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[Y Pwyllgor Menter a Busnes](#)

[The Enterprise and Business Committee](#)

19/11/2015

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Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

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Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

The proceedings are recorded in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Mick Antoniw	Llafur Labour
Rhun ap Iorwerth	Plaid Cymru The Party of Wales
Mohammad Asghar	Ceidwadwyr Cymreig Welsh Conservatives
Jeff Cuthbert	Llafur Labour
Yr Arglwydd/Lord Elis-Thomas	Plaid Cymru The Party of Wales
William Graham	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
Sandy Mewies	Llafur (yn dirprwyo ar ran Keith Davies) Labour (substitute for Keith Davies)
Eluned Parrott	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats

Eraill yn bresennol
Others in attendance

Richard Cope	Rheolwr Busnes (Trafnidiaeth I Deithwyr a Strategaeth Drafnidiaeth), Cyngor Sir Fynwy Business Manager (Passenger Transport and Transport Strategy), Monmouthshire County Council
Justin Davies	Cadeirydd, Cydffederasiwn Cludiant Teithwyr Cymru Chair, Confederation of Passenger Transport Wales
Jo Foxall	Rheolwr Marchnata a Dirprwy Reolwr Cyffredinol, Traveline Cymru Marketing Manager and Deputy General Manager, Traveline Cymru
Nick Jones	Comisiynydd Traffig dros Ardal Drafnidiaeth Cymru Traffic Commissioner for Wales Transport Area
Jane Lee	Swyddog Polisi, Cymdeithas Llywodraeth Leol Cymru Policy Officer, Welsh Local Government Association
Huw Morgan	Arweinydd Tîm yr Uned Trafnidiaeth Integredig, Cyngor Bwrdeistref Sirol Caerffili a Chadeirydd Gweithgor Bysiau De-ddwyrain Cymru Team Leader, Integrated Transport Unit, Caerphilly

John Pockett	County Borough Council, and Chair of South East Wales Bus Working Group Cyfarwyddwr, Cysylltiadau Llywodraethol, Cydffederasiwn Cludiant Teithwyr Cymru Director, Government Relations, Confederation of Passenger Transport Wales
Darren Thomas	Pennaeth Priffyrdd ac Adeiladu, Cyngor Sir Penfro Head of Highway and Construction, Pembrokeshire County Council
Graham Walter	Rheolwr Gyfarwyddwr, Traveline Cymru Managing Director, Traveline Cymru

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Rachel Jones	Dirprwy Clerc Deputy Clerk
Andrew Minnis	Y Gwasanaeth Ymchwil Research Service
Gareth Price	Clerc Clerk

Dechreuodd y cyfarfod am 09:29.
The meeting began at 09:29.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introductions, Apologies and Substitutions

[1] **William Graham:** Good morning and welcome to the Enterprise and Business Committee. We continue with our survey into bus and community transport services in Wales. I have received apologies from Gwenda Thomas and Joyce Watson. We welcome Sandy Mewies, who is kindly substituting for Keith Davies. Do any Members wish to declare an interest? Thank you. The meeting is bilingual. Headphones can be used for simultaneous translation from Welsh to English on channel 1, or for amplification on channel 2. The meeting is being broadcast, and a transcript of the proceedings will be published later. May I remind witnesses particularly that there's no need to touch the microphones; they should come on automatically. In the event of a fire alarm, I ask people to follow directions from the ushers.

09:30

Ymchwiliad i Wasanaethau Bysiau a Thrafnidiaeth Gymunedol yng Nghymru

Inquiry into Bus and Community Transport Services in Wales

[2] **William Graham:** So, we move to item 2 of this morning's meeting. Could I ask you please to give your names and titles for the record?

[3] **Mr Pockett:** My name is John Pockett. I am the director of the Confederation of Passenger Transport Cymru, which is the trade association of the bus and coach industry. It is part of CPT UK.

[4] **William Graham:** Thank you very much.

[5] **Mr Davies:** I'm Justin Davies. I'm the current chair of the Confederation of Passenger Transport Wales Bus Commission, and also managing director of First Cymru Buses, based in Swansea.

[6] **William Graham:** Thank you very much. We go to our first question now, which comes from Rhun.

[7] **Rhun ap Iorwerth:** Bore da i'r ddau ohonoch chi. A allwn ni ddechrau, o bosibl yn y modd mwyaf cyffredinol, drwy drio rhoi rhyw drosolwg o gyflwr gwasanaethau bysiau yng Nghymru? Mae'r Passenger Transport Executive Group wedi dweud wrthym eu bod yn credu bod yna argyfwng yn y gwasanaeth bysiau yng Nghymru. A fydddech yn cytuno efo hynny?

Rhun ap Iorwerth: Good morning to you both. Can we perhaps begin in the most general terms, perhaps, by giving some sort of overview of the state of bus services in Wales? The Passenger Transport Executive Group have told us that they think that there is a crisis in the bus service in Wales. Would you agree with that?

[8] **Mr Davies:** I think the word 'crisis' is a very big word to use. I think what we should say immediately is that the number of people using bus services in Wales is now at an all-time low of 101 million. That is a fall that has taken place particularly in recent years, during the recession. So, as I think most people would appreciate, bus services have been on a steady decline since about the 1950s. You could draw the line of car ownership increasing and bus usage going in the opposite direction, but we are in a position, as I said, where bus usage in Wales is now at the lowest it has ever

been.

[9] Like I said, I think the word ‘crisis’ is a big word to use, and it’s interesting that the Campaign for Better Transport has released a press release this morning that refers to its ‘Buses in Crisis’ report, which came out in 2010. They have updated it today, and they use the word ‘crisis’ about bus services in the broadest sense of England and Wales. They refer to the number of services that have been reduced and the number of services that have been lost for people to use. I think we could say that bus services are in a difficult place. There are still 101 million people using bus services. There are still an awful lot of bus services being provided every day in Wales, but clearly, all of us, I am sure, would like more people to be using buses. If you look at it in that context, there is clearly a difficulty in the number of people using bus services.

[10] **Rhun ap Iorwerth:** Before John has a chance to respond as well, you mentioned that the word ‘crisis’ has been used by others in relation to the situation across England and Wales. The statistics that we’ve seen as a committee show that the fall in Wales seems to be greater than in England.

[11] **Mr Davies:** It is, yes.

[12] **Rhun ap Iorwerth:** Therefore, if it can be a crisis across the two nations, then certainly Wales is worse.

[13] **Mr Davies:** Yes, I mean, if you take the year-on-year position, and if you went June to June—June 2014 to June 2015—statistics recently published indicate that the fall in patronage in Wales was 4.7 per cent, compared to patronage falls in other parts of the United Kingdom of 2 per cent to 3 per cent. Equally, some parts of England are growing patronage and some parts are falling, so, it’s a mixed picture. We can definitely say, ‘Yes, the overall number of people using it is falling at a greater rate’. I understand your point; I just don’t want us to lose sight of the fact that, actually, an awful lot of people do use bus services today, and an awful lot of bus services are provided.

[14] **Rhun ap Iorwerth:** Your response, John, and your views on whether there is a crisis or not.

[15] **Mr Pockett:** I think ‘crisis’ is an emotive word. I think perhaps what Justin says, that the bus industry is facing challenges and that it needs to rise

to meet those challenges. I think there are—. People talk about London very often, but London is a place with a rising population and decreasing car ownership per head of population, so it's a very unfair comparison. I think London can very often skew any nationwide figures for England.

[16] **Rhun ap Iorwerth:** You mentioned, Mr Davies, that growth in car ownership has corresponded with the decrease in passenger numbers, but, apart from that fairly obvious correlation, what do you think the underlying factors are that are leading to that decrease in passenger numbers? And how much of that can be down to problems in planning, strategy and delivery by both Government and bus services themselves—bus companies?

[17] **Mr Davies:** I think the current decline in the numbers is being very much driven by reductions in funding for supported bus services. So, in quite a large number of Welsh local authorities—in all but five out of the 22—their funding for bus services is declining, so routes are being lost; services are physically being taken off. Clearly, once you do that, you immediately lose those passenger numbers. You then have the problem that you get into a horrible spiral in that, if somebody loses their Sunday bus service, then they find an alternative way of travel, and they think, 'Actually, I can do this Monday to Friday as well as on a Sunday'. Then, if they lose their evening bus service, you just compound that problem. Then, what happens is, let's say the daytime service was a commercial service with no funding, the numbers of people using that start to go down and then the whole thing just starts to deteriorate. So, that is one of the big drivers, I think, in the immediate now issue.

[18] The longer term position is really, I think, affected by the structural changes that we've seen in the economy and where people work and how they take leisure and where they want to travel to. I think we know that, in many places, there's been a move to out-of-town shopping centres, which has unfortunately sucked the life out of many of our city centres. I would give Swansea as an example of that. There's been a move from, instead of having employment based in a city centre, you have employment in trading estates and industrial zones that are outside those places. So, instead of people coming out at lunch time to go and buy a sandwich, to do a bit of shopping or, in the evening, finishing work and going and doing some shopping before they go home, that's no longer happening in many places. They're in their dispersed locations, then they travel to maybe a dispersed shopping centre and, therefore, the bus is no longer a way of travel for them. It's not an applicable way—.

[19] That, of course, again, has been heightened by the growth of internet shopping, and that means that fewer people again travel into our traditional towns and cities to do their shopping. Again, if you look at—. Something around 22 per cent of people travel into the city centre of Swansea on a bus and a high proportion of that is for retail experience. If they're doing that an alternative way, then you're pushing those numbers down all the time. So, you've got a large number of pressures that are sort of feeding in here.

[20] **Rhun ap Iorwerth:** Have Government strategy and the actions of bus companies themselves failed to keep pace with that change in the way we live our lives or was it always going to be impossible to keep pace with that?

[21] **Mr Pockett:** I think there are numerous examples, and I know there are committees here who have looked at this in the past. Things are improving. Developments during the 1960s and 1970s, housing developments, were very public transport unfriendly; you can't take a bus there. You know, you have cul-de-sacs where even a small bus can't turn. I think the mood has changed now and planning authorities are asked from the outset to consider public transport provision as an important part of the planning process. But, I mean, that's not going to happen overnight. People are still living in the developments of the 1960s, 1970s and even the 1980s that have alienated public transport.

[22] **Mr Davies:** If I could just give a couple of examples, recently I have been approached by four housing developers who are looking at significant projects around Swansea, and they are coming to meet me and the local authority together to examine their plans for their housing developments and how public transport could serve those. That is a real step forward and very welcome. We haven't seen that. There have been other housing developments in years gone by, whereby none of those conversations have taken place, and you end up with an unsuitable road network for a bus service to try and serve an estate, and then you get estates that are then isolated, in a public transport sense. You're trying to catch up with the conversation about how you can make a bus service work, as opposed to having the conversation in the first place and trying to create a position whereby, in this particular instance, a housing development of something like 4,000 homes can actually have proper bus service provision thought about in advance, even before the first brick is laid and the first housing development takes place. That's really what's not happened in recent years in, I think, a significant number of places. That conversation just has not

happened.

[23] **William Graham:** Did you want to ask about Bwcabus?

[24] **Rhun ap Iorwerth:** I didn't at that point. I was hoping, maybe, I could come in later on.

[25] **William Graham:** Fine. Jeff, could I ask you to do your supplementary and then go into your other questions?

[26] **Jeff Cuthbert:** Right. Well, I'm going to combine it. John, you just mentioned the issue of planning, so I think it's an appropriate time to come in here. Of course, this committee, in 2013, did a report on integrated public transport and that included things like land use planning, health and education policy and the co-ordination of these things. Do you think that the situation has altered one way or the other since that report?

[27] **Mr Pockett:** My understanding is—I see various documents now that come from planning authorities, sometimes, and transport provision is now often included. I can't honestly say whether there is a statutory provision, a statutory requirement, for them to do so, but I think it's seen very much as good practice. Jeff, I can't say I've seen it on the ground, because I think these things take a long time, as I already said, but I think, if the mindset is there, we can only plan for the future, and hopefully, that mindset will ensure that planning does pay considerable fundamental primary regard to public transport needs.

[28] **Jeff Cuthbert:** Clearly, for the constituency I represent, Caerphilly, and, indeed, Mick, in Pontypridd, the south-east Wales metro, which is a major development, as you know, will, I would suggest, require planning authorities to take it into account. I think they do, now, in fairness, but certainly, they'd almost be obliged to take it into account and I assume that you'd accept that.

[29] **Mr Pockett:** Welcome it, I think the word is. As somebody who was born and brought up in Caerphilly—

[30] **Jeff Cuthbert:** Hear, hear.

[31] **Mr Pockett:** —and now lives in Pontypridd, it bridges the two of them. But I know exactly what you mean, yes. Absolutely, we'd welcome that as a requirement for any planning changes, or applications.

[32] **Jeff Cuthbert:** And no doubt, you would contribute to those discussions.

[33] **Mr Pockett:** Absolutely. Indeed.

[34] **Jeff Cuthbert:** Then, the main part, still on the issue of network integration, do you have any comments on things like integrated ticketing and the better co-ordination of services, indeed, between bus services and rail, perhaps, about how that might get better? The metro may have been a good example, but that's only part of Wales.

[35] **Mr Pockett:** Indeed. I think there were plans the Government here had to introduce the 'cerdyn Cymru' or the 'go Cymru' card, I think, and a lot of work was done on that; a lot of effort went into it. But then, for some reason, it was stopped. I think that would've been a good starting point, perhaps, for something that could've been rolled out across Wales. But we took part in the discussions on that. Operators took part in that, but it came to a stop 18 months or two years ago—I can't remember now.

[36] **Jeff Cuthbert:** To what extent do you think it is the responsibility of bus operators to develop things like integrated ticketing?

[37] **Mr Davies:** We do have to be very careful, because there are some clear competition rules of the Competition and Markets Authority that are very particular about the way we are allowed to talk to each other, and rightly so, in a competition sense. Therefore, it is best working with the local authority or with the transport authority, which acts as an independent third party, and then talk through them in setting up integrated ticketing.

09:45

[38] I think there are some great examples of integrated ticketing that could go further and better. So, if you look at the network rider ticket for bus operators in south-east Wales, which is a product available today, we have suggested, as operators, to the Government that that product could become a smart product, you know, in a smartcard—away you go, you get your smartcard loaded with your ticket. Now, we're having difficulty, I have to say, in persuading them that that's an appropriate way forward.

