



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

Cofnod y Trafodion The Record of Proceedings

[Pwyllgor yr Economi, Seilwaith a Sgiliau](#)

[The Economy, Infrastructure and Skills
Committee](#)

29/06/2017

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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. Lle y mae cyfranwyr wedi darparu cywiriadau i’w tystiolaeth, nodir y rheini yn y trawsgrifiad.

The proceedings are reported in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included. Where contributors have supplied corrections to their evidence, these are noted in the transcript.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Hannah Blythyn Bywgraffiad Biography	Llafur Labour
Hefin David Bywgraffiad Biography	Llafur Labour
Russell George Bywgraffiad Biography	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
Vikki Howells Bywgraffiad Biography	Llafur Labour
Mark Isherwood Bywgraffiad Biography	Ceidwadwyr Cymreig Welsh Conservatives
David J. Rowlands Bywgraffiad Biography	UKIP Cymru UKIP Wales

Eraill yn bresennol
Others in attendance

Richard Davies	Cyfarwyddwr Gweithrediadau a Masnachol Bws Caerdydd Operations and Commercial Director Cardiff Bus
Chris Martin	Cyfarwyddwr The TAS Partnership, The TAS Partnership Limited Director of The TAS Partnership, The TAS Partnership Limited
Adrian Morgan	Cynllunydd Trafnidiaeth Strategol, Cyngor Bwrdeistref Sirol Rhondda Cynon Taf / Cymdeithas Cydgysylltwyr Trafnidiaeth Cymru Strategic Transport Planner, Rhondda Cynon Taf County Borough Council / Association of Transport Co-ordinators Wales

Charlie Nelson	Rheolwr Trafnidiaeth, Cyngor Bwrdeistref Sirol Rhondda Cynon Taf / Cymdeithas Cydgysylltwyr Trafnidiaeth Cymru Transportation Manager, Rhondda Cynon Taf County Borough Council / Association of Transport Co- ordinators Wales
Dr Tim Peppin	Cyfarwyddwr Adfywio a Datblygu Cynaliadwy, Cymdeithas Llywodraeth Leol Cymru Director of Regeneration and Sustainable Development, Welsh Local Government Association
John Pockett	Cyfarwyddwr, Cydffederasiwn Cludiant Teithwyr Cymru Director, Confederation of Passenger Transport Wales

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

Chloe Corbyn	Y Gwasanaeth Ymchwil Research Service
Sean Evans	Y Gwasanaeth Ymchwil Research Service
Gareth Price	Clerc Clerk
Robert Lloyd-Williams	Dirprwy Glerc Deputy Clerk

Dechreuodd y cyfarfod am 09:15.

The meeting began at 09:15.

**Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau
Introductions, Apologies, Substitutions and Declarations of Interest**

[1] **Russell George:** Croeso, bawb, **Russell George:** I welcome everyone
i Bwyllgor yr Economi, Seilwaith a to the Economy, Infrastructure and
Sgiliau. Skills Committee.

[2] I'd like to welcome our witnesses this morning. I'd like to welcome Members and members of the public. I move to *item 1*, apologies and declarations of interest. We have two apologies this morning, from Mark Isherwood and Adam Price. Are there any declarations of interest? No.

**Gweithredwyr Gwasanaethau Bysiau—Effeithiau Tagfeydd ar y
Diwydiant Bysiau yng Nghymru
Bus Service Operators—Impacts of Congestion on the Bus Industry in
Wales**

[3] **Russell George:** In that case, I move to *item 2*, and this is the first session in regard to our one-day inquiry on the impacts of congestion on the bus industry in Wales. I'd like to welcome our two witnesses this morning, who are known to us, but I'd like you to just introduce yourselves for the record.

[4] **Mr Pockett:** Diolch yn fawr. **Mr Pockett:** Thank you very much. Bore da. Diolch yn fawr, Gadeirydd. Good morning. Thank you, Chair. I'm John Pockett ydw i. Fi yw cyfarwyddwr John Pockett. I'm director of the Cydffederasiwn Cludwyr Teithwyr Confederation of Passenger Cymru. Transport Wales.

[5] I'm John Pockett. I'm the director of the Confederation of Passenger Transport Wales. It's the organisation that represents the bus and coach industry. We are delighted to be here, and we would like to thank the committee particularly for actually taking on this, because it is probably the biggest bugbear for the bus industry in providing a good network of services for Wales. So, diolch yn fawr iawn.

[6] **Mr Davies:** Good morning, Chair. My name is Richard Davies. I'm the operations and commercial director for Cardiff Bus.

[7] **Russell George:** Thank you very much. I'll start with the first question. You said, John, it's a bugbear. How much of a bugbear is it?

[8] **Mr Pockett:** It's a massive bugbear, Russell. There have been written submissions from us and from others, and I think you can see that we're all as one with the problem it causes. As I said in the written submission, there's nothing specific to Wales, but neither is there anything to suggest that what

Greener Journeys—and I think that’s the bible, if I can use that word, on this sort of work that’s been done—there’s nothing to suggest that what goes on in the other parts of the UK is any different to here in Wales.

[9] Richard will be able to give you some very up-to-date information about Cardiff. Again, there’s nothing to suggest that what happens in Newport, Swansea, Wrexham, Bangor and other parts of Wales is any different to what happens in Cardiff; it’s just that it covers a bigger area here. So, it is a huge bugbear and I don’t want to bore you with the statistics, but I think the statistics that are in the submissions and also in the Greener Journeys stuff—. I think the evidence is pretty plain.

[10] **Russell George:** You mentioned the other parts of the UK. Is the situation more dire in Wales than it is in other parts of the UK?

[11] **Mr Pockett:** There’s nothing to say that, in fairness, no. Again, it’s somewhat anecdotal, because there is no Wales-specific work being done on this. I think the picture across the UK is pretty dire, and I think we are just part of that.

[12] **Russell George:** And where are the problems in Wales? Are there specific cities or areas that you think this issue is more dominant than in other areas?

[13] **Mr Pockett:** Obviously, Cardiff, Newport—the higher the population, the greater the problem is, but I know that operators in mid Wales say Aberystwyth is a problem. I pick up Aberystwyth because I went to college there, but Aberystwyth is a problem at peak times. Even though it’s that much smaller, it’s all relative to the size of the place. I know that in north Wales people will say that the problem in Bangor is pretty dire, and I’m sure Hannah would know far better than I would that in north-east Wales, with the conurbation there, there are problems that are pretty dense there.

[14] **Russell George:** It sounds like from what you’re saying that the biggest problem perhaps is in Cardiff, because that’s where the population is. I watched a programme last night, actually, a BBC *Week in, Week Out* programme—I watched it on iPlayer, but it had been broadcast earlier in the week—and it focused on the growing pains of Cardiff, and it had quite a chunk of the programme designated to looking at bus congestion as well. But is there something that either of you can talk a little more about in regard to Cardiff?

[15] **Mr Davies:** Yes, I think if I could do that because of our experience. I think, to also mirror what John said, it is one of our biggest bugbears in as much as it impacts on us in a number of ways. It increases our cost of operation, because we need more resources to actually do the same thing. It means that we're less attractive to attract customers to our services, because if we're stuck in traffic and going very slowly, it's difficult to attract new users to the services. And to add to that, all of our customer satisfaction points to the fact that our customers like frequent and reliable services, and the big problem with congestion is the unreliability.

[16] If can go through some of the statistics I've got for Cardiff. I went through bus times back in 1999, and then in 2009, when the bus box came in, in Cardiff, and then to current, looking at a number of our core services. And the average increase in journey time for those services between 1999 and current is around 32 per cent. And that's equated to around 20 per cent more buses that we need to acquire just to stand still now than we needed back in 1999. So, that's 20 per cent extra cost to provide the same service to our customers. And related to that, it's not just the journey speeds. We had a consultant back in 2014 who did an overview of our network, and the average speed of the core routes in Cardiff was about 16 kph. But within the city centre itself, it was about 10 to 12 kph, and around the bus box, in the heart of the city, it could be as slow as 4 to 5 kph an hour on occasions.

[17] And allied to that, we noticed ourselves that the levels of congestion that we were faced with in the run-up to Christmas was much greater than we'd had in the previous year. And it's the variability in the journey time that really causes a problem to us to provide that reliability. So, our passengers, for example, to go from Westgate Street up to the Black Lion in Llandaff, last year, it took an average journey time of 23 minutes. Sorry—in September 2015, it took 23 minutes to get there, and this year was 26.5 minutes on average. So, it was an increase of three minutes, but the variability was that it went from 11 minutes to 59 minutes. Now, if a journey time is taking that level of variability, it's very difficult to offer our customers assurance that we're going to be able to get them there on time.

[18] Also, around the bus box, so just from the lower end of Westgate Street to Churchill Way, where we've got the stands, the variability could be from six minutes to 32 minutes. And, again, that's only to go probably half a mile, and it's taking us probably half an hour in the peak of the peak. So, we're trying to operate a reliable service to attract people to do it, but it's

very difficult when we're faced with that level of congestion, and that level of unreliability.

[19] **Russell George:** So, you've detailed the problems, and people are aware of it. Passengers will be aware. I wonder whether we need to do a piece of work, because it sounds like everyone is aware that the problems are already there.

[20] **Mr Davies:** We're very aware of where we have the congestion in the network, and I think another bus company provided information on how they've had their times increase over the past 10, 15 years. But it's how you solve it.

[21] **Russell George:** That's the question, yes.

[22] **Mr Davies:** It's easy to identify the problem, but the solving is the difficult solution.

[23] **Russell George:** Well, I won't ask you how we solve it, because that's the whole crux of the next hour's session. So, I'll come on to other Members and we'll address that point, I expect, over the next hour. Vikki Howells.

[24] **Vikki Howells:** Thank you, Chair. Richard, you've already answered some of my questions in relation to Cardiff, so if there's anything else you want to add, then great, but if it's just going over old ground, then that's fine. First of all, what I wanted to ask was about the effect of congestion on bus operators, on productivity and on operating costs. So, maybe, John, could you give us an overview of Wales as a whole?

[25] **Mr Pockett:** Thank you. Obviously, congestion costs money, so that, in itself, is a statement that it affects productivity. Richard has said you need extra vehicles to provide—in order to stand still, virtually. So, it does have a knock-on effect—a substantial knock-on effect—just to stand still, as I say, without improving services. Richard has got statistics that are better than anything, but as an overview, the answer to that is 'yes, very much so'. It is almost a hidden cost, in that it doesn't appear. Petrol goes up, or diesel goes up, insurance goes up, wages go up, and so on and so forth, but congestion is a huge hidden cost, and it affects the whole of the industry. Richard has probably got stats to—.

[26] **Mr Davies:** Our biggest costs by far is labour costs, of which driver

costs are, again, by far the biggest. I think between 60 and 70 per cent of our total cost is labour. So, if—when the traffic speeds come down, we're requiring more paid hours to operate the same service. So, that directly impacts on the cost. The other thing, as John mentioned, if we're sitting in traffic, the buses are idling, we're using fuel and not actually moving around. So, after labour, our next biggest cost is fuel. So, congestion has a direct impact on both of our two big cost items.

[27] **Vikki Howells:** That leads me into my next question, really, which is: what is the impact of this on bus users in terms of fare pricing? Have we seen a knock-on effect there and on the quality and reliability of services, which, obviously, you've already touched on, Richard?

[28] **Mr Davies:** The Greener Journeys report that John mentioned was the bible. Effectively, it says a 10 per cent increase in bus fees [correction: bus times] will reduce your patronage by 10 per cent, because of the various different mechanisms you can use to try to counteract it, whether it's reducing frequencies or whether it's putting in extra costs to carry the same numbers of people, which means you need to have higher fares to cover it. So, either way, effectively, a 10 per cent increase in fees [correction: in times] results in a 10 per cent loss in patronage.

[29] **Mr Pockett:** I think, the evidence—. Something came out only this week—I can let the clerk have some up-to-date info, if you want me to, afterwards—from Transport for London, and London is often held up as, 'Oh, it's wonderful', but there, I think the evidence shows that it's almost 1:1—a 1 per cent increase in congestion is a 1 per cent drop in patronage. They go like that. So, if you've got congestion that's at 5 per cent, it's a 5 per cent drop in passengers, it's 5 per cent less money coming into the fare box, and, as Richard said as well, that means that there's less money to do what you want to do.

[30] **Vikki Howells:** So, the extra cost that you incur as a sector from congestion—is that currently having to be passed on to consumers through the cost of bus tickets, or is that something that we could be seeing as more of a problem in the future?

