

ENTERPRISE AND BUSINESS COMMITTEE
13 JULY 2011

EBC(4)-01-11 – Paper 2

Evidence from Minister for Local Government and Communities

Enterprise and Learning Committee: Legacy Report

1. I would like to take this opportunity to thank the Enterprise and Learning Committee for all the work that they did in the last National Assembly term. They made a useful and positive contribution to the work of Transport within the Department for Economy and Transport. I look forward to working with the Enterprise and Business Committee over the next five years and hope that the discussions that we have will be just as useful and challenging.
2. I have set out very briefly below the broader strategic context within which the Transport Department now operates, as well as some key points on the transport network to provide some context for the Committee. I have also summarised my approach going forward in terms of the principles within which I have asked all areas within my portfolio to operate. This will set the scene moving forward.

Broader Strategic Context

3. Organisational Context; The Transport Department now sits within Local Government and Communities Directorate. The strategic outcomes of Local Government and Communities are:
 - Reducing poverty
 - Improving public services
 - Sustaining safe, vibrant communities
 - Enabling safe, reliable, sustainable travel
4. The Vision; A modern society that features high levels of mobility, where transport is an enabler of economic and social development; and where Wales' environmental impact on the world is reduced. The transport network should operate more efficiently, effectively, sustainably and inclusively, and there will be improved collaboration with and between local authorities, where services and functions are delivered at the appropriate level.
5. The Broader Context; The transport network plays a vital role in reducing poverty by supporting economic growth; linking people to jobs, delivering products to markets, supporting domestic and international trade; thereby helping to promote greater social inclusion and ensuring the sustainability of communities.
6. Budgetary Context; The settlement for the Welsh Budget from the UK Government following its Comprehensive Spending Review resulted in substantially reduced funding for both capital and revenue investment in transport.

7. Current policy frameworks; The current policy framework for transport is set out in the Wales Transport Strategy. This has five priorities:
 - reducing greenhouse gas emissions and other environmental impacts;
 - integrating local transport;
 - improving access between key settlements and sites;
 - enhancing international connectivity; and
 - increasing safety and security.
8. The National Transport Plan (NTP) takes forward these priorities and sits alongside Regional Transport Plans (RTP) in delivering the Wales Transport Strategy. The NTP contains a suite of interventions designed to deliver solutions to identified transport issues across Wales. The NTP also contains the principles that guide the day-to-day management of the transport system, including the network maintenance criteria that enable new interventions to be developed and scheduled when issues arise.

Priorities for Transport

9. I have already set out in Plenary on 21 June my approach to public service delivery moving forward, and it will come as no surprise that my approach for transport is similar. Delivery – taking effective practical action to improve services for the people of Wales.
10. My approach for public service as a whole will be based on clear accountability, delivery and collaboration, transport is no different. At a national level, the Welsh Government has a clear role to play in setting out the strategic context within which the Regional Transport Consortia and Local Authorities should work within. But there is a leadership role required of the Consortia and Authorities to respond to regional and local issues in a coherent and joined up way. Collaboration, whether on an informal, formal or statutory basis is essential to continue to deliver for the citizens of Wales in the current climate.
11. I expect the citizens of Wales to hold me and my officials accountable for delivering those schemes and initiatives that are within my control. But I am clear that local and regional organisations are accountable for their performance in fulfilling their statutory duties, and for meeting the needs of their communities.
12. I will be looking to build on the work of the Regional Transport Consortia, to deliver more transport functions on a regional basis, and considering the use of the powers to form Joint Transport Authorities.
13. The commitments set out by this Government include fourteen for which my Transport Department is directly responsible, but there are a number of others where transport has a positive and valuable contribution to make. The table below sets out those commitments. Some of which we have already made progress towards delivering, others we are working towards. Some of these actions, such as prioritising the objectives on the National Transport Plan, which I have asked my officials to undertake over the coming months, will significantly affect the Departments future work programme. Once complete I will share this work with the Committee.