[39] **Jeff Cuthbert:** Sorry, persuading who?

[40] **Mr Davies:** The officials in the Welsh Government.

[41] **Jeff Cuthbert:** Oh, all right.

[42] **Mr Davies:** You know, that that's an appropriate way forward. We think it is and, as main operators, we're saying, 'We believe this is a great way that we could produce a single product: smart, allowing customers to transfer between bus operators in south-east Wales'—the 'metro' area, if I could use that description.

[43] In terms of your question about the integration of bus and rail services, I think there still are some difficulties in trying to achieve this. If I could just give an example, Port Talbot Parkway station is currently being rebuilt, and very welcome that is as well, but the adjacent bus hub, which could and should be built, is going to be built some two years afterwards. So, instead of having one, single project where the rebuilding of the railway station is taking place and you could rebuild a bus facility right adjacent to the railway station, at the same time, so that when it was completed, bus and rail passengers instantly got an improvement in their facilities—it is, after all, the main station for accessing the new Bay campus facility of the university in Swansea—it is the closest railway station. What we've actually got is a railway station being built. There are currently some plans out for consultation on the bus facility, so the bus facility is going to be some considerable time after the rail facility has been completed, and yet that could have been a real, shining project of integration between bus and train services being achieved in a great way.

[44] **Jeff Cuthbert:** Thank you. That's interesting.

[45] **Mr Pockett:** There's also some difficulty in getting trains and buses to integrate because, I think, trains are always seen as the leaders, although they carry far fewer people than buses, and trains change their timetables twice a year, whereas buses can react far more quickly and reasonably to a change in local circumstances, which might be a good idea. So, there are lots of—. I don't want to put a spoke in the wheel, but I think it is, as I think somebody has described it, doubly difficult.

[46] **William Graham:** Mick, you had a supplementary.

[47] **Mick Antoniw:** It's on the point you raised about smart ticketing. I'm a

little bit surprised about the response you had, because the transport Minister has, on a number of occasions, actually said not only is it vital but it's an expectation of people now to be able to purchase one thing and to be able to go—. In fact, it is a fundamental core concept of the metro, isn't it?

[48] **Mr Davies:** You're absolutely right. We agree.

[49] **Mick Antoniw:** So, it may well be that there's a change in policy on the way.

[50] **William Graham:** Sandy.

[51] **Sandy Mewies:** Thank you, Chair. Good morning. If I can drag you away from the metro and the glories of proposals, my constituency is in north Wales, both urban and rural, and both, actually—the urban as much as the rural—rely quite heavily on community transport. So, we've heard already—we've seen a survey that says that passenger miles are increasing, but the number of stops is decreasing, and I think this reflects some difficulties that both sorts of bus providers are facing. The community transport providers themselves have raised issues about the difficulties they face. So, what I wanted to ask the two of you is what role you think community transport is playing and should play in the bus network in Wales, given that the transport associations are suggesting that there are constraints on the sector, which are not considered by planners, who expect them to plug the gap in bus services. From my experience, plugging the gap often means taking on services that are difficult, which are not profitable. If you're a not-for-profit organisation, that is quite difficult, too, considering the people who use it. The number of people who are volunteering is holding up, to an extent, but they do depend quite heavily on volunteers. They're also asked to do things like tender for services, which in fact they don't have the proficiency to tender for. I know there are a lot of questions in there, but there seem to be some expectations of them that seem quite unreasonable, given the way that they're allowed to operate.

[52] **Mr Davies:** Thank you for your question. I, personally, think community transport has a great role to play in providing transport in some places under some circumstances, and there's absolutely no reason why it cannot be integrated into the greater bus offering, so it's included in the timetable, shown as connections, and what have you. But, on the point you've been raising there, I think there has been a bit of a diversion from what community transport's real call is, and it's being seen, I think, in some

places, as the cheap way to do bus services. So, instead of funding a bus services, it is, 'Well, community transport can do that, they can tender for a service—they're bound to be cheaper, aren't they, because they are volunteers?' They can use a bus that is very different to the bus that I would provide, or another operator would provide to do that journey with. I think there's been this drift of community transport being seen as a cheap way of providing a bus service, in some circumstances, as opposed to community transport really being seen as a way to serve particular needs in the community and looking at how that can have a dynamic with the commercial bus service, or the standard bus service, and how it can fit in.

[53] This week, I was talking to a group of constituents in Pennard. The local community council subsidises their own service from Bishopston and Pennard down into Mumbles twice a week, something that the commercial bus service doesn't provide. I was saying to them, 'Well, look, why don't we put your timetable in our timetable, which is actually a service into Swansea?' so actually people see a totality of service provision, which they don't see today. I think that's very important, being able to do that. But that community transport, in that particular instance, is real community transport—providing something else that is not given by a standard bus service, and couldn't be, to a great extent. It runs two days a week with two trips on each of those days, I think. So, there's some real value being provided, but if only everybody could see the value of that, rather than it being hidden just in a community newsletter with limited visibility. It's about making these things more visible. I agree with you; I think what you're saying is there's been a bit of a drift in what they're being asked to do, and I'm not sure that's wholly right.

[54] **Sandy Mewies:** Before we move on, can I just ask you who should be saying—. I think it's great that you're talking about timetables being integrated; I think that's a really good idea and I've not seen an awful lot of it. It can sometimes be quite difficult to find out what's going on in some areas. So, who should be directing this? We want consistency throughout Wales, really. Who should be saying that that's the sort of thing that should be done, and who should be saying, 'Well, community transport is there to provide some very special services sometimes', and who should be saying that they should be the core value and, perhaps a concentration, or perhaps that this drift is the right way to go? I've got a view on it, I wonder what you think.

[55] **Mr Davies:** I think the lead has to come from the local authorities, but I

think there needs to be direction from the Welsh Government.

[56] **William Graham:** Could I just ask you about Bwcabus? Do you think it's a cost-effective solution?

[57] **Mr Pockett:** It's a solution, certainly, but I would say it certainly isn't cost-effective. I think it is horrendously expensive. I noticed some figures in a submission that talked of the Bwcabus subsidy as being something like £2.83 or £2.33. I don't recognise those figures. I found a press release from earlier this year from when the Finance Minister went down to look at Bwcabus, and the council down there was thanking the Minister for the £2.7 million funding. Well, I've divided these figures, added a bit for the two years that weren't there, and it worked out, depending on the unknown figures of passengers, between £25 and £42 per journey. So, it is a solution, but it's not a cost-effective solution. So, solution, yes. Cost-effective—I honestly cannot recognise these figures, and I think that if you float these in front of any bus operator, they would say, 'Well, those figures don't add up.'

[58] **William Graham:** Thank you, John. Oscar.

[59] **Mohammad Asghar:** Thank you very much, Chair. I think my question to Justin he has already replied to. It's the funding—what is the direct impact of funding from the public for the bus services in Wales? There is a constraint on bus operators, I can imagine, with £24 million less in funding from 2012 to 2014, and the direct impact on this public service must be at a bit of a low level. Also, the concessionary fares scheme in Wales can be affected seriously by this for our children, those who are not able-bodied and senior citizens. So, what would you say, along these lines, is the direct impact of less funding for bus services in Wales?

[60] **Mr Pockett:** If I talk generally, perhaps Justin can talk about his operational experience. I think we've been confronted for a number of years now with a lack of stability in bus funding. It's changed, we don't know where we are, the discussions on funding for next April are not completed now—they're only at a comparatively early stage. There seems to be a lack of planning. We nagged, as I would say, the officials in the Government to start the process from about May onwards. Well, it only started last month. I think all of this uncertainty added to the fact that we have to recognise that there are financial constraints; the budgets are stretched and are going to be cut. There are those, but as well as that, the lack of knowing what you can plan ahead prevents operators like Justin and like the rest of my members from

being able to plan their services moving forward. So, I think that's an overview. There's a lot to be done to try and get the discussions going, to get stability in funding, and then we can move forward far more readily and quickly.

[61] **Mr Davies:** Unfortunately, in recent years, there have been reductions in funding coming into the industry from a variety of sources. Let's not pretend that there haven't been changes in the remainder of the United Kingdom as well. However, if I talk to my colleagues in England, for example, whilst there may have been reductions in the equivalent to the bus service support grant that we get here in Wales—there's been an equivalent reduction in England—in England there have been a number of schemes to encourage partnership working with operators and to encourage greater use of bus services. So, if we look to the better bus services scheme No. 1, better bus services scheme No. 2, local transport support funding and the green bus fund in England, all of which work on the basis of a partnership arrangement between the local authorities, the operators who work with that local authority and the UK Government.

10:00

[62] So, if I, for example, look at my colleagues in Southampton and the Hampshire area, all of their buses are equipped with speaking the bus stops. So, as it goes along, like in London, it tells you where you are. Every bus is equipped with automatic vehicle location. So, you can simply look on your phone and find out where your bus is. All of that has been achieved. Every operator's got that—not just First; so, Go-Ahead and the other small operators in the area. All that has been achieved by funding drawn down from central Government by the local authority, joined with funding from the operators themselves. So, they've put some in, there's some grant funding that's come in, and you've achieved a growth in the passenger numbers. Because what you've done is, instead of the money coming in and being basically used to burn fuel, you're using it to encourage passenger numbers. You're addressing the issues of what passengers want. What is it that will make the bus service better in real basics? That's very important—the real basics: punctuality, reliability of service, information to people and knowledge. They're the real core issues besides how efficient the bus is, and maybe we'll come back to that later.

[63] So, where you see those partnership approaches working in other parts of the country, you see that there may have been a switch in funding

style but the money is still coming in and being used to generate more transport usage. Now, we have not got, in Wales, that type of funding available. So, what we're seeing is reductions in the fuel duty rebate, reductions in the concessionary fare reimbursement levels coming through, but nothing equivalent for us to work within partnership with our local authority colleagues, regional colleagues, national colleagues to say, 'Great, we may not have that, but we've got an opportunity here'. If you look in Sheffield: a very successful partnership involving the Passenger Transport Executive Group, First, Stagecoach and a number of other operators. In that instance the operators have actually said, 'You have the fuel duty rebate back. However, having given you that back, what we want in return is much better bus priority. We won't pay a fee for using the bus station, which we normally would do. We want a number of other facilities to help us provide a better bus service'. What's resulted is that the scores on the bus service provision have been rising, the number of passengers have been rising, fare levels have gone down, and a better service overall exists. That is a real partnership working together, but, again, they've drawn down national funds to enable it to happen. Now, that is where we are not. All that's happening in Wales is cut, cut, cut and cut, and there's no incentive. There's nothing to encourage us. There are some very good people in local authorities. Equally, there is, unfortunately, a bit of a dearth of talent in local authorities because a lot of people have left or taken early retirement or redundancy. There's a real tension about how we can make this work, but we can't make it work if we're all on a constant decline of less money for this, less money for that, and less money for the other. It patently doesn't work because, as we've already explored today, passenger numbers in Wales are falling faster than anywhere else in the United Kingdom.

[64] **Mr Pockett:** I think the conclusion we come to—and you talk about integrated transport, which is important to everyone quite properly—is there is no integrated thought on transport policy within the Government from the officials. As Justin says, it's 'Let's do this'. There's no 'Let's try and get together and work out an approach that would involve all these different things'.

[65] **William Graham:** Thank you, and that leads us neatly to our next question. Dafydd.

[66] **Lord Elis-Thomas:** Yes, I'm very grateful to Justin Davies for his frankness in describing the world as it exists, particularly in the north-west of England. Why is it, do you think, that Welsh Government does seem to

have been unable to take that kind of partnership approach in Wales? And how would you assess the priorities that the Welsh Government has given to transport policy—public transport bus policy, in particular—and the state of its relationship with local government, as a result of the abolition of the regional transport consortia?

[67] **Mr Davies:** To start with the last one first, if I could, I think the taking away of the regional transport consortia was unfortunate in that it wasn't replaced with anything else. Now, there may well have been some questions about whether those regional transport consortia were appropriate and whether they covered what I would describe as travel-to-work areas, because what you need to do is plan transport, in its greatest sense—trains, buses, cars, cycling, walking—in terms of what people actually do as opposed to political boundaries. So, if I could just use a parochial example, clearly, Swansea and Neath Port Talbot have a very close relationship in economic terms, and therefore the planning of transport within that envelope needs to take into account people's movement across those boundaries—you know, the M4 motorway, the national rail network, the Valleys structure down the Neath valley and the Swansea valley coming into Swansea, and the economic zones that exist. So, just to give a quick example, Swansea's new bay campus actually sits in Neath Port Talbot, so it should be planned as one.

[68] It may well be, in fairness, that the huge regional consortium we had previously, stretching, you know, from Milford Haven to Pyle, didn't enable a close enough focus on that type of planning. I therefore would fully support the establishment of appropriate planning groups. I think the metro project in south-east Wales probably achieves that, because that's an appropriate planning area for transport. I think, in north Wales, there are probably equivalent appropriate planning areas relating to how people move to work and move to take leisure. People coming in to us, as tourists and visitors: where are they going? Where do they want to visit? So, plan in that sense. But we haven't got that and I think that's a problem, and that would really help, I think, people in the local authorities to focus, and it would help operators to focus and have relationships and clear pieces.

[69] I think one of the issues we have in working with Government is actually the number of changes that take place with people you're trying to work with in terms of Government—you know, the head of transport in the Welsh Government, for example. Yesterday was the first opportunity I had to meet the new head of transport—it is head of transport, John, isn't it?

[70] **Mr Pockett:** Yes.

[71] **Mr Davies:** He's been in post for some while; he replaced somebody else who was there for a bit and he replaced somebody else who was there for a bit. You know, with operators, there tends to be a great deal of stability. I've been in south Wales for 15 years. John Gould, who retired as managing director of Stagecoach this summer, was there for 12 or 15 years, you know. A lot of the small to medium-sized enterprises that make up so much of the bus and coach sector in Wales, and are very successful local businesses, these guys—. You know, we have a working relationship with one in mid Wales. I mean, Mel has owned his business for 15 to 20 years.

[72] **Mr Pockett:** And his father before him.

