on a local basis. Also, they are moving forward to regional transport plans, probably based on the existing voluntary transport consortia in Wales. We would see it very much based on the establishment of collaboration and co-operation. Certainly I would not see it as dictating to anybody. It would be an iterative process.

Q327 Jenny Randerson AM: Would you therefore think it was worth putting that on the face of the Bill?

Mr Davies AM: I would see it very much as implicit in our whole way as an institution, both as legislature and as the government, on the basis of partnership. We obviously have a statutory duty to consult and I would think that the existing arrangements and the clauses in

the Bill would give, I hope, sufficient assurance to local authorities that this would be done on the basis of partnership.

Q328 Jenny Randerson AM: This morning the WLGA's evidence was very much constructed around the principle that the existing consortia are working and that there is therefore no need for the Assembly to dictate. Can you give us any specific examples or threads that you see running through transport policy which lead you to believe that it is necessary for the Assembly to take this leading, controlling role?

Mr Davies AM: Once again I would merely use Cardiff as a prime example, because it is our capital city and it demonstrates the biggest flow of commuters on a daily basis. I think the voluntary arrangements have worked to a reasonable point and at a planning level maybe there has been more co-operation, but clearly now, given the very significant increase in traffic growth in Wales, which exceeds that in the UK generally, we need to go beyond planning and it is more now about implementation, getting those plans implemented, working with local authorities, for example, in seeing much more significant local shifts from car to public transport – rail, bus – and ensuring that local authority traffic plans include a range of measures which include modal shift, for example, park-and-ride schemes, well-policed bus lanes and a whole range of other measures, possibly including congestion charging but as part of a coherent and integrated approach. We think that could only be done through having the powers of direction that are in the Bill.

Q329 Hywel Williams MP: (Translated from Welsh) Thank you very much, Mr Chairman. We have heard a great deal this morning, from the Welsh Local Government Association, for example, about safeguarding the local nature of local transport plans, and

C329 Hywel Williams AS: Diolch yn fawr iawn, Mr Cadeirydd. Yr ydym wedi clywed dipyn go lew y bore yma, gan Gymdeithas Llywodraeth Leol Cymru, er enghraifft, yn glŷn â diogelu natur leol cynlluniau trafnidiaeth lleol, ac yn glŷn â'r anghydfod

about the possibility of conflict between the local and national levels, as Jenny Randerson said. Therefore, if inconsistencies arise between local plans and the national strategy, how will they be resolved? How can we ensure that the local plan is not thrown back, resubmitted, thrown back and resubmitted, like a game of ping pong? How does one bring that process to an end?

posibl rhwng y lefel leol a'r cenedlaethol, fel y dywedodd Jenny Randerson. Felly, os oes anghysonderau rhwng cynlluniau lleol a'r strategaeth genedlaethol, sut y byddant yn cael eu datrys? Sut y gellir rhwystro'r cynllun lleol rhag cael ei daflu yn ôl, ei ailgyflwyno, ei daflu yn ôl a'i ailgyflwyno, fel gêm o ping pong? Sut mae rhywun yn dod â'r broses honno i ben?

Mr Davies AM: Obviously, there would be a duty on local authorities to produce the transport plans which will then be put to the Assembly and to ministers for approval. I very much hope that these, as I said, will be done on an iterative process. It will not be on the basis of us dictating to local authorities; we will develop those plans on a collaborative basis. The way in which we have co-operated together with the transport consortia so far has been very productive and clearly there will be a statutory duty on local authorities to produce those plans and they will need approval by the Assembly Government, so ultimately the buck will stop with me, I suppose, as the Minister in this case, to sign those off, but I do not foresee any reason why those plans should not be signed off if they have been done on a collaborative basis.

Q330 Elin Jones AM: (Translated from Welsh) Thank you, Chair. How will it be possible for local authorities to integrate local transport plans with other policies, such as

C330 Elin Jones AC: Diolch, Cadeirydd. Sut y bydd yn bosibl i lywodraeth leol integreiddio cynlluniau trafndiaeth lleol gyda pholisïau eraill, fel polisïau defnydd tir a

economic development and land use policies, datblygu economaidd, er enghraifft, os bydd for example, if they have to create local angen iddynt greu'r cynlluniau trafnidiaeth transport plans jointly with other authorities? lleol hyn ar y cyd ag awdurdodau eraill?

Mr Davies AM: That is an extremely important issue. Through my budget I am funding research for the development of regional economic and development strategies for the four economic fora in Wales. In addition to that there is the emerging Wales Spatial Plan. The point you make about greater integration is absolutely crucial but all our policies, whether it is in economic development, whether it is transport, whether it is planning, road use, whatever, are integrated and we would see the Wales Spatial Plan as being the context in which those issues can be resolved or dealt with. The point you make about integration is absolutely crucial. At the moment the WDA are developing, for example, a land use property strategy and there is a very clear direction to that and that must be done in consideration of the Wales Spatial Plan with the emerging regional development strategies and, of course, the transport framework that we have in Wales. We have existing policies and emerging policies that will give us the context in which we can develop.

