

ENTERPRISE AND BUSINESS COMMITTEE'S INQUIRY INTO INTEGRATED PUBLIC TRANSPORT

I welcome this opportunity to submit my written evidence to the Enterprise and Business Committee in response to its Inquiry into Integrated Public Transport in Wales. I look forward to discussing my evidence in more detail with the Committee on 24 January 2013.

High quality, integrated public transport, is critical for economic growth, social inclusion and the reduction of poverty. Fragmented and poorly coordinated transport networks impact on our employment base, local labour markets and wellbeing. At this time of economic uncertainty and rising fuel prices, integrated public transport is more important than ever in order to link people to jobs and services. It is also vitally important for connecting people who live in rural areas and remote communities to the services that they need.

As we face even more difficult economic and public spending challenges there is a need for greater impetus behind our plans to deliver a more integrated public transport system across Wales. There exists a considerable evidence base that suggests that integrated public transport is highly beneficial in both economic and social terms. Investing in integrated public transport is good value for money as it often contributes to wider economic benefits through greater access to jobs and training, increased competition between operators and greater labour force participation. In addition, passenger benefits, public safety benefits, congestion relief benefits and environmental benefits help make the case for a greater shift towards integrated public transport, which includes more active travel opportunities through increased walking and cycling.

Although my prioritised National Transport Plan reflects the importance that we all attach to improving economic indicators, the difficult economic situation must not be allowed to overshadow the environmental improvements that result from a shift in travel patterns from private cars to buses, and trains.

The Current Position

Whilst we are making good progress with our plans for an integrated transport system, more work needs to be done if we are to turn the corner and encourage a greater shift in the use of public transport. We have continued to see a significant increase in rail use over the last year, with Arriva Trains Wales's passenger numbers up 3.5% on 12 months ago, and up more than 60% since the franchise began in 2003.

The number of passenger journeys on local bus services increased by 2m between 2010 and 2011, to 115m. Around 83% of adults aged 60 and over hold a bus pass, and make around 50m concessionary bus journeys a year, and this represents more than 40% of all local bus journeys.

At the same time, we need to do more to encourage greater participation in walking and cycling. For example, during 2011 just over 10% of travel to work journeys were on foot, and 1.4% on a bicycle. The Active Travel Bill, which will be introduced into the Assembly later this year, aims to enable more people to walk and cycle and to make walking and cycling the most natural and normal way of getting about.

It is intended that the Bill will require local authorities to continuously improve facilities and routes for pedestrians and cyclists and to prepare maps identifying current and potential future routes for their use. The Bill will also require new road schemes (including road improvement schemes) to consider the needs of pedestrians and cyclists at design stage.

We will continue to work closely with our partners in the public and private sectors to plan expenditure so that it is co-ordinated effectively, and maximises its beneficial impacts. Those impacts must include economic, social and environmental outcomes.

The Committee has received a number of responses about the barriers that inhibit public transport integration. There remain a number of organisational, financial and cultural barriers standing in the way of greater public transport integration.

The key barriers to integration centre around:

- a lack of devolution and control – especially limited control over bus services;
- fragmented ownership of public transport coupled with little competition;
- a lack of joined-up working across key policy areas, particularly land use;
- public funding constraints, and
- the continual challenge of making public transport an attractive and realistic alternative to the private car for many daily and routine journeys.

The Wales Transport Strategy and National Transport Plan

The Wales Transport Strategy established the overarching framework for the creation of an integrated transport system.

In March 2012, I published the latest monitoring report against the outcomes of the Wales Transport Strategy. These indicate that we are making significant progress.

Our key indicators report that:

- 86% of Welsh households are within six minutes walk to their nearest bus stop, and 97% are within 13 minutes' walking time

- 87% of households are within 90 minutes travel by public transport of a NHS major acute hospital; while 76% of households are within 15 minutes travel time by public transport to a GP surgery
- Almost all (97%) households in Wales are within 15 minutes' cycling of a primary school, and 91% by public transport
- Nearly two out of every three people aged over 16 years are within a 15-minutes public transport journey of a further, higher or adult education establishment

The Strategy's aims are being delivered through the implementation of the prioritised National Transport Plan and Regional Transport Plans. In December 2011, I published a prioritised National Transport Plan that sets out the concrete actions that will be taken by the Welsh Government to deliver an integrated transport system for Wales.