[73] **Mr Davies:** And his father before him. We're here, we're static, we're trying to run our businesses in various sizes, shapes and forms, but you keep meeting different people and you don't get that solidity of relationship and consistency of planning and conversation taking place. That's a real problem for us in being able to—I'd like to use the word 'influence'—discuss and plan, and that's a problem.

[74] **Yr Arglwydd Elis-Thomas:** A Lord Elis Thomas: May I ask one question that is related to that, John? There is some mention in the evidence that we need an appropriate understanding of the generalised bus cost model by local authorities. Does that suggest that there is a lack of understanding within local authorities on top of the lack of understanding that Justin's just outlined in central Government?

Yr Arglwydd Elis-Thomas: A John, sy'n gysylltiol â hyn? Mae yna sylw yn y dystiolaeth bod angen dealltwriaeth o elfennau'r model costau bysiau cyffredinol gan awdurdodau lleol. A ydy hynny'n awgrymu bod yna ddiffyg dealltwriaeth mewn awdurdodau lleol, ar ben y diffyg dealltwriaeth y mae Justin newydd ei ddisgrifio yn y Llywodraeth ganol?

[75] **Mr Pockett:** Rwy'n credu y gall Justin ateb hynny, ond os gallaf ddweud, fel rhywun a oedd yn aelod o'r ddau gonsortiw i lawr fan hyn yn y de ac ar fin ymuno â'r bwrdd taith yn y gogledd, cyn iddo gael ei ddileu, roeddwn i'n ffeindio hynny'n

Mr Pockett: I think that Justin can answer that, but if I could say, as someone who was a member of both consortiums down here in the south and was about to join the travel board in the north before it was got rid of, I thought that was a good

gyfle da. Roedd awdurdodau lleol a chwmnïau trenau a bysus yn mynd, a swyddogion o lywodraeth leol. Yr unig rai a oedd yn absennol o'r fforwm pwysig hwn oedd Llywodraeth Cymru, ac fe fyddai wedi bod yn werthfawr iawn iddyn nhw fod yna. Roedd e'n torri lawr rwystrau yn aml iawn. O leiaf fanna y byddech chi'n gallu gweld rhywun, a bydden nhw'n dod ataf i—'Mae problem gyda hyn a hyn' ac ni fyddwn i yn gwybod ond byddwn i'n nabod rhywun oedd yn gwybod. Dyna'r fath o beth. Rydym ni wedi colli hynny, fel yr oedd Justin yn ei ddweud, ac rwy'n credu bod dileu'r consortia rhanbarthol wedi bod yn gam yn ôl ac yn gamgymeriad mawr.

[76] **Yr Arglwydd Elis-Thomas:** Ond beth fyddet ti'n rhoi yn eu lle nhw? Oherwydd dyma gyfle. Mae'r pwyllgor yma yn ystyried y materion yma. Fe allwn ni wneud argymhelliad. Mae yna etholiad. Fe all y peth ddigwydd. Beth wyt ti eisiau?

[77] **Mr Pockett:** Nid yw trafniadaeth, fel y mae Justin wedi ei ddweud, yn cwpla ar ffin. Nid yw, dyweder, cyngor Merthyr—rwy'n cymryd Merthyr dim ond oherwydd ei bod yn ardal fach iawn. Nid yw'r rhesymol i ddisgwyl i gyngor Merthyr i fod yn awdurdod trafniadaeth. Rwy'n credu roedd yr RTCs yn dda. Roedd angen sylfaen statudol iddyn nhw. Dyna beth oedd ei angen, rwy'n meddwl. Rwy'n gobeithio, Dafydd, fod hynny'n ateb y cwestiwn. Wedyn

opportunity. Local authorities, bus and train companies and also local government officers attended. The only ones who weren't there were those from Welsh Government, and it would've been very valuable for them to have taken part in that. It did break down the barriers very often. At least there you could see someone, and they would come to me and say, 'I've a problem with this and that' and I wouldn't know the answer, but I'd know somebody who did. It was that type of thing. We've lost that, as Justin said, and I think abolishing those regional consortia has been a step backwards and a big mistake.

Lord Elis-Thomas: But what would you replace them with? This is your opportunity. This committee is considering this. We can make recommendations. There is an election. There could be change. What do you want?

Mr Pockett: Transport, as Justin has said, doesn't come to an end at a boundary. I'll use Merthyr as an example, as it's a very small area. It's not reasonable to expect Merthyr council to be a transport authority. I think that the RTCs were good. A statutory basis was needed for them. That was what was needed, I think. I hope, Dafydd, that that answers your question. In relation to the cost model, that's far too complicated for me to understand, so I'm going to

o ran y *cost model*, mae hynny'n pass over to Justin to help us out. llawer rhy gymhleth imi ei ddeall, felly, mae Justin yn gallu ateb hwnnw.

[78] **Lord Elis-Thomas:** He has this great sense of humility, doesn't he, our John? [*Laughter.*] Thank you. Diolch yn fawr.

[79] **Mr Davies:** A couple of points: I think, there are, clearly, proposals for the reorganisation of local government in Wales, and, in a general sense, we would support that, because I think that may well help what I was talking about earlier—producing planning areas that make a bit more sense in an economic and transport sense. That would be really, really helpful. If you look at the general—

[80] **Lord Elis-Thomas:** And the bigger the better, from your point of view, perhaps—at least, for the functions to be in partnership across Wales.

[81] **Mr Davies:** Appropriately sized for the area they're supposed to be handling.

[82] **Lord Elis-Thomas:** Because I'm thinking, obviously, of the north.

[83] **Mr Davies:** Yes, I understand.

[84] **Lord Elis-Thomas:** I am passionate for the north to work as one economically, and transport is important.

[85] **Mr Davies:** Absolutely, and I would understand that. In terms of this generalised cost model, the issue the bus has, compared with the car, is that it is always going to be about two and a half times more expensive than the car for the equivalent journey, unless you take steps—real steps—to alter that balance. So, the key things in any cost of a journey are walking, waiting, the in-vehicle time, the charges for doing it and the penalties that come in, as appropriate, to that. Now, in terms of developing, promoting and encouraging bus use and really raising bus numbers, all of those issues—penalties, charges, walk, wait and in-vehicle—have to be addressed, and you have to address them in a way that effectively improves the efficiency of the bus service at the same time as, frankly, making the car a bit more inefficient, because, otherwise, the car is always going to win. She's too efficient—you know, there's no walking time for the car, apart from your front door to putting your key in the piece, yes? There's no walking time;

once you've parked it, you just walk to where you want to get to, probably fairly closely.

[86] **Lord Elis-Thomas:** If it's still there.

[87] **Mr Davies:** There's real efficiency that bus operators could gain and give back to the network, give back to the consumer and give back into the local authority's transport plan if they could become more efficient. The key to more efficiency is getting the bus moving and making sure that, you know, the bus stop facility that people are being asked to use is appropriate. When I go home in the evening, I pass some bus stops on the way home. They're on a route that my company serves, and it's in an affluent area, but the bus stops are unlit, they are covered by trees in many instances and they're dark at this time of the year. No young lady or maybe even young man is going to stand there to wait for that service, because they feel vulnerable, you know, and they feel uncomfortable. Now, compare that with other parts, where there are some extremely good bus shelters: highly, brightly lit, very clear, in some instances CCTV, and you would wait there.

10:15

[88] If you go to most railway stations these days, they've got clear information about where your train is. They are covered by CCTV. They are extremely well lit. They have got help points if you feel you need help or feel vulnerable. Little wonder, then, that rail usage is increasing. But, if we are not providing the equivalent for our bus customers, then little wonder maybe that the number of bus customers is declining. That's the type of real detail that we have to get into to get the market moving.

[89] **William Graham:** Thank you very much. Eluned.

[90] **Eluned Parrott:** I wanted to ask about—. Obviously, the devolution of bus registration powers is potentially on the horizon. Can I ask why, in your paper, you have described the current approach to registration as ineffective? What is it about the system that is not working, particularly?

[91] **Mr Davies:** The current registration location is Leeds. In fairness to the people in Leeds, they have little or no knowledge of Wales and struggle even to say many of the words in English, never mind approach them in any form of use of the language of Wales. Therefore, it is a very long process to engage with the people there, and it is quite a slow and ineffective process. I

totally agree with the paper submitted by the Welsh traffic commissioner, who I think you are seeing later today, in his analysis of how registration could be far better handled within the principality by using an established organisation who are extremely good at providing transport information for us, and—knowing that organisation well and using it on a commercial basis myself—are very well equipped to be able to handle bus registration for us.

[92] **Mr Pockett:** Just to give you an example, Eluned, there have been instances where the registrations go to Leeds and, as Justin says, if you are registering something from Llansantffraid-ym-Mechain—. I mean, to be fair to people in Leeds, they would get it wrong. They would send the document back and, you know, the operator looks and thinks, ‘Well, blimey, if something happens, the insurance company will say, “Well, this document isn’t correct”’. I’m sure they would in the end, but it adds to difficulty. As Justin says, local knowledge is—well, you can’t beat it for virtually anything, I think. There are prime examples. It’s not just Wales that suffers here. All the registrations of the UK are done in Leeds. I have colleagues in parts of England, and they’ve got members who are complaining, the same as we are here.

[93] **Eluned Parrott:** There’s clearly some sense in cutting out the middle man, if you like, in terms of what the registration process is for and what it does. But can I ask—? When I last looked into this, it was still a paper-based system, which is perhaps why you still have quite so many mistakes in things like spellings. Is that still the case, and are there opportunities to modernise that and make it an electronic process?

[94] **Mr Davies:** There are ways of making it an electronic process that haven’t been totally adopted by the industry for various protocol reasons. I’m not saying that isn’t a—. That is something that can be overcome but has not yet been overcome and dealt with. But I think one of the key points is that you cannot have a working relationship with the team in Leeds because you can’t just pop up and see them. You can’t say, ‘I’ll just come and see you on that particular issue,’ because you can’t. Clearly, if the process was based in Wales—maybe based in north Wales at the current call centre location, which is just outside Porthmadog—then people could go and see them. Actually, the team up there—Graham and his team—are extremely good, and very much get out and talk to operators and see operators. They go on visits and they come down and they make themselves available. It’s so much better.

[95] **Eluned Parrott:** From the passengers’ point of view, what do you think

the priority should be for the Welsh Government in delivering change? What will the visible impact of the devolution of powers be for passengers in Wales?

[96] **Mr Davies:** Almost invisible, if I can put it like that. It's all about making the back-office processes more efficient, which enables the operators then to not have to waste time doing that and spend more time doing passenger fronting stuff, if I could describe it like that for you. So, there's a lot of paddling going on underneath the water whilst the top is trying to be kept as smooth as possible. Maybe the top could be kept even smoother if we weren't paddling away even faster underneath the water.

[97] **Eluned Parrott:** I really wish we could transcribe that sign language into the Record in some way. Thank you.

[98] **Mr Davies:** Sorry, I'll put my hands under the table. [*Laughter.*]

[99] **William Graham:** Mick—regulation.

[100] **Mick Antoniw:** I'd like to explore a little bit about regulation. I don't think I've ever known any private bodies that have ever supported the concept of regulation—always preferring partnership and so on. You're obviously within that category. What are your main objections to regulation?

[101] **Mr Pockett:** We don't think—and we're not alone in this, I think the WLGA, the traffic commissioner and others have said there is going to be no benefit for passengers. It's going to be costly, unwieldy. I always use the example, as I would, of the centre of the universe, Pontypridd. If you were to go to the bus station there, before privatisation, there were two buses an hour going to Cardiff. Now, there are between 10 and 14—I'm not sure—and they're commercially run and they're successful. So, there seems to be a sort of almost head-long rush in some places for re-regulation. But there is no evidence to suggest that the passenger experience is going to be any better. It's going to be more costly and it's going to be far more inefficient. I think that is the nub of the argument.

[102] **Mick Antoniw:** Justin, you said earlier on, when we were talking about co-ordination of timetables, that you felt that the Welsh Government should be responsible for directing the co-ordination of timetables. Doesn't that really imply something more than just devolution of registration, and effectively a form of regulation by Welsh Government?

[103] **Mr Davies:** No, I think not. The real way forward is partnership working. It's been proven in many places in the United Kingdom that close partnership working is extremely successful in building up passenger numbers and improving public transport experience. Where partnerships are in place, you end up with a combination of the commercial imperative of the individual operators working with the public-interest requirements of the local authorities and their aims and aspirations and seeking to develop. When you bring those two together, you get the best of both worlds.

[104] My reference earlier on, I think, was to the ticketing system and the benefits of being able to use the independence in the middle to generate, through the Competition and Markets Authority position, an understandable position on doing those ticketing elements, to make sure that there's no restriction of competition. That would benefit—as has been shown in many instances. Again, in Bristol, if you look at Bristol, there's multi-operator ticketing, using an organisation called the West of England Bus Operators' Association, which has produced appropriate multi-operated ticketing, which is moving into smart. It started as paper and is now moving into smart for all operators. So, it works well.

[105] If you look at the recent papers that have come from Newcastle and the rejection in Newcastle, by the traffic commissioner and his committee, of the proposals for franchising—very clearly, the majority of the tests were failed. Some of the tests were passed. The majority of the tests were failed as being more expensive, as being unknown ability to fund, and as failing in the sense of compensating people for having their businesses taken away from them. There are, as I said earlier on, a whole range of operators in Wales, many of them family businesses who've constructed their own business, and they've got value in that business. And that has been recognised in the Newcastle result quite clearly saying that these people have built value. The question is: how best we can use that value that people established in their businesses to work with others in a partnership forum for the benefit of everybody?

[106] **Mick Antoniw:** The issue, though, that the transport Minister has raised in evidence on numerous occasions is that with, for example, a concept such as the metro, regulation is a power that she wants and feels is necessary to deliver the type of modern, integrated transport system that is the concept behind the metro. So, are you saying that her suggestion, or her analysis, is not the best one or is incorrect?

[107] **Mr Davies:** I think the analysis is incorrect, yes, because—and I'll speak for the bus operators in that period; clearly, I can't speak for the train side, apart from Great Western trains—none of the operators in that metro area wants to do anything else but expand their business, build the passenger numbers, grow the market, carry more people and run more buses. That's exactly what they want to do. That can happen and they want to do that, and there's been some very successful working, you know, in Caerphilly, particularly, and Rhondda Cynon Taf, with some really good schemes put together.

