

## ENVIRONMENT, PLANNING AND TRANSPORT COMMITTEE

Date: Wednesday 1 May 2002

Time: 2:00 pm to 5:00 pm

Venue: Committee Room 3, National Assembly for Wales

### Attendance:

#### *EPT Committee Members:*

Tom Middlehurst, Chair Alyn and Deeside

Rosemary Butler Newport West

(substituting for Richard Edwards)

Eleanor Burnham North Wales

David Davies Monmouth

Janet Davies South Wales West

Sue Essex, Minister for Environment Cardiff North

Brian Hancock Islwyn

Ann Jones Vale of Clwyd

(substituting for Karen Sinclair)

Val Lloyd Swansea East

Phil Williams South Wales East

#### *ED Committee Members (item 5):*

Elin Jones Ceredigion

Dafydd Wigley

Caernarfon

***Officials:***

Martin Evans

Director of Transport, Planning and Environment Group

Keith Bush

Office of the Counsel General

Nicola Donlon (item 2)

Countryside Division

Denzil Jones (item 4)

Head of Transport Policy Division

Bob Macey (item 5)

Head of Environmental Protection Division

Phil Bishop (item 5)

Environmental Protection Division

***External Organisations:***

Laura Wren (item 4)

Head of Stakeholder Relations, Strategic Rail Authority

Jonathan Melsom (item 4)

Stakeholder Relations Manager, Strategic Rail Authority

Mike Brooker (item 5)

Managing Director, Glas Cymru

Chris Jones (item 5)

Executive Director, Glas Cymru

Nigel Annett (item 5)

Executive Director, Glas Cymru

Simon Coton (item 5)

Communications Manager, Glas Cymru

***Secretariat:***

Siwan Davies

Committee Clerk

Vaughan Watkin

Deputy Committee Clerk

**Opening Remarks**

0. 1 The Chair welcomed Members, officials and the public to the meeting. He reminded the Committee of the forthcoming informal meeting with the Northern Ireland Regional Committee on 9 May, and that the Committee would be meeting at Blaenavon on 15 May, preceded by a

visit to a Cadw site in the morning.

0.2 The Minister took the opportunity to inform the Committee of the following developments:

- Welsh Affairs Select Committee – the Minister had been invited to give evidence to the Committee on 8 May about the reform of the planning system in Wales;
- Vale of Glamorgan railway line – issues relating to notification to the European Commission under State Aid rules had now been resolved. There would be some delay, but work would shortly get underway.

### **Item 1: Apologies, substitutions and declaration of interests**

1.1 Apologies had been received from Richard Edwards, for whom Rosemary Butler was substituting, and Karen Sinclair, for whom Ann Jones was substituting.

2. Val Lloyd declared an interest as a Member of Swansea City and County Council. Brian Hancock declared that prior to his election to the National Assembly he had worked as a Health and Safety and Environmental consultant.

### **Item 2: Review of Biodiversity: terms of reference - EPT-08-02 (p 1)**

1. The Chair sought the Committee's views on the draft terms of reference and programme for the review, which were based on issues raised during the discussion with the Wales Biodiversity Group on 9 January.

2.2 Members suggested that the review focus on ensuring that local action was being taken to support and enhance biodiversity in Wales, on raising the profile of biodiversity generally, and on equality of opportunity. Some concerns were also raised about the management of Sites of Special Scientific Interest (SSSIs), which would be followed up with the Countryside Council for Wales during the annual scrutiny session in July.

2.3 The Committee agreed the draft programme and following terms of reference, and would not be appointing an expert adviser.

*To review current progress and ensure that Local Biodiversity Action Plans (LBAPs) are in place for all areas of Wales, and identify further action needed at the national and*

*local levels to support LBAP implementation through partnerships.*

### **Item 3: Subordinate Legislation: forward look - EPT-08-02 (p 2)**

1. The Minister advised Members of forthcoming subordinate legislation and invited the Committee to identify any items on which they wished to be consulted. The Committee had already asked to be consulted on the statutory guidance to the Environment Agency, and on implementation of provisions of the Countryside and Rights of Way Act.

