

Agenda – Economy, Infrastructure and Skills Committee

Meeting Venue:

Committee Room 4 – Tŷ Hywel

Meeting date: 20 February 2019

Meeting time: 09.15

For further information contact:

Gareth Price

Committee Clerk

0300 200 6565

SeneddEIS@assembly.wales

Private pre-meeting (9.15–9.30)

1 Introductions, apologies, substitutions and declarations of interest

2 Paper(s) to note

(Pages 1 – 7)

Attached Documents:

EIS(5)–06–19(P1) Letter from Chair to Development Bank of Wales

EIS(5)–06–19(P2) Letter to Minister for Economy and Transport from Chair



3 The Future Development of Transport for Wales: Public Transport and Active Travel

(9.30–10.30)

(Pages 8 – 46)

Christine Boston, Director for Wales, Community Transport Association

Steve Brooks, National Director Wales, Sustrans

John Pockett, Director, Confederation of Passenger Transport

Attached Documents:

EIS(5)–06–19(P3) Research Briefing

EIS(5)–06–19(P4) Evidence from Community Transport Association

EIS(5)–06–19(P5) Evidence from Sustrans, Cycling UK, Living Streets

EIS(5)–06–19(P6) Evidence from Confederation of Passenger Transport Wales

Break (10.30–10.45)

4 The Future Development of Transport for Wales: Passenger Interests

(10.45–11.30)

(Pages 47 – 61)

Barclay Davies, Director, Bus Users Wales

Linda McCord, Senior Stakeholder Manager, Transport Focus

David Beer, Stakeholder Manager, Transport Focus

Attached Documents:

EIS(5)–06–19(P7) Evidence from Bus Users UK

EIS(5)–06–19(P8) Evidence from Transport Focus

5 The Future Development of Transport for Wales: Professional and Representative Bodies

(11.30–12.30)

(Pages 62 – 79)

Dr Roisin Willmott, Director, Royal Town Planning Institute Wales

Dr Llŷr ap Gareth, Senior Policy Adviser, Federation of Small Businesses

Chris Yewlett, Chair of the East Wales Group, Chartered Institute of Logistics and Transport

Attached Documents:

EIS(5)–06–19(P9) Evidence from Royal Town Planning Institute Wales

EIS(5)–06–19(P10) Evidence from Federation of Small Businesses Wales

EIS(5)–06–19(P11) Evidence from Chartered Institute of Logistics and Transport Wales

Private de-brief (12.30–12.35)

Giles Thorley
Chief Executive, Development Bank of Wales

7 February 2019

Dear Giles,

Annual report scrutiny with the Development Bank of Wales

I write to thank you and your colleagues for attending Committee today to discuss progress with the Development Bank of Wales' activities with Members. It was pleasing to hear a positive story about the Bank's progress against investment targets to date, and to see in the annual report a more transparent presentation of financial information that the Committee had recommended last year.

Immediately after this morning's scrutiny session the Committee took evidence for a new inquiry into barriers for small home-building firms, and so the Development Bank's evidence about lending under the Property Development Fund and the Stalling Sites Fund was particularly helpful to us.

One of the issues that arose from our session with the Federation of Small Businesses Wales, the Federation of Master Builders Wales and Hygrove Homes was the positive impact that those two funds, in particular the Property Development Fund, have had in assisting existing players in the home-building sector by providing liquidity. It was noted that because financial support is not available until planning permission has been granted, this prevents many small businesses from entering the home-building sector, and they stay working in other areas such as home improvements or repairs instead. However, you did say that the Development Bank has lent working capital to larger businesses more generally, which could help towards planning costs.

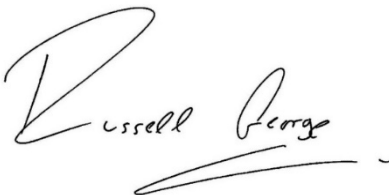


The Federation of Master Builders Wales also strongly recommended that increasing the threshold for defining a 'major development', from 10 housing units to something closer to 50, could assist smaller home-building firms from entering the market due to the less cumbersome and costly planning process below this threshold. The Committee would be grateful for the Development Bank of Wales' view on these issues, to take into account as part of its current inquiry.

The Committee looks forward to future scrutiny of the Development Bank's annual report for the year 2018-19. The Committee notes that more information on key performance indicators, including on carbon emissions and equality indicators, will be included in an impact report from the Bank for 2019-20, but any additional data for the year 2018-19 that can be provided to Members would be helpful, to assist them with benchmarking those impacts. Equally, the Committee would be grateful to receive any analysis that the Bank has on the quality of jobs it is creating and safeguarding, and how this compares to previous years.

The Committee also looks forward to seeing the Development Bank's bespoke reports on export finance and equity clusters in due course.

Yours sincerely,

A handwritten signature in black ink that reads "Russell George". The signature is written in a cursive style with a long horizontal stroke underneath.

Russell George
Chair, Economy, Infrastructure and Skills Committee



Ken Skates AM
Minister for Economy and Transport

15 February 2019

Dear Minister,

City and Growth Deals for Wales

On 23 January and 31 January 2019 the Assembly's Economy, Infrastructure and Skills Committee took evidence from those responsible for driving forward the Cardiff City Region City Deal, Swansea Bay City Deal, the Mid Wales Growth Deal and the North Wales Growth Deal. These sessions were to follow up on progress with the development of these four regional Deals, following the publication in October 2017 of the Committee's report 'City Deals and the Regional Economies of Wales'.

These sessions have raised a number of questions for Members about the progress of the various Deals, the way they are being funded and evaluated, and the extent to which activities within the Deals are dovetailing with wider economic development strategies at Welsh Government and UK Government level. Given the joint nature of these Deals, the Committee decided that it wished to write to both governments to seek responses, as appropriate, on the following points:

Cardiff City Region City Deal

This CCR City Deal has ambitious targets for delivering jobs and leveraging in private sector investment. A large proportion of the £1.2 billion Deal is allocated to the Metro, with £495 million allocated to the 'Wider Investment Fund', and the Committee was told that the Gateway Assessment would only be on the impact



of this wider Investment Fund, and within that only looking to evaluate the work being done on the IQE compound semi-conductor cluster, where £38.5m had been invested. *Can the UK Government confirm which elements of the Deal will be subject to the first Investment Fund Gateway Assessment of impact by HM Treasury, and what are the potential implications of that Gateway Assessment for the release of further funds to the Wider Investment Fund?*

The Committee was also told that the goal was to 'recycle' as much of the initial capital funding as possible but that the impact of recycled funds would not be taken into account in the UK Government's assessment of the impact of the City Deal. *Can the UK Government clarify the rationale for this approach?*

The Committee was concerned to hear that the Cardiff City Deal is finding it 'difficult to engage' with the Welsh Government in developing the economic plan for the region. *The Committee would welcome the Welsh Government's response to this suggestion and to hear how integration will be improved in the future with regard to the Cardiff Capital Region's economic plan and the Welsh Government's own plans for the region.*

Swansea Bay City Deal

The Committee noted the importance of a successful outcome of current reviews of the Deal and its governance arrangements. It will be important for the Deal to be given final sign-off as soon as possible to prevent any further delays to projects, for which local authorities are already carrying financial risk.

The Committee was surprised to hear that the Swansea Bay City Deal region is still developing the monitoring and evaluation framework which will set out the proposed approach to evaluating the impact of the City Deal. *The Committee would be grateful if the UK and Welsh Governments could clarify the timescale for finalising this important area of work.*

North Wales Growth Deal

Progress with the North Wales Growth Deal was encouraging with funding having been announced before Christmas, although disappointing that the amount of funding allocated by the Welsh and UK Governments is £100m less than that originally anticipated.

Can the UK Government provide a full explanation of its reasons for unilaterally announcing a funding commitment significantly less than the £170m that was bid for, and whether it intends to review this decision, bearing in mind the Welsh Government's commitment to match any increase made at UK level?



Can the Welsh Government provide a full explanation as to why it decided to match the UK Government's initial offer of £120 million, rather than offering to commit the £170 million that was requested by the North Wales bid?

In light of Hitachi's decision to suspend work on Wylfa Newydd, the Committee wants to understand the impact of this on the North Wales Growth Deal and how projects might be re-prioritised. The Committee has noted publicly its concerns about how other projects in North Wales can fill the gap, as their impact is dwarfed by the growth potential of Wylfa Newydd. *What is the Welsh Government's assessment of how the decision to suspend work on Wylfa Newydd affects what the Growth Deal is trying to achieve?*

Mid Wales Growth Deal

While work had been done to propose joint governance arrangements between the two local authorities in the Growing Mid Wales Partnership, the Committee saw that much more work is still needed to develop and approve detailed business cases for a Growth Deal, with the timeframes for that described as being "tight". While it was assured that cooperation at officer level was effective, it noted the need for this to translate into more frequent meetings at political level and a concrete guarantee of high-level political commitment. The Committee heard about efforts to engage with business across Mid Wales but that further engagement will be hindered until the specifics of projects are known. The weakness for Mid Wales in having a small number of 'anchor' companies could also increase the risk of effort being spread thinly across the region without significant benefit accruing.

Both Council Leaders were keen to see more pace in the development of the Deal, and confirmation of the funding forthcoming from both Governments, particularly in light of the investment of time and effort that was being put into developing the Deal at local level. *Given the resources that have already been directed towards developing the Deal, what further assurances can be given about the timeframe for the Welsh Government and UK Government to agree and announce the funding allocated to the Growth Deal? Are both governments content that the two local authorities are working well together and with sufficient pace, and that both are adequately consulting with the business sector or could be doing more in this regard?*

The Committee noted the Leader of Ceredigion would be meeting with the Welsh Minister for Economy and Transport to address the problem of Ceredigion's colleges not being adequately included in the activities of the South West and Mid Wales Regional Learning and Skills Partnership. *The Minister will*



note the Committee's current inquiry into the role of Regional Skills Partnerships in Wales - can he set out what actions will be taken to ensure that the RSP covering Mid Wales is taking full account of skills needs across the whole of that region?

