

Agenda – Economy, Infrastructure and Skills Committee

Meeting Venue:

Committee Room 3 – Senedd

Meeting date: 27 November 2019

Meeting time: 09.35

For further information contact:

Robert Donovan

Committee Clerk

0300 200 6565

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Private pre-meeting

(09.35–09.40)

1 Introductions, apologies, substitutions and declarations of interest

2 Paper(s) to note

(Pages 1 – 24)

Attached Documents:

EIS(5)–31–19(P1) Letter from Public Accounts Committee Chair re M4 project

EIS(5)–31–19(P2) Letter from Transport for Wales re Redactions

EIS(5)–31–19(P3) Letter from Minister for Economy & Transport re Traffic Commissioner

3 Decarbonisation of Transport – Aviation

(09.40–10.20)

(Pages 25 – 60)

Deb Bowen Rees, Chief Executive Officer, Cardiff Airport

Mark Bailey, Director of Airport Planning & Development, Cardiff Airport



Attached Documents:

EIS(5)-31-19(P4) Research briefing

Break

(10.20-10.30)

4 Decarbonisation of Transport – Transport for Wales

(10.30-11.15)

(Pages 61 – 64)

James Price, Chief Executive Officer, Transport for Wales

Gareth Morgan, Safety and Sustainability Director, Transport for Wales

Attached Documents:

EIS(5)-31-19(P5) Evidence from Transport for Wales

Break

(11.15-11.30)

5 Decarbonisation of Transport : Minister for Economy and Transport

(11.30-12.30)

(Pages 65 – 71)

Ken Skates AM, Minister for Economy and Transport

Simon Jones, Director Economic Infrastructure, Welsh Government

Attached Documents:

EIS(5)-31-19(P6) Evidence from Minister for Economy and Transport

Private debrief

(12.30-12.45)

Russell George AM
Chair – Economy, Infrastructure & Skills Committee
National Assembly for Wales

20 November 2019

Dear Russell

M4 Relief Road Costs

As you aware, the Public Accounts Committee scrutinised the Welsh Government in July on the costs to date of the M4 Relief Road project. The Committee have concluded their work on this issue for now and I attach copies of detailed correspondence between myself and Andrew Slade, Director General, Economy, Skills and Natural Resources Group at the Welsh Government, which I hope will be helpful in your Committee's future work on this issue following publication of the Lord Burns Review.

Vikki Howells AM and Oscar Asghar AM are Members of both Committee and have agreed to update Public Accounts Committee on the work your Committee undertakes.

Yours sincerely,



Nick Ramsay AM
Chair





Nick Ramsay AM
Chair
Public Accounts Committee

8 October 2019

Dear Chair

M4 PROJECT COSTS

I am responding to your email of 22 July and further letter of 25 July, in which you requested additional information following the Committee session on 15 July. I am sorry for the delay in so doing, but it has taken a little time to pull all the relevant detail together in the form requested.

Use of data and presentation

Cost estimates were produced at each stage of the M4 Project development using the cost price base and VAT treatment that was appropriate to each development phase.

The price base year was kept at 2015 throughout the Inquiry process to aid comparison and assessment of scope changes during the Inquiry, such as the additional off-slip proposed near Magor services and the accommodation works developed in Newport Docks during the course of the Inquiry.

In accordance with Treasury 'Green Book' guidance, VAT was excluded from assessments during development the stages of the project.

To enable a comparison with other Welsh Government capital programmes, the M4 Project cost estimate was updated to 2019 prices and VAT included, with certain sunk costs excluded, for the relevant Cabinet discussions in April of this year.

A cost comparison table at Annex A summarises this information providing estimates in both the price base the estimate was originally produced and adjusted to 2019 prices.

The WelTAG Stage 1/2 'Scheme level' appraisal estimate of £998m has been used as the 'base cost' for the M4 Project as it is considered most appropriate for comparison with the later project level estimates. Both this and an accompanying

Business Case were published in 2014 to accompany the strategic decision to proceed with a project, and as such this figure included in the table in Annex A. Those reports are available on the internet at the following links.

WelTAG Report:

<http://bailey.persona-pi.com/Public-Inquiries/M4-Newport/C%20-%20Core%20Documents/4.%20Scheme%20Development%20and%20Alternatives/4.5.5%20-%20Welsh%20Government%20M4%20Corridor%20around%20Newport%20-%20Motorway%20South%20of%20Newport.%20WelTAG%20Stage%201%20%26%20%20%20%28Scheme%29%20Appraisal..pdf>

Business Case:

<http://bailey.persona-pi.com/Public-Inquiries/M4-Newport/C%20-%20Core%20Documents/4.%20Scheme%20Development%20and%20Alternatives/4.5.17%20-%20M4%20Corridor%20around%20Newport%20-%20Motorway%20to%20the%20South%20of%20Newport%20Business%20Case.pdf>

This scheme level estimate was subsequently revised to reflect scope changes during the project development, such as; enhancements to junctions, additional environmental mitigation measures arising from liaison with Natural Resources Wales, and the significant accommodation works within Newport docks.

Net development costs

Expenditure on the M4 Project from 2013, to the point of the decision not to proceed with making the statutory Orders, was £114.109m, as stated in the evidence paper, with additional budget to 'wind up' the project of up to £9.2m. Whilst any winding up costs will be minimised within that budget, assuming the full amount is used, the development plus winding up expenditure would total around £123m.

The total purchase value of the land and property still in Welsh Government's ownership (that was purchased since 2013 and held for the scheme) is £3.728m. Rental income is excluded from this assessment as it is largely used to offset estate management costs. Properties acquired in this area in relation to previous iterations of a project prior to 2013, and still in Welsh Government ownership, are listed in Annex A but excluded from this summation to provide consideration in parallel with the post 2013 M4 Project development costs.

Should a decision be taken to dispose of all these assets, the actual realisable value will be determined by market conditions at the time of sale. However, deducting the acquisition value for these assets from the total development plus winding-up expenditure to provide a rough guide, gives a figure of around £119m of what could reasonably be defined as the net development and winding-up expenditure for the M4 Project, as at this point in time. We will in due course update the Committee with a more definitive figure, but this is necessarily some way away.

Land acquisition and disposal

Welsh Government will await the outcome and decision of the Commission before deciding on how best to proceed with route protection and with the properties that are in Welsh Government ownership.

In the event that any of the properties held in Welsh Government are declared surplus then they will be disposed of in accordance with our normal procedures, which includes consideration of the Crichel Down rules, where, among other considerations, the previous owner has the opportunity to buy it back.

Please find attached (Annex B) a revised table clarifying the position with the properties in lines 31-35 of the original table in the evidence paper. We can confirm that these properties have not been sold, and remain in the ownership of the Welsh Government.

On 2 August 2019 we received a further query from you on the dates and values of acquisition of 10 properties in connection with the M4 Project. Of those 10, five were acquired direct by the Welsh Government Transport Department and the other five were inherited from predecessor bodies such as the Welsh Development Agency, which then transferred into Welsh Government and subsequently assigned the land and properties to the Transport Department.

Any discrepancies between the July 2019 Public Accounts Committee evidence paper and data you may be referencing (such as Land Registry) may be due to records of different stages in the acquisition process. A 6 – 12 months' difference in timescale is not unusual for the period from which Welsh Government buy and or complete on a property with vacant possession to the details being updated on the Land Registry. Officials shall endeavour to provide additional clarity in reporting the 'date of sale' in future as the contractual completion date.