In June last year, I reported to the Committee the progress we have made in delivering the priorities set out in the National Transport Plan. Further progress has been made since then and this is discussed in more detail below.

Information

The provision of comprehensive public transport information such as route maps, printed timetables, audio-visual announcements, signs at interchanges, together with internet, text messaging and web based services are vital components of an integrated transport system.

The availability of easily-accessible, up-to-date and reliable information is a key issue affecting people's decisions on whether to undertake a journey by public transport.

In April 2012, the Public Transport Users' Committee (PTUC) published its report into the provision of public transport information in Wales. The Committee found that information across the public transport network is often inconsistent and fragmented. The Committee set out a number of recommendations that aim to improve the quality of that information, and make it easier to access.

We are working with public transport operators, the RTCs and Bus Users UK in Wales to take forward the PTUC's recommendations.

In addition, I am providing funding of around £1m per annum to help support Traveline Cymru as a one-stop shop for the provision of information on public transport services. Traveline Cymru continues to adapt to changing times and has developed new services that accommodate texts and online journey planning, whilst also retaining a traditional telephone call centre.

During 2012 Traveline Cymru handled more than 2m enquiries for public transport information. The proportion of enquiries being taken in the form of texts from mobile phones continues to grow, while the number of calls to the call centre declines. Nevertheless, the call centre continued to provide a much-valued service for many public transport users. For example, latest customer satisfaction surveys confirm that some 95% of people are satisfied with Traveline's Contact Centre, and 92% will continue to use its website.

As well as contacting Traveline Cymru by phone or the internet, passengers can now get bus times on their mobile phones through its free applications for iPhone and Android, Traveline NextBuses and Traveline.txt.

These free and bilingual apps for iPhone and Android enable users to find public transport information for the whole of Wales in one place. The application allows users to:

- Plan a journey;
- Check travel alerts;
- Find a bus stop on a map, and
- Search for community transport or Park and Ride services.

Integrated Ticketing

Integrated ticketing and fares can improve public transport affordability and encourage modal shift away from the car. Fare integration such as flat fares for short journeys, zonal fares for regional journeys and distance fares for longer journeys create a common and easy to understand structure. It also has the potential to include uniform provision of concessionary travel schemes for elderly and disabled people as well as young people. In addition, integrated arrangements provide commercial opportunities for the private sector and encourage off-vehicle sales to speed up boarding times.

There are already some good examples of system-wide tickets in Wales such as Plusbus, the Explore Wales Pass and West Wales Rover.

Our multimodal "GoCymru" Smartcard, which will act as an integrated ticket that will allow a seamless transfer between services and operators throughout Wales, is currently being trialled on buses in Cardiff and Newport. A larger pilot in north Wales which will include Bangor and Wrexham is expected to begin shortly. Go Cymru builds on the ITSO smartcard technology platform to deliver better value for money and more reliable public transport services.

The roll out across buses in Wales is due to start later this year ahead of the National Transport Plan commitment date of 2014. Our strong preference was to extend the GoCymru card to also include train services but we need to secure value for money in doing so. Discussions that we have had with Arriva Trains Wales suggest that this is unlikely to be possible ahead of the new Wales and Borders franchise, in 2018.

Network Integration

Network integration works best through the integration of both public and private transport. This involves the co-ordination of public transport timetables, the provision of interchanges, car parking controls and bus priority improvements as well as additional investment in smarter choice measures. The Active Travel Bill and the supporting Active Travel programme will have a particularly important part to play in encouraging more walking and cycling. Together these interventions will help move people from private to public transport, help to alleviate congestion, and thereby make public transport a more attractive alternative to the private car for more journeys. .

Timetables can be spread out at clock-face intervals or organised in a way which allows them to be linked up with other modes of public transport. The use of statutory bus quality partnership schemes (see below) provides local authorities with greater powers to work closely with the bus industry to plan and deliver local bus services that better meet the needs of local communities. Under such schemes, the local authorities are able to put in place arrangements that will secure the better co-ordination of bus timetables so that passengers will find it easier to switch to connecting bus and rail services to complete their journey.