3.2 Members flagged up their interest the following areas of subordinate legislation. It was agreed that the Minister would provide further details on the nature of the legislation proposed in those areas, and that the Committee would indicate which of them it wished to consider in greater detail.

- Abandoned Vehicles
- Air Quality (Wales) (Amendment) Regulations
- BS 5228 – The Control of Noise (Codes of Practice for Construction of Open Sites)
- Fixed penalty notices
- Road Traffic (Vehicle Emissions) (Wales) Regulations
- Special Waste Amendment Regulations
- Town & Country Planning Act Permitted Development (Amendment) Order

### **Item 4: Strategic Rail Authority – Update on Wales and Borders Franchise**

4.1 The Strategic Rail Authority (SRA) advised the Committee of current progress in letting the Wales and Borders franchise (see copy of presentation at Annex 1).

4.2 Discussion focussed on the following areas:

- Funding – funding for the new franchise would be limited, with a ten per cent indicative cap on new funding;
- Priorities – given the limited new money, Members suggested that the priorities for the new franchise should be ensuring reliability and punctuality of services, and on delivering those improvements that did not require additional resources. The SRA were seeking to balance a realistic and prescriptive approach, to ensure that bids were deliverable;
- Performance – the SRA would formally monitor the performance of the franchise holder at five year intervals and ensure that the contract was enforced. The ultimate sanction available to the SRA in case of poor performance was the suspension of the franchise;

- SRA Office in Wales –an SRA presence had recently been established in Glasgow. There were no current plans for an office in Wales, but the SRA were in regular contact with Wales and the Borders trains and other stakeholders;
- Customer service – it was important that railway staff had ownership of their work if they were to deliver improved customer service;
- Rail services – progress was being made in improving north-south links and the Welsh Assembly Government were looking at the operation of the north-south train service. Bidders had been asked to cost improvements to the Ebbw Vale line, and bring forward proposals for improving services west of Swansea;
- Access – there was a need to ensure that rolling stock and stations were accessible to all passengers;
- Stations – the SRA were seeking proposals for improving station management.

4.3 The Committee asked to be kept informed of developments with the franchise process.

## **Item 5: Glas Cymru: performance review and forward look**

5.1 Glas Cymru set out the background to their acquisition of Dwr Cymru Welsh Water (DCWW) in May 2001, summarised DCWW's performance over the year and highlighted the challenges ahead, including the forthcoming Regulatory Price Review for 2005-2010.

5.2 Discussion focused on the following areas:

- Financial projections - the balance of projected cashflow, increasing asset value, and debt each year to 2005, and reasons why customer bills could not be reduced to the industry average within the current regulatory period;
- Risk – Glas Cymru's assessment of regulatory risk;
- Climate change – work being undertaken by Glas Cymru/DCWW into the effects of climate change and other future challenges;
- Bathing water quality - action to address concerns that, although the overall quality of bathing water in Wales had significantly increased, five beaches in north Wales had failed to meet the EC mandatory standard last year;

- Outsourcing - the role and location of contractors: United Utilities (operations), Thames Water (call centre) and Wessex Water and others (sewerage);
- Sewers – Glas Cymru’s policy on unadopted sewers.

5.3 The Committee expressed an interest in being consulted on DCWW’s environmental programme for 2005-2010.

#### **Item 6: Minutes of the meeting 17 April 2002 - EPT-07-02 (min)**

6.1 The Committee adopted the minutes of the meeting held on 17 April, and asked for a note from officials on the anticipated budget uplift of £30m to deliver the Trunk Road Programme.

#### **Date of next meeting**

7.1 The next meeting of the Committee would be at 2.00 pm on Wednesday 15 May 2002 at the Blaenavon Workmen's Hall, Blaenavon.