Further details on the 5 directly acquired properties are provided as follows, using the line numbering of the July 2019 Public Accounts Committee Evidence paper Annex A:

Line 4 – Woodland House – Review of the deeds documents confirms August 2007 (as stated in the letter to the Committee dated 26 March 2015 from WAO) as the date of contractual completion. Oct 2006, as stated in the July 2019 PAC Evidence paper and in a 2014 FOI will have been the date of agreement to acquire.

Line 6 – Horseshoe Cottage – The Welsh Office contractually completed acquisition of the property in August 1997, as stated in the July 2019 Evidence paper and in a 2014 FOI. The date of 16 Jan 1998 provided in the WAO letter to the Committee dated 26 March 2015 could relate to the date it was registered at the Land registry, however our review of land registry shows the registration date as February 1998.

Line 26 – Ysgubor Newydd, Coedkernew – 31 March 2004, as stated in the July 2019 Evidence paper and in a 2014 FOI, recorded the date of registration of the sale with Land Registry. The Jan 2004 date provided in the WAO letter to the Committee dated 26 March 2015 likely relates to the date of contractual completion.

Line 28 – The Maerdy, Coedkernew – We have re-checked and the sale of this property was completed on 4 November 2003. We previously stated in the July 2019 Evidence paper and in

a 2014 FOI the date of November 2011 which is incorrect and appears to be a typographical error.

Line 30 – The Stud Farm, Coedkernew – the date of March 2003 as stated in the July 2019 Evidence paper and in a 2014 FOI is understood to be the date of contractual completion. 26 March 2004, as stated in the WAO letter to the Committee dated 26 March 2015 is understood to be the date of registration of the sale with Land Registry

The other properties you queried were: Berry Hill Farm, Queensway Meadows, Land at Tatton Farm, Site of Marshfield and Former LG Hynix site. All were acquired historically, some 40 years ago, before coming into the Welsh Government Transport portfolio. Access to records are therefore more limited, however further explanation is provided as follows.

Line 18 – Berry Hill Farm – I can confirm November 1996, as stated in the WAO letter to the Committee dated 26 March 2015, is when a predecessor organisation inherited the land. January 1980, as stated in the July 2019 Evidence paper and in a 2014 FOI will relate to the original acquisition by a predecessor body.

Line 20 – Queensway Meadows – The range of dates (Oct 1980 – Jan 1982) stated in the July 2019 Evidence paper and in a 2014 FOI covering Queensway Meadows are consistent with the WAO letter to the Committee dated 26 March 2015. The WAO also includes dates for Tatton Farm which is linked to this property. By the time they were transferred to the Transport Department these plots had been combined into one and so just the first purchase date was reported. We can confirm WAO's letter is correct that components of Tatton Farm were purchased in March 1994 and March 2000 for a total of £2.17m.

Line 22 – Site at Marshfield – We have re-checked and can clarify exactly that the purchase of this property was completed in March 1997, rather than April as stated in the July 2019 Evidence paper. We are unable to find evidence to confirm the figure of £6,250 contained in the WAO's letter to PAC dated 26 March 2015, but the value appears commensurate for the plot.

Line 23 – Former LG Hynix site – The July 2019 Evidence paper reports the Hynix site acquisition value as £7m which I can confirm is correct. The WAO letter to the Committee dated 26 March 2015 reported both the Hynix and P&T plots with a combined value of £13m, which is consistent with our records for that plot also. The difference in reporting is therefore due to the land associated with Imperial House and whether it is deemed linked to the M4 Project or not. The 2014 FOI data, referenced by WAO, considered it linked, whereas at the time of the 2019 PAC Evidence paper it was considered not due to the additional information available in relation to the project at that time. Importantly, all records are consistent in terms of combined purchase dates and values.

Cost estimates for suggested alternative 20

Annex C to this letter provides a detailed breakdown of the cost estimate of the objectors' alternative No.20 suggested during the Public Inquiry.

The cost estimate at the time of Public Inquiry was benchmarked to the A303 Stonehenge project. The tunnelling works were around 50% of the total alternative No.20 cost estimate.

Annex C also provides a comparison to the more recently published '*Infrastructure and Project Authority tunnel benchmarking Case Study: Benchmarking tunnelling costs and production rates in the UK*' ("the IPA report") as referred to in the Committee session on 15 July 2019.

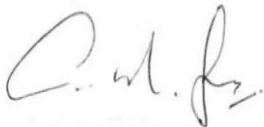
A comparison of the Alt. 20 Cost Estimate with the 3 benchmarking methods of the 'Infrastructure and Project Authority'. By diameter the IPA report figures give a higher cost. By volume the Alternative No.20 rates are the higher cost. By unit volume they are similar.

I understand from your letter of 25 July that the Objectors Suggested Alternatives Report has now been circulated to Committee members.

Please do not hesitate to contact me should you require any further information.

With best wishes.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A. Slade', written in a cursive style.

Andrew Slade
Director General
Economy, Skills and Natural Resources

M4 Corridor around Newport Project – Construction Cost and VAT Estimate Tracker						
Component	(1)	(1a)	(2)	(3)	(4)	(4a)
	WeITAG Stage 1 & 2 Scheme Level Appraisal Estimate / 2014 Business Case Estimate*		Estimate at start of Inquiry	Updated Estimate during Inquiry due to adding project scope i.e. sliproads.	Updated Estimate during Inquiry due to adding Newport Docks Works	(4) updated to inform statutory decision making
Price Base	2010	2019	2015	2015	2015	2019
Date Published	2014	Not previously calculated	Dec 2016	Mar 2017	Dec 2017	Not published
Preliminaries including Traffic Management	Not broken down to these categories		£212.0m	£213.1m	£213.1m	Not broken down to these categories
Roadworks			£268.0m	£269.2m	£269.2m	
Structures			£296.9m	£297.0m	£314.5m	
Landscaping and environmental works			£44.8m	£44.9m	£44.9m	
Works by other authorities			£38.3m	£38.8m	£38.8m	
Land and Compensation Costs			£92.0m	£92.3m	£92.3m	
Risk and Optimism Bias			£141.3m	£138.0m	£120.4m	
Project Estimate excluding VAT			£1,093.2m	£1,093.2m	£1,093.2m	
Reclassification and reconfiguration of Caerleon Junction (including Optimism Bias)			£16.2m	£16.2m	£16.2m	
Newport Docks Works			-	-	-	
Newport Docks Works – Risk and Contingencies			-	-	£167.5m	
Project Estimate excluding VAT	£998m	£1,161m	£1,071.2m	£1,109.3m	£1,276.8m	£1,382m
VAT [calculated for (4a) and ratio applied to others]	£132.8m	£154m	£142.5m	£147.5m	£170m	£184m
Project Estimate including irrecoverable VAT	£1,131m	£1,315m	£1,214m	£1,257m	£1,447m	£1,566m

Notes:

- * PAC letter of 25/7/19 referred to the WeITAG Stage 1 2013 report estimate of £936m. The more appropriate cost for comparison is the 2014 WeITAG Stage 1/2 Scheme Level estimate and 2014 Business Case estimate of £998m.
- Vat was not applied at the time of the estimate of (1), (2) and (3). Irrecoverable VAT applied now to them and (1a) for comparison purposes. Quantum is the 13.3% percentage calculated for (4a). Exact measure of VAT remained to be agreed with HMRC.
- All estimates exclude statutory process development costs for ease of comparison with (4a) £1,566m investment decision cost estimate which was concerned with the forward costs rather than 'sunk' costs.
- Final totals rounded to 0dp.