Mr Touhig MP: I might just add, Chairman, that with the Spatial Plan in particular, although it does not specifically make reference to Andrew's philosophy in terms of transport, there is no doubt that Wales is setting the pace and it is implicit in there that this will cover transport matters. It makes sense to cover this whole wide structural official development in Wales and the Spatial Plan I think will be the envy of many of our colleagues.

Q331 Alun Cairns AM: Andrew Davies, in what circumstances would the power to establish a joint transport authority be used?

Mr Davies AM: Obviously, we are seeking the enabling powers to establish a JTA where possible. I share the view of my predecessor, Sue Essex, when she was Transport Minister, that a case could be made for a JTA in the greater Cardiff area, south east Wales. I keep

coming back to this point. This is where the issues of traffic growth and congestion are most acute. We would see that in the first place that a very good case could be made for a JTA in the south east area which currently is covered by the South East Wales Transport Association and indeed the voluntary transport consortia.

Q332 Alun Cairns AM: But in the guidance, Minister, the figure of a million pounds is suggested in terms of set-up costs. The WLGA quoted that later on in their evidence but other experts this morning commented on the figure. How robust is that figure of a million pounds because it is suggested that it was a nice round number which might fit?

Mr Davies AM: Obviously, I have faith in my officials to produce robust figures so I maybe I can ask my officials for a breakdown on that.

Mr Jones: It is not a piece of guesswork just because it is a one million pound figure, but clearly it is not a detailed costing of a joint transport authority². As the Minister said, it is an enabling provision to establish one. We are confident that the costings that we have set out are reasonable on that basis. In other words, we are not suggesting that this authority would be so expensive that no Assembly Government would establish it. The cost of one million does need to be read with paragraph 41. I hope members did not think that the whole JTA would be under one million. We are saying that the creation of it would cost that. We base that on taking some additional posts which would be needed, plus the staff in paragraph 41. In other words, to start it now dealing with the functions in the ten local authorities if we are to go with the south east Wales model. The cost of a round a million would be made up of a chief executive, a director of finance and administration, a policy planning director who would be responsible for the transport plan and its implementation, and then an operations director who would be in charge of, for example, the budgets on bus subsidies, handling information and inter operator ticketing arrangements. Those would be new posts which are not in the existing ten authorities. In addition, we added in that we would probably need six

² For breakdown of costs see written evidence page Ev 70

senior managers below that level and then we included ten administrative staff for the purposes of supporting them. The costs of those, and obviously the figures I have chosen are based on the knowledge we have of council salary levels, would come to around £800,000. We are thinking then in terms of some extra office space which would be needed, say, for a headquarters-type office, for, say, 30-40 people, 3,000-4,000 square feet, and I would advise that there are plenty of those in the south Cardiff area that would cost £13.50 per square foot or so, about £40,000-£50,000, so we do have some indication of those costs. I certainly would not want to say to the committee that they are fully worked up costs but they are for the purpose of assuring members that we have not invented something which is so costly that no-one would intend to implement it.

Q333 Alun Cairns AM: Thank you for that answer. I certainly appreciate that it is broad figures that we are talking about because it is a very detailed breakdown but your answer is very useful. There is also a figure quoted of £100,000 running costs but from what you have just told me the £800,000 that we are talking about is recurring because the vast majority of it is salaries, so it is almost in the region of a million pounds per annum rather than just the set-up costs of a million pounds.

Mr Jones: It does say a million pounds per annum if that is what you mean. You have got to read it with 41 where we are talking about possibly making savings with some of the existing staff, and obviously the bulk of those would still be in place, so I do not have the costs for all those staff from those authorities because clearly we have not got a mandate to go to all ten local authorities who would be signing up to the joint transport authority. Can I deal with the £100,000? That has come up in evidence a few times. That is totally separate. That is an additional cost within the Assembly Government for dealing with any additional staff. I did hear some colleagues in local government thinking that was a very low figure but these are Civil Service pay rates. We worked this out on the basis that we would need four people to help us administer the rail regime if the powers of direction are given. We are assuming that

people in the SRA who currently manage the Wales and Borders franchise would remain, so that cost is in the system. The point was made whether we should have an office in Cardiff. That has occurred to us and certainly the people who are dealing directly with the Wales and Borders function might well move to Cardiff. That is just a view. I am not saying it has been agreed or anything. We would need within the Assembly Government in the Transport Directorate some additional expertise. It would not be on the basis of £25,000 each, as someone mentioned. It would probably be around £35,000-£40,000, which is the amount for a skilled person who would support us.

Q334 Alun Cairns AM: Bearing in mind that it was highlighted this morning about the shortage of transport professionals, do you feel it can be fitted within that £100,000?

Mr Jones: For this one person, yes, in terms of salary levels within the SRA, the people I know of. I can certainly think of people in that area who could do this particular job for that amount of money. We have got to make this clear, that when the powers of direction come into effect we are not going to duplicate all the staff in the SRA and build up a bureaucracy to manage this.

Mr Shaw: We are talking about staff supplementing the resource that we already have within the Transport Directorate. We already have a Transport Policy Division within that, the unit which is looking after rail, and those staff obviously are not included in these figures. We are talking about supplementing the existing resource in recognition of the additional work we would have to take on as the Welsh Assembly Government to enact these powers.