[108] **Mick Antoniw:** But isn't that really just putting the interests of the plethora of companies ahead of the interests of, for example, the metro? Clearly, what your members will want is to be able to have as many buses as possible on the most profitable routes and to have the largest subsidies possible. That is in the nature of business; I don't knock that. Isn't it correct that we have too much of a plethora—almost an anarchy—of companies competing with one another? Partnership can only go so far, but if you really want to deliver a consistent metro system—integrated, co-ordinated timetable, through ticketing—you've got to be able to regulate.

[109] **Mr Davies:** No, I don't think that's true. All of those companies working in the marketplace will run—I get you now—a range of services, some of which, yes, will be profitable, some of which will be much less profitable. They run it because they see a network benefit from doing that model. What they want to do is expand their business and produce a greater market, produce more people to travel, and why wouldn't they want to do that? Of course they want to do that. All that regulation is going to do, actually, as has been proven in the north-east case, is to go into a position where you have uncertainty in terms of the cost, uncertainty in terms of the outputs, and you're doing that in a position that is untested against a partnership model. There have been huge strides forward in the Newcastle position, with the major operators—well, all the operators there—about producing a partnership model as the best way forward. And when that partnership model was tested against a regulation model, the partnership model was shown by the five tests to be the best model.

[110] **Mick Antoniw:** If you have a partnership model, though, that is effectively delivering all the components that you would have from a regulated system, but it's achieved by infinite consent, doesn't that effectively mean it's just a question as to how you regulate and how you are

inclusive in the way in which the regulation operates?

[111] **Mr Davies:** No. I think what it's saying is that, effectively, you're leaving a large element of the risk with the people who are doing that thing, as opposed to transferring the risk, effectively, to the public sector and asking them to take the risk. What you're saying, actually, is, 'You boys have got the risk, but we really want you to engage in how we get this to go together and produce the type of networks that we want and get the core corridors moving and look at the places of how we get into solutions that maybe don't make that core corridor piece, but, hey, you guys have got all the risk over there; you're putting your capital in, you're putting your commercial backing into that, and we're here and we're doing the combining together, the pulling together, the discussion points and the ticketing elements, which maybe you guys can't do because you are working in that commercial field'.

[112] **William Graham:** Thank you very much. We've now come to the end of our time. Thank you very much for your evidence today. There'll be the transcript published for you to check in due course. Thank you both very much.

[113] Committee will break for 10 minutes.

*Gohiriwyd y cyfarfod rhwng 10:29 a 10:39.
The meeting adjourned between 10:29 and 10:39.*

**Ymchwiliad i Wasanaethau Bysiau a Thrafnidiaeth Gymunedol yng
Nghymru
Inquiry into Bus and Community Transport in Wales**

[114] **William Graham:** Welcome and thank you for your attendance at the committee today. Could I ask you to give your names and titles for the record, starting with Darren?

[115] **Mr Thomas:** Good morning. My name's Darren Thomas. I'm from Pembrokeshire County Council, but I'm here today giving evidence with the Welsh Local Government Association.

[116] **Ms Lee:** Jane Lee, policy officer, Welsh Local Government Association.

[117] **Mr Cope:** Richard Cope, business manager, passenger transport and

transport strategy for Monmouthshire County Council and chair of the Association of Transport Co-ordinating Officers Wales.

[118] **Mr Morgan:** Huw Morgan, team leader of the integrated transport unit, Caerphilly County Borough Council, here, again, on behalf of ATCO.

[119] **William Graham:** Thank you very much. I'm going to invite the first Member to start the questioning, and that's Jeff Cuthbert.

[120] **Jeff Cuthbert:** Good morning. Could I ask you, by way of an opening question, a general question? Can you elaborate on the WLGA's comment that the bus and community transport sectors are under strain, and not fulfilling their potential? Would you like to expand on that?

[121] **Ms Lee:** If I kick off. I think this is very much in the context of the financial picture that we find ourselves in today. Obviously, many of the bus services in Wales are supported by the public purse, and we all know that the public purse is being tightened, and, obviously, that will have consequences for the bus and community transport sector. In terms of not fulfilling their potential, we feel there's an untapped customer base for bus services, but, obviously, those bus services need to be attractive, frequent, and all those things that will make people switch from their existing modes of transport to bus services. So, we feel that people aren't averse to buses; it's just that they need to work and fit in with their lifestyle. We just feel that there's more that could be done.

[122] **Mr Thomas:** In addition, I would also say that because of the lack of forward funding, which is linked perhaps as well with some of the strategic issues, it's very difficult to make forward plans, and, therefore, in those forward plans, to make some of the changes that are probably desirable to make sure that public transport is attractive. So, again, that's putting a strain on things because things are not moving forward in the way they should be, because there's a lack of forward planning.

[123] **Jeff Cuthbert:** Obviously, we're awaiting, in a matter of just a few days, the outcome of the comprehensive spending review. Probably, that will mean that there's even less public funds available for all things, and, I dare say, you're factoring that in to your future plans. On the other issue of planning, just before yourselves, we had representatives of the bus operators, and the general view that came from them was that their members are in favour of partnership, as opposed to regulation, and that they were willing to go that

extra mile, but others have to be fully involved. How would you respond to that? Are you really prepared to be active partners, and are there any barriers to that as far as you're concerned?

[124] **Ms Lee:** Certainly, I think, on behalf of local government, we're all very supportive of public transport, and we can see the benefits—social, economic and environmental. But at the end of the day, local authorities are looking at all of their discretionary services and seeing where they can make some budget cuts. So, yes, we are supportive, but, at the end of the day, the reality is that we've got to balance budgets. I'm sure Darren will be able to pick up on that with a local authority example.

[125] **Mr Thomas:** Indeed, yes. Certainly, in my particular area of Wales, in south-west Wales, we still work very closely together, the four authorities, in terms of co-ordinating some of the public transport side of things, working together on administering some of the funding arrangements. So, I think partnership arrangement is very close. We're working together on bringing forward some of the bids that are necessary to move things forward. For example, Neath Port Talbot and Swansea are working on an Office for Low Emission Vehicles bid for public transport, and, of course, public transport works across lots of local authority boundaries, so I think local authorities are well used to working together and working across boundaries. So, I think the partnership ethos and the partnership working is very much there, and is able to be done. Of course, the issues, as we've touched upon, are forward planning and strategy; having the forward thinking to know where we should be going, and having the resources. The resources aren't just monetary; the resources are about having the capacity and the people to be able to bring forward these changes as well.

[126] **Jeff Cuthbert:** Okay. Richard and Huw, are there issues you'd like to raise?

[127] **Mr Morgan:** Yes, I'd reiterate everything that's been said with regards to funding. Partnership working is exactly the same in south-east Wales. We've got good relationships with the operator; we don't work in silos; we work closely with the operators, and we try and develop networks as best we can with them, with the resources we've got. But the bottom line is that the money you put into the network equals what you get out of the network. Our role traditionally has been to support the more marginal services—the services that can't be provided commercially.

10:45

[128] **Mr Morgan:** But the problem is, if we're going to lose funding to support those services, it'll also undermine the commercial network, because people don't work 9 to 5 in all areas. They need, sometimes, to be able to get home in the evenings, when it isn't commercially viable to run a service without some revenue support on there. If you lose that part of a service, as has happened in many places over the last couple of years, then it'll wear away the viability of the main commercial route as well, because they're complementary. It's not about looking at things as, 'This is a commercial service, this is a tendered service', we need to look at things holistically and try to see them as a network. We support the network at times when it isn't commercial to provide a bus service otherwise. If we keep chipping away at the subsidy, then it's going to affect the whole network. It's the only consequence of where we're going to go.

[129] **William Graham:** Don't touch the microphones, please; they'll come on automatically.

[130] **Mr Cope:** Okay. Obviously, part and parcel of this is that local authorities are having problems with staffing levels and providing quality information at bus stops—bus stop information and timetables are crucial to having a good bus service. Also, we're trying to keep the infrastructure up to scratch as well, because where you have poor bus stops, bus shelters and interchanges, the passenger experience is poor and they're not going to travel. You've got to have well-lit areas, but funding is just reducing and reducing and, of course, these things are being done on a reactive basis now; they're not proactive. So, we're not putting any funding into supporting the actual commercial services or the subsidised services with the infrastructure to do that.

[131] **Jeff Cuthbert:** Okay. A final point from me, if I may: funding is not going to improve. I can see nothing to suggest that that is going to be the case. So, it comes down to planning, sharing resources and sharing ideas. Is it the case that bus operators—and we are focusing on bus operators—will come to you with ideas about how improvements can be made, or is it a bit of a one-way system and that you're on your own in terms of how the infrastructure might be improved?

[132] **Mr Cope:** No, they do come to us and they do help us out with some of the information. They come to us and say, 'We'll help you to put some of the

roadside publicity up', and they help with timetables. Obviously, Traveline helps with the information, but at the end of it all, we only have a certain number of staff who are able to go out and put that information up, if we don't rely on the bus operators to do it—and you can't rely on them in all areas, because they're not all commercial services. If they're subsidised services, it's the authority that takes it on, and we're just down to, perhaps, half a person to do maybe 600 bus stops in one authority. Of course, with the number of changes that were being made to services over a period of time, as the funding was reduced, we just can't keep up with it. It's impossible to keep up with the amount of information that has to go out there.

[133] **Jeff Cuthbert:** Okay. Thank you.

[134] **Sandy Mewies:** On that point, I've a question for Mr Cope. I was interested in what you were saying about bus stops, hubs, lighting and comfort—the things that make people comfortable about using buses. I know that Disability Wales have raised some issues about passenger accessibility, but from my own experience, I work closely with people with vision loss and sensory impairment, and one of the things that they're concerned about is that the cuts may well cause the improvements that are being made—audible displays at bus stops—to perhaps be at the sharp end of what's going first. Do you have any evidence to prove that?

[135] **Mr Cope:** I think they do, actually. The issue you have, as people are saying, is you either have a bus service, or part of a bus service, or you do the shelter, or you do the information, or you do the boarding platform—which can we actually afford? At the moment, it's diminishing all the time for every part of that. As it goes down, you tend to stop doing the infrastructure first and then, obviously, the bus services would come last.

[136] **Mr Thomas:** The other dimension there, of course, is that some of this infrastructure is being spent from capital investment, not the revenue investment that is spent on the buses. So, the capital investment is coming through some of the transport grant process and, again, that's a very difficult area and there are pressures on that side as well. So, without that level of investment coming through from capital, we're not able to invest in the network.

[137] Coming back to some of the earlier points, in terms the strategic networks, we put into some of those capital bids looking at whole routes and

planning improvements on the whole routes when we were looking at that, so it's very important, again, that we have the capital investment and the forward plan to make sure that those improvements are going to be made. But, without either, they're going to diminish.

[138] **Ms Lee:** I think it's fair to say that local authorities are quite creative and innovative in looking at ways they can try and identify funding for, you know, bus shelters and stuff like that. So, they'll work with colleagues in regeneration and other areas, but that's very much a piecemeal approach: where there's some funding, perhaps for a town centre, they can look at improving the bus station. But, obviously, it's not this strategic approach; instead, it's very much funding driven.

[139] **Mr Cope:** I think, obviously, you know, things like section 106 moneys and community infrastructure levies come into effect with this as well. We are relying more heavily on that now than we ever have, and that is not always enough to be able to do the whole network; it's only for smaller areas.

[140] **Mr Morgan:** I think the bit that's missing as well then is—. The capital investment, yes, that's one thing, but it's the maintenance of those assets over the years and the maintenance of the revenue budgets—that's what it comes back to—that are being eroded because of the financial climate. So, you can invest in good-quality infrastructure, but you need to maintain that as well for the passenger.

[141] **William Graham:** Eluned.

[142] **Eluned Parrott:** Thank you. I wanted to talk a little about community transport and how you incorporate it in your overall network planning in local authorities, based on some of the feedback we've had from witnesses. Firstly, the question of expectations, what local government can expect from community transport services, given that the sector have reported, for example, that they're sometimes asked to fill gaps at the last minute or that there is not a lot of engagement with the sector to understand what services they can and can't provide. To what extent do you try and work in partnership with your local community transport operators?

[143] **Mr Cope:** Perhaps I'll take this first. In Monmouthshire, obviously, we run our own community transport services, which are part of the network. We do have some section 22 services and, obviously, some section 19s, but what we try and do is integrate them into other services, so we use them as,

perhaps, feeders into the main bus corridors, but we also try and integrate them with health and with social care. We try and utilise that vehicle as a whole for the day, not just use it on singular services.

[144] Again, with CT, currently, it's down to the funding issues, because we don't get year-on-year funding, so you may be able to support something one year, but, the following year, you don't know what funding you're going to get until, perhaps, the end of March or beginning of April and then all of a sudden that funding diminishes and the percentage goes down. They rely heavily, if they're on section 22 services, on concessionary fares. Well, concessionary fare funding is dropping all the time currently, so their funding is dropping and, you know, with being a CT operator, they're only very small; they can't sustain it without that amount of funding.

[145] **Eluned Parrott:** Sorry, but can I just query how you run your own community transport operation? How is it legally constituted, because, clearly, the operators, generally speaking, are charities?

[146] **Mr Cope:** We run it, obviously, through the local authority, and we use volunteers as part of that and basically run it as a community transport service in place of stuff that's not there, basically. We don't have any community transport operators in Monmouthshire; there aren't any. So, we have to take it on ourselves, otherwise we would never have had any at all.

[147] **Eluned Parrott:** Okay, thank you.

[148] **Mr Thomas:** Can I add another example, if I may? Is that okay? Again, this is, perhaps, from the west, from Pembrokeshire. In Pembrokeshire, the community transport development officer sits within our transport team and, therefore, there's a great deal of co-ordination and planning that goes on from that point of view. The aim is, obviously, that the community transport network complements the public transport network, and, by having that arrangement, we're able to work very, very closely with the community transport team. That's an example in Pembrokeshire, but the other authorities have got, sort of, similar-ish arrangements, I would say. That example there was probably similar as well.

[149] **Mr Morgan:** In Caerphilly, like Richard, we run a section 22 operation that is designed to connect: it may be an outlying community that isn't near the public transport network, or it may be a care home, but we use the section 22 transport to connect to the main transport hub, or the main areas

of where people want to shop. We've developed that, like Monmouthshire, over the last couple of years. It's been quite successful in terms of working as a network with other services in the area, and it fits in quite nicely. We try and meet with the people who've requested services and try and ascertain what they actually want and when they want to travel. As Richard said, the important thing is to put the pieces of work together, so that the buses are working for as much of the day as we can possibly make them work, and then that will generate the income to sustain the service.