Table of all property acquisition and sale transactions (matter of public record):

No.	Description of Land	Basis of Purchase / Sale	Date of Purchase	Value Paid (Land and Buildings)	*Date of Sale	Sale Price
Properties Acquired						
1	Longhouse Farm, Coedkernew	s.246 (2A) Off Line Discretionary Application submitted by owner requesting purchase.	Nov-06	£720,000	In WG ownership	NA
2	Land at the Stud Farm, Coedkernew	s.246 (2A) Off Line Discretionary Application submitted by owner requesting purchase.	Jan-00	£315,000 (incl. no. 23)	NA – <i>Farm sold (see 23)</i>	NA (see 23)
3	Undy House, Undy, Magor	Statutory Blight Notice served by representatives of deceased owner requesting purchase.	Aug-07	£660,000	In WG ownership	NA
4	Woodland House, Magor	Statutory Blight Notice served by owner requesting purchase.	Aug-07	£1,107,000	In WG ownership	NA
5	Old Cottage, Knollbury, Magor	s.248 Discretionary Application submitted by owner requesting purchase.	Mar-95	£130,000	In WG ownership	NA
6	Horseshoe Cottage, Knollbury, Magor	s.246 (2A) Off Line Discretionary Application submitted by owner requesting purchase.	Aug-97	£132,500	In WG ownership	NA
7	Barecroft House, Barecroft Common, Magor	Statutory Blight Notice served by owner requesting purchase.	May-96	£158,500	In WG ownership	NA
8	Cae-Glas, Nash Road, Newport	Statutory Blight Notice served by owner requesting purchase.	Dec-06	£300,000 (incl. below)	In WG ownership	NA
8	Annex at Cae Glas, Nash Road, Newport	Statutory Blight Notice served by owner requesting purchase.	Dec-06	Part of above	In WG ownership	NA
9	Greenfield House, Nash Road, Newport	Statutory Blight Notice served by owner requesting purchase.	Mar-07	£300,000	In WG ownership	NA
10	The Conifers, Coedkernew	Statutory Blight Notice served by owner requesting purchase.	Apr-15	£725,000	In WG ownership	NA
11	White Cottage, Coedkernew	Statutory Blight Notice served by owner requesting purchase.	Dec-15	£555,000	In WG ownership	N/A

12	San Remo, Coedkernew	Statutory Blight Notice served by owner requesting purchase.	Apr-16	£350,000	In WG ownership	N/A
13	The Glen, Coedkernew	Statutory Blight Notice served by owner requesting purchase.	Oct-15	£430,000	In WG ownership	N/A
14	Spring Cottage, Coedkernew	Statutory Blight Notice served by owner requesting purchase.	Jun-16	£355,000	In WG ownership	N/A
15	Quarry Cottage, Coedkernew	Statutory Blight Notice served by owner requesting purchase.	Jun-17	£453,000	In WG ownership	N/A
16	Danygraig, Coedkernew	s.246 (2A) Off Line Discretionary Application submitted by owner requesting purchase.	Aug-19	£495,000	In WG ownership	N/A
17	Dunline, Knollbury	Statutory Blight Notice served by owner requesting purchase.	Mar-17	£365,000	In WG ownership	N/A
18	Coedkernew House, Coedkernew	s.246 (2A) Off Line Discretionary application submitted by owner requesting purchase.	Apr-19	£575,000	In WG ownership	N/A
19	The Croft, Coedkernew	Statutory Blight Notice served by owner requesting purchase.	Apr-19	£400,000	In WG ownership	N/A
20	Little Orchard, Coedkernew	s.246 (2A) Off Line Discretionary application submitted by owner requesting purchase.	Dec-18	£400,000	In WG ownership	N/A
21	Old Court Farm, Rogiet	Statutory Blight Notice served by owner requesting purchase.	Mar-18	£2,354,617	In WG ownership	N/A
22	Court Farm, Rogiet	Statutory Blight Notice served by owner requesting purchase.	May-18	£1,714,085	In WG ownership	N/A

Properties Inherited from a Predecessor Body

23	Berry Hill Farm	Land inherited by Welsh Government from a predecessor body.	Jan-80	£1,350,000	In WG ownership	NA
24	Wentloog, Newport	Land inherited by Welsh Government from a predecessor body.	Mar-97	£235,000	In WG ownership	NA
25	Queensway Meadows, Newport	Land inherited by Welsh Government from a predecessor body.	Oct 1980 – Jan 1982		In WG ownership	NA
26	Land at Tatton Farm	Land inherited by Welsh Government from a predecessor body.	May-00	£630,000	In WG ownership	NA

27	Land at Marshfield	Land inherited by Welsh Government from a predecessor body.	Apr-97		In WG ownership	NA
28	Former LG Hynix Site	Land inherited by Welsh Government from a predecessor body.	Sep-04	£7,000,000	In WG ownership	NA

***Properties Acquired and Subsequently Sold**

29	Lower Lakes Farm, Newport	s.248 Discretionary Application submitted by owner requesting purchase.	Jan-95	£170,000	Jan-97	£135,000
30	Pye Corner House, Nash	s.246 (2A) Off Line Discretionary Application submitted by owner requesting purchase.	Apr-96	£120,000	Jan-02	£178,000
31	Ysgubor Newydd, Coedkernew	Statutory Blight Notice served by owner requesting purchase.	Sep-96	£220,000	Mar-04	£361,000
32	Moorbarn, Nash	s.246 (2A) Off Line Discretionary Application submitted by owner requesting purchase.	Dec-96	£192,500	Jul-97	£167,000
33	The Maerdy, Coedkernew	s.246 (2A) Off Line Discretionary Application submitted by owner requesting purchase.	Apr-03	£680,000	Nov-11	£605,000
34	Rose Cottage, Knollbury	s. 246(2A) Discretionary Purchase application submitted by owner requesting purchase.	May-10	£360,000	Jul-11	£244,735

35	The Stud Farm, Coedkernew	s.246 (2A) Off Line Discretionary application submitted by owner requesting purchase.	Jan-00	£315,000 (formed part of no. 2)	Mar 2003 – <i>With some land being retained for M4 proposals (no. 2).</i>	£450,000
			Total	£24.2m	Total	£2.1m

Annex C

Tunnel Alternative - Supplementary Information

1 The table below shows the isolated cost estimate of tunnelling is £4,947m, therefore around 50%. This is for three tunnels; two 15m diameter bores at 16,358m long and a further 8m diameter pilot tunnel. There would also need to be a further 851m of tunnel portals making a total tunnelling and portal length of 17,209m of the 24,000m total route. In addition to the direct cost of tunnelling would be the staff and preliminaries costs plus allowances risks associated with the works. As this is a high level budget estimate with no defined design the project risk and optimum bias were set accordingly.