Government Commitment	
Overarching & Legislative	
Prioritise the objectives of National Transport Plan	
Consider using the provisions of the Transport Wales Act 2006 to establish one or more Joint Transport Authorities	
Seek to establish a traffic commissioner for Wales	
Legislating to provide a duty to provide cycle routes in key areas	
Road	
Review the arrangements for winter road maintenance currently undertaken by local authorities and consider the potential for these being carried out by the Trunk Road Agencies in Wales	
Rail	
Examine the feasibility of the Wales and Border franchise being run on a not-for-profit dividend basis	
Make the case to the UK Government for the Assembly Government to have greater accountability of Network Rail	
Argue for the electrification of the south Wales - London Paddington line through to Swansea and develop the business case for the electrification of other parts of the local rail network in Wales	
Bus	
Retain free Bus Travel for pensioners and disabled people and their carers	
Work with partners to enhance the quality, reliability and safety of local transport bus service provision.	
Continue to improve services such as the TrawsCymru Network and the popular on demand Bwcabus scheme	
Extend eligibility for the concessionary fares travel scheme to seriously injured war veterans and armed forces personnel living in Wales	
Continue to encourage and support the development of community transport schemes that meet the needs of rural areas	
Examine the best options for providing local bus services for rural communities to have access to facilities.	

Enterprise & Learning Committee Legacy Report Recommendations

14. I was pleased to read the recommendations made the Enterprise and Learning Committee in its Legacy Report. Of the 35 recommendations, 11 fall wholly within the remit of the Transport Department and I have provided the Committee with an update of each of these in the table below.

	Recommendation	Response
2	In the Fourth Assembly, Welsh Ministers should be scrutinised on progress made in their discussions with the UK Government on establishing a Wales office of the Transport Commissioner for Wales & West	<p>The appointment of Traffic Commissioners are matter for the UK Government and are not devolved to Welsh Ministers.</p> <p>The Welsh Government is having discussions with the UK Government on proposed changes to the arrangements for appointing Traffic</p>

Recommendation		Response
	Midlands.	Commissioners and how we can deliver a Traffic Commissioner's presence based in Wales
3	In the Fourth Assembly the Welsh Assembly Government should be challenged with producing a detailed cost effective evaluation of road projects - both in terms of generating prosperity and also for sustaining communities - as well as a long-term plan that clearly sets out road development priorities against a background of funding availability and strategic policy priorities.	WelTAG is being refreshed to ensure that schemes are evaluated on the wider benefits to communities as well as the sustainable approach to construction and benefits to the economy. An example of this benefits is delivered in reality is the inclusion in contracts for target recruitment and training in the location where the road is being constructed. The Welsh Government is the first UK central Government to do this.
5	Welsh Ministers should be pressed to persevere with lobbying UK Ministers on the strong business case for electrifying the Great Western Main Line as far as Swansea, and should continue to be scrutinised on progress with developing the business case for electrifying the <i>whole</i> of the Cardiff area and Valleys Lines network.	<p>This work is absolutely critical, and I have already written to the Secretary of State for Transport pressing the case for electrification to Swansea.</p> <p>We are already working with stakeholders on identifying and quantifying additional benefits to the DfT business case. I am confident that this work will result in an improved business case conclusion, including more positive benefits than previously considered by DfT.</p> <p>In addition, we are working with DfT and Network Rail on the business case for Valleys electrification. Welsh Government's proposal for Valleys electrification include the Vale of Glamorgan, Maesteg and Ebbw Valley branches, additional to the network considered by DfT.</p> <p>We have made clear to the UK Government that Valleys electrification is one of our two key priorities for UK Government funding in railway Control Period 5 (2014 - 2019). Our second such priority is improved station accessibility.</p>
6	In its 2010 report the Committee recommended that the Welsh Government should lobby the UK Government for the North Wales Main Line to be directly connected to the proposed High Speed 2 (HS2) Line from London to the North West and Scotland. This should continue to be monitored.	<p>Infrastructure improvements for high speed rail are non-devolved and remains the responsibility of the UK Government on an England and Wales basis. However, Welsh Government supports High Speed Rail, for all regions of Wales, and we will continue to press the UK Government and Network Rail on this.</p> <p>We believe that electrification of the existing infrastructure is an important precursor to High Speed Rail, and the immediate priority.</p>