[150] **Eluned Parrott:** Thank you. Can I ask you, do you run any section 19 services, or is it just section 22 that you're running at the moment?

[151] **Mr Morgan:** We don't run a section 19 on that type of work, no. We run section 19 for social care transport.

[152] **Eluned Parrott:** But that's funded through the social care department, is it?

[153] **Mr Morgan:** Yes. We oversee that, but the funding's from social services.

[154] **Eluned Parrott:** Okay, thank you. I wonder, we've talked a little bit about the funding constraints and one of the difficulties, clearly, is the ability and the necessity for community transport operators to have to tender for services that they have previously provided on a grant basis from the local authorities. Are your local authorities moving to that kind of model where, instead of providing grants for community transport, they are asking them to tender for specific services?

[155] **Mr Morgan:** We allow them to tender for services for schools and social care. We will allow them to do that. That's not something that we've changed; that's always been the case, so that they can provide an income to sustain some of the other operations. We're not expecting them to tender for other work, no.

[156] **Eluned Parrott:** Can I ask how you design the tenders for things like school transport and other services that you would wish to provide, to enable community transport operators to bid for those tenders? The example I'd like to give is that there are a number of things that it has been suggested that local authorities have done that have made it impossible for small community transport providers to pitch, and that would include bundling up

services so that they're a large package of work, rather than smaller packages of work. The other one is to require a public service vehicle licence, which community transport providers, obviously, aren't required to have. Have you looked into those tendering processes to make sure that as wide a range of organisations as possible could potentially pitch for those?

[157] **Mr Morgan:** As far as my organisation's concerned, we allow a permit holder to tender for education and social care transport. We don't package routes to make it difficult for them to tender, but obviously there is competition for those routes from commercial companies as well, so they're treated the same as any other company would be.

[158] **Mr Cope:** We're the same. We don't package anything up. They're able to tender. Of course, a lot of it now has gone to digital, e-tendering, so, obviously, some community transport operators don't have the capacity to actually be able to do that. They need training on it, really. I think the Community Transport Association are currently starting to provide training on e-tendering as part of some of their training facilities, so that CT operators are able to take that up in the future.

[159] **Mr Thomas:** I was going to stress that point, actually, that, because of the changes in how we do procurement, we've moved to electronic tendering and that is an issue then, because everything's done electronically online. Commercial operators are obviously used to that and they're up to speed with it—they've got people who do it. So, there is, perhaps, a bit of an issue there for the community transport sector to deal with. From south-west Wales, again, we're similar in terms of operational arrangements to the colleague who just outlined there.

[160] **Eluned Parrott:** And what about the issue of PSV licences? Are you requiring them on tenders?

[161] **Mr Cope:** It would depend on the size of the vehicle, basically. You can have section 22 that have larger than 16 seats, so, obviously, they would need a PSV licence then.

[162] **Eluned Parrott:** Yes. Okay, thank you.

[163] **William Graham:** Thanks very much. Mick.

11:00

[164] **Mick Antoniw:** There was a committee report in 2013 on integrated transport, and there's clearly been a lot of work that's gone on over the last couple of years on integration, policy, network and so on. Have things got better or worse?

[165] **Mr Thomas:** First of all, there has been investment made in the network, certainly through the capital side. Unfortunately, there has been some reduction in some of the revenue side, which has impacted on services. For example, in the evidence of the community transport side, they were saying that their services are increasing, for example. So, there's obviously a positive aspect there, albeit pressures, accepted. On the commercial side, and on the public transport side, there have been a lot of big changes and a lot of investment made in some of the routes, particularly in some of the urban areas, where there have been some significant alterations and improvements in new vehicles and infrastructure. So, I don't think things have been standing still. There have been improvements, but there are restrictions, obviously. Coming back to the funding side, we're not moving forward as quickly as we would wish to see those improvements.

[166] **Mick Antoniw:** Are you satisfied at the current level of, I suppose, partnership integration and so on and the way in which systems are developing, or is there room for improvement, and what things could make a difference or an improvement aside from just a funding issue?

[167] **Mr Thomas:** Well, if I start off on that, first of all, there is some of the technology. We need to bring some of that and I think, perhaps, looking at ticketing. I know that there are some investments that we could make in that area. Also, there is the information that we're giving to passengers, how we deal with that, and advancing some of those developments to make it even better than it is. So, some of those sides of things. Information to customers through websites and how they collect information, and where services are going—the kind of softer things, rather than hard infrastructure, but making information more readily available so that people can use services more easily. Perhaps I can let my colleagues come in as well.

[168] **Ms Lee:** I was just going to say, if I can come in now, I think there's always room for improvement. Obviously, looking at a greater sort of integration, just with local government, the Welsh Government and other partners, I think there's always more that we can do. Obviously, we do have meetings with them, and we've had a number of meetings over the last few

years around the changes to bus funding. We would welcome greater partnership working about how we're going to take forward some of the actions around bus services that were contained within the national transport finance plan. There's a number of really interesting opportunities there, but just trying to understand, you know, how our policies and how Welsh Government policies, and how we're going to integrate all of that work—. We would welcome greater clarity on that.

[169] **Mr Cope:** Yes, I think, actually, with policy integration especially, it's having the different departments within, perhaps, the Welsh Government and within local authorities working more closely together. You sometimes find that perhaps an education policy will have an impact on transport, which they're not aware of, and the same perhaps with health. They'll make policies but they don't take into account some of the transport problems that they're actually making. Over the period of time that I've been with Monmouthshire council, I've found that trying to get engagement with other parts, not just within your own authority but within the Welsh Government, is very difficult, and they tend to actually work in silos rather than working together. I think that's something that they need to do.

[170] **Mick Antoniw:** The transport Minister has obviously indicated that, as well as registration of buses devolution, she'd like the powers for regulation as well. In terms of all the issues she talked about—through-ticketing, co-ordination of timetables, the metro, rail electrification and all that sort of stuff—doesn't that really create an imperative now for, perhaps, regulatory powers as well?

[171] **Mr Morgan:** Shall I come in on that one? I think that's against the context of what a regulated network would cost. I think, at the moment, the bus network is obviously commercial, so operators put resources where they're going to earn the most money from the vehicles on the road, which does mean that there are some other links and some other areas of a network that aren't so well served. The problem is that if you start unpicking the more commercial parts of the network and try to redistribute to parts of the network that aren't so well served, you're going to dilute the revenue that was being taken on the more commercial parts of the network. Ultimately, it's going to end up costing you more to maintain a more comprehensive network because you're likely to lose some of the stronger, more frequent services that generated people to use them—because frequency has got a huge effect on getting people to change from their car onto the bus or onto the train. It's been proven in many, many places.

[172] So, I think the cost is one concern and, obviously, we've just seen the outcome of the report into the Nexus Tyne and Wear regulation quality contract proposal. That's identified some fairly significant costs that would be due to the operators to compensate them for loss of business and all the other elements of taking control of a regulated network. So, I think it needs careful thinking through, and I think what was evident on the submission to Nexus was that the partnership approach will give you most of the benefits of a quality contract without some of the disbenefits of the impact on revenue and the cost of implementing it.

[173] **Mick Antoniw:** Do you think you actually can achieve that level of quality co-ordinated service without regulatory powers, or would you think regulatory powers should be there at least to ensure ultimate delivery? This isn't something where you can play about one way or the other in terms of delivering the metro. I mean, it has to deliver. Do you think the Minister perhaps should have the regulatory powers but possibly keep them in reserve to see how the partnership system operates?

[174] **Mr Morgan:** I think there have been some good examples of formal partnerships that have been developed in other parts of the country and which have had the impact of delivering a lot of what you'd expect from a regulated network. What I guess we haven't got at the moment to make a partnership work—. The operators can do their bit to invest in the vehicles if they're confident that they're going to see a better return and provide a better service for passengers. What we haven't got, perhaps, at the moment is the input from the local authority side to say, 'Yes, you commit to doing this; then we can commit to giving you better infrastructure, introducing bus priority where we can address the pinch points that you're currently facing on the network.' If there is a much more inclusive approach to that and the funding is there to achieve that—. Obviously, a partnership is a two-sided thing or a multisided thing. If the commitment's there and we are able to deliver our side and other parties deliver their side, the operators deliver their side, I definitely think it can work. But I think, at the moment, we're probably lacking in the sort of vision of how the network can be joined together and where we need to address some of the problems that stop buses performing as well as they could at the moment.

[175] **Mick Antoniw:** You raised a concern about integration—I think it was you who raised it, but generally a concern was raised about the co-ordination and integration of Welsh Government departments themselves in

terms of policy. I wonder if you could expand—. You talked about silos, but I wonder if you could expand on what your concerns are over those issues.

[176] **Mr Cope:** I think, basically, with Welsh Government, they do tend to take some different approaches to things. They have their own bus network, with TrawsCymru, for instance, which is obviously operated not in a commercial environment, as such. They tend to go out, perhaps, on a limb sometimes and do these things. Perhaps, talking to other operators, there may be other ways of doing things. It's the same with education, social care and health as well—trying to join up transport and, perhaps, for instance, if education want to change school times, if you had better co-ordination of school times, you could use one vehicle for two schools rather than using two separate contracts. So, all these things add up to making better integration, making better partnerships and making them work, rather than everybody working against—not necessarily against each other, but working in silos and putting on services where there may be other options.

[177] **Mick Antoniw:** Do you think there is too much competition on the profitable side of transport? Is that the reason why you have such a plethora of companies—that they're basically all competing over similar areas and so on?

[178] **Mr Cope:** I don't think it's great in Wales that there are a number of commercial operators competing against each other. We don't have it greatly. There are some instances of it, but, in most areas, you have mostly one operator that operates those services. You have perhaps some of the municipals, obviously, doing their own areas; you've got some small companies now coming into the areas and taking on some of the work, but most of it is down to one operator in each area, and they tend to see that operator operating the services into that area.

[179] **Mr Thomas:** I would strongly support that. Our own experience is that we haven't seen much direct competition between the operators from that point of view. When we tender for education services, sometimes there is competition there, but it tends to be quite discrete and focused on specific things like that—not in terms of some of the commercial routes and things like that, no.

[180] **Mick Antoniw:** Thank you.

[181] **William Graham:** Oscar.

[182] **Mohammad Asghar:** Thank you very much, Chair. My question is just on public funding, which has been reduced for local government. I'm sure that is having a direct impact on the buses also. I quote the Welsh Local Government Association's comments here. The comments are:

[183] 'the future financial picture for local authorities is likely to result in a further cut to local authority funding for bus services in Wales.'

[184] That is a big statement. Could the panel tell us—I just want a 'yes' or 'no'—whether the community transport service can be improved without this additional public funding—without this funding? Just a straight answer.

[185] **Mr Thomas:** Without the funding, no, it can't be improved. There is a need for funding.

[186] **Mohammad Asghar:** Do people like Jane Lee know—these people who are the planners—that the funding comes from Welsh Government and local government—? They know the direct impact, so, instead of getting a five-star service, you can actually receive a three-star service with these resources that are available to you.

[187] **Ms Lee:** I think the current situation that we're in at the moment—local authorities are looking at all discretionary services. They're looking at where they can make cuts. We've had some local authorities where they've cut subsidies for buses, and that's likely to continue. As I said, everybody's looking at different budgets. In terms of the CT sector, obviously my colleagues have greater experience of this, but there is funding to the CT sector through the bus service support grant. There is a minimum amount of money that goes through to them, but in terms of looking for any sort of additional funding to the CT sector, it's not something that local authorities would be, I guess, looking at at the moment.

[188] **Mr Cope:** No. We haven't got the funding to give to it. Of course, currently, you have a number of local authorities that are cutting their own public service bus funding as part of the budget cuts. Things like evening services, Sunday services and even some strategic routes are going because they just don't have the money to be able to support those services. Of course, the other part of this is that, when we were looking on a regional basis before, regional connectivity was always there, but where you have local authorities cutting some of these cross-border moneys, and where they

support cross-border services, it's putting at threat services in other authorities now. So, if one authority cuts cross-boundary services, it may put local services in another authority under threat.

[189] **Mr Thomas:** The other issue, really, for us is that a lot of us are trying to work more closely with the voluntary sector and the community sector, like community councils. But, of course, they need to have information about what the forward plan is as well. So, when we go to them and discuss things with them—the same with community transport and a bit like the quality partnerships—it's all about having the forward plan and knowing where things are going so that there is some surety for the way forward.

[190] **Mr Morgan:** Talking about concessionary fares as well, although concessionary fares aren't a subsidy, it's an important part of the income that an operator needs to sustain services, particularly in the CT sector when a very high proportion of the passengers that are carried on section 22 services, for example, are concessionary cardholders. They're getting reimbursed, and if the rate goes down on concessionary reimbursement, that's a direct cut to their ability to sustain the revenue then to keep those services going. Whereas a commercial operator may be able to look at increasing fares from paying passengers, a CT operator often hasn't got that option. So, the concessionary fare is a very important part of income, and any uncertainty over that—. As you know, we're coming to the end of the three-year deal, and next year is being discussed at the moment, but as it stands, there's quite a deficit in that budget for next year. That's going to have an impact, again, on services on the street, whether it's CT or whether it's mainstream operators, because any cut to the income is going to translate to them reviewing marginal services and reviewing the network they provide.

11:15

[191] **William Graham:** Thank you. Rhun.

[192] **Rhun ap Iorwerth:** Apologies if we go over slightly some of the ground that we've already gone over, but in terms of policy and strategic planning—and I know that the WLGA, in your submission, say that there's a lack of strategic direction from Welsh Government—could you just expand a little bit on that and perhaps give some ideas on how you think that could be addressed?