Interchange hubs (such as at Caerphilly, Pontypridd and Bangor) together with park and ride and park and share sites facilitate connections between services through easy interchanges and the provision of convenience facilities. In addition, local bus service stability and reliability through effective use of parking controls and bus priority measures are highly valued by public transport users. Publicity for and at interchanges could usefully refer to the environmental benefits that result from such investment.

In 2012-13, I provided £18m capital to the Regional Transport Consortia (RTCs) to support investment in a range of transport measures. The majority of this funding has been spent on integrated transport improvements. I am also bringing forward regulations that will allow local authorities to take enforcement action against those who contravene moving traffic and bus lane regulations, as part of their general traffic management duties for ensuring the free flow of traffic across the local road network. Those powers will complement the existing powers that local authorities have for taking enforcement action against parking contraventions.

Investment in the promotion of smarter choices such as travel planning can encourage more sustainable travel choices such as public transport as well as walking and cycling especially when coupled with investment in public transport. This is why I have made available £1.35m for the Personalised Travel Planning programme.

Active Travel Bill

We have published our White Paper on the Active Travel Bill. This legislation will play a key part in encouraging more people to try and enjoy Wales's wealth of cycling and walking opportunities. My intention is that local authorities in Wales should be required to:

- identify and map the network of routes within their areas that are safe and appropriate for walking and cycling;
- identify and map the enhancements that would be required to create a fully integrated network for walking and cycling and develop a prioritised list of schemes to deliver the network;
- deliver an enhanced network subject to budget availability and following due process; and
- consider the potential for enhancing walking and cycling provision in the development of new road schemes

Regional Transport Consortia

I have been working with the Welsh local government to progress the collaboration agenda in transport. Good progress is being made in taking forward the commitment in the Compact and in strengthening the regional planning, prioritisation and delivery of transport investments.

As part of these plans, I announced on 4 December, the creation of a Task Force that will be at the forefront of driving forward the development of an integrated transport system in south east Wales. The Task Force builds on the discussions I have been having with SEWTA on how we can work together with our partners to maximise the benefits from the unique opportunity that electrification of the Valley Lines and the Great Western Main Line provides for economic growth and social inclusion as well as reducing poverty in this important region.

I have asked the Task Force to make recommendations for a rapid transit system for south east Wales using rail, light rail, bus and active travel which meets the needs of passengers and businesses and builds on the benefits from electrification. I expect the Task Force to apply a holistic approach to public transport, road travel and walking and cycling to maximise outcomes and develop a vision to illustrate the future of transport in south east Wales and a proposed management structure to drive this forward. I am expecting a report from the Task Force in the next few months.

I also want to make sure that we make the most of the opportunities in north east Wales that will build on the multi-modal opportunities identified in the recently published North East Wales Area Based Transport Study. I am working with Taith to develop a similar joint approach for a prioritised and phased programme of action.

Local Bus Services

Bus services have a vital role to play in an integrated transport system. Local authorities may subsidise socially necessary local bus services although these represent around 20% of total vehicle miles operated by bus companies. More importantly, they have little power to determine fares, service levels or service quality on the commercial bus network. They are also required to demonstrate that the support they give to socially necessary services does not negatively impact on the commercial network. In addition they are well placed to harness the contribution that can be made by community transport.

The Transport Act 2000 and Local Transport Act 2008 provide powers for local authorities to make statutory bus Quality Partnership Schemes (QPSs) and Quality Contracts.

Under such schemes, authorities can work closely with bus operators to plan and deliver services that meet the needs of local communities. A QPS will ensure that local authorities and bus operators deliver binding commitments that share the objective of making bus travel a more attractive option for everyone. These may include maximum fares and co-ordinated timetables.

I would like to see more statutory bus QPSs in place to shape the provision of bus services. I believe that statutory bus Quality Partnership Schemes offer to achieve what we wish the bus industry to deliver, but I will continue to keep that under review, especially if there is little evidence that sufficient work is being done to evaluate the potential for such partnership schemes. I would also consider supporting Quality Contract Schemes where there is clear evidence that a partnership approach will not deliver the improvements that we want.