[31] **Mr Davies:** Cardiff Bus—I mean, you can look at our financial accounts. We don't have huge profit margins—we're owned by the local authority, so, effectively, our only money, or the main source of money income, is from the customers, whether it would be from the concessionary users or directly

through the fare box, and so, if our costs go up, the only way that we can recoup revenue is to increase fares. Having said that, we haven't actually increased fares since 2014, because we're mindful that our patronage is very sensitive to fares. You could say it's a last resort, but it's probably not too far in the future that we will need to consider increasing fares again—not just because of inflationary pressures, but because of the extra costs that we're facing because of congestion.

[32] **Vikki Howells:** My final question, then, is: these impacts of congestion, do they have serious implications for the viability of bus services and operators in the long term?

[33] **Mr Davies:** Yes, because, as I said, if you look at bus operators generally throughout Wales—we're less than this, but I think the average in the TAS report was about 6 per cent operating profit generally throughout Wales. If your congestion is going up by 10 per cent—and I said, over the last 15, 20 years, we've gone up by 20 per cent—that has a direct impact on the margins of the businesses.

[34] **Mr Pockett:** A lot of the services in Wales are pretty marginal in any event. There's a misconception of huge amounts—some of them are very, very, very marginal anyway.

[35] **Russell George:** Mark, are you ready or do you want me to go to David first?

[36] **Mark Isherwood:** I'm fine.

[37] **Russell George:** Mark Isherwood, then.

[38] **Mark Isherwood:** Good morning. To what extent do you believe that investment in bus priority measures could reduce the requirement for the bus services support grant funding via local authorities?

[39] **Mr Pockett:** I can understand the question, but I think, in a way, bus priority measures must be taken out and away from that sort of subsidy. I think bus priority measures are a capital expenditure that local authorities need to introduce. There is obviously a link between them, because, going back to the previous two questions, the less money you get in, the less attractive the bus is and the fewer passengers you get, and so the less revenue you get. So, you're going to go looking cap in hand, if you like, in

order to keep the level of services you need to make up the shortfall. But I think we are quite firm in the view that bus priorities need to be taken out of all of that and to be looked at as maybe a reasonably short to medium-term measure that would give very, very long-term benefits.

09:30

[40] **Mr Davies:** And I think it's also useful to think of where BSSG came from. Because, in the old days, there was fuel duty rebate. That was there, effectively, to give bus operators some help and support to help reduce bus fares because of the cost of fuel—a little like railways; they don't pay duty on their diesel, but we do. So, it was, effectively, a support for that. Then, the fuel duty rebate went to the bus service operators grant, BSOG, and then, within Wales, it became the regional transport services grant, and then, subsequently, BSSG.

[41] So, it was there, really, to help support bus operators to reduce fares or keep fares down, and it was there because of the fact that we're paying duty on all of our diesel. So, back in about 2014, or 2013–14—because there was a 25 per cent reduction in the amount that we received when RTSG came in initially. So, I'd be very reluctant to see that reduced. That is revenue support, whereas investment in bus lanes, really, is capital funding. So, I do think the two should be kept separate.

[42] The other aspect of BSSG is—because, when it was introduced, obviously, the local transport support grant was included within that, and that is what local authorities use to support bus services, i.e. those that aren't commercial, they help them operate. So, again, I don't think it should be linked to an investment in the bus priority—. I probably want my cake and to eat it, but I think we do need both funding pots.

[43] **Mark Isherwood:** And would you see any cost benefits resulting now or further down the road from increased public subsidy in those bus priority measures?

[44] **Mr Pockett:** Bus priority measures, Mark, I think, are key. You know, this goes into the idea of modal switch as well, because in order to make buses, public transport generally, more attractive than the car, you've got to make it so that people are stuck in their cars, if you like, and the buses are zooming past, because the bus lanes—. The one I'd pick out and I think is wonderful in Cardiff is between the law courts on the start of North Road—

between the law courts and the end of the castle wall, there's a traffic light there that buses can nip around and the cars all have to wait. I think it's—I was on it this morning—wonderful. You go around—it's a small measure, but people were sat there in their cars this morning at peak time and the buses were going through. I think those small, small things can make buses more attractive. I think that's the end of it. That's what we want in the end is more people on buses—lower emissions that would mean, fewer vehicles on the road, less wear and tear on the road. I think bus priority measures are a win for everybody involved in transport, as well as, or primarily, the user.

[45] **Mr Davies:** I think also, within the context of Cardiff, it's obviously been very successful in terms of attracting jobs, and hence you get commuters. There's been quite a significant growth. Between 2001 and 2016, there's been about a 30 per cent increase in commuters from the region into Cardiff. Similarly, the number of jobs has increased as well by about 30 per cent. So, with that big attractor, there's bound to be more people. Now, if bus is to become a solution, we do need to have priority.

[46] And the piece of bus priority that John mentioned is absolutely essential to us, because it forms part of the bus box. So, when the bus box was introduced in 2009, all of the buses were diverted in a circular route around the city centre, so that we could serve both the top end of Cardiff, as we used to, but also the John Lewis and St David's 2 development, in having that anti-clockwise, circular motion. The bus priority around the bus box is absolutely essential for us to be able to operate that. Having said that, we do have very slow speeds around there because of the fact of the impact of the traffic signals and the weight of traffic.

[47] The other method that, obviously, the city has been introducing in Cardiff is enforcement measures, such as the cameras for the bus lanes, also the yellow box junctions, and on some of the turns—so that, at the lower end of Westgate Street, only buses can turn left, car traffic has got to turn right. So, those sorts of measures are essential to help keep the bus lanes free of other vehicles. You do need the enforcement, because, otherwise, other users will park, unload and what have you in a bus lane. As soon as that happens and the buses have got to get back out into the traffic, the whole benefit of the bus lane disappears.

[48] **Mark Isherwood:** Okay, assuming existing levels of public subsidy, what impact do you think there might be on bus service frequencies if there were measures to address congestion, at existing expenditure levels of

public subsidy?

[49] **Mr Davies:** The level of bus subsidy to bus companies in Wales is actually very small. It's about 20-odd pence per passenger. It's not a huge figure, in terms of direct subsidy to the bus services. I don't include concessionary revenue within that, because that is a revenue forgone, it's not a subsidy. So, the actual direct subsidy to bus companies is very small. The vast majority of services that we operate in Cardiff are commercial.

[50] **Mr Pockett:** It's 29p. The figures that we had done for us by TAS, who are coming in to see you next—. It's 29p for each Welsh bus trip. I mean, if you want to compare this with the rail franchise—and we're not knocking trains, it's not the bus against the train, it's the bus and the train against the car, and I think that's the message we've got, but to put it in context—it's £7.27 per journey, which is an awful lot more. But it's 29p for every bus journey, the public subsidy.

[51] **Mark Isherwood:** So, assuming that level of public subsidy remained the same, even if the cake was sliced slightly differently, what would be the effects of measures to address congestion on bus service frequency?

[52] **Mr Pockett:** Well, if you don't have the measures, obviously things are going to get worse, so you'll get almost like a vicious spiral. Things are going to continue, people are not going to get out of their cars. As Richard just said, we've seen a huge increase in people coming in. I notice—not that I'm an angel, but I always come on the bus because it's easier and cheaper—but, I notice, nearly everybody that you pass, they're in their vehicle on their own. So, a bus will carry 70 people. You could have 70 vehicles taken off—think of the effect on emissions, on people's health, on particles, and so on and so forth. There are lots of other consequences that come into this and it's not just a financial thing, it's a far wider, beneficial thing for all of us.

[53] **Mark Isherwood:** And, finally from me, if the impacts of congestion are not adequately addressed, what would then be the impact on future levels of public subsidy?

[54] **Mr Pockett:** Well, I think the shortfall is going to be bigger and then the consequence is: how do you make up the shortfall? Do you increase fares, which is not helpful, do you go to the Government and ask for money, or do you have to cut services? I think they are the three unpalatable solutions to that. That's how I would see it, then, and—

[55] **Mr Davies:** Yes, because, if services are marginal at the moment, any increases in costs are going to put the viability of those services at risk. So, not doing anything will likely increase our costs and that'll bring a lot of the bus routes that we currently operate—it'll bring the viability of them into question. At that point, it's a case of either looking for the local authority to help provide tender support to keep operating them at the current levels, or it's looking for increased fares from the passengers. Either way, if the costs go up on the marginal services, we do need to increase our revenue to cover those costs.

[56] **Mark Isherwood:** Okay. Thank you.

[57] **Russell George:** David Rowlands.

[58] **David J. Rowlands:** We realise that both the Welsh Government and local authorities have certain levers available to them to help alleviate the congestion problems. Do you have any ideas as to which levers you think that they ought to use? If we concentrate now on the local authorities, which levers would you believe might be the best to use in order to stop this congestion?

[59] **Mr Pockett:** I think that, as a starting point, you're right, in that all of this is a partnership. It's a partnership between the industry, it's a partnership between local authorities, and it's a partnership between government. I think you achieve anything by partnership and I think partnership is the key word. We look on those as the tripartite of partners. If you look at local authorities, Richard's already touched on—local authorities have spent money in introducing things such as bus lanes, but they're no good if they are not then robustly enforced. You've got it in London, you've had bus lanes, the congestion charge and that in London since 2003, I think, and they're accepted as the norm. I think what's happened, certainly in Cardiff—I've done this job for 18 years and congestion was top of the list when I started this job and it's top of the list today, and, no doubt, it'll be top of the list when I retire, whenever that is. You do get campaigns here, and I have to say they're taken up by the media—you know, 'We don't want bus lanes'. You'll have a telephone call-in—'98 per cent said they don't want it'—because those who want it don't ring in. But I think greater enforcement is one thing. It's no good having white van man parking on bus stops—as Richard says, it negates the whole thing.

[60] I think there's a need to look at the pinch points. I think I did give you a list of pinch points that we submitted to the Government last year, and I think local authorities—. They're short of money, we recognise that, but perhaps they need to prioritise those pinch points—which ones they're going to knock off in an order of priority. I think an acknowledgement that the problem exists, on the part of Government here, as well, is essential to any resolution. I don't know if Richard has anything—.

[61] **Mr Davies:** Yes, I think it's acknowledgement that it exists and the scale of the problem. We try to work quite closely with the local authorities. To be fair to both the Vale and Cardiff, they have introduced bus priority measures over the last few years. Last year, the A469 bus lane was finally introduced, as were certain sections of the A470 coming in down North Road. So, it's a case of working with them continually. As I said, they've got the enforcement measures in Cardiff through the civil parking enforcement and the bus-lane side, so it's working with them to try and alleviate our concerns.

[62] It's not a case of—. It's not a one size fits all, because, in a certain area, where you've only got a single-carriageway road, you're never going to be able to put a bus lane in, but possibly there are things that you could do on priority at the traffic signals. So, you can now, with automatic number plate recognition, get detectors to identify when there's a bus coming, and the traffic sequences can change. Conversely, it can be a bus gate in a particular location to prevent through traffic but allow buses to travel through.

[63] So, there's a range of measures there, and it's looking at individual pinch points and what are the potential solutions in that, but in the round. So, it's got to be on a corridor basis—it can't just be isolated junctions—because the benefits need to accrue on a corridor. The trouble is that, sometimes, you do something at one location and then the impact will be that there'll be more congestion just the one stop downstream. So, it's a case of identifying what can be done within the corridor.

[64] **David J. Rowlands:** I'm not sure whether bus quality would help at all with this congestion, so what would you think about the possibility of bus quality partnerships between bus companies and local authorities? Do you think that would have some effect on it?

[65] **Mr Pockett:** I think, David, I would just reiterate what I said: I think any

resolution has to be a partnership. However the partnership is based, it needs to be a partnership between local authorities, with some direction, I think. It needs direction from on high, if I can say so, from the Welsh Government, and then, on the ground, it's the local authorities and the bus companies—. As Richard has said here, generally we have a very good working partnership, working relationship, with local authorities—I'm glad—throughout Wales. I know you're taking evidence from them later, but I notice that lots of the things they've submitted—there's not a lot of difference between what they're saying and what we're saying. So, any form of partnership, I think, is to be welcomed.

[66] **Russell George:** So, you're saying 'direction from on high', from the Welsh Government—are you suggesting that there needs to be greater leadership from the Welsh Government?