#### **Committee Secretariat May 2002**

**Annex 1**

#### **Presentation to EPT 1 May 2002**

#### **Laura Wren, Head of Stakeholder Relations, Strategic Rail Authority**

When you met with my Director Chris Austin last October he outlined the scope of the emerging plan for Britain’s Railways - details of which were confirmed with publication of our first Strategic Plan in January of this year. The Plan set out the way the SRA would lead the rail industry through the Government 10 year plan period and beyond, and how we would deliver on our Ministerial objectives.

Today I want to focus on a key component of our plan for railways in Wales - namely the Wales and Borders franchise and outline to members what we are seeking to achieve and the forward process. Of course the plan is about more than the franchise. We should not lose sight of the benefits of the programme of infrastructure enhancements both for stations and for track and signalling. We will continue to provide support through Rail Passenger Partnership for which additional funding is secured through 10 year plan. Of the RPP funding to date £8.5 million of £52 million has been awarded to initiatives in Wales. And we have introduced the Rail Performance Fund specifically targeting improvements to network which can be implemented in the short term.

As some of you will be aware the franchise process resumed on 24 April with guidance being sent to the eight pre-qualified bidders on how to prepare initial bids. This keeps us on track for the commencement of the franchise in Spring 2003. We are about to embark on a series of meetings with stakeholders throughout the franchise area who will be provided with a summary document setting out the key principles of the process. This will be explained further at meetings hosted by the SRA throughout the franchise area. The Welsh Assembly Government will be kept closely in touch with developments on the franchise and will be represented at these meetings.

We will let Assembly Members have the summary document and advise you of the dates of the meetings, at which you would be welcome.

So what are we hoping to achieve? Well we do expect to deliver a better railway. Throughout the fifteen year life of the franchise, passengers should be able to experience tangible improvements. We expect bidders to address the diverse travel markets contained within the franchise, the mix of local and inter-urban, commuter and leisure and to propose enhancements to the whole station to station experience. We will maintain Valley Lines as a separate management unit recognising the strong local identity, and of course the franchise will benefit from the synergy caused by the rationalisation of TOCs serving Wales. It is important to recognise that the baseline does include provision for the implementation of requirements for accessibility & safety, both topics upon which we will be happy to expand in questions.

Within each bidder's proposal, the SRA will be looking for specific evidence of how the future management of the franchise will be structured and undertaken. In particular we need clarity regarding the proposals for staff training and development; assurance on the capability of management within the franchise and information on the geographical coverage of such management and staffing. This picks up not only on our own feedback through the National Passenger Survey on the importance of sound and appropriate staffing, but also links in with SRA's proposal to develop a National Rail Academy.

As elected members you will understand that the bids are being prepared against a background of a finite SRA budget, and value for money and affordability will be paramount. It is against this background that we have devised the concept of the enhanceable franchise.

An enhanceable franchise takes as its starting point the limited current funding, it assumes a similar quantum of services but with flexibility to change, but is intended to be future proof, which is around the SRA's ability to adapt the franchise, a feature which will be common to all new or renegotiated agreements; and the franchise agreements

will allow for trade-off and choices. Bidders have been invited to consider various options, in essence a baseline based on the existing railway, alternative options which assume the same level of subsidy, and also to provide costings for a series of priced enhancements based upon schemes and projects in Wales such as SWIFT and Ebbw Vale which are well developed.

Whilst not instructing bidders to cost every scheme at the initial bid stage, aspirations need to be tempered by the realism of deliverability, we recognise that there may be other aspirations which might be suggested, and have left open the possibility for bidders to depart from the SRA list. The only caveat is that we have provided an indicative cap of 10% on the overall funding for the franchise, to ensure that bids can be satisfactorily evaluated. This puts considerable importance on the need for dialogue between bidders and stakeholders to ensure that there is clarity regarding priorities.

The challenges set for the SRA by the Government are set out in our Directions and Guidance issued on 11 April. The SRA has to deliver the Ten Year Plan targets, but has also to provide leadership for the rail industry, to drive up standards of punctuality, safety and comfort across the rail network, and provide a much clearer and focused approach to franchising. We believe that what we have embarked on for Wales and Borders will deliver those objectives for passengers in Wales.