I would expect the Task Force in south east Wales and the work for taking forward the multi-modal study in north east Wales to consider the contribution that such schemes can make for delivering our aspirations for an integrated transport system.

Quality Contracts require the consent of Welsh Ministers to what are, in effect, bus franchises. I will look to bring forward regulations on this during 2013-14, so that there is a full suite of powers available to influence the provision and standards of bus services, if voluntary and statutory partnerships are not taken up with sufficient vigour.

I have also taken the opportunity to relax the regulatory framework around section 22 permits that make it easier for community transport services to provide community based bus services particularly in rural areas and remote communities where more conventional services would be more expensive.

Our free concessionary bus travel scheme - which now also includes seriously-injured service personnel and seriously-injured service veterans – remains a huge success. The scheme continues to offer a level of accessibility envied by pass holders elsewhere in the UK.

Despite severe funding constraints, we continue to allow free travel at any time of day, and on every day that services run, including weekends and bank holidays.

There are around 700,000 pass holders throughout Wales. The scheme's cost has increased over time, requiring about £70m this year to meet operators' reimbursement and local authorities' administrative costs. This is managed because we have a ground-breaking agreement with local authorities and bus operators that means they are fully-funded for all of their costs, while also providing me with certainty that the scheme will not cost more than £213m over the period 2011-14.

The Secretary of State for Transport is responsible for the work of Traffic Commissioners. However, I am providing an office for the Commissioners in Brunel House in Cardiff, allowing them to develop closer and better relationships with local authorities and bus operators in Wales. That office is also available to the three Bus Compliance Officers employed by Bus Users UK in Wales – but funded by me - to help maintain and improve the performance of bus operators throughout Wales.

Traws Cymru Bus Network

One of my key priorities in the prioritised National Transport Plan is to develop the TrawsCymru long distance bus network that will provide improved services to our major towns that are no longer linked by connecting rail services.

In March 2012, I launched a new T4 service between Newtown and Merthyr with onward travel to Cardiff with investment of round £1m in six new, low floor vehicles. Since its introduction the service has seen passenger numbers increase by more than 22%.

My officials are now working closely with the RTCs on a strategic plan for delivering further improvements to the Network. I will make further information available about this in due course.

We worked at length with Ceredigion and Carmarthenshire Councils to develop a statutory bus Quality Partnership Scheme for Traws Cymru services between Aberystwyth and Cardigan. We continue to have discussions with Arriva Buses about the terms of that scheme. In addition, we shall look at the case for developing a Quality Contract for that corridor.

Transport Funding

The UK Government has imposed upon us a significant cut in our funding – some £1.7bn over three years – and there is likely to be less funding available for the foreseeable future. Despite these cuts my funding in support of public transport represents about half of my total transport budget.

Bus Funding Review

In March 2012 I announced a thorough review of the funding that we provide in support of bus and community transport services. I was determined that the public's funding in support of private companies should be focussed on those outcomes that passengers most wish to see, and which are most likely to encourage more people to use buses. Only that will help sustain fare box income and make the bus network more resilient in the longer-term. This required a move away from providing public money to bus operators in return for running services that were not even required to carry passengers to a system in which public money will achieve particular outcomes.

The review has also helped us to respond to the reduced funding available from the public sector whilst still protecting local bus services.

The existing arrangements, in which we provide funding to 22 local authorities, are unnecessarily bureaucratic. Future funding will therefore be routed through our RTCs, bringing efficiencies of scale in administration, and requiring bus and community transport services to be considered alongside rail and other modes within a regional network.

Based upon a working assumption of £25m in 2013-14, the RTCs have already begun work with bus and community transport operators to identify the sort of networks that are likely to operate from 1 April. Commercial services will receive a fee per service mile, excluding so-called dead mileage. Contracted services will be supported through the terms of their contracts.

The RTCs will develop regional public transport strategies during 2013-14 that will also prioritise future investment to reflect available funding and specific outcomes that we wish to see. These outcomes might include, for example, driver training on disability awareness, improved information at bus stops, SAFED safer and more efficient driving, or on-board audible and visual announcements.