Recommendation	Response
	<p>When the High Speed rail route is finalised by the UK Government, we believe that direct access to the railway across north Wales will be vital. We have made this point already to the UK Government and will be reiterating it strongly in our formal response to the current UK Government consultation on the route.</p>
<p>7 The Welsh Assembly Government should continue to be pressed to produce a long-term plan for upgrading the country's train rolling stock, in conjunction with other stakeholders, to ensure services are fit for purpose and are compatible with future technology needs, such as electrification.</p>	<p>The Welsh Government is responsible for funding any rolling stock for services under the Wales and Borders franchise and we agree the requirement direct with the franchisee - currently, Arriva Trains Wales.</p> <p>We see no need for a formal published plan as wider stakeholders have no role in the business arrangements between Welsh Government and Arriva Trains Wales for rolling stock.</p> <p>There has been substantial investment in additional rolling stock and the refurbishment of carriages.</p>
<p>8 Pressure should continue to be put on the Welsh Assembly Government to provide revenue funding for rail service enhancements where the necessary infrastructure has already been provided, including the introduction of six-car trains on the Valleys Lines as envisaged some years ago.</p>	<p>Welsh Government is committed to providing additional carriages on the routes where we have invested in longer platforms.</p> <p>We continue to monitor demand levels with Arriva Trains Wales.</p>
<p>9 Welsh Ministers should be encouraged to seek further devolution of relevant powers <i>and associated funding</i> for rail infrastructure and services in Wales.</p>	<p>My officials have been evaluating options to gain greater accountability of Network Rail and examining the feasibility of operating the Wales and Borders Franchise on a not-for-dividend basis.</p> <p>Both of these commitments will require the support of the UK Government, and would require a UK Act of Parliament.</p> <p>In the meantime, there are opportunities to amend current working arrangements to allow closer involvement with the rail industry. For example, the regionalisation of Network Rail presents an opportunity for greater involvement in the operation of rail infrastructure in Wales.</p>
<p>10 Welsh Ministers should be pressed to use the renewal of the Wales and Borders franchise as</p>	<p>We would definitely wish to see the next franchise operator contributing additional</p>

	Recommendation	Response
	<p>an opportunity to negotiate enhancements to railway services and provision of rolling stock that would allow for electrification and future growth, and also as an opportunity to consider running the franchise on a not-for-profit or not-for-dividend basis.</p>	<p>investment to services in Wales.</p> <p>My officials have been evaluating options to gain greater accountability of Network Rail and examining the feasibility of operating the Wales and Borders Franchise on a not-for-dividend basis.</p> <p>Both of these commitments will require the support of the UK Government, and would require a UK Act of Parliament.</p>
11	<p>Future committees may wish to press the Welsh Government to consider using the UK Department for Transport to lever in European funding for railway infrastructure improvements serving existing or future qualifying areas in Wales.</p>	<p>DfT is responsible for funding rail infrastructure under the current non-devolved arrangements. We would wish to see the DfT maximising its investment in rail infrastructure in Wales.</p> <p>Welsh Government and its partners the local authority transport consortia already seek assistance under the Convergence programme for rail improvement schemes.</p>
12	<p>The Welsh Assembly Government should be encouraged to work with train and bus operating companies to develop an integrated transport ticketing system for Wales.</p>	<p>Two closed small scale pilots are being introduced from July 2011 to test an e-money settlement system for smart cards for pay as you go bus travel. The pilots will test the technology on bus services in Bangor, Newport and Cardiff.</p> <p>In parallel officials are working with Arriva Trains Wales to develop a pilot to trial the smartcard for rail travel. Initial discussions have identified the Ebbw Vale line as a potential pilot area.</p>
14	<p>The relevant committee in the Fourth Assembly is encouraged to introduce at an early stage an Assembly Bill that would place a duty on highway authorities to develop and maintain a network of traffic free routes across Wales for walkers and cyclists.</p>	<p>The First Minister has already identified this as a legislative priority.</p> <p>An announcement on the legislative programme is due shortly.</p>