Q335 Alun Cairns AM: My final question, Minister, is why do the existing consortia say they are unable to deliver the Assembly's strategic transport policy?

Mr Davies AM: As I said to Jenny Randerson earlier on, I think the voluntary association consortia at the moment have done some good work in terms of planning but we really do need to step up. There has to be quite a substantial gear change in order to start delivering on

the integration of transport services and traffic planning in those areas, particularly, as I said, in south east Wales where the problems of traffic growth and congestion are most acute.

Mr Touhig MP: Without commenting, of course, on the present operation, colleagues in Westminster and in Cardiff will remember with the NHS Reform and Health Care Professions Act it was Clause 20 which was specifically asked for by the Assembly administration at that time to set up a statutory requirement upon the health providers and local authorities to work together because many did in a voluntary capacity but the Assembly felt at that time that it needed that little bit of opportunity to say that there was a statutory requirement to develop wellbeing strategies at the end of the day in order to push forward this all-Wales policy, as I said, without commenting on what operates at the moment. I think this is the point where this part of the Bill is concerned, because that does give the Assembly the opportunity to have that ability to push your agenda forward, collaboratively, of course.

Q336 Jenny Randerson AM: Minister, you referred to one, possibly two, joint transport authorities that you envisage being set up, so you are not painting a picture of the whole of Wales covered by these authorities. In that situation would you envisage that the current consortia could continue in those areas that are not covered by joint transport authorities, and obviously that would be continuing within the overview of the Assembly in terms of strategic policy?

Mr Davies AM: Obviously, this is an enabling power which would give us the powers to direct if necessary to establish these. As I said, my view of that and that of my predecessor was that south east Wales is the area where problems were most acute and where the need for intervention is probably greatest. Obviously, there are issues in other parts of Wales. Probably the North Wales area would be a key area. We would need to look at the experience to see whether JTAs were needed, whether it was just one or whether we would need two or three or four. We would need to see how it worked initially maybe with the south east first,

and on the basis of that experience and on the issues being faced in other parts of Wales, seeing whether they were needed elsewhere.

Q337 Mr Roger Williams MP: If you are suggesting that, would some parts of Wales feel that they were not getting the attention and the importance that other parts of Wales were, if you had a system where some parts of Wales were covered by joint transport authorities and some by voluntary consortia?

Mr Davies AM: I certainly hope they would not feel they were losing out if we were not doing that, but maybe that would be a case for the people in that area to make the case for a joint transport authority. I do not know if Robin or Denzil want to say anything additional to that.

Mr Shaw: The point here is that the existing consortia, if they stayed as they are in some areas, would still be under the obligations of the Bill to produce a regional transport strategy and to deliver that in accordance with the provisions. It is a question of judging whether the consortia are delivering and implementing in an effective way which is the real trigger in terms of whether we feel a change in structure and organisation is required. I can see no reason why one part of Wales would feel it was being left out or was losing out in that respect. Clearly, each of the consortia and/or transport authorities would have to be making the case for the financial resources to deliver their regional transport plans.

Q338 Albert Owen MP: Still on joint transport authorities, what local authority transport functions would be transferred to these JTAs? Would, for example, taxi licensing, traffic management, local road construction be included as part of your integrated approach?

Mr Shaw: Perhaps Denzil and I can jointly cover that one. It is probably easiest to say that what we would definitely not consider is transferring what you think of as normal Highway Authority powers, the maintenance and construction of roads. This is very much about integrated transport and the delivery of integrated transport services and we do see a clear

distinction there. In terms of the detail of exactly which powers, we have not got to the point of having a definitive list setting out the terms of which should stay and which should not. We do feel that there are very strong arguments for the transfer of order making powers in relation to local traffic orders if the joint authority is going to be implementing, for instance, bus priority schemes. It seems logical that it would also be responsible for delivering the bus priority measures that are necessary to do that. There are also issues coming out of the Traffic Management Bill in terms of traffic direction. Managing the totality of the transport service, including movements on the road, is clearly what this proposal is about and therefore that is where we would be looking to make the appropriate distinction between what is necessary to give the authority a coherent set of joined-up powers to deliver that programme and what is quite properly still a local Highways Authority function.

Mr Jones: In terms of public transport, your committee and the former EPT Committee in the Assembly looked very closely at the establishment of PTEs and PTAs. The cornerstone of a joint transport authority would be a function similar to a PTE in terms of public transport. In other words, they would devolve the tendering for bus services, the ones that they subsidise with local authorities now, developing bus quality partnerships, which is an area which really needs to be taken forward, and administration of the free travel scheme. For example, in south east Wales there are ten authorities which are all billed for that. That could save some money and staff time, alluding back to the previous comments about the costs of setting up a JTA. Inter-operating ticketing schemes is an area which needs to be taken forward, with integration, obviously, with the rail services. Provision of bus stations and developing the rail stations is another, and then the overall promotion of public transport. The use of buses has declined in Wales by about 18% until last year when it stopped and started to grow again after the introduction of free travel for elderly and disabled people. That has been a continuing decline over the last ten years or so. It is also so in England. In a way the bus industry needs a champion (to use a cliché) and an authority dedicated to developing public transport against the background of increased congestion. That is the key thing.