Questions common across all the Deals:

The Deals are for capital funding, and in recognition of this local authorities and some education bodies are setting aside revenue funding streams to support the Deals and develop the business cases. The Committee also noted efforts were being made to try to build legacy in terms of skills training into what were capital investment projects. *How confident is Welsh Government that there will be a significant legacy created by the capital funding to justify the initial outlay at local level, particularly given the 'drip-feed' approach to allocating capital subject to the results of gateway assessments?*

The Committee asked about how well the Deals were aligned with the Welsh Government's Economic Action Plan and the work of its Chief Regional Officers, and the investment priorities at UK-level being driven by the Industrial Strategy. Members were not entirely satisfied that the linkages between these different strategies were fully identified and being maximised as part of the Deals. *How confident are you that the Deals are aligned with regional and national economic strategies to the maximum benefit of the regional economies they seek to benefit?*

It was identified that there is potential for projects in one Deal area to also provide benefits to an area covered by another Deal (e.g. employment in Mid Wales as a result of the Steel Science Centre within the Swansea Bay City Deal), but despite shared learning between the various Deal leaders, the Deals have geographical boundaries. *Is there a danger that delivering actions at regional level through City and Growth Deals will create 'growth silos' that work against wider efforts by Welsh Government, and indeed the UK Government, to drive economic growth at the national level in Wales, and across the whole of the UK?*

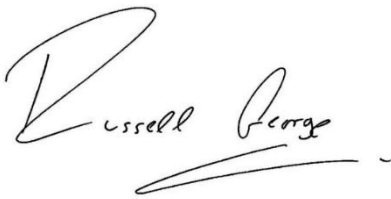
Finally, the Committee noted that a Surrey-based consultancy has been appointed to undertake the rapid review of the Swansea Bay City Deal, and that American multinational engineering firm AECOM was commissioned by the Growing Mid Wales Partnership to produce an Economic Strategy for the region. *The Committee would like to ask both governments what was the rationale for appointing consultants from outside Wales to undertake this work, and what*



thought was given to encouraging bids from within Wales through the procurement process?

As noted above, this letter has also been sent to the Rt Hon Alun Cairns MP, Secretary of State for Wales. I look forward to receiving your response.

Yours sincerely,

A handwritten signature in black ink that reads "Russell George". The signature is written in a cursive style with a long horizontal flourish underneath the name.

Russell George
Chair, Economy, Infrastructure and Skills Committee



Agenda Item 3

Document is Restricted

Evidence from Community Transport Association

About us

The Community Transport Association (CTA) is a national charity that represents and supports providers of community transport: thousands of local charities and community groups across the UK that all provide transport services that fulfil a social purpose and community benefit.

We are for, and about, accessible and inclusive transport.

For many passengers, community transport operators are the lifeline that connects them to their communities when no other transport is possible; be that for work, for education, for health or for social interaction. Here in Wales, our members include schools, charities, day centres, bike to work schemes and operators of regular services for communities and people who would otherwise be disconnected from the world.

Full response:

Overview

The establishment of Transport for Wales (TfW) as a wholly-owned subsidiary of the Welsh Government fundamentally changes the nature of scrutiny for Transport policy in Wales. Our experience is that current practice is good, but as the company matures it would be wise to consider embedding ways of working that will ensure transparency and public confidence for the future.

Governance, Structure and Funding

The governance and accountability structures of private companies are different to those of government, and this may necessitate a change in the Committee's approach to scrutiny.

It is inescapable that the establishment of an arms-length wholly owned subsidiary removes some of the parliamentary oversight that the Assembly would otherwise have. That being said, our experience has been that TfW are willing to engage very openly with representative bodies such as ourselves. We have been positively engaged in relevant work on bus strategy, and some of our members have had the opportunity to contribute directly on areas of shared interest.

This positive institutional behaviour is very welcome, but it should be noted that this is a matter of good will and good practice from the current leadership and

staff, and not of obligation.

Recommendation: The Committee may wish to consider establishing a set of working protocols with Transport for Wales, in order to establish and embed good practice in the future.

The governance structure is comparable with other private companies; an Executive Team reports to a Board of Directors and a range of business information is available. Board minutes and a Register of Interests are available on the TfW website, although in the case of the latter document, we would query whether this is complete. There are no entries for some Board members, and this is unusual.

Recommendation: That TfW ensures that its register of interests is complete and up to date, and that the date at which the register was last updated is recorded on it. Null responses should be recorded to remove suspicion that an entry is incomplete.

Executive Directors are not currently included on the Register of Interests. While this is not a legal requirement, as a wholly-owned subsidiary of government, TfW may wish to exemplify a higher standard of transparency than the legal minimum.

Recommendation: That TfW considers including its Executive Directors in its register of interests.

A good Board ensures that the Chief Executive is able to draw on appropriate expertise. The current appointees are extremely experienced professionals with many skills to offer, but we note that none have significant direct operational experience of working in the transport industry. We would particularly welcome an appointee with experience and understanding of accessible and inclusive transport, to ensure that the needs of vulnerable groups are understood at the highest level.

Recommendation: That TfW considers appointing a Board Director with experience of public transport operational management, particularly accessible and inclusive transport.

TfW finances may not be subject to the scrutiny that a government department is during the budget process, but as a private company its annual accounts are published by Companies House. This may in fact provide a greater level of detail than is provided by government budget documentation. TfW's accounts are full and thorough, and include appropriate strategic information. While this is very welcome, there may still be issues around the timing of when the accounts are filed.

TfW's year-end is 31 March. Companies House requires that companies file their accounts within 9 months of the year-end. In 2018, TfW filed on 19 November - 12 days before the deadline. This was in the middle of the Committee's budget scrutiny sessions, and after some Ministerial scrutiny sessions. This impinges upon the Committee's ability to scrutinise transport funding fully.

Recommendation: The Committee may wish to examine TfW's published annual accounts as part of its routine budget scrutiny.

Recommendation: The Committee may wish to request that TfW publish its annual accounts on an earlier date than its Companies House deadline to enable better scrutiny.

Transport for Wales' current and future role

There is not a clearly understood delineation of TfW's role and remit, and if this is not addressed there is a real risk that mission-creep could undermine its future effectiveness. There appears to be activity in policy, transport strategic delivery and direct delivery, and this is more ambitious than almost any other transport authority in the UK.

Recommendation: The Committee may wish to consider how the role of TfW is currently defined, and whether this is an accurate reflection of its actual work and stated aspirations.

There appears to be overlap between TfW and the Welsh Government Transport Department in the area of policy and legislation, as exemplified by recent work on transport policy in the autumn of 2018. The Welsh Government were consulting on the Welsh Transport Strategy, as per their legal obligations under the Transport (Wales) Act 2006. At the same time, TfW were consulting on Bus Strategy for the preparation of a white paper. This created some confusion amongst our members, who were invited to contribute to both processes. It also seemed surprising that a private company was preparing a white paper but government was writing a delivery strategy.

Recommendation: The Committee may wish to seek clarification of the role of the Welsh Government's Transport Department and the criteria by which they decide whether an activity is rightly their work, or TfW's.

Recommendation: The Committee may wish to seek clarification as to the circumstances under which a private company would write a white paper.

There may be the potential for overlap between TfW and public transport operators, with confusion over who is responsible for what. This also creates a potential conflict of interest if TfW is both an operator (as it is with its T bus services) and becomes a commissioning body for bus services.

We would be concerned at this development for two reasons:

Firstly, many community transport operators, especially in rural areas, are able to create a viable operating model through a blend of services aimed at the general public, with varying levels of need, with highly specialised point-to-point services for vulnerable people who have more complex needs.

Selective intervention in the market by TfW could make it more difficult for these local operators to piece together a viable operating model, the net effect being a diminution in options for the most vulnerable people who have few choices to start with. For example, if TfW were to commission and/or operate routes currently covered by community transport operators using Section 22 Permit, those services could no longer operate. This would leave the community transport operators with only their costliest and most complex services and less ability to make them viable through other activities, such as running routes using Section 22 Permits.

Secondly, if TfW were to be legally challenged by large bus operators regarding the procurement process, community transport would not have the resources to be represented. The sector could be squeezed out of the routes that in many cases are subsidising essential support for vulnerable people.

Similarly, there is the potential for overlap between TfW and operators in terms of managing and delivering contracts if they move further towards a commissioning model. TfW cannot reasonably be responsible for managing transport contracts if it is involved in delivering any of them operationally. If it were to do so, it could not hold those contracts effectively to account.

Recommendation: The Committee may wish to clarify how TfW ensures that the potential conflicts outlined above will be avoided.

Recommendation: In order to avoid future conflicts of interest, the future role of TfW ought to be limited to EITHER commissioning and contracting services OR operational delivery.

The Committee is hampered in its scrutiny if it does not have a clear understanding of who is responsible for delivering what. If a new layer of delivery is added in the form of Regional Transport Authorities, it could lead to further confusion. It may be helpful for the Committee to consider the structures, governance arrangements and working practices of other transport bodies in the UK, particularly ones in which multiple local authorities and regional bodies are involved.

Recommendation: The Welsh Government's new transport strategy should outline how its own Transport Department, TfW and any new Regional Transport Authorities will work together.

Transport for London (TfL) is not a direct comparator for TfW, in that London has far greater devolution of powers, particularly as regards bus regulation. There is a strong case for devolving additional powers to Wales, but until that takes place, it is not possible to recreate the London model. While it may be a long-term aspiration to emulate this approach, in reality there are many legal and technical challenges

relating not only to transport regulation powers, but also data sharing and GDPR barriers to using account-based ticketing in the way that TfL do.

Additionally, financing new projects through tools that rely on increasing property values as TfL have done (i.e. Tax Increment Financing for the Northern Line extension, and Business Rates Retention for Crossrail¹) may be legally possible in Wales, but outside London the scale of property value increases is much lower and therefore these mechanisms raise less money. There is a need for TfW to consider innovative financing options that would help to drive infrastructure investment that will work in Wales' specific circumstances; given the significant number of services that have been withdrawn in the past three years, that should include core funding for services and not just the building of facilities. A bus station with no buses in it would serve nobody well.

Recommendation: TfW may have an opportunity to act as a finance-broker for strategic infrastructure investment in Wales, directing unrestricted funding to service delivery.

Some other city regions have packages of transport devolution and economic development challenges that are more directly comparable with Wales, and it may be helpful to look at some of these for inspiration not only in terms of governance, but also in terms of ambition in the medium term. Greater Manchester and the West Midlands have both delivered successful metro systems, for example, and learning from their successes and their failures could be extremely helpful. Manchester in particular may be a good comparator for TfW.

Recommendation: The Committee may wish to review the role and remit of Transport for Greater Manchester as a more direct comparison with Wales' own package of devolved powers.