[67] **Mr Pockett:** I think there needs to be—. I think what I've put down here in capital letters for myself is that I think Government, whatever Government, needs to stop running scared of the car user, because they see them as vociferous and they see them as votes, then, basically. I do think—and I will single out the £3 million that was allocated here last year for a pilot on free car parking in town centres. It's, to me, in the 18 years I've done this job, the most anti-public transport measure I have seen. All that's going to do is increase congestion, and I think that sends the wrong message: the car driver's king. People park on pavements—this is outside this, in a way—they park across bus stops, they park everywhere. It's as if, if you've got a car, you're king, and I do think that government, Welsh Government, local government, everybody, need to stop running scared. It's the politicians, I have to say, more than officials, then, who need to take a lead and stop running scared of car users.

09:45

[68] **Russell George:** Hefin, if you want to come in, and then if you want to move on to your subject area as well.

[69] **Hefin David:** Well, it's a shame Adam Price isn't here to hear that, because that was his—. Plaid Cymru championed that policy. You might be interested to know that Caerphilly council actually used their part of that grant to spend on social services. So, it wasn't a ring-fenced grant in that sense, as I understood it. That aside, you mentioned partnership. What kind of dialogue have you had with local planning authorities—you particularly,

John?

[70] **Mr Pockett:** It can't happen overnight and I think I see the start of this has been where the—this is rolling back a long time now, Hefin—estates of the 1960s and 1970s were totally unfriendly to public transport. You can't get buses into lots of estates. That has changed now, and I think, as a part of the fundamental planning process now, planning authorities do look at public transport provision. I think the next step in that is to talk to—we do talk to people, but I think it needs a political will to take it on board.

[71] **Hefin David:** There's a direct mechanism, isn't there, which is the local development plan.

[72] **Mr Pockett:** Indeed, yes.

[73] **Hefin David:** My opinion, for what it's worth, is that local development planning doesn't really work very effectively. But surely you must have an input into the local development plan and, from Cardiff Bus's point of view, you must have had an input. But, before we come to Richard, did you have an impact into local development planning?

[74] **Mr Pockett:** Some have asked—I'm trying to think off the top of my head. I've been to consultations and I've made the same point. I haven't had, with capital letters, 'Stop running scared of the car', but it has been the need for—. I think what I've kept batting on about for years and years is bus priority measures that are properly and robustly enforced. Whether it's taken on board, I don't know, because, obviously, they hear from others. But, yes, we have made points known.

[75] **Hefin David:** The things you're saying today would be really useful in a local development plan hearing at the first draft deposit stages, for example. One of the things I've come across is that the local development plan stops at the country borough border and then the next local authority will have a different local development plan. So, therefore, whatever measures you have in one authority are not going to be linking to another. Would that be fair?

[76] **Mr Pockett:** I think that's right. That's why I say, whilst I recognise you need to have localism—. But, yes, perhaps some sort of on-high guidance, shall we say. There's guidance and guidance. Sort of on-high guidance, where—

[77] **Hefin David:** I'd go a bit further and say you need to sit down with the planning officers when they're developing their draft deposit plans.

[78] **Mr Pockett:** I think that's a good idea. Absolutely. I'll take that up, and, if they're prepared to do it, absolutely—I can think of some that would jump at it, then, rather than what we've done in the past, which is gone through the formal process, then. But thank you, yes.

[79] **Hefin David:** Richard, I imagine you get much better, closer dialogue there in Cardiff than perhaps people outside in Caerphilly and Rhondda Cynon Taf might.

[80] **Mr Davies:** Yes. It was before I started with Cardiff Bus when the LDP was submitted, but I do know that Cardiff Bus had good discussions with the local authority regarding the LDP, because, obviously, in Cardiff there are 40,000 homes planned. So, it was working with the local authority, because, obviously, they've got the 50/50 modal split target, so that it's going to be 50 per cent car, 50 per cent other travel methods. I suppose it's taking it a stage further, so, once the planning applications have been—or prior to them going in, we've also been speaking to developers. So, we've been speaking to developers of St Edeyrns, Churchlands and Plasdwr in regard to how bus can actually form the solution to getting people out of their cars, and working with the developers as well. So, it doesn't just stop with the local authority. I think it works well when we actually sit down with developers and talk to them about where bus can form part of the solution.

[81] **Hefin David:** Would you say that there's then a problem when you come to the county boundaries? So, you come to the Cardiff boundary, and then other authorities aren't taking up the same approach.

[82] **Mr Davies:** Yes. We haven't sat down with any of the neighbouring local authorities regarding—

[83] **Hefin David:** You haven't.

[84] **Mr Davies:** We haven't.

[85] **Hefin David:** Should you?

[86] **Mr Davies:** There are developments, obviously, around junction 33, which might be within RCT, but they're going to impact on Cardiff. And there

needs to be a more joined-up approach, and that's where—say, for example, previously, the south-east Wales transport authority could take that joined-up approach, and I think that that's where the new regional transport authority is going to be looking at that. In the meantime, there has been this very silo mentality that, where the borough boundaries are, that's where our responsibilities end.

[87] **Hefin David:** I think that's one of the key points and one of your key problems.

[88] **Mr Pockett:** That's right, yes.

[89] **Mr Davies:** As I said, from the figures I've mentioned about commuters into Cardiff, there's generally about 81,000 coming from the region into Cardiff on a daily basis.

[90] **Hefin David:** And the two local authorities, so, for example, Caerphilly borough and Cardiff, don't have the dialogue that would solve some of those problems across those borders.

[91] **Mr Davies:** And, maybe, under the auspices of the city deal, it's changing—I don't know, because—

[92] **Hefin David:** Well, we can try. We can hope. What about with regard to demand-management measures? You've touched on congestion charging. I think you've also mentioned—well, you have mentioned—your strong feelings about the free city centre car park pilot, which I agree with you on. What other demand-level measures can be introduced to try and encourage more use?

[93] **Mr Davies:** Well, there are a number. You mentioned congestion charging and John mentioned it was February 2003 that it got introduced. It's 14 years, now, that London's had it, and it may be a surprise that none of the other bigger cities have done it. I know it's been mooted for Cardiff, but it may be not the right solution, because the one problem associated with congestion charging is, if Cardiff introduces it, possibly it becomes less attractive than maybe Swansea, Newport, or Bristol as a place to do business, so you've got to look in totality at the issues. Nottingham's had a workplace levy for car parking for a number of years. Again, no other cities have done it apart from Nottingham, and I think Oxford—

[94] **Hefin David:** Is it effective?

[95] **Mr Davies:** I believe so, because it channels funds back into the public transport, because that's where the revenue streams go; they have to go into transport. Nottingham City Transport are obviously another local authority-owned company, and we do have dialogue, and obviously they've benefited through the introduction of that, but, again, it may impact on competitiveness if Cardiff introduces it—again, compared to other cities. But there are other things—. Those are, you could say, the stick approaches. The carrots can be things like more park and ride. Obviously, we've got the park-and-ride in Pentwyn, just off the A48, but most commuters are coming into Cardiff from the north and so, ideally, there would be a park-and-ride facility to the north of Cardiff to get car users to move into a bus service there, to reduce—as John said, get 60 or 70 cars off the road by getting people to interchange with the bus. So, there are those sort of measures that can be—. And I think, because obviously this is an all-Wales approach, it isn't a one-size-fits-all. You've got to look at the locality and what could be achieved, based on what the problems are in that specific location.

[96] **Hefin David:** What about from the point of view of the user? Perhaps an integrated train and bus app that gives you a very simple way—. I mean, you've got the Trainline, but is there any integrated technology that a user could get on their phone and download an integrated timetable?

[97] **Mr Davies:** Well, we have—. The one problem with bus services and trains is, if the bus service is terminating at a train station, it's fairly easy to interchange the two, but, if the train station's in the middle of a bus route, because you'll actually have to stop the bus, then, for maybe 10 minutes to allow people to catch the train and for the alighters off the train to catch the bus, those people travelling on the route through don't really want to sit at a train station for 10 minutes.

[98] **Hefin David:** Is there any technology we could develop just so that people know that?

[99] **Mr Davies:** As I say, we do have integrated tickets, whether it be the PlusBus ticket—so, that's that you buy the rail ticket and then you add the PlusBus. We also have the capital connect card in Cardiff, so that, if you're coming in on the trains, there's a joint ticket where you can add and then travel free on our bus services thereafter. So, the ticketing is there. Information-wise, you've got Traveline Cymru, and that gives the integrated

approach. So, you go from A to B, you tap in where you want to go, tell it which modes of transport you want to use, and that will tell you all of the journeys you could do. So, that's already there. It's not on an app, but Traveline do that, as a travel planning device, and they do it quite well.

[100] **Hefin David:** Hannah Blythyn.

[101] **Hannah Blythyn:** Thanks, Chair. I just want to start, before I go to the other questions, by just asking you about the bus summit that was held earlier this year—the Welsh Government bus summit that was held earlier this year in Wrexham. Did you participate in that? And I was just wondering if there's been any progress, in your view, following it.

[102] **Mr Davies:** We did. We both attended the bus summit in Wrexham. We found it very useful, I think, as the first one. It's sort of a stepping stone, and I believe that there are working groups that are going to be set up in the autumn as a result of the bus summit.

[103] **Mr Pockett:** Yes. I think, in fact, we discussed this on Monday amongst ourselves, and we've got some ideas for what we think are important work streams. We want to feed those into the official from the Government who is charged with sorting this out. So, that is quite near the top of the current to-do list, actually. But it was useful in that, for once, I think it was the first ever—in my 18 years, anyway—summit for bus. You know, there'd been other things, and I think it's important that buses get the priority they deserve. I think they are the cinderella of public transport. I mentioned the level of subsidy and that sort of thing, but I think it's important that anything that puts it up the agenda is to be welcomed. As long as they're not just talking shops, then. There need to absolute outcomes that are tangible for the user.

[104] **Hannah Blythyn:** Absolutely. That's one of the reasons I bought it up, because a couple of the outputs from that were about improving journey times, reliability, and sustainability from reliable journey times. Clearly, congestion impacts on your ability to be able to do that.

[105] **Mr Davies:** As John mentioned, we are sometimes treated as cinderella. Buses carry over 105 million passengers a year, which is about three, three and a half times the trains, but the level of press coverage and support that the trains get compared to the bus, it's just on a different scale because the bus is generally forgotten about. There's very little press coverage on it. As

John mentioned, occasionally, when a bus lane is proposed, then there'll be large issues in the press about the fact that, 'You can't possibly introduce that because of the impacts on X, Y and Z.' So, we're generally seen as bad news story, whereas the train is always seen as a good news story. The level of funding, you know, you're talking about—was it £750 million going to metro? Well, that just dwarfs whatever the bus industry's going to get for 20, 30, 40, 50 years. But the buses could achieve so much more, if we could have—. We talk about light rail, but bus rapid transit is a big success in a number of areas. So, if you've got the land to have a light rail train, you could put a dedicated track for a bus much cheaper, and the same issues you could get in terms of frequency and reliability because you'd be separated from the other traffic. So, I often think that bus isn't ever treated seriously as a solution, as a big people mover, but you go elsewhere, and the numbers of people who can be carried in segregated bus lanes is huge.

[106] **Hannah Blythyn:** You mentioned the idea of a metro, and, clearly, an integrated system between the buses and trains is part of the south Wales metro. But in particular, in my region in north-east Wales, buses will be key to any metro, because there just aren't the train stations there. So, that's very interesting.

[107] **Mr Pockett:** And I think buses are very often a very, very quick fix, then. I mean, to get extra rail, or, should I say, extra trains, is a very long, long process. You can get buses so long as there are vehicles available, and I don't think that's a problem, generally. I think buses are a very, very quick fix. I think we saw that in the Rugby World Cup, where buses and coach came to the rescue when there were some issues. The predecessor committee, I think, did an inquiry two years ago.

[108] **Hannah Blythyn:** One final question: we've talked about how we want to create that modal shift to get people not just from cars, but perhaps from trains, to use buses more, and you've talked about the things that perhaps local government can do and the Welsh Government can do, but are there things that industry can do to actually encourage that shift over to more people using buses?

[109] **Mr Pockett:** I think, as an overview, yes, we haven't been good in the past. I think we're a lot better: the marketing, the offers, the standard of investment, the level of investment in the bus industry in Wales is higher than it's ever been. The fleet profile, the age of buses, I think—. As I always say, I live in the centre of the universe: Pontypridd. I'm from Nelson, so I'm

all right. You stand in Pontypridd bus station and you'd be very, very hard-pushed to see a bus that's more than 12 years old, say, there. Whereas years ago, when I went to school a long time ago, we were having buses from the end of the 1930s taking us to school. I mean, you're talking about the 1960s. So, that is better. The vehicles are much better, there's USB, there's Wi-Fi, they're comfortable, they're clean, and the emissions, generally, are pretty good now. So, I think the bus industry—

10:00

[110] **Hannah Blythyn:** Do you think enough people know that? People might have the assumption that a bus is not going to have USB or Wi-Fi on it. So, is there a job to be done to promote that?