Table 1 – Breakdown of Alternative 20 Cost Estimate

	Tunnel costs £m	Infrastructure outside of the tunnel costs £m	Total Estimate £m
Prelims staff and accommodation etc. these costs are excluded from the IPA benchmarking	1,176	119	1,295
Construction costs	4,957	219	5,176
Contractor risk	794	39	833
Total Construction Cost	6,928	377	7,304
Client supervision and other development costs	323	48	371
Land & Compensation costs	15	50	65
Project Risk & Optimism bias	2,053	27	2,080
Project Estimate excl. VAT & Inflation	9,319	501	9,820

2 The 'Infrastructure and Project Authority tunnel benchmarking Case Study: Benchmarking tunnelling costs and production rates in the UK' was first published in December 2018 and revised in March 2019 and was therefore not available for the budget assessment for the tunnel alternative which was undertaken in early 2017. The base cost used in the assessment of the tunnelling costs was from the contractor's tender pricing of the proposed A303 stonehenge 12m tunnel. The cost per meter of which was adjusted for the tunnel sizes required for this alternative.

3 The 'Infrastructure and Project Authority tunnel benchmarking Case Study: Benchmarking tunnelling costs and production rates in the UK' benchmarks the cost of transport tunnels in three ways

- Cost per diameter of tunnel
- Cost per Volume of tunnel
- Cost per unit volume (£m/KM/M2 of face)
-

The benchmarking analysed 8 transport tunnels ranging from 5.5m diameter to 11.5m diameter therefore the data in the benchmarking does not cover the diameter of the two main tunnels or

the volume of material excavated for the M4. Below is a table comparing the M4 tunnels against the three Benchmarking cost bases.

The benchmarking only covers direct tunnelling costs not prelims and risk etc.

Table 2 – Comparison of Alternative 20 Cost Estimate with IPA Rates

Description	M4 Project Alternative 20 estimate £m	IPA Benchmarking Equivalent £m	Notes
Cost £m per km by tunnel diameter			
Alternative 20 15m diameter tunnels	110	191	No 15m dia tunnel in IPA benchmarking max where tunnel dia 11.5m. Pro rata IPA 11.5m (£112m) to 15m dia.
Alternative 20 8m diameter tunnel	31	15-33	Alt 20 cost is pro-rata from the above 15m dia rate. IPA equivalent is 8.1m dia.
Project cost plotted against the volume of tunnelling			
8m diameter tunnel as alternative 20 pro rata from 15m dia tunnel 16.4km long, 823,000m ³	512	350	
15m diameter tunnel as alternative 20, 16.4km long volume 2,891,000m ³	1,799	1,337	IPA Graph only shows trend line for volumes up to 800,000m ³ with a cost of approximately £370m at this point if pro rata trend line for extra volume up to 2,891,000m ³
Cost per unit volume (£m/km/m² of face area) plotted against tunnel length for 16km tunnel			
8m diameter tunnel as alternative 20 pro rata from 15m dia tunnel	0.62	0.58	
15m diameter tunnel as alternative 20	0.62	0.58	

Andrew Slade
Director General – Economy, Skills and Natural
Resources Group
Welsh Government

25 July 2019

M4 Project Costs

Dear Andrew,

Thank you for attending the meeting of the Public Accounts Committee on 15 July 2019. There were several issues arising from the meeting upon which the Committee wishes to seek further information from you and these are detailed below.

Use of data and presentation

There are issues with the consistency and comparability of financial data used by the Welsh Government to date with regards to the cost of the M4 project.

We questioned during the evidence session why the then First Minister, Carwyn Jones AM, was reported in 2015 as saying that the M4 project would cost nowhere near £1 billion. This was despite the fact that the June 2013 WelTAG stage 1 report for the project estimated costs of £936m, and the fact that costs being quoted are now around £1.57 billion.

Your Officials explained that possibly the figures quoted by the then First Minister were referring to the construction costs only. Yet it would have been clear that these do not reflect the full costs of developing, delivering and commissioning the scheme and are therefore misleading.

Similarly, there appear to be inconsistencies in the application of VAT in the adjusted costs presented in the Minister for Economy and Transport's 5 June 2019



Written Statement on the next steps for the M4 following the First Minister's decision not to proceed with the scheme. The Minister stated (emphasis added):

"The £114 million spent since 2013 developing the proposals for the £1.32Bn (in 2015 prices, *which equates to* £1.57Bn in 2019 prices) M4 Project will not be wasted, and will be put to good use by the Commission, making sure it is fully informed in terms of transport modelling, environmental surveys and all the other factors in play across the region".

However, during the 15 July meeting the Deputy Director, Infrastructure Delivery, said:

"So, the £1.32billion is absolutely correct, that was Q4 2015 prices. That didn't include VAT. The £1.577 billion did include non-recoverable VAT, so that was adjusted to reflect 2019 prices".

He also made clear that the figure for non-recoverable VAT was "between 11 and 13 percent".

Therefore the estimate in 2015 prices does not 'equate to' the adjusted figure in 2019 prices as the Minister suggested. Rather this presentation of the cost estimates implies that costs have increased significantly more – 11% to 13% more – than they actually have. This error was made at the point where the Welsh Government is rejecting the scheme in part on affordability grounds.

We are concerned that the information Welsh Government issues about cost breakdowns must be clearly understood by the public, and more importantly presented in a consistent fashion, both for a specific project at different points in time and across projects.

We therefore ask that you provide confirmation of each cost estimate for the project published by the Welsh Government since 2013, including the date of the estimate, confirmation of whether it includes or excludes VAT and an explanation of the specific factors leading to any change between estimates. We ask that you provide each of these in both the price year in which the estimate was originally calculated, and adjusted to 2019 prices to allow clear comparison.



Net development costs

We are also mindful that the figure of £114m spent on development of the M4 project since 2013 will not reflect the final net cost for the scheme. We recognise that there may be income from the sale of properties compulsorily purchased, and also further 'winding up' costs incurred.

As such we request details of the total net cost for the M4 development, known to date, itemising total development costs plus winding up costs and any other related costs, less any profits from the sale of properties acquired, other income or costs recovered.

Land acquisition and disposal

We discussed the future use of the properties and land acquired by the Welsh Government as part of the M4 development project and note that the Welsh Government will need to firstly consider whether any of these properties or land are still required in the context of any proposals from the Commission. Therefore, we ask that a timetable on the disposal of the properties and land in the Welsh Government's ownership be shared with us following the outcome of the Commission's work.

We have also identified some apparent discrepancies in the data on M4 – land and property acquisitions and disposals provided in the Welsh Government's evidence paper for our meeting on the 15 July 2019 and the information provided to the Committee in letters from the Wales Audit Office in March 2015 and April 2015. We understand these were based on information obtained from the Welsh Government by the WAO's financial audit team. We would welcome an explanation for these discrepancies in some of the dates and the financial sums attributed to difference acquisitions/inheritances. We would also welcome clarification around the presentation of the table on acquisitions/disposals and, in particular, lines 31–35. The formatting suggests that these items are in a section about properties that have been acquired and disposed of, but there are no disposal dates/prices shown.



Cost estimates for suggested alternative 20

With regards to potential alternatives to the M4 relief road we are interested in the costs of potential tunnelling under the Gwent levels (suggested alternative 20, estimated by the Welsh Government to cost approximately £10 billion). We request a breakdown of the proposed costs for this option, along with details of how these costs have been benchmarked and details of what proportion of the total estimated cost for this alternative relates to actual tunnelling works, as opposed to scheme development, surface works etc.

Finally, you kindly offered to circulate copies of the M4 corridor around Newport, Objectors' Suggested Alternatives Report (March 2017). The report is already in the public domain and has been circulated to Committee Members but I wish to thank you for your offer.