We also suggest that TfW looks to examples of best practice for serving dispersed rural communities as well as urban development zones. The South Wales Metro and proposed Metro proposals in North-East Wales and Swansea Bay are exciting

¹ <https://tfl.gov.uk/corporate/about-tfl/how-we-work/how-we-are-funded>

developments, but for the vast majority of towns and villages in Wales², the primary mode of public transport is the bus, and bus services are under significant pressure across the UK.

In defining its future role and ambitions, TfW should ensure that the needs of rural communities are prioritised and well understood. This will mean smart investment in services that local communities rely on, and learning how to listen to those communities to deliver what they need. Community transport organisations are locally grown initiatives, working directly with and for some of the most vulnerable members of the community. This means that community transport operators have a unique insight into local needs and are best placed to devise solutions; we would recommend that TfW coordinate with community transport organisations to deliver transport suited to the needs of the community. We believe that the creation of Regional Transport Authorities may also bring the opportunity to bring a strategic focus on the different challenges faced by different areas of Wales and ensure that Wales' rural communities are properly served, but TfW have an important role in providing strategic direction.

Recommendation: The Committee may wish to explore examples of best practice in terms of serving rural communities from both in Wales and internationally.

Future role and conclusions

The establishment of TfW as a not-for-profit company presents an opportunity for innovation in transport policy in Wales, and we welcome its current openness to partnership working and collaboration. We believe that the greatest benefit for Wales will be derived if TfW carves a distinctive niche for itself, operating where there are currently gaps in our knowledge and expertise as a nation, and not in replacing or duplicating other bodies.

Wales has specific challenges in terms of serving rural communities as well as urban centres, and for those reasons focusing too closely on copying the working practices and priorities of other transport bodies which have a specifically urban remit may not be wholly appropriate. Developing and testing rural delivery models for public transport and access to public services may be an area of expertise where TfW could

² Wales has 869 Communities and 219 railway stations. Many larger communities have more than one station.

become an international leader in if it invests its resources in this key challenge now. That being said, the governance arrangements and delineation of tasks that have been developed by more mature transport authorities that also operate in a complex policy and delivery environment might be worth learning from.

Wales has different economic challenges, and therefore a different pattern of investment need, to many parts of England. We would therefore welcome TfW working to bring new funding into public transport services as well as capital infrastructure investment in the future. This is particularly necessary in what are very uncertain times in terms of future public funding, where the centralisation of services in combination with declining numbers of bus services could lead to unprecedented numbers of people becoming disconnected from vital services. We believe Community Transport has a vital role to play in ensuring that vulnerable people are not left behind.

Finally, we recognise that where there is market failure in delivering effective bus services, TfW may wish to become a commissioner of strategic bus services or to work with Regional Bodies to commission services directly. We would welcome this development with the proviso that Community Transport is included as an integral part of a healthy future transport market with social value considerations being made in commissioning, and that there is clear separation between the commissioning and management of services on the one hand and the operation of them on the other.

We thank the Committee for the opportunity to contribute to this important inquiry.

Evidence from Sustrans, Cycling UK, Living Streets

1. We want to see a transport system which takes a holistic approach to tackling the challenges of road congestion, pollution, ill-health associated with physical inactivity, inequalities of access, road danger and climate change. It needs to recognise the role that walking and cycling can play in tackling these challenges, and the value of investing in them as safe, convenient and attractive options as part of a wider vision for healthy, sustainable and accessible transport and land use.
2. We see Transport for Wales (TfW) as integral to making this vision a reality.
3. TfW should aim to be as integrated as possible covering delivery and implementation of all modes of transport. At minimum, it should take on responsibilities for (a) integrating walking and cycling with public transport, (b) ensuring the Welsh Government's design standards for active travel infrastructure, as set out in the Active Travel Act design guidance (and its forthcoming revision), are consistently upheld in the planning and design of all relevant transport infrastructure plans and schemes, and new developments.
4. To fulfil the first of these roles, it should ensure that the running of the Wales rail franchises and the south-east and north Wales metro systems maximise the opportunities for active travel, including by people with disabilities, by ensuring (a) good pedestrian and cycle access to, from and within stations and interchanges; (b) appropriate cycle parking, hire and storage facilities at stations and interchanges; (c) appropriate and flexible provision for cycle carriage on rail and other public transport services, together with optional and readily accessible processes for reserving cycle spaces on trains for which seat reservations can also be made; (d) publicising opportunities for travel by combining cycling and public transport; (e) good stakeholder engagement and monitoring, to ensure that lessons are learned from successful and less successful measures, and that opportunities for improvement are identified. It should also play a role in co-ordinating cycle-hire provision at stations with public hire-bike schemes run by local authorities, seeking to co-ordinate integrated ticketing and payment processes.
5. In regard to upholding design standards for active travel infrastructure, there is currently a disparity between Government policy and what is being delivered on the ground. As part of TfW's proposed role in upholding best practice and design standards, we recommend it should act as the guardian of the Welsh Government's Active Travel Act Design Guidance, ensuring it is consistently applied in the planning and design of all highway and traffic schemes, new developments, planned highway maintenance schemes and

other infrastructure projects, as well as for pedestrian and cycle-specific infrastructure.

6. How it fulfils this role will to some extent depend on the future roles in relation to transport planning which the Welsh Government proposes for local councils, regional transport authorities and the Welsh Government itself. If transport planning and delivery is to be more centralised, TfW should take a more direct role in delivering active travel infrastructure, including the planning of existing route maps (ERMs) and integrated network maps (INMs) as required under the Active Travel Act. If transport planning remains more decentralised, TfW should act partly as an advisory body on active travel infrastructure – providing expert advice for councils and/or regional transport authorities that currently lack it – while also signing off ERMs and INMs proposed by those bodies. Taking this role off the Welsh Government would free it up to focus on resource allocation and policy coordination, e.g. the integration of active travel policy with other non-transport policy areas (e.g. health, environment, rural affairs etc). TfW should in any event ensure that the Active Travel Act guidelines are consistently applied in all projects for which the Welsh Government or TfW are directly responsible, including all schemes relating to Wales’s motorway and trunk road networks.
7. If responsibilities for active travel remain relatively decentralised, TfW should also be able to function as an arbiter when local stakeholders raise complaints about the alleged failure of councils or regional transport authorities to adhere to the Active Travel Act design standards. It could provide non-binding rulings on whether or not those complaints were justified, in a way that would allow maladministration complaints or legal challenges to be made if the relevant authority then neglected its rulings without proper justification.
8. As well as infrastructure TfW should have a mechanism to support Behaviour Change programmes and revenue funding to promote active travel and achieve a better balance of modal split across transport funding in Wales.
9. Transport for Wales needs to lead by example as an organisation. Embedding a behaviour change programme within their workplace to support and encourage their employees to travel sustainably.
10. TfW should also have strong links to the planning process and be able to influence land use planning and social change to ensure new development and regeneration programmes are effectively integrated into public transport and active travel networks and do not unduly favour private car journeys or limit transport options, particularly in urban and suburban areas.
11. In this regard, TfW should be directly involved in influencing decisions stemming from the National Development Framework and Welsh Transport Strategy.

12. Fulfilling the above roles will require adequate TfW staff resources and working in partnership with a range of organisations particularly local authorities and any regional transport consortia across Wales to deliver an ambitious and effective programme for transport infrastructure and services across the country.
13. The Minister for Economy and Transport should maintain overall responsibility for setting policy and strategy – including coordination with ministerial colleagues responsible for other related policy areas (e.g. health, planning, environment, countryside access and tourism) – and for holding TfW firmly to account.
14. This said TfW should also be in constant dialogue with officials responsible for these related portfolios, to ensure that their work is closely aligned.
15. TfW will not only need to be closely aligned to Welsh Government but in constant dialogue with local authorities, and constant consultation with other interested parties.
16. TfW should have a defined and structured engagement approach with the active travel sector.
17. To date we have had concerns over the transparency of the Governance of TfW, with most of the information about the future role of TfW has emerged piecemeal in Ministerial statements, rather than through the setting out of a formal plan.
18. Moving forward we would recommend TfW aligning its governance structures with the Well-being of Future Generations (Wales) Act 2015, with all article publish accessibly on the website. As a body fulfilling public functions, it should be subject to legislation such as the Equality Act and Freedom of Information Act, and to the Nolan Principles of good governance.
19. To enable TfW in the future to encompass all forms of transport we would encourage a strategic plan of implementation over time. This strategy will need to be in place as soon as a proper co-coproduction process allows.

Evidence from Confederation of Passenger Transport Wales

1

Cyddfederasiwn Cludwyr Teithwyr Cymru/The Confederation of Passenger Transport Wales (CPTCymru) is the professional trade association of the bus and coach industry in Wales and is part of CPT UK. Its members in Wales include operators forming part of large multinational transport operators, municipally owned operators, medium sized independent operators and small family businesses. CPTCymru members provide over 70% of all public transport journeys made across Wales. The bus and coach industry as a whole employs some 5000 people throughout Wales, so, our members are often significant local employers, especially in the rural parts of Wales, and make major contributions to their local economies.

2

CPTCymru governance includes the Bus Commission Cymru, Coach Commission Cymru and also its Committee for Wales, which all members may attend; and members are consulted widely on the whole range of issues affecting road based public transport.

3

We are pleased to be able to contribute this submission to the inquiry by the Economy, Infrastructure and Skills Committee of the National Assembly for Wales into the future development of Transport for Wales. We have no objection to this being placed within the public domain, and we would be very happy to appear at a sitting of the Committee and provide oral evidence.

4

TfW was set up by the Welsh Government over three years ago, in 2015, but little was known about it, its aims or purpose or of its governance for its first years of existence. Its profile increased considerably, however, with the Wales & Borders Rail Franchise process and ultimate award, and, even moreso, since the highly

visible launch of the new franchise in October 2018, and then by the disruption to the rail network immediately after the launch.

5

TfW's public image has not had a particularly auspicious start, overshadowed by problems with the All Wales Rail Franchise at its launch in October 2018. Whilst the responsibility for some of these problems should not be laid at the door of TfW itself, the adverse publicity was, in part, brought on TfW itself, by its very high profile launch of the new franchise, poor management generally of public expectation before the franchise went live and attempts by TfW management to blame the previous franchise holder for the problems encountered after the handover in October 2018.

6

There is no public organizational chart of the structure of TfW, and very few staff are directly employed, most are consultants, with many having little knowledge of the bus industry, which is the area with which CPT Cymru is, of course, concerned.

7

With this background, TfW should learn from its experience before looking to extend its control over other modes of transport.