[111] **Russell George:** Are you selling yourself enough?

[112] **Hannah Blythyn:** Yes.

[113] **Mr Pockett:** I think, sadly, there is still the mentality—. Mrs Thatcher said that anybody over 26 using a bus is a failure, and people still see that. But once you make the step change, I think—. I'm no angel, but I've not brought my car into the centre of Cardiff for 18 years. I think, 'Well, why would I do it?' I couldn't tell you what it costs to park in Cardiff anymore. Once you do it, you do it as second nature. I'm sure making it attractive—yes, we have a role to play, of course. As I say, it's a partnership. All of this is a partnership between the three of us—the industry, the local authorities and the Government.

[114] **Russell George:** I could open a tin of worms saying this, perhaps, but Richard, in your answer, you talked about the rail industry having a great deal of cash. Do you think some of that cash could come to the bus industry? Is that what you were suggesting?

[115] **Mr Davies:** Well, yes. [*Laughter.*]

[116] **Russell George:** That's fine.

[117] **Mr Davies:** You're probably saying, 'I would say that, wouldn't I?' [*Laughter.*] But it all goes back—. John mentioned £7.27 as the level of subsidy for every passenger on Arriva Trains Wales. Well, our single ticket in Cardiff is £1.80. So, it's just a complete disconnect in the amount of subsidy

that's going into the rail industry against the 29p that's going into the bus industry. If that was changed slightly, because of that revenue you'd get an awful lot better quality of bus service.

[118] **Russell George:** What would the rail industry say if we put that to them? What would be their counterargument?

[119] **Mr Davies:** Well, they'd obviously not agree. But in terms of cost-benefit, which generates the better returns? As I said, there are 105 million passengers carried by buses in Wales a year, and 30-odd million on the trains.

[120] **Mr Pockett:** And it's supporting—. Again, Russell, to emphasise what I said, it isn't the bus against the train; it's the bus and the train working together against the car. Although, we would like a bit more of a balance in the funding.

[121] **Russell George:** So, my last question is: what actions should the Welsh Government take? If you can be succinct in your answers—in bullet points—what actions should the Welsh Government take?

[122] **Mr Pockett:** A basic acknowledgement that the problem exists, and then a realistic look at what can be done to alleviate congestion. But I think, fundamentally, it's an acknowledgement that it exists—and a proper acknowledgement that it exists.

[123] **Russell George:** But they probably do. They probably do acknowledge that there's bus congestion, I'd imagine.

[124] **Mr Pockett:** Well, yes, but there's acknowledgement and acknowledgement. I mean acknowledgement with a plan—a programmed plan of what to do then.

[125] **Russell George:** Okay. So, what should be in that plan?

[126] **Mr Pockett:** Looking at pinch points, as I say, helping local authorities, and working together in partnership to resolve the pinch points that exist. Because I think there are those specific things, and there's the overall, 'How do you get people out of their cars?' I think they need to look at modal shift a little bit more seriously. As I say—

[127] **Russell George:** How do they do that?

[128] **Mr Pockett:** —stop running scared of car users.

[129] **Russell George:** Yes, how do they do that? How do you suggest the Welsh Government make that shift?

[130] **Mr Pockett:** Blimey; how long have we got? [*Laughter.*] I think we've covered a lot of it. I think you want joined-up thinking here, not giving—can I say, again, with cheers from this side—£3 million for free town-centre parking. Let's have a joined-up thinking approach to the whole problem. None of the things that Richard and I have suggested, on their own, are any good. They'll only work if they're all brought together. Maybe the idea of having some sort of—I don't want to suggest having a committee, but some sort of body that would look at this sort of thing. Maybe that would be a starting point—as long as it's not a talking shop.

[131] **Russell George:** No, that's fine. And I'll ask Richard. So, the same question. Okay, the Welsh Government should take this seriously, they should recognise it, they should look at the pinch points, they could set up some kind of forum for it that's more than a talking shop, but are there any specifics that you think that the Welsh Government should take? What action should they take? Any specifics?

[132] **Mr Davies:** Well, obviously, every year the local authorities have got to bid for capital investment programmes, and in the past there's been quite a big push for sustainable travel—for the safe routes to school and the cycling. I think if there could be a push towards local authorities getting funding for bus priority measures, because I don't think that that's necessarily—. I don't know how it's marked, but I don't think it's necessarily high on the Welsh Government's marking for where the money should go. So, I think in terms of the investment programmes, it's to identify out of the pot how much should actually go to local authorities to improve bus priority measures. And that, I think, would help the local authorities to put in the required infrastructure, because that would, again, change the focus away from just appeasing the car user to more focus on the bus user.

[133] **Russell George:** Any more questions? No. If you are staying to watch the rest of the session and you think of something else specifically about what actions you think the Welsh Government should take, drop us a note.

[134] **Mr Pockett:** And I'll also let the committee staff have the figures that came out this week from TfL, and Richard's up-to-date statistics from Cardiff, if I liaise with the committee staff.

[135] **Russell George:** Yes. Thank you, Richard. Thank you, John. We'll be back—. We'll take a 10-minute break and, as long as our next witness isn't stuck in congestion, we'll be back at 10:15.

[136] **Mr Davies:** Thank you very much for your time.

*Gohiriwyd y cyfarfod rhwng 10:05 a 10:17.
The meeting adjourned between 10:05 and 10:17.*

**The TAS Partnership Limited—Effeithiau Tagfeydd ar y Diwydiant
Bysiau yng Nghymru
The TAS Partnership Limited—Impacts of Congestion on the Bus
Industry in Wales**

[137] **Russell George:** Welcome back. We move to item 3. In regard to our inquiry on bus congestion, I welcome our witness and invite him to introduce himself for the record.

[138] **Mr Martin:** Thank you. My name's Chris Martin. I'm a director with the TAS Partnership Ltd. We are a specialist public transport consultancy business based in Preston in the north-west of England. We have—throughout our existence for over 25 years now, certainly within the deregulated market in the bus industry—considerable interests in Wales. Our clients are across the spectrum. So, we've worked for the Welsh Government, for Welsh local councils, operators and other interest groups as well. Certainly, projects at the moment that are of interest to us are TrawsCymru and Bwcabus, which the committee will know very well.

[139] **Russell George:** Yes. So, are the scale and the reasons for bus congestion well understood, do you think?

[140] **Mr Martin:** In my experience within the industry—I started in the industry in the late 1990s and worked through from operations to my current role in consultancy—I have to say 'no'. I don't think we appreciate that congestion isn't solely, in a lot of cases, an urban-specific issue. Again, this is anecdotal, so I do apologise for that, but there is evidence that a lot of

congestion takes place in rural areas, perhaps in rural towns and villages that serve some of the bigger urban areas. I think it would be a mistake to make the congestion issue solely urban. It's around issues of school times, when you have that school run peak demand. Obviously, the Welsh Government, through the Learner Travel (Wales) Measure 2008 and everything else, aimed to rebalance, potentially, some of those issues. So, in terms of understanding, no, I think there's quite a bit of work to do in terms of behavioural research and quantitative research on the effects of congestion, but also not to limit that to urban, and look at the rural context as well.

[141] **Russell George:** So you're suggesting that the issue of bus congestion is just as dominant in rural Wales as in urban Wales.

[142] **Mr Martin:** I would suspect that it's very much a scale issue of the local economy—

[143] **Russell George:** Yes. A different problem, perhaps. What are the differences in bus congestion from rural to urban Wales?

[144] **Mr Martin:** Okay. In terms of size, this is specific to the bus sector. Obviously, the urban areas are the main focus for a lot of the intensive bus workings within Wales—Newport, Cardiff, Swansea, Wrexham—the big urban towns that benefit most from the bus networks. Take that to a rural context, you've got issues around infrastructure, so road capacity issues. You've got issues around accessibility to services and facilities. So, congestion has different impacts on different markets. The urban areas are very much driven by a range of need. Obviously, it is very heavily focused on the commuter market at certain peaks, both the morning peak into the towns and centres that provide the employment, and out again at 3 p.m. or 4 p.m. in the afternoon, Mondays to Fridays. Rural areas will suffer that degree of congestion, again, as I mentioned, around school times, but also on some of the key corridors that feed into urban centres as well.

[145] **Russell George:** So, do you think more work is needed to understand and quantify the problem, or do you think that no more work is required and now Government just needs to look at and address the causes?

[146] **Mr Martin:** Throughout my career, I've been very much in favour of an evidence-based set of guidelines or principles in terms of how, I suppose, I give advice to clients who pay—

[147] **Russell George:** So, is that evidence already there or is it not there?

[148] **Mr Martin:** If the expression is 'bitty', I would say it's quite bitty in terms of—. There are couple of issues. One is to do with data and that sharing of data, and I think data is quite key, certainly, going forward now. I think there's a big market there in terms of data for travel and transport—mobile data, for instance—to track travel patterns. But also from our point of view within TAS, we've been very keen to look at the economics of how things work. Personally, I'm not an economist, but I do have a good interest in demand and supply issues and how they relate to costs and revenues, taking into account whether it's a commercial market or a supported market.

[149] **Russell George:** So, you think that more work needs to be done to understand the causes of the problems.

[150] **Mr Martin:** Yes, and the impact as well. It's a cause-and-effect relationship.

[151] **Russell George:** Okay. Vikki Howells.

[152] **Vikki Howells:** Thank you, Chair. Moving on, then, to the impact of the problem of congestion, what kind of impact does it have on bus operators in terms of productivity and operating costs?

[153] **Mr Martin:** In terms of the impact directly on the sector, there are probably three very general areas that I would pick up on in terms of impact. The first one is what I would class as a demand issue. This is to do with passengers themselves in terms of journeys. Think of a hypothetical situation where congestion is on a corridor. You have a group of passengers wishing to transfer from A to B—so, it could be a work journey. Congestion on that corridor at that point would lead to slower journey times for buses. They get stuck in the general traffic, which, in turn, dissuades a lot of passengers from using the bus, simply because they can't rely on getting to that point B for particular times of day, and certainly the peak time is one of those that, in turn, gives them scope to look at alternatives, whether it be low carbon-type travel, which is walking, cycling and smarter travel, or, indeed, cars.

[154] In terms of the second point for impact, there's a supply side issue, and that's the operators themselves and what they're able to supply the market to meet that demand. Obviously, if there are fewer passengers there is less demand, so therefore it's the scale of operation for the vehicles and

they look at the network. But, similarly, congestion has two impacts there. One is that operators either need to invest more to maintain the same level of timetable that was possibly there one, two, three or four years ago, just to maintain that timetable. It's a shop window for people to use. They become reliant on a certain type of frequency, so more vehicles need to go in. Or, quite simply, the counter to that is that they will cut services to meet new frequencies that can meet the road conditions. We've got evidence of those two effects within Wales.

[155] **Vikki Howells:** So, to your mind, then, the biggest effect on bus users would be the cut in services. What about fare pricing? Is there an impact in regard to that as well?

[156] **Mr Martin:** On the issue of cutting services, I would say that cutting services is one possible outcome, but there is this issue of extra resource. It's basically running to standstill. But in terms of fares, through our publication work that we've done for many years within the industry, we've taken a very independent view on that. We've assessed the financial returns of companies. We've looked at their profitability, their sustainability, really, and we've noted that, in terms of operating costs, these increase, and there is a direct relationship there with time, which again relates to speed, which is time over distance, so it's all related. The variables are all dependent on each other. So, yes, one of the consequences of congestion could well be an increase in fares. How much, I couldn't put a figure on that, I'm afraid.

[157] **Vikki Howells:** Okay. And obviously we've seen quite a significant decline in the number of bus services on offer in Wales over the last few years. So, with the impact of congestion now as well, do you foresee that that's got significant possible implications for the viability of Welsh bus services and operators in the long term?

[158] **Mr Martin:** Yes. One of the key points that hopefully I was keen to put to the committee in further recommendations was to think not only about the economics of the industry—I don't know whether it would be light reading on a Saturday evening, for instance, to understand how bus economics work—but to kind of gain an empathy for the economics of how the industry works. The industry itself is, possibly unlike most forms of road traffic—if you think of cars, for instance—it's a business that is devoted to roads. It relies on roads to operate and provide a service. You could argue that most cars don't. It's very much a discretionary need to use the roads. So, in terms of economic viability, congestion does threaten that through, as I

say, the increased operating cost profile of the industry, which, in turn, has implications for whether or not a service is operated on a commercially viable basis or a supported basis. It impacts on both of those.