Q339 Albert Owen MP: To pick up the earlier point that my colleague Roger Williams made about some areas thinking they are losing out, from what you say, where there are these joint authorities it is they who will be losing out on the powers whereas the local authorities that are not covered by them would carry on as they are now.

Mr Jones: It is devising arrangements which will deliver improved public transport rather than the other way round and seeing what can the authorities do. If in, say, West Wales or in North Wales the problems can be delivered by the voluntary consortia that is okay. The other issue is that we would not want anyone to think, bearing in mind the points you have made this morning about Cardiff, that south east Wales gets the resources. This is where the local transport plans come into play, that those must be good, robust plans showing what is needed in those areas and the costs of delivering them so that those areas are also protected. Obviously, the availability of funding is always with us and that is a separate issue.

Mr Davies AM: The key points are to be what is going to give the most effective mechanism for delivering improved transport for the users. That has to be the bottom line. It is not about the service providers. It is what is in the best interests of the service users.

Q340 Leighton Andrews AM: The WLGA told us this morning that they would be reassured about JTAs if there were a statutory right for local authorities to appoint members of a JTA. What is your objection to that?

Mr Davies AM: The proposal is that the primary membership of the JTAs would be representatives of local authorities.

Q341 Leighton Andrews AM: The Bill as drafted states that in order to establish a JTA there may be provision about the composition and appointment of joint transport authorities. It does not actually on the face of the Bill have that written in.

Mr Touhig MP: Again, Chairman, going back to the point we made earlier, Chairman, the more we specify on the Bill the more it hampers the Assembly taking decisions which we

think it has got the right to take in Cardiff. The Assembly's method of scrutiny is very extensive and very public, and we are trying to reassure colleagues like the WLGA that at the end of the day we think it is beneficial that you should be able to have that latitude. As Andrew has said, this is very much enabling and it allows you to do that.

Mr Davies AM: We would envisage the majority of the members of the JTA being local authority representatives.

Q342 Leighton Andrews AM: And the others would be Assembly appointees?

Mr Davies AM: Yes, obviously to reflect the interests of other stakeholders.

Q343 Jenny Randerson AM: Clause 9(6) of the draft Bill would allow the Secretary of State for Transport to exclude specified services from the directions and guidance given to the SRA. Why do you think this clause is necessary and what mechanisms accompany the clause to prevent any future Secretary of State from using this power in a draconian fashion?

Mr Shaw: I do not think I can possibly answer the last one. The proviso here is simply that the Secretary of State needs to retain an overall view of the priorities on UK transport. In the discussions we have already had with the Secretary of State's office and with staff they are very comfortable with the Assembly having the powers that we are seeking in relation to services in Wales but feel – and I can understand their view – that they do need, if you like, to have a right of veto in relation to anything that we might specify which then had potentially an adverse impact on services in England. I do not think that is an unreasonable provision and at the end of the day the Secretary of State is responsible for overall transport policy in the UK.

Q344 Jenny Randerson AM: Given the scenario that might one day occur where you have governments of different colour in Westminster and Cardiff, do you think that those exceptions would enable a Secretary of State for Transport to effectively frustrate the will of the Assembly?

Mr Shaw: I suppose the answer to that is that I cannot say categorically no, can I, in the circumstances that it is an ultimate overriding power? The way it is written though is that it is to be exercised only when there is a demonstrable disbenefit in terms of, say, the impact on England. Clearly, it would have to be shown as to why the Secretary of State chose to do that if there was no apparent disadvantage outside of the powers.

Mr Touhig MP: The Secretary of State would have to consult the Assembly before taking any action in any event. What we are seeking to do in this part is prepare for something we have not envisaged. It is a safety net in case there is an issue, because this is new ground effectively so far as the Assembly's powers are concerned to getting the direction of the SRA. There may be something in that on which the Secretary of State, in his responsibilities to Parliament for the transport policy of the United Kingdom, may need to have a view on. It is really belt and braces so to speak.

Mr Shaw: It is also replicating provisions in relation to Scotland, for example, although I am not aware that they have ever been exercised in the way you have described.

Q345 Dr Hywel Francis MP: Paragraph 31 of the explanatory notes refers to an unforeseen change to the pattern of rail services that would lead to the National Assembly requiring the appropriate powers of direction and guidance. Can you give an example of that?

Mr Shaw: Again, part of the discussion, with the way it is structured, is attempting to define the powers to refer to what is currently the franchise managed by Arriva Trains. As you are probably aware, franchises and franchise maps have changed over time and therefore simply to refer to an existing structure would be a very narrow and prescriptive way of dealing with it, so the way all of these clauses are drafted is to identify that it is intended to be relating to the services which are currently provided by that franchise. That particular clause I suppose was a catch-all, if you like, that, if by some unforeseen change in franchise networks or franchise areas, the words we have used in the Bill caught a service which had not been intended to come within the responsibility of the National Assembly, then the Secretary of

State would have the power to say on that one because that is not one that is covered by the words in the Bill. I cannot give you an example because I do not think there currently exists an example where that is the case, but it is there to provide that ultimate flexibility to ensure that if a change which we now cannot foresee, which has not yet happened, might have an impact the powers that the Assembly has can always be adjusted to make sure that they stay within the intention of this Bill rather than a precise legal definition which could subsequently show itself to deliver something slightly different. Yes? Are you with me?