CPTCymru's responses to the Committee's specific questions are given below.

Whether the current governance, structure and funding of Transport for Wales are effective and transparent.

8

There is insufficient transparency in the relationship between the Welsh Government and Transport for Wales. This applies in all areas – policy making, responsibility for delivery and funding. Lines of control and accountability are

equally ill defined. The role of civil servants in the transport function and their relationship with TfW is unclear and it may be more appropriate if the former undertook purely administrative roles under the TfW regime.

9

What is the organisation structure? Somewhat incredibly, the TfW Board does not include anyone who has been involved in any form of transport. How, therefore, can they question and probe the TfW Executive effectively, as they have no in depth knowledge of a transport undertaking? The perception is that TfW is, in effect, just a rail delivery agent.

10

This lack of clarity is acutely compounded from a cursory glance through some of the minutes of the TfW Board. Attendees have sometimes included WG staff, sometimes as observers, sometimes for specific agenda items. This lack of clarity has served to muddle the perceptions, by transport providers/professionals, members of the public and indeed politicians themselves. The decision by the Welsh Government not to send observers to TfW Board meetings, as detailed in the 21 November 2018 minutes is a welcome step in this.

What action should be taken to develop these aspects of the organisation? And what other governance models and good practice are available?

11

This does, in effect, follow on from the response to the previous question. Clear divisions of responsibility need to be established. The Welsh Government could learn from the Scottish model which is clear in that Transport Scotland is responsible for implementation of all policy and funding decisions taken by the Scottish Government, in addition to development of its own initiatives to ensure successful implementation of these. Perhaps this is simply a function of its having been established longer and for the bodies to have established clear working protocols and a division of functions.

The future role of Transport for Wales in delivering transport policy. What additional responsibilities should it take on and how should these integrate with the role of the Welsh Government, local government and emerging regional transport authorities?

12

There is a need for policy direction to be deployed to assist and guide local and regional authorities, to share best practice and to ensure consistent application of relevant standards. The paucity of suitably experienced and skilled staff at all levels is a serious concern and there is a need to recruit a directly employed senior team that can bring strong leadership and direction to transport policy for the country.

13

Transport is inextricably linked with infrastructure and land use planning, and whilst responsibility for the latter area is likely to remain with the local or regional authority, the former could be undertaken at the national level to improve consistency, decision making and adoption of best practice. As for the latter, TFW should at least have an increasing contribution into land use planning policy, as this is where transport provision often begins.

14

Integration of transport and highways functions at the national level would deliver much of this benefit, but guidance on development control will also need to be provided to the lower tier authorities. Strong policy guidance from TFW at a national and local level will be needed to ensure that transport is fully integrated with the health, education and social care functions in respect of planning and funding of services (in the widest sense of the word) and day to day decisions. Finally, administration of concessionary travel reimbursement at a national rather than local level would most likely lead to significant cost savings and ensure consistency across local boundaries.

Conclusion:

15

TfW cannot be a policy maker and delivery agent, it is one or the other. If it is an agent of delivery then it should be able to contribute toward policy decisions, to influence objectively the policy makers. As shown above, this should include contributing to land planning and highways obligations and coordinating the LTP.

16

In essence, WG need to decide what the purpose of TfW is if the LAs retain all of their current powers and, through bodies such as the City Regions, are stronger than TfW. We then have a blurred situation where accountability is difficult to pin down; in effect, who is doing what? This will serve only to add the lack of clarity and transparency, and lines of responsibility or understanding of the remit for TfW will remain unclear.

17

In summary, CPTCymru are strongly of the view that whatever is decided, there needs to be clear and transparent activity that is within the public domain with full FOI Act implications, and with clear responsibility, accountability, powers, funding, objectives, leadership and governance.

Evidence from Bus Users UK

Background

Transport for Wales is the delivery arm for Welsh Government transport policy. As such, it is important that the future development of TfW truly recognises the challenges and opportunities for transport in Wales.

Bus Users UK therefore welcomes the opportunity to respond to the Economy, Infrastructure and Skills Committee inquiry into the future development of Transport for Wales.

1. The consultation asks whether the current governance, structure and funding of Transport for Wales are effective and transparent

Transport for Wales (TfW) was set up to be the delivery arm of Welsh Government Transport policy. Whilst TfW has the ability to make independent operational decisions, Welsh Government still controls the overall goals and performance at a strategic level.

We consider that the governance, structure and funding are reasonably transparent, accepting the control relationship between Welsh Government and TfW. However, we would like to see further transparency. In order to establish if the governance, structure and funding are effective, we would like to see more accountability and appropriate scrutiny of actions and decisions.

2. The consultation asks what action should be taken to develop these aspects of the organisation? What other governance models and good practice are available?

The obvious comparison is with Transport for London (TfL).

One area where TfW can learn from TfL is in the transparent way in which TfL conducts its board meetings. Whilst TfW publish notes of their board meetings, these meetings are not open to members of the public to attend as an observer. TfL publishes a notice of the date, time and venue for meetings on this website as well as at TfL head office and the meeting venue. The meetings are held in public unless information that is exempt from publication needs to be discussed. All papers (unless exempt from publication) are published five clear working days before each meeting. TfL board meetings are also recorded and webcast live. We would like to see TfW adopt similar practices to become more transparent.

TfL publishes and publicises an annual report, presenting an objective and easily readable account of activities, achievements, financial position and performance. We would like to see TfW adopt this approach, combined with a series of road

shows to key stakeholders to highlight success. One such event would be a presentation at the annual Welsh Bus Summit.

Public focus

Of particular concern is the apparent lack of public focus by TfW. Whilst this has improved recently with TfW attending events and explaining what they are doing and hope to achieve, most members of the public have little idea what TfW is and what its purpose is. Bus Users UK is concerned at the lack of opportunity for members of the public to engage with TfW. The Minister recently made a decision to bring the Public Transport Users Advisory panel (of which Bus Users UK was a member) to a close. The rationale for the closure of the panel is that it was considered that the topics discussed sat better within the TfW advisory architecture. While there is an argument to be made for this, we are concerned at the lack of independent user input into the process. This needs to be urgently addressed.

Returning to comparisons with TfL, it has in place arrangements designed to encourage individuals and groups from all sections of the community to engage with, contribute to and participate in its work. We would urge TfW to develop a plan to improve its public engagement and user input options.

3. The consultation requests input on the future role of Transport for Wales in delivering transport policy. What additional responsibilities should it take on and how should these integrate with the role of the Welsh Government, local Government and emerging regional transport authorities?

TfW is beginning to look at bus services. We understand that three work streams have been developed tasked with feeding into the business plan to be completed in March 2019.

- Ticketing and Back Office
- Integrated Responsive Travel
- National Bus Network

We welcome the stated interest of TfW in improving bus services and making them more accessible to all bus users. Over the past two years, parts of North Wales in particular have seen drastic changes to the bus services network due to various factors. This has caused significant hardship for a number of bus users, particularly those in rural areas who have seen service frequencies dramatically reduced or even lost. Bus services in rural areas are a lifeline for many. The bus plays a key part in enabling people to play a full part in society. Maintaining rural bus networks will be an important challenge for TfW. Bus Users UK has been working on this issue for some time and is happy to advise on addressing the problems, as follows.

Rural Bus Networks

Particular groups of people rely on bus services more than others. They can be characterised as:

- a) Young people, pre-driving age, mostly associated with journeys to school, training or weekend jobs
- b) Young adults, often increasingly now choosing not to either learn to drive or own a car
- c) Younger adults going out in groups for social or leisure activities
- d) Adults or families with insufficient disposable income to own and use a car
- e) Adults who have lost their driving licence for one of the 182 current medical reasons listed by DVLA
- f) Adults who have temporary suspensions to their driver's licence
- g) Older people with cars who make optional trips by bus using free bus passes
- h) Very elderly people for whom the bus is the only form of mobility and contact with other people.

The reliance that each group of people has on bus services will differ, as it will between urban and rural isolated communities. Based on the analysis above, those in groups a, d and h are most impacted by standards and levels of service provision whereas those in b, c, e, f and g are less so, not least because statistics suggest the majority will have or could choose to have access to private cars or taxis. However, a good quality bus service which is attractive to them also serves the more vulnerable groups better as well, so growing their use benefits the whole of society in a way that targeting only the more vulnerable does not.

The provision of services to isolated communities is increasingly fragile, as local authorities reduce expenditure, especially in this budget heading. It is not a statutory requirement, although it is generally assumed that the original legislators would not have envisaged a situation in which a local authority would consider a social need, understand the devastating impact of not providing it and choosing not to do so. As the legal requirement is only to *consider* the social implications of reduced or no bus services, more and more Local Authorities are choosing to target their resources elsewhere and shrug their shoulders at the problems left behind, until the Adult Social Care budget has to be increased to deal with the consequences. This is an untenable situation and the requirement could swiftly be reworded in order to make it a statutory duty, a change which would be welcomed by many Local Authorities.

The model of provision of bus services is increasingly now making delivering services to isolated communities more fragile too. As funding has reduced, so regulatory cost pressures, especially those concerning Community Transport operators, have increased. This is causing unprecedented problems for those attempting to provide any kind of transport service for isolated communities, especially rural ones and has increasing potential to cause real social isolation with

attendant health and welfare consequences. We would suggest that it would be timely to trial a new model of provision in selected geographical areas, reducing the more onerous regulatory barriers for a period to encourage new providers in the chosen areas. Radical though it may sound, the community interest or cooperative model has had many successful examples in the public house trade and community shop/post office operations.

Using a not-for-profit model such as a social enterprise, community cooperative or Community Interest Company could develop a new style of community-based transport provision. This would offer a new option which addresses the safety and driving competence concerns of mainstream operators, while also limiting the opportunities to become a direct competitor to a commercial operator, an area of concern often expressed.

TfW could also model the social and economic impacts in an area which has had a complete withdrawal of bus services, ask for and examine any suggested new model(s) in practice and publish and use this to inform its bus strategy. We also believe it would be in the interests of communities if TfW would make special provision for local authorities to take temporary control of service provision in an area where there is wholesale withdrawal by commercial operators, with the regulatory authorities tasked with ensuring that sufficient discs are available, in a timely manner, to plan and deliver replacement services. This would serve to reassure communities whose residents fear the complete loss of transport options when a main operator announces a large withdrawal of service.

Passenger Representation

Bus Users UK is the independent representative body for bus users in Wales.