[159] **Vikki Howells:** Okay. Thank you.

[160] **Russell George:** Mark Isherwood.

[161] **Mark Isherwood:** Good morning. How might investment in bus priority measures impact on the requirement for bus service support grants?

[162] **Mr Martin:** In terms of bus priority, there is an emerging thought amongst colleagues within the industry about the relationship very much between revenue and capital, in terms of how that's spent within the industry and how best it's used. Bus priority is very much a capital spend issue, and it relates to improvements within infrastructure, which basically helps buses to operate as efficiently as they can. And one of the key drivers for efficient bus operations—think back here to Sir Rod Eddington's work that he did in 2005, where he looked at the relationship between economic productivity and transport efficiency—is to look at what capacity is available to use for vehicles—I am getting to your point—to deliver an efficient network. And bus priority, as you're possibly well aware, takes many forms. It could well just be a bus lane or a set of traffic lights, or even a park-and-ride setup. So, there's different types of bus priority.

[163] In terms of the bus service support grant, I perceive that to be very much a revenue type of support for operators to maintain a type of network or a type of service. I mentioned there the difference between a commercially viable network, one that the private sector operators would be keen to develop, and also the supported network, which comes through local authorities or Welsh Government in terms of the support grant. Congestion there would have an effect in terms of revenue. If there is a supported service that is affected by congestion, I mentioned one of the impacts is additional resource. That's additional resource that gets levered into the support grant, so there's extra strain there. But, similarly also, with revenue, there's a need to look at fares issues and the dynamics with operating costs. So, on the one hand, you've got this revenue challenge, I feel, with congestion, and on the other hand, there's possibly opportunities and challenges around this whole capital expenditure issue as well.

[164] **Mark Isherwood:** Opportunities and challenges.

[165] **Mr Martin:** Yes, very much.

[166] **Mark Isherwood:** Thank you very much indeed. And if the impact of congestion is not adequately addressed, what would be the likely impact then on future levels of public subsidy and public costs generally?

10:30

[167] **Mr Martin:** It's difficult to say with any certainty. I'm not going to sit and try and forecast the future, but, on current trends—there was a report recently commissioned by Professor Begg, which looked at productivity trends within the industry. You could look at, generally, a 1 per cent annual decrease in speed for bus services. If that were to continue, and I mentioned additional resource or a cut to services, you'd see a scaling back of the network to pretty much what could be supported to cover its costs on a viable basis. So, it would very much impact on, I guess, both the commercial sector and the public sector in terms of what they're able to offer people as an alternative to other modes of travel.

[168] **Mark Isherwood:** And do you see a direct financial cost accruing to the public purse as a consequence of that?

[169] **Mr Martin:** Yes. If—if, for instance—and, again, it's a 'for instance'—a commercial service was operated, and possibly here I would think of something that would be deemed to be a marginally profitable service, for instance, where any increase in certain elements of costs would require them to require additional funding, either through public support or reduction in frequency to match costs, you would have that impact of additional revenue need for the industry to support at least those services, if not a smaller version of the network.

[170] **Mark Isherwood:** What do you consider to be the key socioeconomic benefits of improving the services? How might those justify investment in priority infrastructure?

[171] **Mr Martin:** In terms of numbers, it's possibly been mentioned already to the committee, but the Welsh bus industry collectively—there are 100 million passenger journeys per year, based on latest statistics. You compare that to rail, for instance, where there's about a third of that. So, in terms of public transport profile, the bus industry's key. It's the primary source of

travel for perhaps those who don't have access to a car or have discretionary use of a car.

[172] In terms of the socioeconomic impacts, obviously, from a demand point of view, one of my professional interests is in understanding the market that bus services and public transport serve and this is purely around a mix of factors such as demographics, population change—I've mentioned car-ownership levels—disposable income levels, access to facilities as well, such as health, education and social care. So, it is a mix of factors that create that demand level, but, given that the industry is carrying 100 million passenger journeys per year, that is quite a substantial amount for the market as a whole.

[173] **Mark Isherwood:** With increased investment and improvement, could you see those numbers growing in the areas you've mentioned, also in travel to work from areas where currently there is lower inactivity?

[174] **Mr Martin:** We can probably look at some evidence to suggest where—and, again, just picking specific examples—certain local authorities may have taken a longer-term view towards holistic transport planning as a means of supporting local economies. I could mention names such as Nottingham, Brighton, Reading, and so on, where there's been that long-term vision, and I'd loosely term it 'partnership', but it's developed into a partnership over time, where the local authority and the operators have worked together to deliver it. But it's that long-term plan, it's that stability, and that ability, really, from the planning authority and the transport authority to give, I guess—plus bus operators as a business using the roads to develop what they need to do. It's giving them the support, in the business community, to get on and deliver what they should be delivering as a good-quality, reliable bus service.

[175] **Russell George:** David Rowlands.

[176] **David J. Rowlands:** Can we examine the role of local government with regard to this problem that we have with congestion? How much is their current approach to land use and planning use exacerbating this problem? Do you think that they should take—you've just mentioned a holistic approach to the whole thing, and are local planning authorities doing that?

[177] **Mr Martin:** I guess, generally, yes. I do believe, I sincerely believe, that most local planning authorities and transport authorities have an interest at

heart in terms of developing that community and looking to progress and develop and grow. I'm not going to take that away.

[178] In terms of what is offered to the economy in its widest sense and the ability to facilitate economic growth, I think local authorities do have a very key role, and I guess other contributors would support the view—certainly on planning, it is that long-term need for identifying not just strategic sites for planning growth, new housing growth, and so on, but it's, again, how that impacts on congestion on the network.

[179] There are probably several examples where you've got a new housing development that is built next to an existing road infrastructure with no plan to increase capacity; there's just an expectation that that housing development will be served by a road network. So, that's one issue.

[180] In terms of other roles for local government, it's very key that they offer guidance—again, that will come through Welsh Government as well, in terms of guidance to local authorities—in terms of what they would like to see in terms of the modal mix, really, within their areas: so, again, not just thinking about buses, but also generally about car numbers, walking, cycling, taxis, and even about the freight sector as well in terms of light and heavy goods vehicles, how they all relate within the local economy. So, again, there's a modal shift issue there in guidance.

[181] And, again, I come back to a comment I raised earlier about just empathising, really, with the economics of—again, we're talking about buses—how the bus industry works and how it's costed. I think that's important to understand.

[182] **David J. Rowlands:** I've noticed, very locally, we've had a large estate being built, and it just seems that the local authority have put in a roundabout that will accommodate those coming off the estate, but nothing seems to be being done to help move that traffic along where there is congestion. What sort of management measures do you think are available to local authorities in order to make sure that that traffic flow isn't interrupted?

[183] **Mr Martin:** We don't necessarily get involved in large-scale transport modelling of flows. We can work with operators, and, talking specifically about bus, on existing networks and potential networks, to use, again, data to help inform decisions about particular flows, and design networks that meet those flows and potential flows in the future.

[184] In terms of tools, the industry has a lot of tools for modelling particular types of traffic flow. I mentioned bus priority to one of your colleagues there. One of the key congestion points that we found in research that we've done for operators to look at, what we class as delay analysis, which is just stepping back from things, not blaming everything on congestion—there may be some internal issues around boarding and alighting, for instance, that create delays to service. We're stepping back from that and looking at congestion—even simple traffic junctions, how they work and how they relate to things can be resolved through a reconsidered approach to engineering, for instance.

[185] **David J. Rowlands:** Right. Stepping away from that just a little, what do you think is the potential role of the bus quality partnerships between the local authorities and the bus operators? So, for instance, the local authority could identify the types of buses, perhaps, that might be best used on particular routes, et cetera. What do you think? How could that impact upon them?

[186] **Mr Martin:** In terms of partnership working, I take quite a personal pragmatic view that it's very much a joint effort in terms of trying to create an objective. So, say here the instance would be to grow bus passenger numbers, there is an onus then on both sides—possibly others; there might be third party business interests, for instance, who'd join in with that partnership. That should never be excluded. Partnerships should be very much open-minded to include other interests as well.

[187] But partnership is really about delivery. It's about working together to find a good solution that creates the conditions for, ultimately, the objective. So, from, certainly, the local authority/public sector side, there may well be that lead in terms of vision, in terms of what they want to see for local areas, local economies, to facilitate growth. Then, there is an onus on, I guess, the commercial market—the service suppliers, the operators—to then work with the operators to help deliver that vision.

[188] Quite often, within transport project planning, we start at the top end, we spend a lot of money on something, hoping it fixes a problem, and, ultimately, it ends up costing more money, because it either hasn't delivered what we thought it would do or there's been another factor that has disrupted the process, whereas we'd like to advocate the reverse approach, where you actually set a target for what you need and then start thinking

about the various stages below that in terms of what strategy do we need, what policies do we need, how can it be funded, and which partners do we actually want in the partnership to deliver.

[189] **Russell George:** Okay, if I can move to Hefin David.

[190] **Hefin David:** Just thinking about this issue, I've been on your website and looking at some of the community transport projects and procurement support that you've done. Have you assisted any companies and any local authorities with cross-border local authority issues?

[191] **Mr Martin:** We are—.

[192] **Hefin David:** When I say cross-border—borders between local authorities.

[193] **Mr Martin:** Some of the work that we do, you'll appreciate, is commercially confidential in terms of operators, but, yes, we've had experience where we've worked cross border and not just in the UK, as well. It's within—

[194] **Hefin David:** Well, let's talk in general terms, then. Would it be valuable to have joint working between, say, three or four local authorities, cross-border, to look at planning issues across those areas?

[195] **Mr Martin:** I take your point, yes, and, sorry, a lightbulb went on there. Yes, I think one of the difficulties—and I can be quite cynical about how the transport industry's panned out, as well, over the years—but I think one of the difficulties that I understand—and it's not a criticism, but it's this very much silo mentality of being able to plan for things. So, authority A may have a particular vision that is different to neighbouring authority B's, and, again, that is different to neighbouring authority C's. If we look at how people travel, which, ultimately, this is all about—it's not just that sort of ring-fenced constraint about policy, but it's about how people travel and what the opportunities are for travel—you'll find, even just looking at some of the previous census data on origin destination flows, there's a lot of cross-boundary travel by people for various functions. So, it's more important to focus on, I think, those types of cross-boundary flows and dealing with passenger needs there than possibly, I guess, protecting interests or your own market—you know, not taking that wider perspective.

[196] **Hefin David:** So, we'll move away from the cultural issues associated with that, but what about the policy issues? Would you say, for example, local development planning can actually be a barrier to those cross-border issues, in that local authorities develop their own local development plans?

[197] **Mr Martin:** It ultimately depends what role planning takes within that local authority and how it's to be used. If there is a need for residential over industrial or manufacturing, for instance, you will get different views on what's more important for economic growth and facilitation.

[198] **Hefin David:** But a local development plan would contain issues of transport.

[199] **Mr Martin:** Yes.

[200] **Hefin David:** I suppose the specific example I'm thinking of is the constituency I represent and the county borough in which I live, compared to the neighbouring county borough of—well, you could go east or west, but you could also look at Cardiff—and they have different approaches in their local development plans, which surely must then hinder an integrated approach to bus services.

[201] **Mr Martin:** A good example of this—and I possibly need to do a bit more work, really, and publish some thoughts on this—. I may have alluded to it in the paper. A good example of this is parking policy. Parking, on the one side, helps bus where you may well have park and ride, for instance, which helps to create that sort of capture service. Again, I'm getting straight off with park and ride because it may lead to use of the car that may otherwise not have been there. But parking policy can differ, in my experience, from local authority to local authority. Some may have free parking at Christmas or seasonal-type parking, whereas others very much have high parking to dissuade cars from using the city centre. Again, possibly just jumping across to England, you've got that sort of conflict, I think, between districts and counties, where there may well be that county approach to planning, but at district level—

10:45

[202] **Hefin David:** We wouldn't have that in Wales.

[203] **Mr Martin:** At district level, it's the parking policy that sometimes

would counter that—not always, but it would fight against that.

[204] So, again, just thinking about the boundary issue, it's important not to just think, in terms of planning this—the transport plans—about boundaries as a whole, but to think about those flows, really.

[205] **Hefin David:** How do you get local authority planning officers and local planning authorities to consider those issues?

[206] **Mr Martin:** Personally or just generally?

[207] **Hefin David:** With your expertise—have you got any knowledge of how it may have happened in the past? Have you got any success stories?

