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Ysgrifennydd y Cabinet dros yr Economi a Thrafnidiaeth
Cabinet Secretary for Economy and Transport



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref MA – P/KS/0502/18

Russell George AM
Chair
Economy, Infrastructure and Skills Committee

13 February 2018

Dear *Russell,*

Thank you for your letter of 18 January 2018 regarding the Traffic Commissioner for Wales' first Wales specific Annual Report and his appearance at the Economy, Infrastructure and Skills Committee on 28 November.

I welcome the Commissioner's first annual report which has raised a number of important issues and I was pleased to be able to meet and discuss this report in further detail with the Commissioner on 23 November.

I am grateful to the Commissioner for his close and effective working relationship with officials, and for making available his expertise to assist in the work of the Welsh Government. The appointment of Wales's first, full-time Traffic Commissioner has created a resource sufficient to enable the Commissioner to significantly increase his engagement with the road freight and bus sectors, as well as other organisations with an interest in these modes of transport

You have raised a number of issues in your letter which I have endeavoured to address below.

The potential for a more effective and efficient Welsh approach to bus registration

Responsibility for the registration of local bus services will become a matter for the Welsh Ministers on commencement of the Wales Act 2017, expected later this year in the Spring.

In preparation for the new devolved responsibilities provided by the Wales Act 2017, I have asked my officials to consider reforms to the planning and delivery of local bus services. Our initial outline proposals were published following the first Welsh Bus Summit held in Wrexham in January 2017 and I expect to be able to bring forward detailed proposals for a further public consultation by the early spring, or early summer.

In developing these proposals, I shall be working with the Traffic Commissioner for Wales, the bus sector and local authorities to ensure that the procedures for the registration of local bus services are improved to ensure that the services delivered to passengers are the best they can be.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Like the Traffic Commissioner, I believe that better use of new technology will enable information about commercially registered local bus services to be shared more easily. I also consider it important that in registering local bus services, consideration is given to the viability of the proposed service, the impact on the local bus market and the standards of service to be provided to passengers in local communities.

Closer alignment of taxi and private hire vehicles

The enactment of the Wales Act 2017, and its expected commencement this year, will for the first time bring the licensing of taxis and private hire vehicles within the competence of the National Assembly for Wales. It is on that basis that I consulted last year on how licensing of taxis and private hire vehicles can be reformed and improved here in Wales.

The summary of responses to the consultation on taxi and private hire vehicle licensing in Wales has been published. The document can be found here:

https://consultations.gov.wales/sites/default/files/consultation_doc_files/summary-of-responses-taxi-and-private-hire-vehicle-licensing-in-wales.pdf

Detailed proposals will now be developed by officials on how best the licensing regime can be reformed to better meet the transportation needs of the people of Wales, operators and professional drivers in Wales. It is expected that these detailed proposals will be published for public consultation in the late Spring/early summer.

It is important that we explore how best the role of the Traffic Commissioner can support our ambitions for an integrated public transport network within the constraints that remain as part of the new devolved settlement. It is also important to note that functions of the Traffic Commissioner, other than the registration of local bus services, shall continue to remain matter reserved to the UK Government.

Making the Traffic Commissioner for Wales an appeal body and creating a pan-Wales DBS body

In principle, there is merit in exploring the opportunities now possible through the Welsh Government's investment in delivering a Traffic Commissioner dedicated to Wales.

An enhanced role in relation to transport appeals and disclosure and barring servicing may be a useful expansion to the role of the Traffic Commissioner in Wales. It should be noted however, that any formal expansion of the Traffic Commissioner's function may require the consent of the UK Government.

To make the rate of BSSG payments conditional on DBS checks for PSV drivers

In principle, I am in agreement that drivers of public service vehicles should be subject to DBS checks as a condition of their employment for the delivery of local scheduled bus services, as is the case currently with professional drivers delivering dedicated learner transport.

I have asked my officials to consult with stakeholders and local authorities to further explore the potential impact this proposal may have on the bus sector in Wales. Passenger safety must be our first duty.

The introduction of service standards to ensure PSV operators are not financially disadvantaged by late reimbursement of moneys such as concessionary fares

Local authorities already have their own targets for reimbursing bus operators for carrying passholders for free. We have asked all local authorities to develop a common timetable and to make that available to all bus operators.