I look forward to hearing from you

Yours sincerely,

A handwritten signature in black ink that reads "Nick Ramsay". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Nick Ramsay AM
Chair





**TRAFNIDIAETH
CYMRU**
TRANSPORT
FOR WALES

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Russell George AM
Chair
Economy, Infrastructure and Skills Committee
National Assembly for Wales
Ty Hywel
Cardiff
CF99 1NA

15 November 2019

Dear Mr George

Thank you for your letter. I am keen that TfW is as open and transparent as possible at all times and I therefore welcome the very fair challenge that you have proposed.

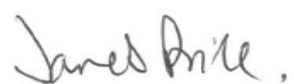
As you stated in your letter, information in Transport for Wales' Board minutes is sometimes deemed commercially sensitive. Minutes may also include information regarding new and emerging risks around which mitigation and communications strategies have not yet been developed. Specifically regarding PRM and fleet refurbishment, the minutes commented on the risk that Pacer trains may have to stay in service beyond 31 December 2019. The need to retain some of the Pacer fleet into 2020 was only confirmed several weeks ago. As this has now been confirmed, the relevant Minute for July 2019 has now been unredacted.

The information in the minutes regarding CVL asset transfer was redacted because it contained sensitive material regarding on-going negotiations. The redactions from the ODP Grant Agreement were based upon Section 43(2) FOIA "information is exempt information if its disclosure under this Act would, or would be likely to, prejudice the commercial interests of any person (including the public authority holding it)".

In both cases, it was felt that the Transport for Wales Board needed to be kept up-to-date with the latest information to carry out its duty to steer, scrutinise and challenge the effectiveness and efficiency of Transport for Wales' performance, but the information was deemed too sensitive to be released into the public domain at the time.

I would of course be happy to discuss this in more detail with you if that would be helpful.

Yours sincerely

A handwritten signature in cursive script that reads "James Price,".

James Price
Prif Weithredwr / Chief Executive

James Price
Chief Executive Officer
Transport for Wales

31 October 2019

Dear James,

I am writing to establish the criteria used to make decisions around redactions Transport for Wales make when publishing documents.

Clearly some information will need to be redacted for commercial confidentiality reasons. However the reasoning behind other redaction decisions is less clear. For example in TfW's board minutes from July the information around PRM and fleet refurbishment is redacted.

Please could you provide the rational you use to redact information when you publish documents? To aid our understanding, I'd be grateful if you could also explain how this rational applies to each individual redaction in the published minutes for the Transport for Wales Board July 2019 as, in this document, I was surprised to see almost the entire section on PRM and fleet refurbishment status redacted.

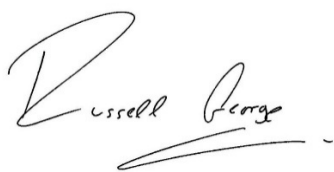
TfW also hosts a number of documents on its website relating to the management of Transport for Wales Rail Services. These also contain some redactions with an unclear rational. For example I was surprised to see in the Core Valleys Line Concept Design document, which forms part of the Invitation to Submit Final Tenders, that several sections which appear to relate to the timing of upgrades to the CVL are redacted e.g. appendices E and F.

I would be grateful if you could provide the reason for each redaction made to the rail franchise Invitation to Submit Final Tenders, and also the Grant Agreement itself.

I look forward to hearing from you.

Yours Sincerely,



A handwritten signature in black ink that reads "Russell George". The signature is fluid and cursive, with a long horizontal stroke at the end.

Russell George AM

Chair

Economy, Infrastructure and Skills Committee





Russell George AM
Chair
Economy, Infrastructure and Skills Committee

19 November 2019

Dear Russell,

I refer to your letter dated 21 October in relation to the evidence provided by the Traffic Commissioner for Wales to the Economy, Infrastructure and Skills Committee on the 9 October. Thank you for the opportunity to comment on sections of his evidence.

The framework referred to was put in place before the appointment of a full time Traffic Commissioner for Wales and as such Welsh Government was not given the opportunity to influence its content. I would however note that Welsh Government is keen to seek input to any future review of the framework especially in relation to the impact on the Traffic Commissioner for Wales's responsibilities. I recognise the importance to develop and foster a positive relationship with all concerned and the opportunity for future collaboration and input.

In your letter you refer to the bus seminars that have been developed and delivered across Wales to Public Service Vehicle (PSV) operators in recent years. You will recall that I launched a five point plan in support of the bus industry in Wales in October 2016. This included a bus summit to seek and capture the views of industry stakeholders, as well as providing vital support to bus operators through Business Wales and Finance Wales.

The bus operator seminars which were held in 2017 and 2018 across Wales provided bus operators with vital support involving Business Wales, Driver and Vehicle Standards Agency (DVSA), the Traffic Commissioner for Wales and Welsh Government. Their purpose was to educate bus companies on safe working practices, and provide vital business support for sustainable development. These seminars have proved to be successful. I recognise the need to continue and further develop such seminars and to ensure that all PSV operators attend. I also recognise that a similar approach is also needed for the Heavy Goods Vehicle (HGV) industry in Wales on the basis of road safety, the economy and business sustainability and development. The Traffic Commissioner has already commented that for every one PSV operator in Wales there are approximately nine HGV operators. It is therefore vital and valid that this support is also made available and provided to the HGV industry as well. I intend to work with the new Traffic Commissioner when appointed to further develop and put in place a programme that will benefit both the PSV and HGV industries in Wales.

As the Committee is aware, we are undertaking a process of reform in relation to the planning and delivery of bus services in Wales which will contribute to our ambition of high quality, low carbon, multi-modal and integrated public transport network that meets the needs of the travelling public. The Buses (Wales) Bill is a key element of this reform agenda. The Bill will

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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.

Back Page 12
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.

include provisions relating to improved partnership working arrangements, franchising and local authority run bus services.

The Traffic Commissioner obviously plays a key statutory role in the bus registration process. Now that the Welsh Ministers and Assembly have enhanced executive and legislative competence in relation to bus registration, we will of course continue to explore how best those powers might be used in the future to improve bus service provision in Wales. Traveline Cymru is not a statutory body for this purpose and as such it is not able to take on the functions of bus registrations presently discharged by the Traffic Commissioner. I am, however, keen to work with the new Traffic Commissioner for Wales when appointed, to review the current bus registration process and explore opportunities.

The Air Quality Independent Review Panel, which is non-statutory, was appointed to provide expert independent advice to Welsh Government on local authority plans to achieve urgent compliance with nitrogen dioxide limit values. The Panel comprises membership from Welsh Government officials and external members, with a range of expertise covering transport, air quality, health and social research.

The Terms of Reference require the Panel to impartially scrutinise the evidence and provide advice to Welsh Government on any limitations and how to manage these in the time available.

Local authority plan documentation is shared with the panel for scrutiny 14 days prior to meetings, and members complete a checklist assessment covering the full range of business case and technical aspects. Any significant matters raised by the panel are shared with local authorities for their consideration and response. Where necessary, local authorities are required to undertake further assessment or provide additional detailed advice to ensure that Welsh Government can have confidence that plans are satisfactorily robust.

I understand that further advice from the Panel will follow to the Minister for Environment, Energy & Rural Affairs in late November regarding Cardiff Council's revised final plan which was submitted in October. The panel will also consider the revised plan of Caerphilly County Borough Council in March and further advice will be shared with the Minister shortly thereafter.