[208] **Mr Martin:** We work, as I mentioned, with a number of local authorities across the spectrum in terms of transport policy. We can assist them, also, to develop local transport policy for specific needs. We have an interest, not just in their commercial networks and how they support that, because we can review resource, added value and other things to do with subsidy and support, but specifically in issues such as statutory transport, where we've worked, again, with the community transport sector and others on issues such as educational transport and social care transport. We can, hopefully, work with local authorities to think about bus use in a holistic way.

[209] **Hefin David:** Okay. Just moving on to demand-side approaches, you've already mentioned some of those demand-side approaches that can be undertaken. Are there any additional demand-side kind of approaches you'd recommend as useful to encourage people out of their cars onto buses?

[210] **Mr Martin:** There are a number of ways. There is a challenge here—I've mentioned understanding the economics of the industry. It's very much driven, in some respects, by competition. Some may take the view that it's competition between bus operators on certain routes. Most of the competition within the industry, as you may well not be aware, is through the private car—that is the main competition that the bus faces.

[211] **Hefin David:** So, what demand measures might a Government take to reduce the power of the private car?

[212] **Mr Martin:** I'd certainly advocate something that was carrot and stick, and not all stick. What we don't have here—again, it may be for further

consideration by the committee; I don't have any—is this behavioural background qualitative analysis of why people travel certain ways and what their modus operandi is—I suppose what their intentions are with certain modes. We could get into car culture, and why people feel wedded to the car when—

[213] **Hefin David:** Do you think there are different reasons in different parts of the country, in your experience, or is it a universal kind of—?

[214] **Mr Martin:** I would make a very broad suggestion that it's a universal cultural issue.

[215] **Hefin David:** Okay, but you think more research is needed into it.

[216] **Mr Martin:** Absolutely, and I don't think that, for all—. I work as a consultant in an industry that really challenges some of the competitiveness of the private car—you know, I'm not against the car. It's technology that was around that facilitated something that people took well, but I think we're at the point now with supply and demand issues—supply being the road network and demand being the use of that—that we need that sort of re-kick, really, on demand management as a focus.

[217] **Hefin David:** Great, thank you.

[218] **Russell George:** Hannah Blythyn.

[219] **Hannah Blythyn:** Thanks, Chair. We've talked about what local government and Welsh Government can do to try and create this modal shift towards using buses. I think in your evidence you said that the growth in rail patronage is seen as great and promotes the economy, but then you look at the amount of people who use buses, and I think a previous witness said that it is almost like the cinderella service of public services. Are there things that bus operators can do—more things that bus operators can do—to encourage that shift over to more people using bus travel?

[220] **Mr Martin:** If we relate that back to the issue of congestion, they're actually very limited in terms of dealing with the congestion issue. There may well be instances where there's a very intensive bus network, you've got that operator competition on certain routes, and, yes, as a layperson, you could stand in a town or a city centre mid-morning and see bus after bus after bus, so you'd think that buses were a problem in terms of congestion. But in

terms of the industry's levels and records of investments, it's buying new vehicles, it's replacing quite old stock. The average age of the fleet in Wales is coming down year on year with investment. There are issues around fares and ticketing. I think there's a separate debate there to be had on that, and I mentioned to your colleague about thinking about not just congestion but other delay factors as well. And I think the industry's keen to engage on a wider level around that—

[221] **Hannah Blythyn:** Like an integrated ticketing system, which your smartphone—

[222] **Mr Martin:** Potentially. It's different, yes. So, what I think operators are doing within, shall we say, their constraints of what they're provided with is they're doing what they reasonably can to provide the network that they can. Again, it just comes back to that economics issue of understanding how they operate and what it costs.

[223] **Hannah Blythyn:** Just to add to that, what about in terms of improving the public acceptance of bus priority measures? Is there anything the industry can do in terms of addressing that and also things that they can do themselves?

[224] **Mr Martin:** Yes, very much so. Certainly on the service provision side there, I think that's in development. In terms of market, I've mentioned demand, and it's not just about understanding demand, but I think it's operators understanding their customers, and that market is very much work in progress. It is improving. Some operators have a very high profile, UK-wide, in terms of the service quality that they provide and understanding the market. So, I think there's work there to be done. But also in terms of the background and the growth trends in population, cultural issues about use of bus, perceptions of bus, those behavioural issues as well, as I've mentioned—there's a policy there of good research to link those factors.

[225] **Russell George:** In terms of leadership, do you think that there should be greater leadership from Government?

[226] **Mr Martin:** I think you're in a very unique position within Wales, and, as I say, as a Government committee, to take the findings from a lot of people who are providing evidence, to recognise that there is an issue with congestion. It does have that financial impact on the industry. Whether it's a commercial industry or a supported industry, it has that financial impact. It's

really about taking leadership in the essence of economy, society, and supporting growth and the well-being, really, of the population of Wales. The Government needs to be able to put those building blocks in place through strategy policy lead to help the sector—local authorities and operators—deliver a good and efficient bus network.

[227] **Russell George:** Do you think that the Government could change its funding approach to support people to move to using buses?

[228] **Mr Martin:** There's certainly scope there to review, whether it's within Wales or UK-wide, how transport, generally, is funded and supported. As I've mentioned, there is perhaps a shift in terms of emphasis from revenue to capital funding. The issue with capital funding, of course, is about that ongoing operational support and how that's supported. That may be why the private sector or the commercial sector kicks in. That's possibly their strengths, too, to consider that. But, again, it's looking at all sources of funding. So, it's not just funding for public transport specifically. It could even be down to issues of vehicle excise duty, fuel duties, and, again, how they feed through to transport and what role they play. I mentioned parking before—Nottingham being an example where the workplace parking levy in Nottingham has been used to directly fund public transport improvements through the light rail system, the Nottingham tram.

[229] **Russell George:** Are you aware of any other good examples of how any other cities across Europe have dealt with the issue and how Governments have addressed the issues there?

[230] **Mr Martin:** The short answer: no, not specifically.

[231] **Russell George:** That's fine.

[232] **Mr Martin:** Anecdotally, I am aware, through—. I have a very personal interest in environmental issues and the environmental impact of the industry in its wider sense, so obviously the current debate on air quality is high on my interest list and reading list. So, again, I look with interest at cities such as Rome, Paris and possibly, closer to home, Dublin, and others, where they've taken the view that air quality, as an effect of all of this, needs to be addressed. Therefore, they're taking quite new, quite radical solutions to addressing that.

[233] **Russell George:** What are they doing?

[234] **Mr Martin:** I think they're looking at total bans and car-free days into centres.

[235] **Russell George:** Do you think we could do that in cities of Wales?

[236] **Mr Martin:** You could give it a go. Again, it comes back to the carrot and stick. As a private motorist, if you've grown up needing a car to work or do a job, you would feel threatened by initiatives to promote public transport and give them priority—I completely get that—but to come with that there's got to be carrots. There needs to be, possibly, a bit of front-loaded investment funding in public transport to get it to a standard where it has its bells and whistles, I suppose, and can be shouted about as an alternative and becomes a viable alternative.

[237] **Russell George:** And my final question is: are there any specific examples that perhaps you've not already provided in your evidence that you think that the Welsh Government could take to alleviate the bus congestion issues—any specifics that you think that we as a committee perhaps should be recommending to Government?

[238] **Mr Martin:** I think the first stage in there is to understand the scale of the problem in Wales. One of the things I'm not able to do in, certainly the paper I've provided—possibly through others—is actually understanding what the issue of congestion is in Wales. So, I think that's a very important first step. You could look at Newport, Cardiff, Swansea, but I've mentioned about the rural issues as well: am I right or am I wrong in terms of that. But in terms of steps, there is recognising that congestion is a problem. For the bus sector—you could have the freight sector in here as well—congestion does impact on their ability to deliver a business, their service, to passengers. And ultimately, the flow from that is the passenger will lose out at the end of the day, and it's obviously that understanding of the economic and social impact as well.

[239] **Russell George:** So, the message I'm taking is that the top priority is Government should understand the issue and the impact?

[240] **Mr Martin:** Yes.

[241] **Russell George:** David, were you indicating? Last question to David.

[242] **David J. Rowlands:** In our examination of the rail industry, we realised that very large sums of money are being given to or allocated to the franchises and the infrastructure on the railway system. Now, we heard figures this morning, which was something like a 29p per passenger subsidy on the buses, compared to £7 on the trains. Now, we realise that train travel is very often a lot longer than bus travel, but do you think that it's time to readdress, in some way, that imbalance with the—?

[243] **Russell George:** I have to just say to be quite quick on the answer, because we've got another panel coming in, but if you could just briefly address that.

[244] **Mr Martin:** Yes. In terms of rail—and again I refer to your colleague, there, about rail and understanding the perception of rail—rail is quite often at the forefront of Government and local authority views in terms of the public transport solution. It does take a lot of subsidy, but at the end of the day it's about the numbers. It's a volume issue, largely, with congestion—transport volume to buses; buses carry more people, so, therefore, potentially, yes, there is a need to look at that dynamic about need.

[245] **Russell George:** That's a clear answer. Thank you very much, Chris. We're very grateful for your time this morning and your expertise that you've offered our inquiry, so thank you very much—very grateful.

11:00

[246] **Mr Martin:** Thank you very much.

11:01

**Llywodraeth Leol—Effeithiau Tagfeydd ar y Diwydiant Bysiau yng
Nghymru
Local Government—Impacts of Congestion on the Bus Industry in
Wales**

[247] **Russell George:** I move to item 4. I'd like to welcome our witnesses with regard to our inquiry on bus congestion in Wales. I think some of the witnesses are, potentially, looking at some of the evidence from previous sessions. So, it would be useful if you've done that, then. If you feel you want to comment on anything that's been said, we'd be grateful to you for answering our questions in that regard also. Could you state your names and

what your roles are, just for the record? If I can start with my left.

[248] **Mr Morgan:** Hello, there. My name's Adrian Morgan and I'm strategic transport planner for Rhondda Cynon Taf council.

[249] **Dr Peppin:** Morning. Tim Peppin. I'm the director of regeneration and sustainable development at the Welsh Local Government Association.

[250] **Mr Nelson:** Good morning. I'm Charlie Nelson and I'm the transportation manager for Rhondda Cynon Taf County Borough Council.

[251] **Russell George:** Great. If I could start with the first question: in terms of bus congestion, have we got a bigger issue here in Wales compared to other parts of the UK, or is that not the case?

[252] **Dr Peppin:** I think it's a problem everywhere, isn't it? I think the general feeling is that congestion is growing; it's a problem in all the major cities across the UK and throughout Europe. So, I think it is a major issue and it's a growing issue. So, I don't think Wales is any different. I think there may be some specific geographic factors that have an impact. So, for example, in the south-east, the Valleys filtering down into the coastal belt creates a particular issue. I wouldn't say that that was a unique feature, but it's certainly something that does impact on the congestion.

[253] **Russell George:** And, in terms of better understanding what the issue is, is more work needed to understand the issues and what's causing them?

[254] **Dr Peppin:** I think there's always a danger in looking at congestion in isolation. Increasingly, we're looking at things as a whole system. I think it's about understanding how the local economy and the regional economy is working and seeing congestion as part of that. So, you know, there's always a risk in looking at things on their own. It's trying to see how the whole system is working, and how congestion is playing a part in the operation of that wider system, so that when you look at how you tackle it, you look across the board at measures, and you don't just focus on specific local issues, but you think, 'What are the root causes of the problem?' That could be societal as much as physical. So, it's making sure you've got that full understanding of the issues, really.

[255] **Russell George:** And if I could ask the others on the panel: what specific work might be required?

[256] **Mr Nelson:** I think we need to work more closely with the bus operators and Welsh Government in identifying specific problems. Then, once you've identified the specific problems, look at how you can resolve those problems, whether it be through finance or whether it be through simple things like enforcement. But one of the key things that we've done as a local authority, working with the bus operator in our area, is that we've had some funding from Welsh Government to look at a particular corridor, so we've got our engineers to ride on the bus, talk to the driver, and get some CCTV pictures of the bus travelling along its route, and then that's enabled us to identify certain pinch points and we can look at the pinch points and try to cost out solutions, and then seek funding to deliver those solutions. But it's a slow process.

[257] **Russell George:** What are the differing issues between urban and rural parts of Wales?

[258] **Mr Nelson:** I think it's a scale problem. On the urban areas, for our region of south-east Wales we look at Cardiff and Newport as being the biggest problems, the congestion, because they're the big cities. They've got more traffic going in and out of them.

[259] **Russell George:** Is it just about scale or is it about a different problem though?

[260] **Mr Nelson:** It is scale to an extent—

[261] **Russell George:** The more people, the bigger the problem.