[193] **Ms Lee:** I think it goes back to some of the desire that we have to have greater partnership working with Welsh Government. I think we're all supportive, and we can all see the benefits of improving bus services and, I think, probably the example that I referred to earlier about a national transport plan—. There are a lot of opportunities in there, but it's not clear from that plan how a lot of those projects are going to be delivered and what role the local authorities are going to have in that delivery. You know, are we leading or are Welsh Government leading where some of the funding's going to come from? So, it's really looking, again, at how we get involved in this sort of certainty of really where we're all going—the strategic direction. Because, again, if we don't give certainty to those operators, it's difficult for them to make those commercial decisions to invest. You know, with the Welsh Government, obviously, there's a lot of work they're doing. But it tends—and this is our view—to be talking to individual local authorities to improve different routes, such as some of the TrawsCymru network, rather than all of us having perhaps an understanding of where we're going across Wales.

[194] **Mr Thomas:** I think as well, you know, there have been so many changes over the last few years—the consortia have gone, changes in the bus services support grant, concessionary fares with no kind of long-term horizon. All of that has created a lot of uncertainty and changes for local authorities to deal with, and the forward plan, the strategy, isn't that clear. The national transport finance plan has got a lot of ideas, but there's no information about how it's going to be developed, I think.

[195] **Rhun ap Iorwerth:** I know ATCO are saying that that the current system of Welsh Government operators, council working groups and Welsh Government-led delivery does produce some results, but it's not very effective and on its own is not efficient. Again, this comes down to a lack of strategic planning in terms of what kind of partnerships will deliver the best results.

[196] **Mr Cope:** Yes, I believe so. Going back again to, you know, people perhaps working in silos—but we do work closely together with Welsh Government and operators on concessionary fares, on BSSG funding. You know, obviously when the bus service operators grant was devolved to Wales, ATCO members were very prevalent in doing the calculations on BSSG. Obviously, moving forward, if you're going to take bus services forward or integration of services forward, I think you need a body there to be able to develop it as a whole rather than having it piecemeal. If you had a passenger

transport executive or a body that would deliver all this, with the power to deliver it, I think you would see improvements.

[197] **Rhun ap Iorwerth:** A Wales transport authority.

[198] **Mr Cope:** Or regional. Perhaps a Wales transport authority might be too big a step in one move, but perhaps do it on a regional basis.

[199] **Rhun ap Iorwerth:** The abolition of the regional transport consortia: has that enabled you to improve things in some ways, or has it all been detrimental?

[200] **Mr Thomas:** My view is that—. I'm not sure whether 'detrimental' is perhaps too strong a word, but it certainly hasn't made things easier because there was good collaboration with the consortia. There remains good collaboration between individual authorities, for example the Swansea bay city region. But without that framework that was in place through the consortia, the authorities are tending to—well, they have to, because they are now authorities not consortia—act more as local authorities but with some cross-border and co-ordination going on, rather than acting as regional bodies, as they were.

[201] **Rhun ap Iorwerth:** So, maybe the boundaries were wrong before, and we know individual members of this committee bring forward examples of where the consortia didn't work, but if you get the boundaries right, you think they can.

[202] **Mr Cope:** I think with the consortia we had good collaboration in place with the authorities that were part of the consortia and we had a lot of regional planning with it. Basically, now, obviously with local authorities planning their own things—. We still work together as south-east Wales, for instance, as a bus group and as a bus funding board—we all work together on that. But if a local authority takes a decision now on cutting their funding, we don't have any say in it, whereas, before, you know, the regional connectivity would have been taken into account.

[203] **Rhun ap Iorwerth:** And it happens in an ad hoc way now, whereas it was more structured before.

[204] **Mr Cope:** Yes.

[205] **Mr Morgan:** We've had to keep some structure there, because of things like taking over responsibility for paying the BSSG funding, the kilometre support. We've worked quite closely with the operators, local authorities and the CTA on BSSG funding.

[206] As Richard mentioned, there's a project board that meets regularly and we've introduced, for example, quality standards now to kilometre support, so there are three levels of payment, depending on the standard. There's a very basic standard that you expect all operators to reach before they've paid any kilometre support, and in south-east Wales, for the first time this year, we've introduced a silver and gold standard, which operators get for the quality of vehicle and service they're able to commit to. So, we've done some fairly good things as well, but as was mentioned, there was probably more structure before—it was looking at things across the patch, and obviously rail and other infrastructure schemes were very much the remit of the consortia before. Now we tend to be working regionally on the bus aspect of it, and the rail aspect isn't something we're directly involved in, as we would've been previously in the regional transport consortia. I think it's wrong that those two elements are divorced. I think we should be looking at—. You know, the metro in south-east Wales is very much a solution for all modes and for the benefit of transport generally. Taking elements out of it that we're not directly involved in now I think is certainly a retrograde step.

[207] **Mr Cope:** I think when the regional transport plans were in place, they were set up to spend a certain amount of funding, and I don't think that funding ever came to fruition. I think that funding was considerably lower than what it was all set out to be in a five-year plan. We were going around, probably, instead of perhaps trying to go to £30 million, perhaps getting £8 million or £9 million, so you couldn't deliver everything that was in the regional transport plan.

[208] **Rhun ap Iorwerth:** Going back to Welsh Government and its strategy again, and capacity, in particular, several of you've mentioned that you're lacking in the capacity and manpower and so on to deliver some of the things that you would like to deliver. Is it your perception that Welsh Government is also struggling with the ability, in terms of non-financial resource, to get things done?

[209] **Mr Cope:** I think they are. I think they probably don't have enough staff to deliver everything. Obviously, we deal with different departments, but the general feeling, I think, is perhaps there aren't enough experienced staff

there to be able to deliver some of the bigger projects, and they do, perhaps, rely on consultants as well to help them out. But, yes, there is currently a problem.

[210] **Ms Lee:** I also think that Welsh Government are obviously looking to procure directly strategic bus services, and then managing those services is a different level, perhaps, of skill or knowledge and experience that, perhaps, Welsh Government haven't had up until now. I'm not saying they haven't got it, but they're taking on new aspects of bus services, so that would obviously need to be properly resourced.

[211] **Mr Thomas:** To add to that, although the experience we have, as local government, is at the front end operationally, alongside operators helping to deliver services on the ground, it's that experience that we need to work very closely with Welsh Government on. I don't think they've got that detailed level of operational experience of how the routes are run on the ground. Obviously, because we're based all over Wales, we've got the local knowledge as well of all the operators. So, again, that knowledge, if we were working closely with Welsh Government, could be very helpful and very useful.

[212] **William Graham:** Thank you. Dafydd.

[213] **Lord Elis-Thomas:** It's not for me to defend Welsh Government, but I can tell you that at the Llandudno Junction office they certainly have the expertise to deliver bus connectivity and integration, because it's happening on the ground.

[214] I would like to ask you: there's been this criticism of the T-network. As someone who is a regular user of the T-network and a big advocate of train and bus integration, because of where I have tried to get to—. Without the Welsh Government intervention, what happened there was that services were being denuded and some of the private operators were disappearing, so the T-network is an attempt to create a national network of buses—much improved quality buses; I was looking at the wonderful T3 the other day in the square in Dolgellau. I mean, this is a quality of bus transport that you would only have on the north Wales coast if you didn't have the T-network, so I would ask you to consider again whether or not the T-network, the TrawsCymru network, does represent a way forward for those communities that don't have effective connectivity of bus and rail at the moment.

[215] **Mr Thomas:** I think, in our area, because we've only just had the T5

coming in, it's been a great advancement and it's been very, very warmly welcomed; there's no doubt about that. That is, I think, an example of partnership working in our experience, because, you know, Welsh Government were there, we were there and the operators were very closely involved. So, maybe, that's a very good example of how things should be, I would agree.

[216] **Lord Elis-Thomas:** But the consortia didn't do that, did they?

[217] **Mr Thomas:** No. But in that particular case, of course, that's T5 working across different boundaries as well, isn't it?

[218] **Lord Elis-Thomas:** Yes.

[219] **Mr Cope:** I don't think it's criticising TrawsCymru at all—I think TrawsCymru is a good service—but it's having the buy-in off everybody with it: the operators, and getting local authorities more involved, perhaps, in planning some of the networks that are out there, and perhaps to work more closely together to get these services in place. There's nothing wrong with TrawsCymru services at all, but they do need to be, perhaps, planned in different areas. I mean, we haven't got a lot of them in south-east Wales. You know, we've only got the T4, currently, and the T9 as well.

[220] **Lord Elis-Thomas:** I'm sure we can get you some more if you really—*[Laughter.]* Thank you.

[221] **Mr Morgan:** Just to add to that, if I can. Towards the end of the regional transport consortia, we were all asked to produce regional bus strategies, and within those regional bus strategies—. I mean, a lot of the consortia up until that point had been mainly concerned with infrastructure, because that's where the funding was coming through. It was capital funding we were bidding for; revenue funding wasn't really available. But I think a lot of the aspirations of the regional consortia, certainly in south-east Wales, are replicated now within the metro, in terms of cross-valley links that don't exist and connectivity that wasn't there. But all of this comes with funding, and the sources of revenue funding weren't really available to sustain that. You know, if the funding's there, I think there's a will from all parties to make these things work, but we need that commitment to funding—*[Inaudible.]*

[222] **Lord Elis-Thomas:** I think that's a very fair point, and when we come

to report on this, we'll certainly look at the points you've made very strongly about the need for local authorities, operators and the Welsh Government transport people to be involved in all the activity. Thank you.

[223] **William Graham:** Thank you. Finally, can you help the committee understand how bus registration powers should be used, if and when devolved?

[224] **Mr Thomas:** For starters, what it would help with is having better information and more accurate information, so that information can go to passengers sooner, and also that the quality of information coming from the operators should also improve, which would also help to improve the services. That would be my comment. I'll pass over to my colleagues.

[225] **Mr Morgan:** I've been in local government long enough to remember the days when there was a regional office in Cardiff, and the registrations were in Cardiff and checked by people on the counter. To be fair, at the time—it was just after deregulation—there were changes, almost by the day, to the bus network and there was unhealthy competition then. We talked about competition earlier and in the early days of deregulation, there was certainly competition that forced many companies out of business in the end. That wasn't healthy for anybody. But the office in Cardiff took great care in checking registrations. They understood the geography and basic things like how place name should be spelt in Wales.

[226] I know it's now centralised, it's now based in Leeds, and the service covers the whole country. It does lack in many areas, so I think there's unanimous support from operators, local government and all other parties for that function coming back to Wales and, hopefully, then presenting a much better service to all parties. So, I don't think there are any disbenefits of doing that; we can only see benefits.

11:30

[227] **William Graham:** And that's the view of you all?

[228] **Mr Cope:** Yes, I agree. Currently, the perhaps a half a person that's doing it in Leeds is not enough to cover the whole of the country. We do find that, you put a bus service registration in, and sometimes the service has started almost before it's been registered. It can be—*[Inaudible.]* Applying for permits and things can be very slow through them, and we fully support

registration coming to Wales.

[229] **William Graham:** We still have a few minutes. I'm going to go back, if I may, to regulation. What is your view, then, of regulation generally, between you?

[230] **Ms Lee:** As I say, I think in our evidence we make the comment that regulation and just having regulation in itself isn't the be-all and end-all. It needs the investment behind it.

[231] **Mr Cope:** Obviously, regulation would be costly in most areas. I think we would support more of a partnership approach to bus services, or any sort of integration, really. I think we can work on that because, obviously, if you go to franchising or you go to some sort of regulation you are starting to put costs into it.

[232] **Mick Antoniw:** Sorry, I don't quite understand. What accounts for how it would cost more? What are we talking about that would add additional cost? Because, presumably, you would end up with a more planned and streamlined service through regulation, so there would be savings there. Explain to me how that—

[233] **Mr Cope:** Not necessarily, because if you're going to put regulation in place, you have to have those services you plan yourself, if you like. Commercial operators will come in and they're going to lose their commercial revenue out of some of these services. So, if you're going to plan those, they're going to start putting in extra costs to make them viable to run, because, if you put together a subsidised service with something that is commercially viable, obviously together the costs are going to rise, because they have to plan that network more. It wouldn't work as a separate entity, if you like. So, the commerciality and the fares that they get—

[234] **Mick Antoniw:** Isn't that what happens at the moment? Bus companies will have certain services that are profitable, and additional ones that are less profitable, which then attract degrees of subsidy. How does that differ from what happens at the moment?

[235] **Mr Morgan:** I think the difference is, to go back to the point I talked about earlier, that the operators put their resources where their most commercial services are, and those commercial services will grow if you can offer a better product—if you can improve the frequency, improve journey

time. That's what attracts people onto buses. If you try and do the same—if you regulate the network, and you don't put any more resources in, by definition, you're going to have to unpick some of those more frequent services to provide the resources to link other parts of the network that aren't going to generate the revenue that is existing on the commercial routes at the moment, because the patronage base is unlikely to be there, because you're looking at a totally different market, then, in terms of increasing ridership on those services, because they're not going to be exactly where lots of people want to travel. They may be where groups of people want to travel, but not to the degree of a strong commercial route that's focused on a strong centre that will attract people out of their cars. So, I think that what I'm trying to say is that, if you just regulate and expect a much-enhanced network with the same resources, that's unlikely to happen, because you need—. If you're going to keep the level of commercial services there at the moment, you're going to need additional resources to put in all the links in the regulated network, because, to come back to what we said earlier, what you put into the network equals what you're going to get out of the network. The funding needs to be there to support the level of service that you want to see.

[236] **Mr Cope:** If you want to increase frequencies and everything else you're increasing the number of buses that you require to actually be utilised, and, obviously, further costs are put into the system.

[237] **Mick Antoniw:** But you'd increase frequency if you actually felt there was a need for greater frequency, because the counter side to not doing it, then, is that, basically, you have services that aren't sufficiently frequent to tie in with the rest of the system. That's the sort of quid pro quo, isn't it? Okay. Thank you. I appreciate those answers.

[238] **William Graham:** Thank you very much for your evidence—well worthwhile. Thank you for your attendance today.

[239] **Mr Cope:** Thank you.

11:35

**Ymchwiliad i Wasanaethau Bysiau a Thrafnidiaeth Gymunedol yng
Nghymru
Inquiry into Bus and Community Transport in Wales**

[240] **William Graham:** Well, good morning and welcome to our committee. We're going to go straight into questions, if we may. The first question is from Dafydd Elis-Thomas.