Bus Users UK is highly respected for its work in Wales. It is critical that there continues to be an independent voice for the passenger and Bus Users UK is the obvious choice for this.

We have extensive knowledge of the bus sector in Wales.

Through our Your Bus Matters events programme, we understand what passengers in Wales think about and require from their bus services.

Our Bus Compliance Officers perform a vital role in monitoring services and driving up standards of service provision within Wales.

We understand the varying barriers to people using bus services and what can be done to overcome them.

About Bus Users UK

We are an approved Alternative Dispute Resolution (ADR) Body for bus and coach passengers, and the body dealing with complaints under the European Passenger Rights Regulation (Outside London). These rights will continue beyond Brexit.

We have worked closely with the Department for Transport to advise on passenger rights, the passenger involvement aspects of the Bus Services Act 2017, the detail of the proposed Accessible Information Regulation and all other matters where input on behalf of passengers is needed.

We have worked closely with Welsh Government for many years to advise on transport policy, current practice and new ideas. We also deal with Welsh bus passengers' complaints which come either directly from the passenger or via their Assembly Members, and we work alongside communities to try to make the case for continuing service provision and subsidy. We also hold regular events in rural and urban settings throughout Wales to enable residents to make local transport providers and policymakers understand their needs and the impact of poor transport on people at risk of social exclusion. We employ 3 bus compliance officers who conduct roadside monitoring, often as a result of complaints received. They also supply evidence when the results of the monitoring result in a Public Inquiry led by the Traffic Commissioner.

Evidence from Transport Focus

1 Introduction

- 1.1 Transport Focus is the independent consumer watchdog promoting the interests of rail passengers throughout Great Britain; bus, coach and tram passengers across England, outside London; and users of the Strategic Road Network in England. We have a Board Member for Wales appointed by the Minister for Economy and Transport.
- 1.2 We welcome the opportunity to provide evidence from our passenger research, to aid the Committee's scrutiny.

2 Transport for Wales: whether the current governance, structure and funding are effective and transparent

- 2.1 Passengers want a sense that there is 'someone' in charge when it comes to the delivery of services¹. They want someone to take overall responsibility and for this person/body to be accountable for decisions made and the quality of service provided.
- 2.2 One of the keys to accountability is transparency. Giving rail passengers access to information that matters to them will help them to hold the train company to account and to ask what is being done to improve services in return for the fares they pay. Joint research with the Office of Rail and Road showed that passengers particularly want punctuality data that is relevant to their journey rather than a companywide average². Even when they admit that they will be unlikely to read it themselves they see the value in it being available as it helps keep the operator on its toes. Indeed the availability of accurate data may actually help the railway – a particularly bad journey can linger in the memory and distort passengers' perceptions. Accurate, relevant data can help challenge these negative perceptions.

¹ Putting passengers at the heart of rail services. Transport Focus. 2004

² [Putting rail information in the public domain](#). Transport Focus and ORR. 2011

- 2.3 An element of transparency is not enough on its own. Passengers also want a sense that their voice matters and that the person//body in charge is actually listening to them. Passengers should not be the passive recipients of major decisions made on their behalf behind closed doors.
- 2.4 Our 'Passenger Power' report³ in 2013 argued for a much-increased voice for passengers in rail service contract replacements. We called for passengers:
- to be consulted on what services were to be specified
 - to be given a clear statement setting out contract commitments and any targets and then regular progress reports to provide greater accountability and transparency; and for
 - their voice to count through the life of that contract.
- 2.5 The yardstick for passengers will be the extent to which the specification and service address current issues and offer what they want for the future. Understanding this was a fundamental element of the procurement process. The consultation and engagement during the process was welcomed, however views differ on how inclusive this was of passenger groups across Wales and the Borders.
- 2.6 Whilst the branding of Transport for Wales is appearing across the network and there is awareness of a change in operator, what is not clear to passengers is what this should mean in terms of values. Their key measure and priority is the day to day reliability of services, which are crucial for getting to work, medical appointments, education and the daily journeys they want to make. Expectations for the new service have been built up, particularly in the media. In our research on the future of the Wales and Borders rail service⁴, passengers highlighted overcrowding, short-forming and service failures. Having had their expectations and trust battered by persistent delays on parts of the previous Arriva Trains Wales

³ [Giving Passengers a Voice in Rail Services](#). Transport Focus 2013

⁴ [The future of the Wales and Borders rail service: what passengers want](#). Transport Focus. 2017

network, they are severely disappointed at not seeing any improvement.

- 2.7 In addition, there has been negative feedback from passengers in the Borders, feeling excluded by apparent branding and promotion of transport *for Wales*.

3 What actions should be taken to develop these aspects of the organisation? And what other governance models and good practice are available?

- 3.1 Our work to explore passengers' relationship with the rail industry⁵ found that to improve trust, train companies not only need to get the basic service right day-to-day, they need to put effort into building long-term relationships with their passengers. For Wales and the Borders, it is important to get the basic service right ahead of everything else. Then, building on closer relationships with their passengers. One way is through high quality communication. Passengers should feel that train companies are 'on their side'.
- 3.2 Communication and engagement need to continue – with considerable scope to widen it beyond the procurement process. Our input to the 'Bowe' report⁶ set out the need to engage more with passengers when it came to major enhancement programmes. The report acknowledged that there was engagement – passenger views and user priorities were sought and considered at the start of the High Level Output Specification (HLOS) process; and via the various 'route studies' carried out by Network Rail. Bowe also noted the Office of Rail and Road's (ORR) public consultation as part of the Control Period process.
- 3.3 However, the report found: "...there is less evidence that passenger and user views are fed into the planning of how enhancements should be delivered, as distinct from what those enhancements

⁵ [Passengers' relationship with the rail industry](#). Transport Focus. 2014

⁶ Dame Colette Bowe's [review](#) of the planning of Network Rail's enhancements programme for Control Period 5, from 2014 to 2019. 2015

should be. In most cases, the delivery of enhancements involves disruption to existing services, either via short term possessions of the network, longer term closures and diversions or, as at London Bridge during the Thameslink works, extensive modifications to service patterns.

- 3.4 “The failure to engage effectively with users in this planning of delivery has had two impacts. First, it can be seen as contributing to cost escalation, via inefficient planning of possessions and the associated performance payments required to operators through their track access agreements with Network Rail. And second, it may contribute to passenger dissatisfaction on the occasions when things do go wrong.”
- 3.5 The Shaw⁷ report into the future shape and financing of Network Rail reached similar conclusions – it also acknowledged the need to give ‘users’ a say in the planning process. She envisaged a process where stakeholder panels would feed into the planning decisions made within each network rail route.
- 3.6 The report suggests that the route board and stakeholder panel: “...should work together to oversee all enhancements planning at route level and make recommendations for both desirable outcomes and specific projects, drawing on the strategic priorities set out in the government’s long-term vision for rail. The stakeholder panel and the alignment between enhancement strategies and the wider route-based action plans provides stakeholders with a way of holding the route board to account for planning and delivery, and would also be able to make suggestions to the route board on a variety of issues, including whether to accept or reject third party funded proposals, how best to monitor progress on pre-existing enhancements projects, and when and how to carry out ex-post reviews of completed enhancements projects.”
- 3.7 We believe that such engagement is not just a ‘nice to have’. Our research constantly demonstrates the value of involving passengers and the benefits that accrue to the industry. For example, research

⁷ Nicola Shaw’s [report](#) into the future shape and financing of Network Rail. 2016

on engineering work at Reading/Bath⁸ and at Waterloo⁹ shows that giving passengers timely, accurate information can improve satisfaction levels with the way that the disruption was managed and leads to greater acceptance of the alternatives such as bus replacement services. Another good example surrounds the design of new rolling stock. We have been working with Merseytravel in gathering the views of passengers on the design of their new rolling stock¹⁰. The end result will be a train that better meets the needs of those who will use it.

3.8 At both a strategic and a delivery level, greater accountability requires high-level, dedicated consumer representation and genuine passenger involvement in relevant issues.

3.9 Good practice is being built in a number of locations. The West Midlands Bus Alliance (chaired by Transport Focus) was the first of its kind in Great Britain. It brings together bus operators, local councils, and other partners to focus on improving passenger journeys. Investment and concentration on service delivery over three years are driving improvements. The Bus Passenger Survey¹¹ is showing more passengers are satisfied with their journey and feel it was good value for money.

3.10 Partnerships are also in place in Liverpool City Region and West Yorkshire, as well as West of England and Cambridgeshire and Peterborough.

4 The future role of Transport for Wales in delivering transport policy. What additional responsibilities should it take on and how should these integrate with the role of the Welsh Government, local government and emerging regional transport authorities?

⁸ [Planned rail engineering work – the passenger perspective](#). Transport Focus. 2015

⁹ [Railway engineering work: Putting passengers at the heart of the London Waterloo upgrade](#). Transport Focus. 2018

¹⁰ [Future Merseyrail rolling stock – what passengers want](#). Transport Focus. 2014

¹¹ [Bus Passenger Survey](#). Transport Focus. 2018

- 4.1 In our focus group research¹², Arriva Trains Wales passengers commented on ‘gaps’ in the network, especially between North Wales, Mid-Wales and South. People also find there to be little coordination between rail and other modes of transport. In addition, there is little sense of an urban or regional ‘plan’.
- 4.2 The National Rail Passenger Survey¹³ shows that satisfaction with connections with other transport modes across Arriva Trains Wales passengers at only 64 per cent. Looking at this regionally, satisfaction with South Wales and Borders/West Wales is 61 per cent and in Cardiff and the Valleys, is 54 per cent. This highlights a considerable need for planning, co-ordination and investment, together with integrated ticketing across Wales and the Borders.
- 4.3 One of the barriers to encouraging more journeys is the ability to reach destinations by bus. This is reflected in our research into bus passengers’ priorities for improvement¹⁴; where buses going to a wider range of destinations ranks sixth overall and fifth in rural areas. It is therefore vital to incentivise development of service networks, across a range of provision with properly planned connections and good standards of information, to give passengers the ability and confidence to make joined-up journeys, including across modes. Bus passengers’ top priority is better value for money, which is also key for rail passengers in Wales. This common interest should mandate working in partnership and consultation with bus operators, to deliver a well-supported door-to-door journey experience across modes, which will be a positive factor towards improving this priority and encouraging travel by public transport.
- 4.4 The closer that national strategy is aligned with passenger priorities the better the potential service for passengers. In an era of cost consciousness and efficiency it will be essential that scarce resources are focussed on the things that deliver the biggest

¹² [The future of the Wales and Borders rail service: what passengers want](#). Transport Focus. 2017

¹³ [National Rail Passenger Survey](#), Arriva Trains Wales, Spring 2018. Transport Focus. 2018

¹⁴ [Bus passengers have their say: Trust, what to improve and using buses more](#). Transport Focus. 2016

passenger 'dividend'. Quality provision should also heed service levels and the impact of service reductions on passengers' quality of life. Passengers need to be assured of the security of funding; firstly to retain services, then to improve them. Also to support connectivity and passenger trust in the ability to make journeys and return again – with services available during evenings and weekends.