The new scheme will be a significant improvement in identifying what public transport we support and why, and lead to a much improved mechanism for developing integrated transport in Wales.

Rail Services

I wish to see a modern and more effective rail system in Wales that is more accessible so that more people may access a high-quality yet affordable rail system. We are increasingly influencing the future of rail in Wales, and we are working to secure more direct involvement in the planning and delivery of a modern rail network. The current round of strategic planning by Network Rail will dovetail with our refresh of the Wales policy and planning framework. The new policy and planning framework, which will cover the period beyond 2015, will set out our priorities for rail investment across Wales into the future and inform our priorities for future rail investment periods – as well as our priorities for other modes.

I have opened discussions with the Secretary of State for Transport on the case for modernisation for north Wales, and we will work with the UK Government to make the case for these improvements. Key decision-making powers may lie with the UK Government, but we will use all levers at our disposal to increase our influence over the rail network and services in Wales.

Currently the Welsh Government is a joint signatory with the Secretary of State for Transport on the current Wales and Borders franchise, and a new franchise is due to be in place in 2018.

Current legislation does not align with the effective delivery of my priorities. As we begin detailed work ahead of the Wales and Borders franchise being re-let in 2018, and in line with our manifesto commitment, we will examine the case for additional powers. We need to consider options for change very carefully. The way legal and funding structures underpinning the railways have developed means there are complex relationships, funding arrangements and issues of risk apportionment. It is important that we fully understand the risks and costs that any legislative change may bring before making any decisions.

To understand options for change, we have begun to engage externally by hosting a one-day conference where rail industry experts and leaders shared their expertise. We will continue to gather intelligence so that we have a wide range of evidence and a detailed understanding before making any decisions.

Railways Infrastructure

Our railway stations are the vital first point of contact for people with rail travel. Thanks to years of under-investment by the UK Government, which retains the responsibility and funding for rail infrastructure and station improvements, many of our stations are in a poor state. Too many of them are inaccessible to wheelchairs. I therefore continue to press the UK Government and Network Rail to prioritise station improvements in Wales, including accessibility upgrades.

Network Rail's current programme of works under the Cardiff Area Signalling Renewal scheme involve major upgrades to Cardiff Central and Queen Street stations, which I welcome, and the Regional Transport Consortia are using Welsh Government funding to match-fund UK Government Access for All upgrades at Chirk, Machynlleth, Ystrad Mynach, Llandaff and Radyr stations.

In addition, my Wales Station Improvement Programme (NSIP+), with the benefit of European Structural Fund assistance, is a £40m programme funding major upgrades at Llandudno, Rhyl, Aberystwyth, Pontypridd, Port Talbot and Ystrad Mynach stations, as well as accessibility upgrades in west Wales and on our rural branch lines.

Future Wales and Borders rail franchise

The next franchise should specify a service that meets passengers' needs has a reputation for high standards, growth and innovation and offers value for money. Under current legislation the Department for Transport (DfT) is responsible for re-letting the Wales and Borders franchise, while the Welsh Government is a statutory consultee for franchises operating into Wales. We will examine the arrangements in relation to our role with the Wales and Borders franchise from 2018, with a view to a greater involvement. We are discussing with DfT refranchising and future funding requirements.

We will examine options for the next Wales and Borders franchise including both for profit and not-for-dividend models. We want to ensure that the future franchise continues to play an important part in connectivity, delivers value for money for taxpayers and improves the service for customers. It is important that we fully understand the risks and benefits of the future franchise before deciding upon the shape of it.

The Welsh Government is also examining the franchising process to see if there is something about the process itself that has resulted in alternative models of franchise operator, whether not-for-dividend or co-operative lead, not being successful. Any future approach will be informed by learning from the UK Government's review of the West Coast franchise and should seek to engage our communities, our workforce, offer the best value for money for taxpayers and meet the transport needs of Wales. During the early part of this year, we will carry out a public consultation on the policy objectives for rail in Wales so that we start from the right position.