I acknowledge that Nick Jones has already provided his views on future opportunities relating to the Traffic Commissioner in Wales which has been included in his annual reports and recent valedictory report. However, I also welcome the opportunity to work with the UK Government and other relevant bodies, including the new Traffic Commissioner for Wales when appointed, to look at the opportunities available for improved synergies and closer working, which will include actively pursuing the quality of service provided to the people of Wales.

I hope that the above response clarifies my views on the matters you have raised.

Yours sincerely,



Ken Skates AC/AM
Gweinidog yr Economi a Thrafnidiaeth
Minister for Economy and Transport

Agenda Item 3

Document is Restricted

Agenda Item 4

Russell George AM
Chair Economy, Infrastructure and Skills Committee
National Assembly for Wales
Ty Hywel
Cardiff
CF99 1NA

16 August 2019

Dear Mr George

Thank you for sharing with us the EIS Committee's consultation into the Decarbonisation of Transport. We welcome the chance to input into this important Framework.

- **Are the transport emissions reduction targets, policies and proposals (set out in Prosperity for All: A Low Carbon Wales) achievable and sufficiently ambitious?**

"A Low Carbon Wales" was published in February this year. In June, the Welsh Government announced that it was accepting the Committee on Climate Change's recommendation for a 95% reduction in greenhouse gas emissions by 2050 and setting out an ambition to bring forward a target to achieve net-zero emissions. It stated that it intends to bring regulations to the Assembly next year to amend the existing 2050 target and Wales' interim targets and carbon budgets as necessary.

Transport for Wales is committed to delivering on the Welsh Government's policy by decarbonising our transport networks and improving the air quality of the communities they serve, seeking to prevent the associated negative impact on health.

- **Is the Welsh Government's vision for the decarbonisation of transport sufficiently innovative, particularly in terms of advocating new technologies?**

"A Low Carbon Wales" highlights many good examples of innovative practice from within Wales. However, it is important that we look both UK-wide and globally to learn from other transport systems, something which Transport for Wales is well-placed to do. As the document states, "we need to encourage technology to be

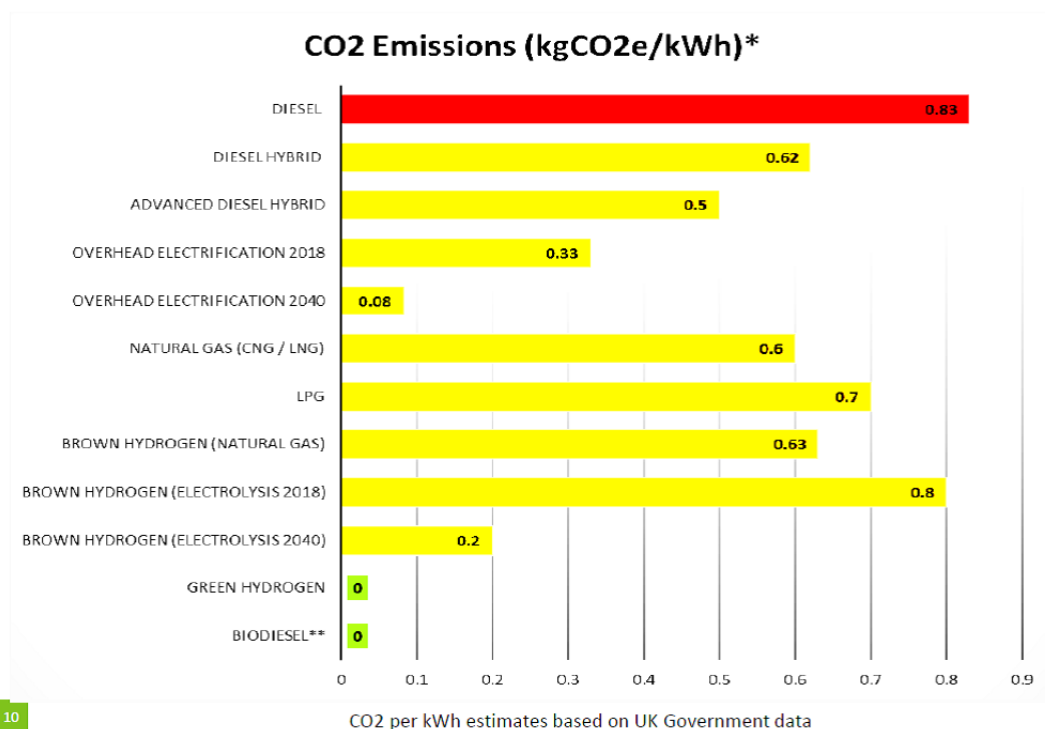
developed in Wales and also ensure that Wales benefits from progress made elsewhere.”

TfW welcomes the proposal to establish Wales’ first all-electric public transport town as possibly one of the most innovative initiatives. The South Wales Metro area, particularly the Core Valley Lines, may provide an ideal location as electrification of the railway lines will be in process and a study is already being undertaken looking at the options for track-side renewables.

The newly electrified lines will be powered with 100% renewable energy and, together with new rolling stock, will result in a 25% reduction in CO2 emissions across the rail network. This illustrates the significant benefits that railway electrification can provide in reducing CO2 emissions.

The graph below from the Final Report of the Rail Industry Decarbonisation Taskforce, published by the RSSB earlier this year, summarises the CO2 emissions on the main types of railway vehicle from different fuel sources:

CO2 Emissions per kWh for Different Fuels



CO2 emissions from electric trains are about half of even hybrid or hydrogen trains. This benefit grows over time as electricity is increasingly derived from renewable sources – hence the much reduced 2040 figure.

Electrification beyond the current Core Valley Line plans could significantly contribute to reducing CO2 emissions whilst delivering an improved and future-proofed rail service. In “A Low-Carbon Wales” the Welsh Government states that it “will continue to press UK Government to fund the electrification of rail lines in Wales”.

In addition, the new Diesel Multiple Units to be introduced on the Wales and Borders network will have the capability for the diesel engine to be replaced with a hybrid power system, or other innovative systems, whilst a dedicated innovation centre, to be established by Transport for Wales Rail Services, will ensure that developments will continue to be monitored, as technologies mature.

- **What action is required, and by whom, to achieve the targets, policies and objectives?**

As is stated in “A Low Carbon Wales” “Government action alone cannot tackle climate change. We need to involve and collaborate with others and play a part in tackling this global challenge.”

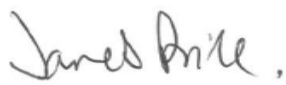
As well as developing infrastructure that will reduce emissions there needs to be a focus on behaviours, not just in relation to public transport, where TfW will employ community ambassadors to develop the link between local communities and their local rail network, and active travel, where TfW will support activities aimed at improving the implementation of the Active Travel Act, including training, communication & awareness raising but also regarding the perception of electric vehicles, where TfW will design and undertake a procurement process to award a concession for the delivery and financing of electric vehicle charging infrastructure, including at rail stations and on the trunk road network. This will be of importance in achieving the target of 60% of new car sales in Wales being Ultra Low Emission Vehicles by 2030.

- **How should the new Wales Transport Strategy reflect the actions needed to decarbonise transport?**

We anticipate that the Strategy will be guided by the goals and ways of working detailed in the Well-being of Future Generations (Wales) Act. The Welsh Government has already stated the importance of mapping out how we achieve our targets of decarbonisation right across Wales and that one of the visions in the new strategy will be that of integrating transport in Wales.

TfW will work with the Welsh Government's new regional teams, with local authorities, with the emerging regional transport authorities and with other partners to create an integrated public transport network, and to promote the decarbonisation of the public transport sector.