Q346 Dr Hywel Francis MP: I think so.

Mr Bush: I can give an example if it is helpful. The basis of this provision is the fact that the marker, as it were, for the type of service to which the powers of direction are supposed to relate is that it is being operated by the Wales and Borders franchise. We can tell what the Wales and Borders franchise is by the fact that it does operate services that start and end in Wales, whereas the franchises that are supposed to be outside the power operate services which may start in Wales or end in Wales but also travel into England. For example, the powers of direction and guidance would not relate to the franchise that operates the London to Swansea service. What would be the situation if the operator of that franchise decided that it was going to terminate the service, let us say, at Cardiff and then put on a separate feeder service from Swansea? Now that franchise holder is operating a service which starts and ends in Wales but because the intention is not to catch that service, or rather not to catch the service from Cardiff to London, there is a power to readjust in order to match that unforeseen circumstance. It looks, I know, very complicated but it is designed to make sure that in the light of changing circumstances the powers of direction and guidance do not accidentally start to become applicable to inappropriate services.

Q347 Dr Hywel Francis MP: I am not surprised that you are quoting quite complex or complicated examples, but could I give you a very simple example where, poor as it is now,

the physical access for people with disabilities to railway stations, such as my own at Port Talbot, would start to deteriorate. Would there be some sort of situation where there could be an intervention in that situation, or am I barking up the wrong tree?

Mr Shaw: Can I just clarify in what context? Are you thinking in terms of a reduction in service, say, that the First Great Western reduced its service to Port Talbot or are you talking about the stations themselves?

Q348 Dr Hywel Francis MP: The stations themselves.

Mr Shaw: The stations themselves are managed by the Arriva franchise but, as Keith explained, that is a good example. It would be perfectly feasible for First Group to choose or opt or bid to run a service from Cardiff to Swansea as a discrete service. It is not intended that we would have the powers of direction over that service because it would remain part of the First Great Western franchise and that is an example where the words would actually apply and in those circumstances that additional service which was being run totally in Wales by another franchisee than the Wales and Borders franchise would be excluded from the powers. It is not a very likely scenario, I can appreciate, but that is why it is there and that is why we have been asked to include it.

Q349 Albert Owen MP: Why does the Bill not give the Assembly a legislative competence over powers of promotion and construction of new railways as it does in Scotland?

Mr Shaw: We do not think we need them. We are already investing in the construction and improvement of the infrastructure in Wales. I know there is that power in Scotland but we do not feel that it is an additional power we need. In other words we do not feel it is one we are missing, if I can put it that way, within the current legislative structure.

Mr Bush: My recollection is that, in fact, railways is a reserved matter in relation to Scotland. They have executive powers and what this Bill would do would be to give the

Assembly the same executive powers, powers of direction, guidance, advice, spending money and so on, that the Scottish Executive has in relation to railways in Scotland.

Q350 Albert Owen MP: So you are saying that there is parity?

Mr Bush: If this Bill is passed then there will be parity.

Q351 Mr Roger Williams MP: Do you think you are *ultra vires* now in building?

Mr Bush: No.

Q352 Mr Roger Williams MP: So that means you have the power then.

Mr Bush: The power is there. There are various powers at the moment but, as I think the Explanatory Note made clear, those are very fragmentary. I will give you an example: it is quite often the case that the Assembly has to rely on provisions in the Ministry of Transport Act 1919 in order to be able to direct money into the improvement of railway services, and there are certain limitations on what can be done under that Act. What this Bill does is to provide a much more comprehensive package of powers to the Assembly so that the Assembly does not find that it trips over unexpected limitations on its powers in relation to railways or, indeed, other forms of transport.

Mr Davies AM: As Robin alluded to, we are investing quite considerable amounts of money in reopening the Vale of Glamorgan line and also the Ebbw Valley line as well.

Q353 Albert Owen MP: Is there not a difference between reopening and new construction?

Mr Davies AM: Yes. Clearly much of the physical infrastructures are there, apart from the stations, as well as signalling, but a lot of the investment is taken up in station construction.

Q354 Lisa Francis AM: Would you anticipate that the lack of such powers over infrastructure and then construction of new railways would hinder the Assembly's ability to deliver for Wales?

Mr Davies AM: No. As we have said, what we are looking for is a set of coherent powers and, as Keith Bush said, at the moment they are very fragmentary. We think this will give us a statutory framework in which we can take forward the development of the rail services in Wales. Obviously the construction of a new railway line would be very, very expensive and certainly we do not have any plans for the construction of completely new railway lines, which would require major investment. Certainly enhancing existing services, like the Vale of Glamorgan line, is very much one of our priorities.

Q355 Hywel Williams MP: (Translated from Welsh) Thank you very much, Mr Chairman. The Select Committee on Welsh Affairs recommended that the Assembly be allowed to appoint one or two members of the SRA. I also understand that that was the view of the Assembly. Why has that not been included in this Bill?