Taxis and Private Hire Vehicles

Taxis and PHVs are a staple element of the transport network in Wales, and in most countries in the world. For many people, taxis and PHVs provide an essential form of transport enabling them to travel to work and to vital amenities such as shops and medical facilities, as well as leisure activity.

Demographically, the largest market for taxi services is the 18 to 29 age group who make an estimated 20 trips per year as against an annual average of 11 trips.

People in the lowest 20% of incomes are 40% more likely to use taxis and PHVs than those in the highest 20%. Taxi and PHV point-to-point services are essential for disabled passengers.

The sector facilitates many short, local transport journeys outside the conventional bus network, provides many inter-modal journeys, and also meets the needs of many students whose home-to-school journeys might not otherwise be possible.

In May 2012, the Law Commission published a consultation paper setting out its provisional proposals for reform of the legal framework relating to taxis and PHVs. In addition to considering the licensing issues, the Commission also made suggestions covering a wide range of issues, including improving provision for persons with disabilities, quantity restrictions and enforcement. The consultation closed in September, and the Commission is currently reviewing responses. Once that work is completed, the Commission will submit a report to the UK Government including recommendations, and it is possible that will also incorporate proposals for new legislation.

The Welsh Government has contributed to this work, and we continue to work closely with the Law Commission and the UK Government to make sure we can make the most of any new opportunities that will emerge for the work of the Law Commission. In the meantime, we are working closely with the RTCs to explore what we can do to raise standards across the sector.

Carriage of bicycles on buses

The Welsh Government encourages bus operators to explore opportunities to carry bicycles where it is safe and sensible to do so. I congratulate those operators who, despite there being no requirement on them to do so, allow and encourage bicyclists to travel by bus, where there is capacity to accommodate the bicycle safely.

Examples of integration

In partnership with the Vale of Glamorgan Council, we fund a Cardiff Airport bus link service between the Airport, Rhoose train station and St. Athan Enterprise Zone. That links aircraft with trains using dedicated buses. The First Minister and I are determined to work with the Airport, public authorities and others to maximise its potential.

In north Wales, I am supporting an improved railway station in Llandudno Junction, including bus bays for intermodal transfers. Aberystwyth train station is also being improved.

In Caerphilly, there has been an effective multi-modal public transport hub for a number of years.

In south-west Wales, Bwcabus is testing innovative ways of connecting remote and often isolated communities with the conventional bus and train network. It is a good example of partnership working between the Welsh Government, Carmarthenshire and Ceredigion Councils, and the University of Glamorgan. The academic connection is significant, because Bwcabus is testing new software that has not been used anywhere else in the UK.

Land Use Planning

Some of the responses to the Committee's consultation rightly highlight the important role that planning legislation has to play in facilitating public transport. I would like planning authorities and developers to work more closely together when first proposing schools, hospitals, medical centres, or industrial, commercial or retail developments, so that the provision of effective multimodal public transport is built into those plans from the outset.

The Silk Commission

On 20 November, the First Minister welcomed the publication of a report by the UK Government's Silk Commission, which proposed comprehensive changes to Wales's financial powers.

As the First Minister said, the report contains some very important recommendations that representatives from our four main political parties have been able to agree upon, and which fit well with our views on the future path of financial reform.

The Commission's report, along with a statement on funding reform that was published jointly with the UK Government in October, provides a solid base for delivering lasting reforms. We are giving the report careful consideration and will look to work with the UK Government to make quick progress on this agenda.

Roads

Organisations representing the business sector referred to the condition of roads in their responses to the Committee's consultation, adding that their state of disrepair is having an adverse impact on their businesses.

It is important to recognise that we spend over £100m on road maintenance and renewals each year on the strategic network. We have a prioritised programme of infrastructure projects across the strategic network in Wales. We provide additional revenue funding to local authorities, which will enable them to invest approximately £170m on the local network over next three financial years.

I intend asking our Trunk Road Agents to include public transport operators when consulting on planned closures of the trunk road network. This would primarily apply to long-term closures instigated by public utility works on urban trunk roads, but would also include our own short-term and longer-term maintenance works where consultation would be required if local transport services are affected.

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