- 4.5 A key part of boosting regional prosperity is through making improvements to transport so that people will consider travelling further for employment and other reasons. Our research shows that addressing issues around fares and tickets is an important part of this, particularly where they make travelling easier to understand and use, and more convenient. These must, though, sit alongside improvements to infrastructure and timetabling.
- 4.6 Our recent work with Transport for the North (TfN) on smart ticketing¹⁵ provides some useful understanding. When we asked passengers what stops them from using public transport more, ticketing itself is not a key barrier. As we see in other research, cheaper fares, reduced journey time and more frequent and reliable services are all bigger priorities to passengers and would encourage further use of public transport.
- 4.7 Our research suggests that passengers want their operator to be accountable, with published data to 'keep the industry honest'. The National Rail Passenger Survey plays an important role in formal and independent measurement of rail service delivery and is now providing the means for writing this accountability into new franchise specifications as well as providing a means of benchmarking services across different regions. We believe that in a similar way, a consistent and benchmarked approach, such as delivered by the Bus Passenger Survey, focuses industry attention on key areas for improvement, alongside intelligence on drivers of satisfaction. Wales was included in the Bus Passenger Survey¹⁶ in 2017. Repeating this would also provide a robust basis for securing

¹⁵ [Smart ticketing in the north: what do passengers think?](#) Transport Focus. 2016

¹⁶ [Bus Passenger Survey](#). Transport Focus 2018

continued improvements and the published accountability that passengers seek.

- 4.8 Although the Bus Passenger Survey gives feedback from passengers' journeys, there is also a need to understand the views of those who don't use buses, have recently stopped, or don't have a service they can use. This would provide understanding of their decisions, perceived barriers and potential for policy actions to attract and encourage more people to use public transport.
- 4.9 Providing independent understanding of passengers' attitudes and behaviours, together with commissioning of research to bridge gaps in that understanding has been fulfilled by the Public Transport Users' Advisory Panel. However with the winding-up of that body, it is not clear where the role now lies.
- 4.10 There is a need for clear passenger representation across modes in Wales, to give them a stronger and co-ordinated voice. We would recommend early implementation, to allow more benefit for transport users to be derived from Welsh Government, transport industry and Department for Transport investment. This will allow a much more joined-up approach to transport issues for users and will allow more and better-quality advice, information and insight to be provided to the Welsh Government and others.

Agenda Item 5

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Evidence from Royal Town Planning Institute Wales

The Royal Town Planning Institute (RTPI) is the largest professional institute for planners in Europe, representing some 25,000 spatial planners. RTPI Cymru represents the RTPI in Wales, with 1,100 members. The Institute seeks to advance the science and art of spatial planning for the benefit of the public. As well as promoting spatial planning, the RTPI develops and shapes policy affecting the built environment, works to raise professional standards and supports members through continuous education, training and development.

The response has been formed drawing on the expertise of the RTPI Cymru Policy and Research Forum which includes a cross section of planning practitioners from the private and public sectors and academia from across Wales.

We welcome the opportunity to provide a submission in response to the above inquiry. Our response focuses on the vital links between transport planning, investment and the land use planning system. Strong and effective links are needed in order to meet the requirements set out in the Well-being of Future Generations Act 2015 and more specifically to address the requirement for 'integration' and 'collaboration' set out in the Act's Ways of Working, in order to provide for the long term and prevent problems occurring. Transport for Wales, along with other stakeholders have a fundamental role in bridging the disconnect, improving joint working, encouraging better integration of land use and transport and supporting longer term planning.

The RTPI [Planning Horizon's: Thinking Spatially](#) paper states: "a disconnect between land use planning and transport planning has in many cases created sprawling cities where car use is high and long distances make public transport systems unviable. ... Transport planning then becomes focused on providing more road space for motorised vehicles. However, this can create more traffic and more congestion, with a negative consequence for the economy as well as society." There are many reasons such as climate change, pollution, health etc. for stakeholders to work to reverse these trends.

RTPI Cymru believes there needs to be a greater integration of transport proposals with wider policy areas. The National Development Framework (NDF), Strategic Development Plans (SDPs) and Local Development Plans (LDPs) would be an effective way of setting proposals in an integrated context. The statutory status of LDPs and SDPs would also bring significant benefits in terms of the delivery of individual projects within an agreed development framework, thereby helping to mitigate delivery risks.

It is important that within the staff structure of Transport for Wales there should be expertise in the working of the planning system and up to date policy context of planning i.e. Welsh Government policy, regional strategies, local authority policy and development trends in Wales; and also an awareness of relevant policy and planning considerations in adjoining areas of England. Strategic planning is an important and proven tool under the Planning (Wales) Act 2015 and needs to be understood and engaged with by Transport for Wales. It enables an approach which can cover a wide range of areas of public policy and effective cooperation for planning across boundaries. This expertise should have an important role in informing Transport for Wales on the operation of services and infrastructure investment.

Positive planning proposals on a strategic and local level can only contribute fully to policy aims for the economy, for the provision of housing and other developments and wider social and environmental benefits if transport provision is available in a timely manner. Transport for Wales will have an important role to play in this. All sectors and stakeholders involved must recognise the importance that the early provision of public transport to serve new developments, together with longer term support mechanisms is helpful to establish sustainable travel patterns. Delaying such provision until developments are at an advanced stage is more likely to result in car based travel patterns. We believe that there are great benefits from having long term planning, funding of services and infrastructure planning. Transport for Wales should seek to agree such long term arrangements with the Welsh Government and other key players.

Local Transport Plans (LTPs) are a useful mechanism to achieve co-ordination with the development of local land use development. Any guidance in relation to transport or transport services must recognise the important links to land use. The implications for existing and planned land use development must be considered.

Transport for Wales must develop good contacts with the Welsh Government on all relevant matters including finance and budget, transport funding allocations, transport policy and strategic planning. The additional transport and planning powers given to the Welsh Government by the Wales Act 2017 is welcomed.

The Traffic Commissioner is an important external body with an impact on the work of Transport for Wales, and on the transport/planning interface. In the second annual report of the Traffic Commissioner for Wales published in January this year and discussed at a recent Assembly Committee, it was noted that a new office for Wales would open shortly but with very limited staff (three). The need for line management to be available at the office rather than outside Wales and the availability of staff for matters such as taxis and bus licensing and regulation to be handled fully in Wales was discussed. As quality and locally responsive bus and

taxi provision to reduce private car use is now a strong theme in land use planning RTPI Cymru supports the provision of those additional office resources for the Traffic Commissioner for Wales.

Engagement with the National Infrastructure Commission for Wales and the UK National Infrastructure Commission will also be important for the organisation. Also good contacts with the four regional city deal type organisations and local authorities.

The RTPI has a policy and research programme, and the publication "[Capturing the Wider Benefits of Transport Infrastructure](#)" is pertinent to some of the issues highlighted in our response.

Evidence from Federation of Small Businesses Wales

About FSB Wales

FSB Wales is the authoritative voice of businesses in Wales, with around 10,000 members. It campaigns for a better social, political and economic environment in which to work and do business. With a strong grassroots structure, a Wales Policy Unit and dedicated Welsh staff to deal with Welsh institutions, media and politicians, FSB Wales makes its members' voices heard at the heart of the decision-making process.

Introduction

The quality of transport and transport infrastructure investment has a huge impact on small and medium-sized enterprises.

Much of economic policy in Wales (as elsewhere) centres on a small number of very large firms, however we often forget around 99 per cent of businesses aren't in this category despite employing 676,800 people in Wales and generating around three times Welsh Government's annual budget in turnover (£47.4bn).¹

Decision-making processes and the governance of institutions charged with infrastructure projects is vital to success in this area. As the OECD puts it:

'High quality public infrastructure supports growth, improves well-being and generates jobs. Yet, infrastructure investment is complex, and getting from conception to construction and operation is a long road fraught with obstacles and pitfalls. Poor governance is a major reason why infrastructure projects often fail to meet their timeframe, budget, and service delivery objectives'²

As such, we view the governance of Transport for Wales (TfW) as vital to the interests of the SME sector.²

In terms of our members' short-term needs, the last time we surveyed businesses on physical infrastructure, over 80 per cent said their car or van was 'crucial' to their business, with around 70 per cent saying their number one infrastructure priority was to invest in roads. In comparison, public transport was only seen as

¹ Information available from: <https://gov.wales/docs/statistics/2017/171221-size-analysis-welsh-business-2017-en.pdf> ² OECD, *Getting Infrastructure Right* (OECD: 2017)

² FSB Wales has commissioned a report to develop an evidence base on transport, see Prof Stuart Cole 'Moving Wales Forward' (FSB: May 2016).

crucial for around 10 per cent of businesses showing how utterly dominant private forms of transport are to the Welsh economy.

However, such a conversation has a 'chicken and egg' side to it, with (for example) bus routes having been declining and access to town centres by public transport in retreat, making for a lack of a viable alternative to the private car. The infrastructure governance needs a view of infrastructure in the round including public and private transport, as well as in a wider sense an integrated approach looking at the physical, digital and social infrastructure in Wales.³

General Principles

In order to analyse the quality of TfW's current structures, and how it should develop, it is useful to look at first principles in terms of bodies charged with coordinating and providing for better more integrated infrastructure development.

There are challenges and general policy failures based around governance internationally. As such, a new body such as TfW should be viewed as an attempt to rationalise governance and decision-making, which the literature⁴ indicates is an issue both within the UK and internationally. Some of these are:

- Lack of forward-thinking strategy
- Failure to secure consensus, creating high political risk
- Weak evidence base
- Community opposition and lack of effective engagement

Firstly, any infrastructure body (such as the National Infrastructure Commission for Wales [NICW], or Transport for Wales) must think long-term and join the conversation up with the Economic Action Plan. Such a body should use the Wellbeing of Future Generations Act and share the evidence upon which decisions are made. Secondly, it needs to work out how we can spend more money on infrastructure and ensure greatest economic return. Chronic underinvestment is a problem that has plagued Wales' economy and we need to be bullish in making the case for investment where the powers aren't devolved.