C335 Hywel Williams AS: Diolch yn fawr iawn, Mr Cadeirydd. Argymhellodd y Pwyllgor Dethol ar Faterion Cymreig y dylai'r Cynulliad gael yr hawl i benodi un neu ddau o aelodau'r SRA. Deallaf hefyd mai dyna farn y Cynulliad. Pam nad yw hynny wedi'i gynnwys yn y Mesur hwn?

Mr Davies AM: We felt that the draft Bill, as has been proposed, would give us the powers that we want and would also give us parity with Scotland. We felt that was sufficient for our purposes in terms of an integrated and coherent Transport Strategy.

Q356 Hywel Williams MP: (Translated from Welsh) Are you saying, therefore, that the situation in Wales and the situation in Scotland will be completely equal in terms of how the SRA operates?

C356 Hywel Williams AS: A ydych yn dweud, felly, y bydd y sefyllfa yng Nghymru yn gyfan gwbl gyfartal â'r sefyllfa sydd yn yr Alban o ran sut y mae'r SRA yn gweithredu?

Mr Davies AM: Yes.

Q357 Leighton Andrews AM: Mr Touhig, you mentioned the UK rail review earlier in your introduction. Can you give us assurances now that that will not adversely affect the intentions of the draft Bill to give the National Assembly power of direction and guidance over the Wales and Borders franchise?

Mr Touhig MP: I am afraid I cannot give any assurance at this point, Chairman, because, of course, I cannot anticipate what the review will cover and what it will come out with. We have worked very closely as a team, my officials and Assembly officials, in preparing the Bill, working with the Department for Transport as well, recognising that the review announced by Alistair Darling could well impact upon the powers we are seeking in the Bill. We just do not know at this stage what the review will come out with and what the Government will do about the recommendations that will come in the review. The review particularly covers rail transport, but I cannot honestly say at this stage that what we are seeking in the Bill will not be affected by Alistair Darling's review. Clearly if it is there will be a great deal more work to be done before we have a final Bill to present to Parliament in the autumn.

Q358 Leighton Andrews AM: There will be time for that to happen?

Mr Touhig MP: Yes. I believe Alistair's review is due out some time in July, I am not sure of the exact date. If there is an impact upon what we are seeking in the Bill then immediately we will be working to see what we need to do to the Bill. Again, the Government will have to decide what it is going to do about the review and that will impact. As things stand, the Secretary of State and I have had some very useful meetings with Alistair Darling and Kim Howells on these matters. At the moment I am not aware of any impediment that if Alistair's review impacts upon this Bill we will not be able to continue with what we are seeking to do

in the main, but I cannot honestly say about the parts of the Bill affecting rail transport because that is part of his review. I cannot say what we will have at the end of the day.

Mr Davies AM: In the Secretary of State's statement to the House earlier this year on the rail review he said: "The Government also believe that the opportunity should be taken to consider how we can devolve more decisions on public transport, including rail, to the Scottish Executive and the Welsh Assembly Government and other regional PTEs". I think the whole thrust of what DfT are doing through the rail review, and that was certainly very much the view that came out of one of the rail review meetings in Cardiff chaired by the Secretary of State – Kim Howells and I were also there – and was particularly the view of the franchise holder, Arriva Trains, that they would see very much a regionalised delivery as the most effective way of delivering rail services.

Mr Shaw: Can I just add something to that. As officials, we have continued with our dialogue and discussions with DfT and all the discussions are based on the presumption that we are looking to retain the powers in this Bill in whatever the new structure of the rail industry that exists following Mr Darling's review.

Q359 Leighton Andrews AM: If the review results in any reorganisation of the rail agencies, like the SRA and Network Rail, is there any danger that there would be a watering down of the powers to be conferred on the National Assembly in the Bill?

Mr Touhig MP: You are asking us to speculate what might be in the review. This draft Bill is based upon giving powers to the Assembly over structures that exist at the moment, and that is all we can do. If there are changes to those structures then of course that is going to impact on what we are seeking to do in the Bill. At the end of the day as far as the transport element of this Bill is concerned, we cannot be certain where we will be post-Alistair Darling's publication of his review.

Q360 Leighton Andrews AM: Can I just ask you in relation to this. When the Communications Act was passed it brought together a number of different regulators and the concordat that exists between the Assembly and the Department for Culture has not been changed but is there a concordat between the Assembly and the Department for Transport and will that need to be reviewed in the light of the rail review?

Mr Shaw: I would suggest almost certainly and it may be necessary to supplement that with something like a memorandum of understanding between us to cover the relevant issues. As Mr Touhig has said, it does depend entirely on the structure which follows from the review. As I said, we are in detailed discussions with the particular rail review team in DfT just looking at what the potential implications are. The intent is still very much to deliver the changes that we have in this Bill.

Q361 Leighton Andrews AM: Who initiates the change in the concordat, is it the Assembly Government, the Wales Office or the relevant department in Whitehall?

Mr Shaw: It could be either is the answer to that. They have been jointly drawn up and revised either once or twice since devolution by mutual consent.

Q362 Leighton Andrews AM: I am quite clear that a certain number of them have not been revised in other areas.

Mr Shaw: The transport one has.