[262] **Mr Nelson:** Yes, and I think it's over a longer period. The peak congestion period in the big cities is perhaps greater than the peak traffic congestion that we've, say, got in Aberdare, which has also got town centre congestion problems, but they tend to be more around the school peak rather than throughout the school and workers' peak, if you see what I mean.

[263] **Russell George:** I'll come to Vikki. We've got a series of questions, so Vikki Howells.

[264] **Vikki Howells:** Thank you, Chair. To your mind then, as a panel, just how significant is the issue of congestion for bus users in terms of things like the impact on fare pricing? Is that being passed on to them? And on the

quality and reliability of bus services as well.

[265] **Mr Morgan:** I think it's been touched on by earlier speakers. Congestion results in a vicious circle: a vicious spiral of lengthy journeys, the unpredictability of on-time arrivals for bus operators as a result, which deters passengers from using the bus service if they're stuck in traffic queues, and that in turn results in them switching modes. It results in extra resources being put onto operators to maintain existing service levels. If there are longer journey times, then they have to maintain existing frequencies, and as a result of extra resources, that will be passed on to the passenger in terms of extra fares, fare increases, et cetera. So, it does result in a vicious spiral of decline, and obviously, as I say, previous speakers have highlighted the scenario that results.

[266] **Dr Peppin:** I think there's a behaviour change issue as well. It's trying to encourage people to think about how they travel and do things differently. If someone's used to using their car, trying to get them onto a bus is quite a high barrier to cross. If that bus is stuck in congestion, if there are concerns about journey time, especially for, say, older people perhaps travelling around and they're worried about being stuck on a bus. It's about making sure that when someone takes that decision to go from their normal course of travel to using a bus, that that service will give them a better overall quality of travel. So, if you can tackle some of the congestion problems, and you can give buses priority so that their time is more reliable, then you've got that certainty that you can start to tip and nudge people into travelling differently. So long as the buses are treated the same as all the other traffic and they're caught in the congestion, it's very, very hard to try to persuade people to change their behaviour.

[267] **Mr Nelson:** I think passengers require certainty to some extent. They need to know that the bus is going to turn up on time and take them to their destination in a set period of time. What we get during the peaks when the congestion's at its worst is variability. And it's not just variability every day: it might be different on a Monday than it is on a Tuesday. And it's very difficult for operators to schedule their services and their timetables for passengers to deal with traffic congestion. As I say, it might be different on different days. What they tend to do is allow more time on their timetables for the morning peaks and the evening peaks, but they can't really change it for Monday, Tuesday and Wednesday to have different times. It's difficult. One of the things that we use to try to sell bus travel to residents is the benefits of it. If you are commuting, there is the opportunity to do work on the buses.

You can read or you can use your mobile phone or your iPad and so on and so forth. We've got a number of services now that run from Rhondda Cynon Taf into Cardiff that have got Wi-Fi. Buses in Cardiff have got Wi-Fi, and I think the bus operators this morning talked about USB points on buses, and certainly, increasingly, the bus companies are marketing that as a positive feature. We see the adverts on the sides of the X4 buses that run from Merthyr down to Cardiff every 15 minutes, down the A470, and they're advertising some of the benefits that they've got.

[268] **Vikki Howells:** In our earlier evidence sessions today, representatives from the bus industry told me that they believe that the impact of congestion is so significant that they do have concerns around the viability of the bus sector in Wales in the long term. Would you as a panel agree with that or do you think that maybe the sector is exaggerating the potential impacts of congestion?

[269] **Mr Morgan:** No, I don't think so. I think they're experiencing a double whammy in terms of declining passenger usage, declining income and extra costs maintaining service levels in the face of rising congestion.

[270] **Vikki Howells:** And would you say that the decline in passenger numbers is, in part, due to the impact of congestion and the unreliability of services?

[271] **Mr Morgan:** Yes, it's a major factor involved.

[272] **Dr Peppin:** And increasing costs, because with congestion, to maintain the frequency, you've got to put more resource in, which costs more, which then means fares go up, and that then has a negative effect as well. In terms of the long term, with the Well-being of Future Generations (Wales) Act 2015, it is really important that we start to think about where we will be in 10 or 20 years' time if we carry on as we are, and where we want to be. I think tackling things like congestion is part of the way that we get to where we want to be, because if we just let things roll, then I think we will hit more and more congestion, and you'll get more gridlock in the major centres. So, actually identifying those issues now and taking steps now to avert those things from happening is going to be really important.

[273] **Mr Nelson:** In our discussions with Stagecoach, who is our major bus operator in Rhondda Cynon Taf, they've looked at their timetables back in 1995, 2005 and 2015. All right, you take out the increases in frequency that

they've put in to try to boost the service and sell it to passengers as a more frequent service, but it's clear to us that the time to get from A to B, where B is probably Cardiff or Newport, where the biggest congestion is, the journey time has significantly increased on the timetables, and therefore if you do the maths, the number of vehicles that they have to employ to do the same has also increased. And when you're talking in the region of—. I think it would cost us as a local authority something in the region of £100,000 per annum just to put one bus on the road, in terms of financial support. That's before it starts carrying any passengers, because you assume that you need an extra bus to carry the same number of passengers, but just do it more reliably. Once you've done that, you've invested the £100,000 per annum, then you might start growing the market. But it's a slow step, and it's that big cost barrier. It's certainly in excess of anything that we could do as a local authority. My bus services budget in Rhondda Cynon Taf is just over £850,000. If I was putting peak buses into play to improve frequencies and the reliability of trunk services, I could only put eight buses in service, and what would I do with the rest of my socially necessary services? It's a very difficult balance.

[274] **Vikki Howells:** Just one final quick question if I may, because we have two representatives from RCT, and obviously that's my area as well. Do you think that, because of the topography of the Valleys, the issues around congestion on the roads are perhaps unique there and more difficult to tackle? I'm thinking, for instance, of, say, Robert Street in Ynysybwl and the traffic issues there. It must need some really innovative thinking to get around that so that you can encourage more people to use the buses. I'd just be interested in some quick thoughts that you might have on that.

11:15

[275] **Russell George:** If just one of you could address that issue—. Who wants to address that?

[276] **Mr Nelson:** We've got some very difficult problems, and Rhondda Cynon Taf is not unlike Caerphilly or some of the other Valleys local authorities. The streets are very narrow. There's no space for parking for residents to park their cars, so there's on-street parking. We can address that through enforcement and restrictions. But, to give another example, you've quoted Ynysybwl in the Cynon Valley. It's a very tortuous route through Penrhiwceiber to Mountain Ash and onwards, and the one that's giving us a major headache, because it feeds into Pontypridd—we're trying to address

some of the traffic congestion and bus priority issues going round Pontypridd, but, once you get out of Pontypridd going north, you've got to push through the eye of the needle that is Hopkinstown: river on one side, terraced houses on the other side. It's very, very difficult to find solutions that don't involve major road schemes.

[277] **Russell George:** Okay, we're a little pressed for time. We've got to finish by 12:00, but if I could ask witnesses and those asking questions—don't necessarily feel like you all have to answer the question, perhaps sometimes it might be just one witness that addresses a point. Mark Isherwood.

[278] **Mark Isherwood:** What could be the impact of capital expenditure on bus priority measures on local authority revenue support via the bus services support grant?

[279] **Russell George:** Who wants to take that one? Maybe Tim, is it?

[280] **Dr Peppin:** Yes. Well, I think if the capital measures can tackle the congestion and overcome this problem of needing to put more resource in to keep the services on time then there's the potential to look at whether or not the same level of BSSG is needed. But that's a big if. And I think the thing is that BSSG has been frozen for a few years now, and we're expecting quality standards to be met for the same amount of money, so that's putting extra pressure on the bus operators. But, in principle, if you could address the congestion problem through capital works, which meant that the frequency of the buses was improved—sorry, the speed of the buses was improved—then they wouldn't have to put additional resource in, which would keep their costs down. So, in theory, you could look at whether they need the same level of BSSG.

[281] **Russell George:** Mark.

[282] **Mark Isherwood:** Thank you. Therefore, at existing levels of public subsidy, would or could measures to address congestion secure better bus service frequencies?

[283] **Mr Nelson:** I think it would. What you do—if you solve some of the congestion problems and you speed up the journeys then that means that you can do more with less. If you can do more services with fewer buses, why not invest the spare bus that you've saved into improving the frequency or

extending the route? So, yes, solve some of the congestion problems and then it does have spin-off benefits in terms of additional services or more frequent services, because you can do more with the same resource.

[284] **Mark Isherwood:** Finally, what's the likely impact on future public subsidy if the impacts of congestion are not adequately addressed?

[285] **Mr Nelson:** Well, I think Tim's talked about the current level of BSSG. That's been frozen since 2013. Prior to that it was cut by about 30 per cent, so we are struggling with a limited amount of subsidy. If congestion gets worse and costs increase, and there's no way of supporting those costs, we will see services start to fall. But what we will see is the more marginal services fall, not the trunk services. They will probably still persist to try and get through the traffic congestion to the big cities and the towns in Wales, but what will suffer are some of the marginal services that feed into communities like Porth or Tonypany, rather than into Caerphilly, Cardiff, Newport, those kinds of places.

[286] **Mark Isherwood:** What are the multiplier costs that could also be affected?

[287] **Mr Nelson:** Sorry?

[288] **Mark Isherwood:** Multiplier costs—broader socioeconomic, access to work, welfare, isolation issues.

[289] **Mr Nelson:** Yes. Yes, with the reduced number of marginal services that I've identified, you're increasing social exclusion. With the increased congestion you're increasing pollution levels. It's all having an impact on people's health and their access to work. There are a whole series of knock-on impacts. The buses are the main provider of transport for the vast majority of people who haven't got their own transport. Take away those buses, you take away the transport provision for a huge number of residents of Wales.

[290] **Russell George:** Anybody else got any other comments you want to make before we move on?

[291] **Mr Morgan:** Yes, just to add to what Charlie mentioned—the issue of air quality and social inclusion as well. A large proportion of households, particularly in the south Wales Valleys and in other areas, don't have access

to a car, for reasons of income or disability. If there's a withdrawal or a reduction in bus service provision, then that will have an impact on their ability to access services and facilities. Increasing congestion obviously results in poorer air quality and the resultant indirect costs on people's health and well-being as well. I should also mention road safety issues as well that are associated with congestion. So, there are also indirect costs associated with the negative impact that congestion does have on the bus service and if this current scenario continues, based on the existing trends in traffic volumes in many parts of Wales.

[292] **Russell George:** Do you have any further questions, Mark?

[293] **Mark Isherwood:** No, that's fine. Thank you.

[294] **Russell George:** David Rowlands.

[295] **Dr Peppin:** Could I just quickly add?

[296] **Russell George:** Oh yes, sorry, Tim.

[297] **Dr Peppin:** In terms of going back to what I said about looking at this as a whole system, if you reduce the subsidy for the bus service and then a community is cut off and they don't have access and someone needs access to health services, if they've got a problem and they don't go to see their medical practitioners, that problem can end up becoming acute, and then the costs of dealing with it become far greater. So, you've saved a bit of money over here, but you end up spending a lot more money somewhere else. So, I think we need to look at it, as I say, as a whole system.

[298] **Russell George:** Yes. Understood. David Rowlands.

[299] **David J. Rowlands:** I don't want to not include you in this discussion, Tim, obviously, but I think my question's more towards Adrian and Charlie. We all realise the crucial role that a local planning authority has on the bus services, in general, and the infrastructure with regard to the buses, so how does highways planning interact with land use and public transport planning, and do you—? You've touched on this, actually, Charlie—the input of the bus operators themselves into that planning process.

[300] **Mr Nelson:** Our colleagues in highways development control talk very closely to me and my team in the public transport side of the council. I use

my council as an example; other councils are exactly the same in their processes. What we try to do is initiate discussion with the bus operators: if it's a housing development, how can we serve that housing development with a bus service, with an existing bus service, what can we ask the developer to provide, whether it be bus stops and bus shelters or whether it be a road through or an extra entrance into the estate to facilitate a service to run through? So, it's those kinds of discussions that we have to try and get the benefit. There are discussions that are going on at the moment with a developer in the Talbot Green area. The housing development will lead to more houses, more houses lead to more traffic, and how does that traffic get onto the main A4119? If we introduce a set of traffic signals, there are two benefits in doing that: (1) it enables those who choose to use their car to get onto the main road, but the bigger benefit from my side is for the bus, because the bus operator has been asking us for a number of years, 'We struggle to get out from Miskin onto the A4119, what we need is a set of traffic lights.' And if we can get the developer to pay for that then we can improve the time it takes to get across that junction and on its way to Cardiff. So, there are benefits of working to try and solve some traffic problems and get bus benefits with them.