Yours sincerely,

A handwritten signature in black ink that reads "James Price," with a comma at the end. The signature is written in a cursive, slightly slanted style.

James Price
Prif Weithredwr / Chief Executive

Agenda Item 5

ECONOMY, INFRASTRUCTURE AND SKILLS COMMITTEE
WRITTEN EVIDENCE
EVIDENCE SESSION ON DECARBONISATION OF TRANSPORT
WEDNESDAY 27 NOVEMBER 2019,

Purpose

The purpose of this paper is to provide evidence to the Economy, Infrastructure and Skills Committee on decarbonisation of transport in Wales.

Response

Background

Legislation

Following the declaration of a climate emergency, Welsh Government has accepted the Committee on Climate Change's recommendation to increase Wales' 2050 emissions reduction target and have asked them to provide further advice next year on how this will affect the interim targets and carbon budgets already set in legislation. We will ask the National Assembly to amend Wales' statutory decarbonisation pathway towards the end of 2020.

The legislation provides national, Wales-level targets and carbon budgets. There is no statutory target or carbon budget for transport or any other emissions sector. However, Prosperity for All: A Low Carbon Wales, our plan for Wales's first carbon budget (2016-20), identifies 2020 and 2030 targets for each sector and estimates of each sector's carbon budget based on the UK Committee on Climate Change recommend pathway. For transport this means:

- Emissions in 2020 14% lower than the 1990 baseline (and 11% lower than in 2016)
- Emissions in 2030 43% lower than the 1990 baseline
- An estimated carbon budget of 31.9 MtCO₂e (14.4% of the Welsh total)

Reducing CO₂

At 6.7 MtCO₂e, transport accounted for 16% of Welsh emissions in 2017, and is our third largest GHG emitting sector, following the power sector and the business and industry sector. Although vehicles are increasingly efficient, we are also travelling more, so overall transport emissions in Wales have not seen a major reduction since the 1990 baseline, declining by 5% to 2017. In 2017, Welsh Transport Sector emissions decreased by 2% compared to 2016.

Transport emissions are a result of two factors – how much we travel and the carbon emitted in undertaking that travel. The policies and proposals that we set out in transport pathway of Prosperity for All: A Low Carbon Wales address both of these factors within the context of global efforts to reduce greenhouse gas emissions and recognising that many of the levers required to effect significant change lie elsewhere.

ECONOMY, INFRASTRUCTURE AND SKILLS COMMITTEE
WRITTEN EVIDENCE
EVIDENCE SESSION ON DECARBONISATION OF TRANSPORT
WEDNESDAY 27 NOVEMBER 2019,

Road transport accounts for 86% of transport emissions in Wales. Since 2009, EU legislation has set mandatory emission reduction targets for new cars. Targets for vans were introduced from 2011 and CO₂ emission standards for heavy-duty vehicles entered into force in August 2019. Average new car CO₂ emissions in the UK were 124.5 g CO₂/km. From 2021, phased in from 2020, the EU fleet-wide average emission target for new cars will be 95 g CO₂/km. This has driven manufacturers to launch new battery electric models in order to meet the emissions regulations. The UK Government has pledged to pursue a future approach that is at least as ambitious as the current arrangements for vehicle emissions regulation. The UK Government should ensure that future emissions targets for manufacturers are set at sufficiently demanding levels.

The UK Government has set a target for 2040 for no new conventional petrol or diesel cars and offers grants to assist towards the purchase price of electric vehicles. The UK CCC view is that this policy is not sufficiently ambitious and should be brought forward to 2035 at the latest and should include a minimum electric drive range for hybrid vehicles. We will work with the UK Department for Transport to encourage more ambitious actions going forward.

The achievement of our decarbonisation pathway for transport is dependent on consumers purchasing electric vehicles rather than those powered by internal combustion engines. Uncertainty exists around actual future rates of adoption but is likely to be heavily influenced by the comparative costs of electric vehicles with internal combustion engine vehicles. Subsidies and vehicle taxes can significantly influence consumer decisions and create a market for electric vehicles. We urge the UK Government to keep this mix of incentives under review to ensure that the uptake of electric vehicles continues to increase at a level consistent with the achievement of decarbonisation targets.

Policy shift

Modal shift

Tackling our ingrained over-dependency on cars and enabling a shift to more sustainable forms of travel such as active travel and public transport will be challenging. Traffic volume in Wales has increased by 33% over the period from 1993 to 2018, reaching a peak of 29.4 billion vehicle km in 2018¹. The vast majority of that traffic, 94% was accounted for by cars and taxis (22.9 bvk) and vans (4.9 bvk). This proportion has been stable for at least the last 20 years. Local bus services covered just under 1 bvk 2017/18, enabling 99.9 million passenger journeys. Rail passenger journeys have increased year on year since 1995-96, reaching a high of 31.0 million in 2017-18². Although not directly comparable, 1.3 bn passenger km were undertaken on TfW Rail services in 2018/19³.

¹ Road traffic: 2018 (Welsh Government, August 2019)

² <https://gov.wales/sites/default/files/statistics-and-research/2019-04/rail-transport-april-2017-to-march-2018-824.pdf>

³ This figure doesn't include other service in Wales such as GWR but does include some TfW services in England.

ECONOMY, INFRASTRUCTURE AND SKILLS COMMITTEE
WRITTEN EVIDENCE
EVIDENCE SESSION ON DECARBONISATION OF TRANSPORT
WEDNESDAY 27 NOVEMBER 2019,

The UK CCC in recent advice to Government on achieving Net Zero by 2050⁴ suggests the need for more ambitious targets set for demand reductions through switching to walking, cycling and public transport, reducing car mileage by 10%. Modal shift from cars to public transport, walking and cycling offer substantial further co-benefits for air quality, congestion, more active and healthy lifestyles, and safer, stronger communities.

Active Travel

Since December 2018, all local authorities have plans in place for integrated active travel networks for the 142 largest settlements in Wales. In 2018 the Active Travel Fund was established to create these networks. Over the last two financial years we have seen a significant increase in the funding available to create and improve active travel infrastructure. For 2019/20, with an in-year capital boost, we have allocated over £44m to local authority active travel schemes in Wales, equating to around £14 per head. In addition to this, we are currently investing around £1.75m in walking and cycling training and promotion per year and this will increase to around £1.9m next year.

We are working with partners on the further development of a robust evaluation and monitoring framework for active travel. This will include the consideration of meaningful targets.

Planning Policy

The latest edition of Planning Policy Wales (PPW) was issued in December last year and gives increased emphasis to sustainable transport, including ensuring the location and design of new development reduces the need to travel and prioritises walking, cycling and public transport. PPW aims to ensure new development creates the right environments and infrastructure to make it easier for people to walk and cycle. It fully integrates the provisions of the Active Travel Act with the planning system and requires provision for active travel to be an essential component of development schemes. A new policy is introduced on creating well-designed, people orientated streets. The policy is aimed at ensuring new development improves the quality of place and creates safe, attractive streets where people want to walk, cycle and enjoy, and children can play. Another new policy encourages the use of Ultra Low Emission Vehicle (ULEVs) by stipulating a minimum of 10% of non-residential car parking spaces are required to have EV charging points.