Thirdly, it should ensure everybody is included in the conversation and that Wales' infrastructure priorities can move forward on the basis of buy-in from across the political spectrum. Recent experience with the M4 Relief Road shows how a lack of buy-in to projects leads to poorly considered actions and eventually no action at all.

³ FSB Wales will be researching and publishing a new report on infrastructure in Wales in 2019.

⁴ *Getting Infrastructure Right* (OECD: 2017); M Coelho, V Ratnoo, S Dellepiane, *The Political Economy of Infrastructure in the UK* (Institute for Government: 2014)

The means to address the common problems around infrastructure (which Transport for Wales is a move towards and carries real potential) can be an arm's length organisation to facilitate the following:

- Integrate the consultation process.
- Gather an independent evidence base, generating, analysing and disclosing open data.
- Provide coordination across government.
- Clear regulatory frameworks.
- Provide a fulcrum for strategy and framework for stronger public and sectoral engagement and buy-in across sectors and policy areas.
- Guard affordability and value for money.
- Ensure insofar as possible the infrastructure assets perform in the long term, are resilient and future proofed.⁵

So, an understanding of the effectiveness of the current governance structure, and the options for the future, needs to take into account to what extent they address the above needs within the specific Welsh context, both in terms of rhetorically (in their mission statements etc.) and in terms of structures to promote deliverability across them. Given that the organisation is still relatively new, any conclusions and suggestions outlined here are necessarily contingent and provisional. However, given the potentially huge impact of the governance of TfW, we would suggest that they need to be pursued and scrutinised further by the Committee.

Transport for Wales – Government documents and Rationale

- *Whether the current governance, structure and funding of Transport for Wales are effective and transparent.*
- *What action should be taken to develop these aspects of the organisation?*

When taking into account the above general principles underpinning governance and infrastructure, it is worth remembering how this applies to the Welsh context with its role as owned by the Welsh Government as a sub-state actor.⁷ The jagged edges of devolution are particularly so for infrastructure, with powers shared and often unclearly delineated between the Westminster Government and the Welsh Government.

As such, the role of Transport for Wales as giving an arm's-length coordinating role for a key element of infrastructure (transport) is a rational position. TfW as a body

⁵ Adapted from OECD's 10 key Governance challenges for infrastructure, *Getting Infrastructure Right* (OECD: 2017) ⁷ It should be noted that this should not be seen as an impediment in itself – with almost 60% of total public investment undertaken by sub-national governments *Integrity Framework for Public Investment* (OECD 2016)

can deal with a set of devolved powers and coordinate policy and the evidence base centrally. Similarly, in dealing with external partners and stakeholders (including cross-border), it is useful to have a single identifiable body. As TfW itself notes 'the model is also familiar to the commercial organisations with which TfW will need to work closely'.⁶

The structure has the merit of both coordinating a substantial policy area with holistic impact, and a recognisable central corporate identity within which to do operate. In terms of stated ambition and rhetorical guarantees of good governance, the Welsh Government Transport Company Management Agreement, TfW's two year business plan (1 April 2018 – 31 March 2020) and the Welsh Government's remit letters provide:

- Its role in relation to Welsh Government
- the framework for its operations
- Its governance structure
- Its objectives within the themes outlined

FSB Wales welcomes in particular the explicit commitment to improved engagement, including

- 'involving communities and business to deliver safe, reliable, affordable and lowcarbon transport'⁷
- 'Work with SMEs and larger organisations in an alliancing approach to maximise direct value for money through efficient and effective delivery, as well as wider sustainable economic benefits'⁸
- 'lead role in development and apprenticeships'⁹

We also welcome the commitment to the TfW's role to 'establish an evidence-based approach to support decision-making associated with infrastructure investment' and in 'ensuring [TfW] serve all of Wales effectively...maximise our understanding of local and regional needs across Wales for the benefit of current and future transport users'.¹⁰ We note that these aims map well across the principles for infrastructure governance noted above.

⁶ Transport for Wales, *Summary two-year business plan* (June 2018), p 9

⁷ Ibid, p 4

⁸ Ibid p 13

⁹ Ibid

¹⁰ Ibid, p 4,5

Transport for Wales – Rationale in Practice

However, we would note that within these documents these remain largely rhetorical commitments. This is largely understandable, as TfW remains a relatively new and evolving structure, and that it has also had to – and will continue to – deliver on substantial operational work while developing as an organisation.

There has needed to be a balance between fleetness-of-foot and its wider commitments. We would hope that it has followed these strategic objectives in its ways of working on work already done, but this is difficult to measure from outside.

It is often the case that there is a rhetorical commitment to participation, and anecdotally we have heard that TfW have engaged well with sectoral interests and been open to critique and engagement. However, there is always the risk that without a structured consultation process that is integrated into the TfW ways of working, this may fall by the wayside as other commitments take priority.

While it is important that TfW remains fleet-of-foot and is not overburdened by disproportionate levels of commitment, it should be noted that the commitment to a strong evidence base, of identifying local and regional needs, and of aggregating different interests will be degraded without a clear integrated consultation process. This way of working should be open to scrutiny and follow best practice. **We would recommend:**

- ***That TfW develop (or publish) an Open Government and Consultation strategy, taking into account how proportionate consultation should be, dealing with issues of confidentiality and commercial sensitivity, and a strategy for identifying SME stakeholders.***
- ***Formal mechanisms and forums for monitoring infrastructure investments and delivery.***

Delineation of Roles

In its strategic aims, TfW has clarity about the delineation of its role(s) in terms of operations and advice as distinct from the Welsh Government:

"Transport for Wales is a not-for-profit company, wholly owned by the Welsh Government. Across Wales and its borders, we collaborate with other transport providers, partners and stakeholders to deliver a safe, accessible, reliable, affordable and low carbon integrated transport system.

*"Transport for Wales does not set policy, nor do we exercise any statutory functions ourselves. However, we are the Welsh Government's expert adviser and advocate for transport-related matters. We provide technical advice to allow the Welsh Government to develop policy. Everything we do is discharged within the Welsh Government's policy framework."*¹¹

This is a practical delineation between strategy and operations, with a division of responsibilities that will allow for an independent advisory role, including the gathering and production of a strong evidence base to foster consensus, while also aligning with wider strategy and legislation as set by Welsh Government, such as the Future Generations agenda.

However, to ensure this independence and the strengths of an arm's length organisation it is important that strong formal structures and separation follow from this mission statement.

The role of TfW in relation to Welsh Government has been questioned previously. During the EIS Committee inquiry of 2017, Railfuture Cymru highlighted the risk that Transport for Wales will have

"Indistinct links with government, local authorities and local communities as it has no clear democratic accountability."¹²

The Committee report questioned the governance arrangements of TfW in June 2017:

"Conclusion 28. While the governance arrangements for TfW are unusual, the Committee consider them to have been appropriate to this stage of the organisation's development where it is effectively an advisory body. **However, they will not be suitable in the longer term.**

"Recommendation 16. While TfW is a new and evolving organisation there are clear weaknesses in its governance arrangements – particularly the accountability of its chair. The chair of TfW should not be line managed by his own deputy. **Governance arrangements should be reviewed and strengthened as TfW evolves.**"¹³

¹¹ Ibid, p 3

¹² National Assembly Economy Infrastructure and Skills Committee, *On the Right Track? The Rail Franchise and the South Wales Metro* (June 2017), p 43

¹³ Ibid, p 44

It is unclear to us to what extent these issues have been addressed. We would encourage that this committee inquiry contribute to this process of scrutiny and ensuring the governance arrangements are sufficiently robust.

We recognise that there is a Board of Directors, and internal scrutiny through the Chair and board members as well as to Welsh Government ministers. However, this does not address accountability to those external to TfW and Welsh Government, and the lines of accountability currently seem unclear from the outside looking in. This suggests the need for an outward facing policy as a complement.

The recent issues of disruption to rail services due to aging rail stock recently indicate some of the risks here. We acknowledge that TfW have been proactive and open in the media in addressing the public. We have no reason to assign blame on the franchise so early in the process. However, there is a question of whom is to be held accountable and who is to scrutinise any issues that have arisen, as a structure that allows for rhetorical separation of functions while also in practice making the links 'indistinct' makes this a difficulty.

Moreover, there is a risk of a 'revolving door' from Welsh Government to TfW, which has the potential to undermine the independence of the arm's length organisation, which in turn would undermine trust and the aims of creating a better evidence base, a better engagement, and in building consensus.

FSB Wales would recommend:

- ***A clear outline of the lines of accountability in terms of governance structures.***
- ***That as well as its relation and accountability to Welsh Government in its delivery and operational work, that it also is clearly accountable to the National Assembly. This may be through formal mechanisms, or through norms of being open and available to the Economy, Infrastructure and Skills Committee.***
- ***An Open Government approach would allow wider scrutiny and encourage proactive engagement from the National Assembly as well as wider sectoral interests such as SMEs.***

Other points on the future of TfW

- *What other governance models and good practice are available?* In terms of governance models for arm's-length bodies dealing with complex infrastructure projects and the importance of governance following the principles outlined at the start of this paper, there are the following examples (these are not exhaustive):
- Alders Table, dealing with Schiphol airport development

- Australian Productivity Commission
- Canada's National Energy Board, and USA Federal Energy Regulatory Commission, as an example of a body that encourages deliberative processes and negotiated settlements between interests.

An overview of these can be found in this paper by Coelho, Ratnoo and Dellepiane:

<https://www.instituteforgovernment.org.uk/publications/political-economyinfrastructure-uk>

- *What additional responsibilities should it take on and how should these integrate with the role of the Welsh Government, local government and emerging regional transport authorities?*

We would note there is a huge amount of room for growth of responsibilities of TfW, and so there is a need to ensure accountability processes are in place and are certain. As the Articles put it the TfW is to:

"Undertake any action whatsoever which in the opinion of the Guarantor Member is necessary or desirable for the furtherance of the Objects including without limitation providing any assistance required by the Guarantor Member in relation thereto."

It would be prudent that any governance issues be dealt with before (or as) further development be done.