Mr Touhig MP: I want to stress the point made by Andrew, and that is the statement by the Secretary of State in his commitment to devolving down responsibilities. I can say in fairness to the Department for Transport, and in appreciation, and Andrew would support me on this, although they have had their review they have been extremely helpful to us in putting together the proposals that we have got in this Bill.

Mr Davies AM: Several members of the Economic Development and Transport Committee were at that meeting in Cardiff and were able to hear some of the evidence that was given by stakeholders.

Q363 Lisa Francis AM: There have been rumours that the Rail Passengers Committees may be abolished. What benefits would there be to abolishing the Rail Passengers Committees, do you think?

Mr Davies AM: Once again, as Don said, that is speculation about what might happen as a result of the rail review. All I can say is we have a very good relationship with the Rail Passengers Committee. As I said, I met the chairman and the secretary earlier this week. We have regular meetings. I think that input is extremely valuable in ensuring that rail services are delivered efficiently in Wales.

Q364 Lisa Francis AM: Do you not think that the Bill should include a clear means for the Welsh Assembly Government to ensure that representation for both rail and bus passengers is enshrined within it?

Mr Davies AM: I think it would be useful to have service users generally represented rather than fragmenting it between rail and bus, for example. I think it would be a very helpful suggestion. It is something the Committee might want to consider in terms of the final deliberations about how that might best be delivered.

Lisa Francis: Thank you.

Q365 Christine Chapman AM: When the draft Bill was being prepared, could either of you comment on whether you considered the possibility of setting up a separate Welsh Commissioner for Transport along the model of the Scottish Commissioner for Transport?

Mr Davies AM: As I said in a committee last week, the Economic Development and Transport Committee I am assuming would want to look at how the present system is

functioning. One of the reasons why we did not plan any changes in the Bill was that we did not see any case at the moment for changing the current arrangement.

Mr Touhig MP: Under the current arrangement, the Traffic Commissioner is really largely independent of Government in reflecting on these matters and, as the Commissioner is independent of Government, at that stage there did not seem to be any point in transferring any kind of responsibility for that to Cardiff because there would have been nothing to be gained because this person is independent of us here in any event.

Q366 Christine Chapman AM: When we spoke to the Traffic Commissioner yesterday it was quite difficult trying to look at what the pros and cons of having a separate Traffic Commissioner was on that. I just wondered whether you felt there were factors against having a separate Commissioner.

Mr Davies AM: Sorry, I missed the last part of your question.

Q367 Christine Chapman AM: I just wondered whether you felt there were any factors against having a separate Commissioner for Wales.

Mr Davies AM: Obviously one of them would be budgetary. If we had a separate Commissioner for Wales the cost of that would be a factor taken into account and, as ever, looking at the public expenditure, would that be the best use of public expenditure as opposed to other ways in which that money could be spent. In terms of the operation, I do not know, maybe officials could comment on that.

Mr Jones: I think the main concern is obviously the access to the Traffic Commissioner. In his evidence he conceded that he covered a wide area but he also said that in terms of workload he could not foresee the Department for Transport saying there was enough workload for an extra Commissioner to be appointed. There is an issue about access to a Commissioner and we have been in discussion with the DfT about whether there is a possibility of locating more of the staff in Cardiff possibly. Currently we pay for two

additional staff ourselves to help the Commissioner monitor bus services. It is an issue that we are looking at but there are cost implications as to where is the best place to put the money. Certainly there is an issue about access to a Commissioner.

Q368 Hywel Williams MP: (Translated from Welsh) I wish to pursue that point. We heard yesterday that there are arguments over having a commissioner for Wales and that that was not viable because of the amount of work that would be available. If there were a commissioner for Wales and the west Midlands instead of a commissioner for the west Midlands and Wales—that is, he or she would be located in Wales and would also represent parts of England—that would be fairly cost neutral in the long term would it not? Are there any arguments against that?

C368 Hywel Williams AS: Hoffwn fynd ar ôl y pwynt hwnnw. Clywsom ddoe fod dadleuon o ran cael comisiynydd i Gymru ac nad oedd hynny'n hyfyw oherwydd faint o waith fyddai ar gael. Pe bai comisiynydd ar gyfer Cymru a gorllewin canolbarth Lloegr yn hytrach nag un ar gyfer gorllewin canolbarth Lloegr a Chymru—hynny yw, byddai wedi ei leoli yng Nghymru ac yn gweithredu dros rannau o Loegr hefyd—byddai hynny'n gymharol gost niwtral yn y tymor hir oni fyddai? A oes unrhyw ddadleuon yn erbyn hynny?

Mr Jones: (Translated from Welsh) The situation could lead to that. Mr Dixon said that there is room to consider where the commissioner is located. Therefore, we will consider that with the Department for Transport to see whether it is possible to develop that point.

Mr Jones: Gallai'r sefyllfa arwain at hynny. Dywedodd Mr Dixon fod lle i edrych ar leoliad y comisiynydd. Felly, edrychwn ar hynny gyda'r Adran Drafnidiaeth i weld a yw'n bosibl datblygu'r pwynt hwnnw.

Q369 Mr Martyn Jones MP Chairman: Was it considered at any stage that a Transport Commissioner for Wales would be a good thing but you decided against it on budgetary grounds?