[241] **Lord Elis-Thomas:** Well, it's very good to see you here. As you know, this inquiry is looking at transport policy and also looking at information as it affects that policy and how Welsh Government and local government collaborate. But we've got major issues involving the reduction that we've seen in the number of public transport bus users in Wales. What I'd like to ask you first is: in what way do you see the segmentation and the difference between the bus market in Wales, compared to the rest of the United Kingdom, and what implications are there in terms of the effect of that on the potential of creating an integrated public transport service?

[242] **Mr Walter:** Certainly. Well, our focus is predominantly on the bus market in Wales, so I don't have a detailed knowledge of the market in England or Scotland. But it would seem that the issues that would be different would be that there are fewer urban centres in Wales and fewer strategic corridors. That, therefore, would make the potential for commercial activity for larger operators smaller than it might be in more intensely inhabited parts of England. So, by default, therefore, if it's a different market, with different intensities of passengers and commercial realities, that would make integration harder.

[243] **Mr Jones:** There is far less of a presence of the big five operators within Wales. There's some presence from Stagecoach in the south, and Arriva in the north and First in Swansea, but Wales is very much typified by the family firm. The family operator will often need guidance and they're more vulnerable to shocks, because they don't have the financial resilience of the big entities. So, if you change the bus service operators grant, concessionary fares, or what have you, the family operator is more vulnerable, although, in fairness, the family operators do provide some stiff competition in the areas where they work. But the nature of Wales is different in terms of the bus market, and I say that as the traffic commissioner for West Midlands, where there's one huge operator that, in terms of size, has probably got 1,800 discs. I'm not sure how many there are in the whole of Wales, but it's probably not far off that.

[244] **Mr Walter:** It's fair to say that, in 2010–11, Traveline Cymru were working with a total of 81 operators, and 71 of those were what we would call small independent or family organisations. By the end of the 2014 financial year that figure had gone up to 89. So, there are more smaller independents operating now than there were.

[245] **Lord Elis–Thomas:** So, despite the decline in the number of bus transport journeys, the number of operators is increasing.

[246] **Mr Walter:** Yes. Certainly, the number of operators that we're providing services to, so, by default, carrying passengers—. The top 10 in terms of the volume of information that we provide were providing 91 per cent of all our information in 2011, and that shrunk to 78 per cent in 2014. So, the implication therefore is that those larger operators have reduced the number of services that they're carrying, perhaps for valid commercial reasons, and small independent local family operators have picked up the ones that are more suitable to their type of business.

[247] **Lord Elis–Thomas:** And would you say there's a potential, from your experience—? I know you don't deal directly in terms of commissioning the services, but you have the information about the changes in the services. Do you think there's more potential to develop the sector using companies of that kind?

[248] **Mr Walter:** I don't think that that would be something that it would be appropriate for us to comment on. Our focus is about providing information to the end user, rather than how networks are created or sustained.

[249] **Lord Elis–Thomas:** Would the traffic commissioner have a view on that?

[250] **Mr Jones:** I think there are real benefits in having small family businesses, because they're committed; it's not a nine-to-five job. And, indeed, that's sometimes a negative because sometimes they do need to step back and sometimes they need to pass on to the next generation, or there's a need for training and so on. But there are certainly potential benefits. It's why—. In the case of family firms, there is a need sometimes for more intervention and guidance, because the big five all have large infrastructures with their own training facilities and development facilities. The nature is very different with a smaller family firm. It doesn't mean that it's worse; it just means there might be need for more intervention at some stage. But the

potential benefits are very real, and they're very much part of the local community. In the rural areas in particular, you know, if it's snowing in a remote part of Wales, they'll make sure that those children get to school and get home again. That, to me, is the heart and soul of why those family operators need to be nurtured.

[251] **William Graham:** Jeff.

[252] **Jeff Cuthbert:** Thank you. Information on bus services in Wales: Traveline Cymru, you've made a comment that the Welsh Government might do more to ensure more consistent and effective provision of public transport information. Do you see it solely as the role of the Welsh Government to do that? What about the operators, for example? And do you think that the other partners in there, such as local authorities, are doing as much as they should be?

[253] **Mr Walter:** I'll try and break that down. We commented in response to the question that we felt that Welsh Government could do more, and the basis for that comment was evidence that we gave to the public transport users committee in a 2012 report on information. And I should declare I was a member of that committee for the three years of its existence. That report came up with six very clear recommendations, five of which were accepted by the Minister, and that was the result of a lot of work that had gone into what could be done to improve information at a very basic level—you know, on the lamp post at a bus stop—right the way through to technologies.

[254] As far as local authorities are concerned, from our perspective, we would say that they're doing the best they can in difficult circumstances. Their obligation falls out of section 139 of the Transport Act 2000, but it's worded in such a way that it is for each authority to determine how they provide services and to what level. I'm not aware of any body that might oversee whether that requirement is being met or not. That's an issue that was addressed again in the PTUC report. Does that answer the question?

[255] **Jeff Cuthbert:** Yes. What suggestions—. Let's be realistic here—it's been made very clear by the previous presenters on behalf of local authorities, really, that funding is a critical element here. And, with the comprehensive spending review about a week away, we're not anticipating shedloads of more money coming down here for things like—or for anything, come to that. So, how can that be achieved, because, clearly, in this day and age, people expect decent information about where their bus—or train, as

the case may be; but you're concerned with buses—may be? So, how might, through partnership working, a better outcome be achieved?

11:45

[256] **Mr Walter:** One of the goals of my organisation, and what we've been trying to do over the last seven or eight years, is to work in collaboration with local authorities and, indeed, others, and because we receive revenue support from Welsh Government, we have been trying to develop a suite of tools that can be used by anybody, not just users of the Traveline Cymru call centre, or website, or apps, or whatever. We've made those tools available so that local authorities in particular can use them and reduce the amount of time they have to spend producing, essentially, the same information. So, for example, one local authority contacted us and said that they were looking to remove most of what they provided on their own website in lieu of reference to our own journey planner and our own timetable suites, et cetera. We welcome that because, otherwise, we're seeing a duplication of effort. So, it is about working in partnership.

[257] **Jeff Cuthbert:** All right. Does the commissioner have a view on the issue of information?

[258] **Mr Jones:** I don't think there's anything I can add, other than that where there is a statutory quality partnership, that can be one of the features of that partnership, whereby there's real-time information, say, provided. But, frankly, it's not part of my role to be involved. There's nothing I can realistically add; I'd be wasting your time.

[259] **Jeff Cuthbert:** Okay. Thank you.

[260] **William Graham:** Eluned.

[261] **Eluned Parrott:** Thank you. It follows on from that, actually. You talk about how useful a properly constructed quality partnership scheme might be in your evidence, and I wonder if you can explain to us what you would say are the key elements of a properly constructed quality partnership scheme.

[262] **Mr Jones:** The biggest one in the country is in Birmingham city centre—a very congested city centre—and it has improved matters considerably for the travelling public. There's been an investment from

Centro as the integrated transport authority, so that, in terms of the bus stop quality, there's a lot of real-time information. There are benefits for operators, because they can see that they're not allowed to run the older buses, and if they do, they can run only a small number of buses—less than a certain number an hour, for example. So, it encourages investment in newer buses—and there has been investment from the larger groups in newer buses—and it's also meant that I've been able to take regulatory action against those that aren't complying with the statutory quality partnership rules. So, I have, in some cases, revoked licenses or reduced authority because of non-compliance. So, forgive the vernacular, but it does mean that, with the tatty, old rust bucket that someone may be running, it's easier to remove that type of operator out of the system with a statutory quality partnership.

[263] One of the key features of the Birmingham scheme is that, because it's so overcrowded in the city, and a lot of people use public transport—it's very heavily used—therefore, the potential profits are considerable. So, it's about managing it, and there are issues relating to public safety. The scheme allows those who are managing the scheme, namely Centro, to allocate stands in the city centre so that you don't have all the buses turning up once. So, they're able to control the timetable, which is something I've got no jurisdiction over. But they can control by using that statutory quality partnership. In fairness, it sounds great, but I haven't done much work on that. As a regulator, I've assisted in terms of enforcement, and I've listened carefully, but it's Centro that's done the work in setting it up, and it's across a number of local authorities. The concept of the integrated transport authority looking to do that is interesting.

[264] It certainly has improved matters in the centre of Birmingham, and there are plans to increase the number of corridors, where they can use corridors to increase the statutory quality partnerships. I think they're thinking about putting one on Hagley Road in Birmingham, because it would—. They can actually stop some of the poorer operators running tatty buses and actually blocking routes, as well. I've made comments that there are some areas that would benefit from a statutory quality partnership. I've made reference, I think, in my own report in the west midlands to the Wolverhampton area, where I know that there are concerns about the standards of some of the operators.

[265] So, it's a means of improving the quality. And, of course, if you improve the quality with better information and better quality buses, you're

more likely to get people to opt to travel by bus, rather than travel by cars and alternatives. It's grown. I think they started in that area with a series of voluntary partnerships to create mutual trust between local authorities and the operators. Then, it evolved into the existing statutory quality partnership and there are various schemes that are developing.

[266] **Eluned Parrott:** For me, two questions fall out of that, the first of which is: is it necessary to have a passenger transport authority or an executive directing that level of partnership working? Or, is it something that could be achieved by individual local authorities who currently have the responsibility for directing bus services? The second thing would be: do you have any examples where similar approaches have worked well in rural locations where there isn't that concentration of passenger numbers?

[267] **Mr Jones:** Whether there should be an integrated transport authority or not is—I don't really have the expertise. What I'd recommend is that you discuss that with Centro and actually compare and contrast, because typically they're more likely to occur in urban areas, but, you're right, there's no reason why you shouldn't have a good quality partnership within a rural area with local authorities co-operating. It's about horses for courses. If it works, fine. It's a matter of local authorities actually agreeing. If they've got common goals, they're likely to do so. I'm not saying you need to have an integrated transport authority, what I'm saying is, it's an option. In the busy urban areas, in particular, it's sometimes worth just considering that. I'm not saying you should do it, I'm just saying it's in the basket of powers that you've got.

[268] **Eluned Parrott:** Thank you. In terms of quality contract schemes, how are those implemented in practice?

[269] **Mr Jones:** Statutory quality contract schemes?

[270] **Eluned Parrott:** Yes.

[271] **Mr Jones:** Well, there's only been one and there's been quite a bit of publicity recently. I deliberately avoided responding to the questionnaire until it had been published, and I asked that a copy of the summary and the lessons be included. It can be summarised perhaps by saying that it's a long process. The way that the statute is formed, it has got limited prospects of success. Certainly, there are easier ways to bring about the changes. And there are considerable legal obstacles that those who promulgated the

legislation probably didn't anticipate, because of the Human Rights Act 1998 challenges, because of the property rights involved.

[272] Effectively, it's re-regulation of a de-regulated industry involving resources from local authorities to invest in a proposal that's costly in terms of both time and money. Potentially, it's confrontational. It's certainly adversarial. The traffic commissioner dealing with it has spent a good part of the last year just dealing with this. The figures that have been quoted at the hearings appear eye-watering—figures of £150 million plus. And the report refers to hundreds of millions, because it hadn't been appreciated that there are impacts on pension funds and so on. I suggest you read the report for more details. But I would suggest that, if you want to re-regulate, and it's a political decision really and I accept that, but there are more effective ways of doing it.

[273] **Eluned Parrott:** Okay. That's very helpful thank you.

[274] **William Graham:** Oscar.

[275] **Mohammad Asghar:** Thank you, Chair. Thank you, Nick. You just mentioned the Hagley Road in Birmingham experience. I think that road is 6 or 7 miles long, adding the cricket ground and dual carriageway and single road. I know that as I travelled on that quite a lot, once upon a time. How can you compare that road with Welsh roads? I don't think there's any like that in Wales. The thing is to make that sort of phenomenon here, bringing that sort of experimental bus transport system here. Don't you think it's a little bit not according to the Welsh requirement?

[276] **Mr Jones:** I referred to the Birmingham city centre statutory quality partnership and I'm saying, if you wanted something in Cardiff, then the centre of Cardiff is, as is the centre of Birmingham, a city centre. It's a capital city—Cardiff. So, I do accept that the centre of Birmingham shouldn't be compared with rural Wales, but the area that I cover as the traffic commissioner for the west midlands includes very rural areas—Shropshire, Herefordshire, and so on. So, it's about horses for courses. Partnership working, including voluntary partnerships, can be appropriate in county council areas in England. It's not a one size fits all; that's the important thing.

[277] **William Graham:** Mick.

[278] **Mick Antoniw:** On the devolution of registration powers, I'm just wondering what your views are on that, what the potential benefits or adversities are, and how it might actually operate.

[279] **Mr Walter:** The benefits, as we see them, are benefits that would filter through directly to passengers or customers. At the moment, our single biggest source of complaint about poor information or lack of information is tracked back to the fact that we have been either unaware of a change that has occurred, or the change has happened before we have become aware of it. To put it into context, we are talking about 20 complaints a month out of 300,000 pieces of information put out. Nevertheless, 20 is too many. What's causing this is that the process that exists at the moment is taking too long, and it doesn't actually require operators—or, in the case of contracted services, local authorities—to make that information available to us. We are reliant upon the goodwill of operators, local authorities and our own resources in terms of trying to find out what's happening to a new service, an altered service or a cancelled service. There's no Welsh-language provision, which we know, anecdotally, is a source of frustration for operators.

[280] The requirement that a change must have a 56-day notice period—. Nick will explain it better than I can, but it is a requirement that an operator must give 56 days' notice of a change unless there are exceptional circumstances that are subsequently approved. The reason for that is not because it takes 56 days to process the request; it's about giving the customer—the passenger—enough time to get used to the fact that there is going to be a change. That rule is routinely, in our view, not adhered to. Quite often—or, quite often in context—the first time we hear about a change to a service is when we've picked it up in a tweet from an irate passenger or, indeed, from an operator itself, which says, 'Don't forget that, tomorrow, we're changing our timetables'. So, we think that bringing that process back into Wales would make it better for passengers. It would actually make it better for operators, our key stakeholders, because they would have the ability to communicate with a body in Wales in the language of their choice. It would be accompanied, hopefully, with a set of KPIs that would enable a turnaround in a quick space of time and cut out this gap between an operator's best intentions and the information getting through to passengers.