The review of criteria for the award of contracts by local authorities

We have asked local authorities to confirm their procedures for awarding bus contracts with the aim of distilling those into a single set of criteria, and a common tender process and documentation throughout Wales. It is hoped that this could, subject to approval by each authority, be implemented from April 2020.

BSSG to put a greater focus on quality

Local authorities are already required to insist upon minimum standards, set by the Welsh Government, if they wish to award any BSSG to bus operators. Operators attaining enhanced quality standards may receive a higher award.

The Commissioner's recommendations, contained as examples in his report, will be included as part of the ongoing review of the quality standards required from operators to maintain their eligibility for BSSG.

Whether operators could be obliged, to use electronic card readers to monitor the use of concessionary fare cards to reduce the scope for mistakes and fraud?

The use of Electronic Ticketing Machines which meet the Welsh Government's minimum criteria for recording concessionary bus pass journeys has been a core requirement within the Welsh Government's Voluntary Welsh Bus Quality Standards since its publication in March 2016.

We have committed funding in 17/18 to replace obsolete smartcard machines for affected operators. This will ensure electronic pass recording continues to be undertaken in line with our reimbursement and counter fraud processes.

Organisations which issue community transport permits could be reduced to a single body, with the Traffic Commissioner for Wales dealing with appeals

The proposal put forward by the Traffic Commissioner for Wales appears to be a sensible and proportionate approach to the issuing of community transport permits in Wales. The Community Transport permit regime is a non devolved matter and shall continue to be a matter reserved to the UK Government following commencement of the Wales Act 2017 later this year.

The UK Government is proposing to undertake a public consultation in relation to the Community Transport Permit regime, expected to begin in the Spring. Discussions will be undertaken with the relevant organisations in Wales to bring forward proposals to adopt a system that best meets the needs of the Community Transport Sector in Wales.

The appropriateness of allowing HGVs to use bus lanes in limited cases where it might be effective means of improving traffic flow

This will be reviewed during 2018-19, including the possible safety implications, through discussions with responsible highway bodies, the Traffic Commissioner and road and freight transport organisations, enabling conclusions to be published by April 2019.

Welsh Government position on the balance between BSSG and concessionary fares in maintaining and developing bus services in Wales

Welsh Government and local authority funding for reimbursing bus operators for carrying passholders, and for supporting the bus network, meet entirely independent objectives.

Legislation requires local authorities to ensure that their reimbursement of bus operators meets the legislative obligation they have that those operators should be "no better and no worse off" as a result. There is no evidence that local authorities are reimbursing bus operators contrary to their obligation.

In contrast, local authorities' payments to bus operators under the BSSG scheme support the retention of the bus network.

Community Transport permitting arrangements currently and following commencement of the Wales Act 2017.

The community transport permit regime is a non-devolved matter and my understanding is that responsibility will continue to be a matter reserved to the UK Government once provisions within the Wales Act 2017 are commenced early next year.

Traffic Commissioner for Wales Resourcing

The Traffic Commissioner for Wales is appointed by and accountable to the Secretary of State for Transport. His existing staff and those three new bilingual staff we have agreed to fund are not and will not be Welsh Government employees. This means that his and their employers must be satisfied as to the suitability of their accommodation.

The Welsh Government initially asked the Commissioner's office to estimate the cost of refurbishing the premises formerly occupied by Bus Users Cymru, and to which he had access. Their estimate was into six figures, which we considered too high.

We then identified several commercial premises for the Traffic Commissioner to view. None was acceptable. More recently, the Commissioner viewed several other possible premises, and his office has been asked to assess their suitability.

We have reviewed internally what accommodation might be available within the Welsh Government's property estate, and commercially. This identified that the Commissioner's support staff could be accommodated within the Welsh Government's Llandudno Junction office, and his office has been advised of that.

The Annual Report initially available in English Only

My officials had explained to the Traffic Commissioner that we would meet the cost of translating his annual report into Welsh.

I trust this outlines our position on the issues you have raised and I look forward to continuing to work closely with the Commissioner to tackle the challenges facing the road freight and bus networks in the future.

*Yours ever,
Ken*

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