Mr Jones: As Mr Touhig has said, the role is a quasi-judicial one and the function is a Great Britain-wide one, so the Traffic Commissioner for Scotland is not responsible to the Scottish Executive, although there is one for Scotland, and I think that is the nub of the problem. We did not consider including a provision to have a Traffic Commissioner for Wales outside that system in the context of this Bill. What I was trying to say was that we are outside this Bill looking at ways of improving access to the Commissioner. That is the point we are trying to develop.

Q370 Janet Davies AM: Could we turn to funding issues. I think the first question I have got will go to Mr Touhig. Will the resources and funding for the Wales and Borders franchise transfer from the Department of Transport to the National Assembly alongside the powers of direction and guidance?

Mr Touhig MP: Yes. When a power is passed from Central Government to the Assembly in Cardiff then the funding follows through. Obviously there are negotiations because there are grey areas, but if our Bill is to go through successfully there will be a funding transfer from the Department of Transport for the franchise to the Assembly.

Q371 Janet Davies AM: Could I just pursue that a little bit further. It may be that this concerns the detailed negotiations you are talking about, Mr Touhig, but would that include, firstly, the English part of the Wales and Borders franchise? Secondly, where you have got franchises that are not included in this, in other words First Great Western particularly and Virgin Trains in the North, has there been any consideration of transferring part funding for those two to the National Assembly?

Mr Touhig MP: My understanding is that the transfer of funding would relate to the franchise as it covers Wales only. As for Great Western and Virgin, no, this has not been part of the discussions that I have been party to. I do not know whether my colleagues in the Assembly have.

Mr Shaw: Can I add to that. We have not got to the stage of detailed financial negotiations but the principles are that the funding that would transfer would cover the services provided by Wales and Borders, that is Arriva Trains, that run within Wales, and those services which run within Wales and continue into England. There are three services within the current franchise which run only in England and at the moment it is not anticipated that that funding would transfer for obvious reasons and it is not anywhere in here intended to transfer the funding for the other franchises which run into Wales because, as you will appreciate, it is a very, very small percentage of their service mileage which is actually in Wales, so it would be a very small amount and would be overcomplicated in terms of managing those franchises.

Q372 Janet Davies AM: If we could turn to the issue of the National Assembly providing financial assistance. The draft Bill has got several clauses which suggest that the National Assembly could provide financial assistance for the provision of public transport. Do you think there are sufficient monies included in the block grant from the UK Government to provide meaningful assistance that is proposed in the draft Bill? Maybe you will have a fight with each other on this one.

Mr Davies AM: I am sure Don would agree with me on the basis that always in Government you are dealing with limited resources, by definition, but, having said that, I believe the current settlement allows us to deliver adequate or good services, improved services, and certainly with the current block grant arrangement and with the powers of this Bill we believe that we will be able to deliver more efficient services.

Q373 Janet Davies AM: Lastly, there is not anything in the Bill about the relationship between the National Assembly and Network Rail, so would you foresee any funds being transferred for what is basically capital investment in the railway in Wales?

Mr Shaw: Coming back to an earlier point, the Bill is based on the current structure of the rail industry and on that basis we do not feel that it is necessary or appropriate to take a formal role in our relationship with Network Rail. We have got very good relationships with them. The funding we currently provide to enhance rail services and to enhance infrastructure is coming from our budget provision and, therefore, is in addition to the resource which Network Rail has which is provided through the settlement agreed by the Rail Regulator. The only caveat I would put to that is we come back to the rail review: if the rail industry structure changes as a consequence of that review, depending on what that structure is, it is something we may need to revisit, but if Network Rail's role continues largely as it is now then we do not think that is necessary.

Q374 Janet Davies AM: From my point of view, there is no way I can speculate on what may happen in the rail review any more than you can publicly. I cannot because I do not know.

Mr Touhig MP: That makes two of us!

Q375 Janet Davies AM: Could you perhaps explain why it is necessary to formalise joint transport authorities as compared to consortia but not necessary to formalise the relationship with Network Rail? They may be completely different issues but it does seem a bit odd to me.

Mr Shaw: I think they are different issues. Network Rail is the organisation which owns and maintains the rail infrastructure for the whole of the UK. Certainly on an economic basis there is not an argument, for instance, for separating out the rail network in Wales, it would not be viable. You have to remember that, I think it is, 37% of the Wales and Borders

franchise services run on rails in England, so if we had a discrete rail network in Wales I think possibly there could be an argument for looking at this, but our rail services are so interlinked with the English rail network that I think you would be introducing a complication rather than a benefit.

Janet Davies AM: Thank you.

Q376 Mr Martyn Jones MP Chairman: Any other questions? No. Thank you very much indeed, Ministers, it has been very helpful. We hope to have many more of these meetings, two or three a year possibly.

Mr Touhig MP: Can we thank you? These draft Bills we have brought over the years have been a collaboration, a partnership. We know what partnership means and I think by your meeting here, it is a better arrangement and it shows that partnership goes right the way through for all of us in Government here and in the Assembly. It is the way forward.

Mr Martyn Jones MP Chairman: Indeed it is, Minister, if for no other reason that it means you do not have to attend two different Committees. Thank you very much indeed, again.