[281] **Mick Antoniw:** Do you see any particular financial implications for—

[282] **Mr Walter:** No. I mean, it's no secret that we've been pushing to take on this task for the last four years, and the work that we've done internally—. There's currently around £60,000 a year in fees being paid by operators to the Driver and Vehicle Standards Agency in Leeds. We don't see any financial implications from a negative standpoint at all. We believe that we could manage that process within our existing staff resource, so we wouldn't need to add to staff resource. There would be some software and development costs, but within that £60,000 a year—yes, comfortably.

[283] **Mick Antoniw:** Just one further question then, on the suggestion of there being a specific Welsh traffic commissioner: what are your views on that? What are the potential implications—positive and adverse?

[284] **Mr Walter:** Perhaps I could refer that to Nick.

[285] **Lord Elis-Thomas:** You might have a job application to fill in.
[*Laughter.*]

[286] **Mr Jones:** Currently, I am the Welsh traffic commissioner. The paradox is that there are eight traffic areas with seven traffic commissioners. I am traffic commissioner for Wales and, separately, traffic commissioner for the west midlands, which means that there is far less time for community engagement and engaging with officers of the Welsh Government and so on. If there was a separate traffic commissioner for Wales to that in England, I believe that it would, in the medium term and certainly in the long term, lead to higher standards of safety, and it would lead to increased likelihood of there being a level playing field for compliant operators. I refer to the fact that successive annual reports since I've been traffic commissioner have referred to my comments that it appears that safety standards in parts of Wales—I don't want to exaggerate and say it's all of Wales—appear to be lower than in England, speaking as an English traffic commissioner as well, and that in large part is because of the absence of the regulatory effect.

12:00

[287] If there was a traffic commissioner separate in England, there would be opportunities for better education. It's not the case that those who are not compliant are rogues necessarily—some might be. But, in large part, there's a need to provide better education, which a separate traffic commissioner would be able to do because of the time. And I point out that, if there was a separate traffic commissioner, it would be open to the Welsh Government to

ask the traffic commissioner to do other things. In the case of Scotland, the traffic commissioner there has a different role. I'm not saying that you'd want to replicate them—it involves taxes and some other areas as well—but it provides opportunities to the Welsh Government, if, in fact, you had a separate traffic commissioner for Wales.

[288] Clearly, at the end of the day, it's a political decision. I've expressed exasperation at the fact that the lack of a separate traffic commissioner has allowed the continuance of the lower standards, and I'm exceptionally frustrated at the lack of adherence to the Welsh language legislation, which, again, I've repeated in each and every one of my annual reports. Hopefully, it might be addressed because there is a tri-annual review, which is taking place, as to the role of traffic commissioners—should they continue to exist. So, there is a review taking place and I think, if there is going to be a change, now is the time when it may be mooted.

[289] **Mick Antoniw:** Are there any downsides, because there would still be some responsibilities that would remain with the UK—the public service vehicle licence—. I mean, none of those should cause any particular problems.

[290] **Mr Jones:** I have interpreted your question as asking whether there should be a separate traffic commissioner for Wales—

[291] **Mick Antoniw:** Yes, yes.

[292] **Mr Jones:** The traffic commissioner for Scotland is still appointed by the Secretary of State for Transport. So, I don't think that would change and I'm not suggesting it should change. The fact that registration may be dealt with separately is an entirely separate matter. I've been asked the question before, but there is an option for you to say you want to be involved in the appointment and removal of the traffic commissioner. In fact, if you look at the Department for Transport website, it refers to—it wasn't called a memorandum of understanding, but it's effectively the same. There was one set up when the Welsh Assembly was formed, and it said that, whenever a traffic commissioner was appointed, the Welsh Assembly would be consulted, and the Prime Minister's statement, I think, on the devolution settlement actually made a specific reference to that. But it already exists in part. You'd have a degree of protection for a Welsh traffic commissioner if the Welsh Government was involved in the appointment and removal of the traffic commissioner, but you can't have two line managers obviously.

[293] **Mick Antoni**w: Okay, thank you very much.

[294] **William Graham**: Rhun.

[295] **Rhun ap Iorwerth**: There are points of principle and of the practical. Could I ask you just to elaborate on what you mean by the better safety standards that we might be able to expect in Wales from having a separate traffic commissioner?

[296] **Mr Jones**: I'm referring to the fact that I've been concerned by the number of occasions where there is a worrying lack of knowledge as to very basic issues that I would have expected to see, and there's a higher preponderance of it in parts of Wales. There was one example—I don't want to name particular operators—where there was a public inquiry where an examiner had had a discussion with a third-generation operator and said, 'You realise I could report you to the traffic commissioner?', and the response was—

[297] **Jeff Cuthbert**: Sorry, when you say 'third-generation operator'—?

[298] **Mr Jones**: When I say 'third generation', that means the third generation of a family—

[299] **Jeff Cuthbert**: Oh, I see.

[300] **Mr Jones**: A family business had been passed through the family for a number of years, so, an operator's licence that had continued—

[301] **Jeff Cuthbert**: I thought you were referring to technology.

[302] **Mr Jones**: No, no—people. [*Laughter.*] The point was that the person didn't know what a traffic commissioner was. Now, I'm not offended, but it's worrying that there is that lack of knowledge. There are areas where, when I talk to people at a public inquiry, I form a view as to whether they are deliberately not complying or whether they're just trying to take a commercial advantage, or whether it's genuine ignorance. The concern is that there are people who appear to be decent folk, but where I would have expected equivalents in a similar area in England, to have—. Okay, they may not be perfect, but actually, they would have a better knowledge. So, I believe it's about proportionality. I'm saying that there are some very poor practices.

[303] There have been instances in Wales, in parts of south Wales, where I've suspended licences and the operators still continue to operate. I'm conscious of the fact that that stems, in part, from the levels of enforcement. Now, it's linked to this—if you allow me, and if it will be okay for me to refer to this: when the Vehicle and Operator Services Agency, now the Driver and Vehicle Standards Agency, had a series of redundancies some years ago, a lot of the examiners took redundancy and so there was a low level of staffing within parts of south Wales, and that's continued. Within the last year, the DVSA has introduced what they call next generation testing, to be more flexible, relating to MOT-ing commercial vehicles. It's pulled staff from the roadside enforcement, but they've pulled staff to the extent that the number of public inquiries held in the last year in Wales almost dried up. There's absolutely no delay in hearing an inquiry, except for the fact that I might be sitting in Birmingham. Now, this applies to the rest of Great Britain in that there's a slight reduction because of next generation testing, but, in the case of Wales, it's almost dried up. That reflects the fact that it had such a low level of enforcement officers.

[304] In fairness, the area manager for Wales has told me that—I think they said from 1 November—there would be people who had been previously involved in next generation testing back on the enforcement side, and they're employing more people, supposedly, to conduct the enforcement work, but it's going to take time to train them and so on. But there's going to be a backlog. I refer you to the annual reports that show that, last year, there were more public inquiries in Wales than there were in Scotland. This year, the figures will be dramatically reversed, and it's not because the roads are safer; it's because of the involvement of a traffic commissioner and the enforcement bodies.

[305] **William Graham:** Could we move to why you thought that there's a strong case to review and reform the law relating to community transport?

[306] **Mr Jones:** Yes. I've referred to it in my written representations. I should say, in fairness, there's no problem in Wales that is not seen elsewhere in Great Britain. The problem is more acute in parts of Great Britain where there is clearly abuse. It works better in Wales than it does elsewhere, or it's not as bad in Wales as it is elsewhere. I'm conscious that there are three types of issuing bodies. So, the traffic commissioner can issue a permit, but actually I've probably spent less than an hour in the whole year dealing with permit applications because they're not referred to me. The Community Transport

Association issues permits and it does a generally decent job, and, of the various licensing bodies, it is probably the most effective, and more effective than the traffic commissioner.

[307] Then there's this sundry group of bodies that actually can issue permits, and most of them probably aren't even aware that they have the power to issue permits. I was alarmed to learn a few years ago, when the then traffic commissioner for the north-east, based in Leeds, decided as an experiment to invite those applying for permits to come to a seminar, lecture, or call it what you want, to say, 'Well, I just want to talk about some basic safety features, if you're going to be running vehicles'. Most of the entities said, 'Frankly, we're not going to be bothered with this. We'll go elsewhere where we can get a permit, where they're not going to ask questions'. It does beg the question: what's going on here and why is it that there are three separate bodies? As a regulator myself, I don't have a problem with someone else being the regulator for permits if they do a better job. I don't think traffic commissioners are very effective. But I think the problem is a GB one rather than one for Wales. I'm also conscious that the potential infraction proceedings relating to a challenge from some operators in the north of England might trigger some change, but it's a matter of watching this space. There may be changes on a GB basis, but that's something to put to Parliament.

[308] **William Graham:** So, what you're saying is that you've outlined a case for reform and you would support that.

[309] **Mr Jones:** Yes, but that's more of a GB issue rather than a Wales issue.

[310] **William Graham:** We understand that, yes.

[311] **Mr Jones:** There's nothing special about Wales in relation to the community permits.

[312] **William Graham:** How about the point—well, it's part of what you've already described, really—that the PSB legislation is often confusing and contradictory?

[313] **Mr Jones:** Yes. I've sometimes commented that very few people actually understand the legislation, and that includes the lawyers. A lot of it's badly written, out of date, it's not codified and there's a need for consolidation. Unlike the legislation relating to heavy goods vehicles, it's a

feature that, in the past, is sometimes party political in terms of regulation and deregulation. There's a lot of legislation that is introduced on a piecemeal basis and sometimes it's contradictory, and there are some areas of the law that really don't make much sense at all, particularly that relating to small vehicles. In my annual reports, I make a reference to the fact that a lot of my time is taken up in the west midlands dealing with restricted licence holders who are misusing the regime. The law relating to eight-passenger-seat vehicles being PSVs is particularly complex. I can go through it if you like, but it's technical stuff. It's unnecessarily complex.

[314] **William Graham:** We accept what you say, I think.

[315] **Mr Jones:** It's unnecessarily complex. There are some reforms being suggested. The Law Commission review into taxi and private hire law has suggested that vehicles between nine and 16 seats be licensed by local authorities, and traffic commissioners said, 'Fine, that, actually, wouldn't create a problem'. But it doesn't make sense for the small vehicles—the ones with the eight passenger seats and smaller vehicle—to be licensed by traffic commissioners. Local authorities are manifestly the appropriate body. In the case of minibuses, because of the lack of clarity and the lack of effective enforcement, it's meant that quite a number of minibuses are running illegally without proper licences, and that undercuts the standard national licence holder. It also should be a concern for local authorities, because of the school contract, which often involves minibuses. So, the law is ripe for reform. There are some changes that appear to be gathering support, namely there's some support gathering momentum to have interim licences, but it doesn't make sense not to have a provision for interim licences. If you have a partnership and someone dies, you can wait, and it stops people entering the market.

[316] The really big issue, which I'm hoping is going to be changed soon on a GB-wide basis, is consideration as to the issue relating to the specification of vehicles. There's a suggestion doing the rounds whereby we abolish the paper discs, which would force people to specify online. Well, with technology, you should be able to specify and de-specify at an instant, and it would overcome a large number of the problems. That's illustrated by the fact that 90 per cent of the operators and the vehicles are goods, with 10 per cent PSV, but probably 25 per cent to 30 per cent of the time of the enforcement bodies and of the traffic commissioner is spent on PSV rather than goods. In large part it's because everyone's trying to find out who's actually running what, and there are operators who conduct bad practices,

which they wouldn't be able to get away with in the haulage industry. The compliance operators now support—I believe there's a groundswell of support—a change in the law so that there'll be specification of vehicles. It's a GB issue, but it clearly would affect Wales as well.

[317] **Mohammad Asghar:** Thank you very much, Nick. You mentioned earlier that some operators, even though you revoke their licences, were still driving.

[318] **Mr Jones:** It has happened, yes.

[319] **Mohammad Asghar:** Yes, that happens. So, you're a compliance—. The responsibility goes to you, also, for all the compliance. My point is, what about the local authority's licensing department and your relationship, and the police, because I'm sure you revoke licences for good reasons, so for the safety and security of the public and the drivers. So, why are people still doing it and not taking notice of your orders?

12:15

[320] **Mr Jones:** If I revoke a licence to run a PSV, the local authority's got no role, because local authorities have their own licensing, so it's nothing to do with the local authority, except it may come across it and report it to an enforcement body, which might be the police or the DVSA. It's one of the reasons why, if the local authority has licensed the nine to 16-seat minibuses, it would have better local control. I suspect it would be easier for the local authorities, although they'd have some work in managing that, but they'd bring in fees as well. I'm not critical of local authorities, but there isn't a liaison with local authorities, because they have one licensing regime, and the PSV regime for traffic commissioners is another one. Does that answer your question?

[321] **Mohammad Asghar:** Yes. Thank you.

[322] **William Graham:** Jeff, please.

[323] **Jeff Cuthbert:** If I may, a very quick one—this is out of interest, really: you mentioned bus operators in south Wales that you'd taken off, if you like, but that carried on working. I've got a rough idea of an example, but what happens then?

[324] **Mr Jones:** The most effective sanction is for the vehicle to be impounded, and if a vehicle is impounded by the DVSA, there's provision to apply for the vehicle to come back, and the appeal is to the traffic commissioner. So, it would be me or a deputy traffic commissioner dealing with that. The impounding provision for PSVs is more recent. It's been in existence for some time for goods vehicles, because, in the past, there were merely fines issued for not having operators' licences and, of course, it's not an imprisonable offence. It's just like a form of taxation—it's easier just to pay a fine and so on. Taking someone's vehicle away is more likely to be effective.

[325] **William Graham:** Great. Thank you very much for your evidence today. Much obliged for your attendance. Thank you.

12:17

Papurau i'w Nodi Papers to Note

[326] **William Graham:** Item 5—can I ask for your agreement of the papers to note? Thank you very much.

[327] **Mr Price:** Can I just say on the final paper, the letter from the Minister, there'll be a paper on the legislative consent motion coming forward in the next couple of weeks, so just to, kind of, forewarn you?

[328] **Mick Antoniw:** Sorry?

[329] **Mr Price:** One of the papers to note is a letter from the Minister. It relates to an LCM that will be coming to you in the next couple of weeks.

[330] **Mick Antoniw:** Right.

[331] **William Graham:** So, now we'll close the public meeting and just debrief in private now and comment on this morning's evidence.

*Daeth y cyfarfod i ben am 12:18.
The meeting ended at 12:18.*