We are currently consulting on a draft of the National Development Framework (NDF), which builds on this and proposes focusing growth on our large towns and cities, identifying national and regional growth areas, and doing so in a way that sustains good public transport services. It sets out the need to shape urban growth

⁴ <https://www.theccc.org.uk/wp-content/uploads/2019/05/Net-Zero-The-UKs-contribution-to-stopping-global-warming.pdf>

ECONOMY, INFRASTRUCTURE AND SKILLS COMMITTEE
WRITTEN EVIDENCE
EVIDENCE SESSION ON DECARBONISATION OF TRANSPORT
WEDNESDAY 27 NOVEMBER 2019,

to support towns and cities that are compact, with higher density and mixed use development in accessible locations, such as public transport nodes and corridors.

Wales Transport Strategy

Transport decarbonisation and a recognition of the sustainable transport hierarchy, will be a key pillar of the new Wales Transport Strategy, to be published in 2020. We have also set out that a new, more ambitious Low Carbon Delivery Plan will be developed for 2021 drawing together actions from across all actors in Wales.

Modal Case Studies

Our Commitments

Rail and Metro - What we have done so far

Our investment programme in the Wales and Borders Rail Service will bring about a step-change improvement for users. By December 2023 an extra 285 (29%) more services every weekday will be operational. The acquisition of new rolling stock will improve the environmental performance of the railway in Wales.

The investment in the South Wales Metro will bring about a significant increase in the number of seats available for the morning and evening peak travel periods by 2023. For example, 600 more seats towards Cardiff in the morning peak 90 minutes from Merthyr Tydfil and 1,000 more seats from Cardiff to Merthyr Tydfil in the evening peak 135 minutes.

Our North Wales Metro will integrate all transport modes to deliver the modern, high quality, transport system that is fundamental to achieving our sustainability and climate change objectives and connect people to jobs and services. This will include improvements to public transport to and within Deeside Industrial Park and the wider Deeside Enterprise Zone and station improvements.

What we need to do further

Transport for Wales are currently undertaking studies in conjunction with the Welsh Government, the Welsh Office and local authorities to develop plans for the ambitious Swansea Bay Metro scheme, which will provide better connectivity within South West Wales.

We will also now roll out the Metro integrated transport concept to other key employment hubs across North Wales including Wrexham, Rhyl/Prestatyn/St Asaph/Abergele, Colwyn Bay/Conwy/ Llandudno and the Menai area.

We continue to press UK Government to fund the development and delivery of an ambitious, realistic, and equitable rail investment programme for Wales.

<https://gov.wales/sites/default/files/publications/2019-09/a-railway-for-wales-the-case-for-devolution.pdf>

ECONOMY, INFRASTRUCTURE AND SKILLS COMMITTEE
WRITTEN EVIDENCE
EVIDENCE SESSION ON DECARBONISATION OF TRANSPORT
WEDNESDAY 27 NOVEMBER 2019,

Bus and Taxi/Private Hire Vehicles- What we have done so far

Reversing the decline in bus patronage is a key priority for the Welsh Government. Between December 2018 and March 2019 we consulted on the Improving Public Transport White Paper, which set out proposals for improving the legislative framework for how local bus services are planned and delivered.

Over 60 electric buses will soon be operational in south Wales following successful bids to the Office of Low Emission Vehicles' Ultra Low Emission Bus Scheme. The operation of these buses will offer useful insights into practical delivery issues and public perceptions as well as reducing air pollution.

What we need to do further

The Bill is just one part of a wider process of reform that we are undertaking in relation to the delivery of better bus services in Wales, which will contribute to our ambition of a high quality, low carbon, multi-modal and integrated public transport network, which meets the needs of the travelling public.

We are also now engaged in scoping out the financial, technical and engagement measures for the next steps to deliver on our ambition for zero emission buses.

We are developing a vision document, delivery plan and governance structures to progress the work of reforming the provision of Taxi and Private Hire Vehicles. This will include the key themes of how we achieve air quality improvements and decarbonisation of the fleet.

Public Sector Fleet decarbonisation - What we have done so far

There is a proposal in Prosperity for All: A Low Carbon Wales that all new cars and light goods vehicles in the Public Sector fleet are ultra-low emission by 2025 and where practicably possible, all heavy goods are ultra-low emission by 2030. We have begun to investigate the feasibility of this proposal by funding fleet reviews and EV charging feasibility studies among a number of Public Bodies.

For example, our Smart Living Programme and Welsh Government Energy Service have successfully supported the Gwent group of Public Bodies. Results of their fleet reviews present a strong business case for some vehicle switching to electric vehicles immediately, and significant switching proving cost effective within the period to 2025. The Public Bodies are now working together to develop a detailed delivery plan. Additionally, our EV charging infrastructure support has led to successful applications to Office of Low Emission Vehicles (OLEV) funding pots.

What we need to do further

ECONOMY, INFRASTRUCTURE AND SKILLS COMMITTEE
WRITTEN EVIDENCE
EVIDENCE SESSION ON DECARBONISATION OF TRANSPORT
WEDNESDAY 27 NOVEMBER 2019,

The work with the Gwent group of Public Bodies has generated lessons learned, emerging themes and methodological challenges which we will share with other Public Bodies who will shortly be embarking on similar work. We are exploring how we use our networks and support mechanisms most efficiently to support other Public Bodies to build their business cases and delivery plans for fleet transformation, and to successfully access UK Government funds.

Electric Vehicle Charging - What we have done so far

A key benefit of electric vehicles to consumers, in addition to lower running costs, is the ability to charge at a variety of locations including for many, home charging. Nevertheless, a comprehensive network of electric vehicle chargers covering all parts and using appropriate technology is necessary for the large scale uptake of battery electric vehicles in Wales.

We set out our approach to ensuring the roll out of EV charging in response to this Committee's recent inquiry. There are now over 900 publicly accessible chargepoints connectors in Wales⁵, up from 670 as at April 2019. We are working with Transport for Wales and the wider public sector in Wales to increase the number of electric vehicle chargers in Wales. This includes the provision of rapid chargers on the strategic road network utilising the £2m budget commitment. The scope of this work has now been expanded to lever in private sector funding for rolling out electric vehicle chargers at railway stations, and chargers at public car parks. Expanding the scope of the scheme should result in a much higher number of installations. We are also liaising with the Distribution Network Operators in Wales to understand the best way to deploy EV charging infrastructure.

What we need to do further

We have committed to developing a Charging Strategy for Wales in 2020 which will scope out the context for further Welsh Government intervention in the provision of electric vehicle charging infrastructure. As part of this work, we are also encouraging the take-up of OLEV (Office of Low Emission Vehicles) grants.

We will take forward a more comprehensive approach to the requirement of charging points for new residential and new non-residential buildings through amendments to the Building Regulations.

The decarbonisation of some sectors of transport represent greater technical challenges. Decisions on the viability of Hydrogen as an alternative for battery electric heavy duty vehicles will be needed within a decade. We are supporting innovation and the assessment of opportunities for adopting low and zero emission hydrogen fuelled vehicles.

⁵ Data from www.Zap-Map.com

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EVIDENCE SESSION ON DECARBONISATION OF TRANSPORT
WEDNESDAY 27 NOVEMBER 2019,**

Funding

The increased urgency to address climate change has influenced the allocation of budgets with major new investments in bus travel and active travel, low emission vehicles, North Wales Metro and the Wales and Borders rail service. These investments support our transport decarbonisation aims of shifting to more sustainable modes of travel, which deliver co-benefits in terms of health and wellbeing, and promoting the electrification of transport.