While, as noted above, TfW's development in transport makes sense in that it is based around largely devolved powers, we would note that its operations should interrelate with wider infrastructure bodies. It would be useful to have a general outline of how it relates with other bodies, such as the National Infrastructure Commission for Wales (NICW), which presumably is to have a wider strategic remit on infrastructure. The relationship between these two bodies and their role could be clarified.

If there is to be a need to reassess and rebuild consensus around options around M4 congestion, then developing options, a business case and evidence base could fall to the NICW and TfW. As noted, recent experience of the M4 relief road has illustrated starkly how the lack of an engagement strategy, a lack of trust in an independent evidence base, and a lack of coordination with knock-on effects across government strategy (such as the Future Generations Act, Active Travel, and the impact on wider public transport), can lead to a dead end.

Putting the project in the hands of arm's-length organisation would provide an impetus for developing the engagement strategy and open government approaches, deliberative approaches and developing new consensus, as well as

ensuring a strong evidence base built around an integrated approach building on the Well-being of Future Generations Act.

Such a project would necessitate a clear independence from Welsh Government, and the Committee should provide scrutiny over this process. In practice it would also outline how these NICW and TfW would work together, and delineate their respective roles in the infrastructure project process.

We would also note, that for transport and general infrastructure projects to succeed in Wales, the Welsh Government needs to address the historical lack of funding and financing on infrastructure in Wales.

Conclusion

Transport for Wales has great potential to be a boon in coordinating infrastructure project to provide for benefits in terms of growth and social impact, and in providing a fulcrum for better evidence base and engagement to provide for a real conversation about Wales, and SMEs in Wales', needs in terms of future transport infrastructure.

As the OECD notes, poor governance is the prime reason for failure in infrastructure projects, and we have recent experience in Wales of some of these common problems that have been identified internationally. As such, we encourage the Committee to scrutinise these arrangements, so that TfW can fulfil its potential in providing a means for the different interest and needs in Wales to overcome those barriers and each take a constructive part in looking at the future of transport infrastructure in Wales.

Evidence from Chartered Institute of Logistics and Transport Wales

Governance structures

- CILT Cymru Wales sees the establishment of Transport for Wales (TfW) as a delivery body as a positive step in improving transport infrastructure and operations across Wales.
 - It can take a longer term view on transport investment providing the five year funding settlement is maintained.
 - It provides a degree of separation between policy making and its delivery.
 - Combined, these help to smooth out policy changes driven by political agendas.
 - Being a separate body means that it can have a focus purely on transport rather than the wider briefs within which transport sits.
- Going forward, we would like to see TfW take on a role similar to that adopted by Transport for London (TfL), whereby a single organisation has oversight of the transport network in Wales
- However, because TfW covers a larger geographical area and a broader range of journey types than TfL, there is also the need for more localised management of transport operations.
- There are also questions around how certain transport operations (e.g. seaports and airports) might fit within this framework.
- However, the Welsh Government should still provide the wider policy framework against which TfW and other organisations then seek to deliver.

Regional Transport Consortia/Joint Transport Authorities

- The previous four Regional Transport Consortia generally proved to be effective in directing transport investment at a localised level. Each adopted approaches that were relevant to their geographical areas and recognising the differing transport requirements.
- Therefore, CILT Cymru Wales would strongly advocate their re-introduction, but as Joint Transport Authorities, and are encouraged by the proposals in the current Welsh Government consultation on Improving Public Transport.
- The Joint Transport Authorities must be endowed with sufficient resources, talent, skills and powers, including 5 year funding arrangements like TfW, to effectively carry out their duties and responsibilities.
- Such a structure between Transport for Wales and local authorities provides a number of advantages:

- The ability to provide solutions customised to the local operating environments
- A reflection of the fact that many journeys do pass through more than one authority and therefore a coordinated approach is needed in the provision of these journeys
- Providing some economies of scale in funding and expertise, especially where local authorities are small
- Enables a structure for the retention and growth of specialist skills and a career path for such individuals.
- Consistency with wider policy developments such as the City Deals in Cardiff and Swansea, the North Wales Growth Deal and the emerging Mid Wales Growth Deal.
- There are, however, some potential disadvantages too:
 - Loss of localised insight into potential transport needs
 - A disconnect between land use planning activities (which are currently local authority based) and transport planning
 - An additional set of interfaces between local and national government which could cause delays to transport investment
 - A further reorganisation in transport policy may be disruptive, coming only 5 years after the disbandment of Regional Transport Consortia.
- Wales is a small country and the relationships between the Welsh Government, TfW, Network Rail, Department for Transport, Joint Transport Authorities, Local Authorities and the Private Sector need to be carefully designed to ensure the scarce skills and talent is deployed to best effect.

Seaports and airports

- Unlike other forms of public transport, where both infrastructure and operations are largely internal to Wales, seaports and airports have a different role and consideration is needed into how they align with transport policy making.
- Both sea- and airports play important National roles (both Wales and UK) in improving connectivity and supporting the Welsh economy while at the same time making a local contribution through employment and their wider supply chains. They are also dependent upon the transport infrastructure in meeting their commercial objectives.
- Policy making for these sectors should remain at Welsh Government level, but it is important that they have clear lines of communication into those delivering transport at a national and local level.
- Equally, existing organisational structures around Cardiff Airport, being owned by the Welsh Government, should remain as these appear to be

working effectively and enabling the airport to grow and develop new services.

- However, we would suggest that management of the PSO air service between Cardiff and Anglesey be passed to TfW, so that the investment in that service can be balanced against competing needs from other modes.

Aligning transport policy making, infrastructure provision and operations

- Based on the above, we would therefore suggest that the following may be an appropriate structure for transport in the future. In doing so, we recognise that there needs to be an inclusive approach taken, not just between policy makers at different levels, but also with operators.
 - The Welsh Government should continue to establish overall transport policy objectives, although specification of how these are to be achieved should pass to Transport for Wales. Arrangements for Cardiff Airport should remain as they are.
 - Transport for Wales should direct strategic investments that cover the connectivity of Wales as a whole. The current management of the Wales and Borders franchise is just one part of this. We would also advocate that management of both the TrawsCymru bus network and PSO air services also pass to TfW. Further, investment in the strategic road network in Wales could come under TfW's jurisdiction. This would mean that investment trade offs between modes could be managed effectively. However, in doing so, the focus must not just be on cost but also the connectivity benefits that such investment brings.
 - Joint Transport Authorities would have responsibility for many of the local transport needs, including local bus services and local road development schemes. Active travel may also be best placed here, to benefit from centralisation as some local authorities lack the resources to support this work. The Joint Transport Authorities may also support local investment in rail services, through joint working with TfW. Consideration could also be given to taxi licencing being managed at this level, given concerns in the market around the differing standards required to get a licence. It may be that elements of land use planning activities also need to be considered to provide a high degree of joined up thinking.
 - Local authorities could retain an influence on local bus services and active travel provision, as well as oversight of road maintenance. Ensuring consistency with land use planning will also be an important role. However, it may be the case that the workload with these

activities is sufficiently small that it is more efficient for Joint Transport Authorities to deliver these aspects.

- What will be essential is that there is liaison between these different levels, and that this liaison includes operators and also infrastructure providers (e.g. seaports).

Transport policy and logistics

- Transport policy often focuses upon individual modes and the needs of the public in making their journeys. However, it should be recognised that freight is also a major user of transport networks in Wales.
- A feature of policy making, not just in Wales but across the UK and internationally, is that logistics operations are often forgotten and the needs of passengers increasingly put pressure on freight requirements. For example, while increasing numbers of passenger rail services are often desirable in terms of enabling the modal shift of passengers, these may take paths currently required by freight trains, leading to a modal shift to road for freight.
- Therefore, it is important that TfW and the Regional Transport Consortia in particular engage with the sector to understand their requirements and constraints, and ensure that the logistics industry can continue to effectively support supply chains in Wales.
- Within Wales, the Wales Freight Strategy of 2008 still represents the last strategy that considered freight transport holistically and is in need of urgent replacement, hopefully as part of the re-refresh of the Wales Transport Strategy.
- This should include a formal Delivering a Better Service Plan for Freight, similar to the process being adopted by Highways England for freight users of the strategic road network. Such an approach should be extended to all modes to include the critical role that ports, airports and rail plays in the functioning of the Welsh and wider economies.
- In support of this we would like to see areas such as Decarbonising Freight (all modes), Lorry Parking, Urban Freight Delivery, Rural Freight and the Value of Freight recognised – building on the work that Mid Wales has undertaken with the Marches LEP as part of its Freight and Logistics Strategy. This work should feed into the modelling and appraisal requirements of freight where it inputs into scheme investments.
- In conclusion TfW should be given a specific remit for the delivery of a freight strategy for Wales in parallel the wider work on freight being conducted for other parts of the UK by Highways England and Network Rail. The emerging Wales Infrastructure Commission and Transport for Wales

should take note of the emerging recommendations of the National Infrastructure Commission's Future of Freight Study – whose Interim Recommendations were released in December 2018 with the final report expected in the first half of 2019.

Funding

- Currently, budgets for transport at a local authority level are determined on an annual basis. This has implications in terms of the investments that can be made, especially as transport schemes often take several years to implement.
- Going forwards, we would advocate longer term budget planning for local developments, and providing this through the Joint Transport Authorities would be beneficial in ensuring investment is directed appropriately.
- In terms of where funding is directed, there needs to be equity across transport modes. CILT members have particularly highlighted the bus industry as one where funding needs to be examined in more detail, especially given the significant contribution of this mode to public transport in Wales.

Talent development

- One concern with the current state of transport policy making in Wales is the availability of talent to take the sector forwards. It has been noted that many local authorities have very small teams, sometimes just one individual. As a consequence of this, the opportunities of career progression within the public sector in Wales is limited, leading to individuals either leaving Wales or joining private sector organisations to further their careers. Equally, there are challenges in recruiting the brightest talent from universities.
- The creation of Transport for Wales does start to address this issue. However, establishing Joint Transport Authorities will allow the creation of teams of policy makers, providing a more positive working environment and offering opportunities for progression.
- As part of the development of transport planning in Wales, CILT would like to see the establishment of a specific skills academy at all levels from Apprenticeship to experienced hires (from other sectors) in transport related skills sets in Wales. This is a subject which is rarely mentioned yet is fundamental to the sustainability of improving the mobility outcomes for the citizens and industrial users in Wales. This should be across both public and private sectors to develop a pipeline of skills and talent for the future development of transport in Wales which is a critical enablement for the

sustainability and growth of the Welsh Economy. Transport for Wales could take a leadership role in delivering this.