[301] **Mr Morgan:** Just to add to what Charlie's mentioned, in discussions with developers, if the road layout of an estate, a potential new residential development, is not conducive to bus operators to serve it, if it's basically a cul-de-sac, which deters bus companies from going in and out using the same entrance, then we seek the developers to provide direct pedestrian access to the main transport corridors, to the nearest bus stops, which may be just off the main road. So, there are other ways as well as, as I say, designing the layout of the estates to be conducive to bus operation. We also, as I say, try and ensure that the new residents will have convenient access to the nearest bus stops, which would be conveniently located nearby.

[302] **David J. Rowlands:** Yes, I—

[303] **Mr Nelson:** Sorry, if I can just quickly add, I think what we need to do as well is to be a bit smarter and try and work with developers, and work with the bus operators as well, to perhaps fund a start-up package for residents whereby they might have the first three months' travel free or at a reduced rate, so that they can at least try a public transport solution.

[304] **David J. Rowlands:** I don't want to be pointing any fingers here, but do you think that sometimes planning authorities exacerbate some of the

problems by agreeing to planning applications? I know, very locally now, we've had a very large housing development, and although they planned for the egress and ingress of the traffic actually onto the road itself, they've not looked at the problems that that causes further on down the line, because there's already a heavy flow of traffic on that road itself. So, do you think that sometimes, when you're looking at these large planning applications for housing, you have to look at it holistically and look much further down the line as to the impact that might have on traffic flow?

[305] **Dr Peppin:** You do, absolutely. And I think that's where the local development plan process comes in, because the local authority will have a clear local development plan, which is developed by planners, but in very close working association with their transport planners, so that, when they do look at the impact of a development, they will look at it not just at the local level but also in terms of that wider local development plan. I think, increasingly, authorities are starting to look at how they can use things like section 106 agreements and, as Charlie said, I know Cardiff, for example, are looking at using some of the developer contributions to provide bus passes for new residents moving into an area, and also bike loans, to help people start off when they move into a new property with a form of travel that doesn't involve the car.

[306] I think we have to think differently, don't we? We need housing development, we're all aware of the growing population and the need to accommodate them, there's pressure on the local planning authorities to make allocations for housing, but then, as you rightly say, you've got to make sure that we're accommodating that from a transport point of view. But this is where, in terms of looking ahead and what do we need to do for the future, things like active travel, things like bus priority measures that will overcome bottlenecks—we need to think those through and plan ahead.

[307] **Russell George:** Have you finished your line of questioning, David?

[308] **David J. Rowlands:** Well, just—

[309] **Russell George:** David. David, is it on the LDP or not?

[310] **David J. Rowlands:** Sorry?

[311] **Russell George:** Is your question on the LDP?

[312] **David J. Rowlands:** Well, it's simply to ask about the levers that local planning authorities have, and do they think that there's anything preventing them using some of those levers.

[313] **Russell George:** Right. If you can address that point, and then I think Hefin had a question on LDP as well, so it's fine. If you can address David's point first.

[314] **Dr Peppin:** In terms of levers, I think that the sort of levers I just mentioned, being able to introduce measures—. I think there are a range of measures; the problem often comes down to having the resources to put those measures into place. So, there's the ability to do it, we all know we want to see growth in active travel, but actually designing to the specification that's required, where you need a 3m-wide carriageway to take the active travel, there is a cost to that. When local authorities are strapped, they may know what they want to do, but it's having the resource to be able to do it.

11:30

[315] **Russell George:** Hefin David.

[316] **Hefin David:** Tim, the local development planning system's a huge barrier to this, really, isn't it?

[317] **Dr Peppin:** In what way, sorry?

[318] **Hefin David:** In that different local authorities have different plans and they don't match.

[319] **Dr Peppin:** I think what we are seeing increasingly is a move towards regional discussions over planning issues. Mark Drakeford has called for— planning is one of the areas that he's looking at to move to a regional level as part of his White Paper. Local authorities at a regional level are now starting to discuss their LDPs together.

[320] **Hefin David:** It's a bit late now, though, isn't it?

[321] **Dr Peppin:** Sorry?

[322] **Hefin David:** It's a bit late now.

[323] **Dr Peppin:** Well, it depends. Is it too late? I think we need to get the local authorities now, as they're developing these regional development plans, to think now about the land use implications and transport implications, so with things like metro, that will open up new opportunities to them.

[324] **Hefin David:** But the 2015 Planning (Wales) Act had strategic development plans in it, yet none have been activated. Surely this strategic development plan could be a big solution for cross-border bus services.

[325] **Dr Peppin:** It could. I think what authorities are trying to do is find a way, because a lot of the LDPs are coming up for review, and there's a big cost to actually renewing your local development plan. So, what authorities have been concerned about is spending money on renewing their local development plans at the same time as having to do a strategic development plan, which could take a number of years to put into place. So, what they're trying to do is find a way forward that does look at strategic development across the region, but does it in a cost-effective way. I think everyone recognises the need to have that strategic development plan. It's just making sure it can be done within the resource available.

[326] **Hefin David:** We could have a longer debate on this, but my opinion is it's backwards—you do the LDP before you do the SDP when you need your strategic plan first. At least there's an overview. But with regard to the bus service, it doesn't seem from the evidence we've taken today that bus representatives are having much of a say in local development planning.

[327] **Dr Peppin:** Certainly, there's a lot of consultation that goes on in the LDP process, and it's open to anyone to get involved in that. It's open to the bus operators to come and give their evidence as part of that whole process.

[328] **Hefin David:** But isn't it up to planning officers to ensure that there's a strong strategic thread through local development plans, both within the authority and cross-border?

[329] **Dr Peppin:** Yes, absolutely, and, as I say, I think increasingly that is seen as the way forward. All the authorities are now talking at a regional level. We've got four groups. They're working to this. There's the Cardiff capital city region area, the Swansea bay city region area, you've got Growing Mid Wales for Powys and Ceredigion, the North Wales Economic Ambition Board, and in all of those areas they are now talking together about strategic

employment sites, strategic planning, so how they can start to take their development forward in a more integrated way. Now, historically—they've been required by law to do certain things at the local level, and I think what we're seeing now is that that environment is changing. There is a move towards being able to do things more at a regional level.

[330] **Hefin David:** Adrian, you would have been part of all this discussion, I would have thought.

[331] **Mr Morgan:** To a certain extent, yes. What I would add to Tim's comments is that perhaps the bus operators and their representatives could be a bit more proactive in this process.

[332] **Hefin David:** So, they need to be proactive in approaching local authorities to be involved in local development planning.

[333] **Mr Morgan:** I think so, and to highlight to local members who make the decisions on planning applications and approval of highway schemes and other—

[334] **Hefin David:** Well, I'm not thinking about that. I'm thinking about local development plans. I'm thinking about the strategic plan.

[335] **Mr Morgan:** Well, I mean, local authorities have a statutory duty to consult under the process, as part of the process, and local operators and their representatives, their trade bodies, are part of the consultation process. At the end of the day, they are given an opportunity to respond, to make representations, and if they're not able to do that to a sufficient level, or with sufficient force—

[336] **Hefin David:** Where is RCT with its current LDP? Are you developing it?

[337] **Mr Morgan:** It's been adopted, but it will be under review shortly, yes.

[338] **Hefin David:** Right, okay. And will that review then involve planning officers contacting bus companies and saying, 'We need your input into this local development plan'?

[339] **Dr Peppin:** Well, planning officers will be liaising with my colleagues in the transport unit. We facilitate contact between transport operators in general—

[340] **Hefin David:** But will you be going to bus services and saying, 'How can we ensure that both within the authority and across the authority's borders'—

[341] **Mr Morgan:** Yes, we try and involve them in all steps of the process, and at the end of the day, it is down to them as individual businesses and private businesses to be more proactive and to try and get—

[342] **Hefin David:** Why is that, because, surely, an integrated public transport service should be integral to your local development plan?

[343] **Mr Morgan:** Yes, but there are a lot of competing demands on the highway. There are a lot of competing demands in the planning process. There are housing developers, there are motoring groups, motoring organisations, and one of the difficulties in tackling congestion is, potentially, the lack of a political will sometimes to overcome or to introduce controversial measures that would have an immediate impact on congestion.

[344] **Hefin David:** But the political decisions come in after the research work has been undertaken by officers, and the political decisions are only going to be taken if the research work is undertaken first. And I'm not getting from you a feeling that bus companies and bus operators are being included in that discussion at an early stage.

[345] **Mr Morgan:** Yes, we have regular liaison meetings with the bus operators. I can only speak on behalf of RCT, but I'm sure it's the same situation in other parts of Wales as well. We liaise on a regular basis with the bus operators on a lot of matters. For instance, if there are planned highway works, we forewarn them and we discuss with them measures to mitigate the impact, to alleviate any delays and to try and introduce measures that can reduce the delays—

[346] **Hefin David:** But it's strategy development that I'm talking about.

[347] **Mr Morgan:** Yes, and that applies to strategic development, long-term planning, land use planning and things like that.

[348] **Hefin David:** What dialogue do you have with your counterparts in Cardiff?

[349] **Mr Morgan:** I myself am not in the planning regeneration section of RCT; I'm in the transport unit reporting to Charlie. I know that my colleagues, again, have close contact with their opposite numbers in Cardiff, and when Cardiff were about to deposit their LDP, I think it was last year, they went out to consultation. RCT submitted a formal response, and officers attended the planning inspectors' inquiry into the LDP and made representations at that.

[350] **Hefin David:** Okay, so it was trying to influence the process and influence the decisions, rather than—

[351] **Mr Morgan:** Yes, so we weren't working in isolation or taking a silo approach.

[352] **Hefin David:** Okay, but it's still not quite the partnership approach that Tim was suggesting is the plan for the future at this point in time. It's currently trying to influence other authorities in the development of their LDPs with regard to bus transport.

[353] **Mr Morgan:** Perhaps with the trend back to a more regional approach now in south-east Wales, south-west Wales, mid Wales and north Wales, that process might make progress.

[354] **Hefin David:** Okay, thank you.

[355] **Mr Nelson:** Previously, the regional groupings of local authorities formed their public transport plans at a regional level, and those regional transport plans would have fed into the LDP process going back pre 2013. Since 2013, we've been very much working as local authorities in isolation, as it were, until this year, really—2016. The regions, as Tim has identified, have kind of come back together.

[356] **Hefin David:** And the catalyst for that is the city deal. Is that right?

[357] **Mr Nelson:** The catalyst in south-east Wales is certainly the city deal, yes.

[358] **Dr Peppin:** I think there's also been a change in Welsh Government's position as well, in that we had the regional transport consortia. The funding was cut off for those. We're now seeing a renewed interest in regional transport planning from the Cabinet Secretary, who met with all of the transport cabinet members from across Wales yesterday. He had a very clear

message about supporting their regional approach.

[359] **Hefin David:** And I'd imagine he also sees the city deal as a catalyst for that.

[360] **Dr Peppin:** Yes.

[361] **Mr Nelson:** You know, bus operators don't recognise boundaries.

[362] **Hefin David:** No. We've gathered that this morning.

[363] **Mr Nelson:** So, they would prefer to talk to a regional group once than, say, 10 times in south-east Wales. We've had those dialogues. We've continued to maintain those dialogues in the three years of local authority planning.

[364] **Hefin David:** But you'd agree that it's been deeply unsatisfactory with regard to cross-border working with the old LDP process that still is in place.

[365] **Mr Nelson:** It hasn't been ideal, but we now try to work within the confines of the arrangements to work with our neighbours as best we can.

[366] **Hefin David:** But you're starting to feel optimistic now that the future may be different.

[367] **Mr Nelson:** I would hope so. Certainly, with these new regional groupings, and the city deal funding that's coming along, I'd be more hopeful, certainly, of—. What we're starting to see is the emergence of a regional transport authority for south-east Wales, and I'm sure the other regions are, similarly. And they're looking at a holistic solution rather than a local solution.

[368] **Hefin David:** Okay. And the emergence of the regional transport authority for south-east Wales—where is it emerging from?

[369] **Mr Nelson:** I think it's due to have its formal meeting next month.

[370] **Dr Peppin:** Councillor Huw David from Bridgend is now the chair of that regional transport authority, and they have been meeting. So, it's come out of the work on the city deal—

[371] **Hefin David:** The city deal, yes.

[372] **Dr Peppin:** —and they've now established themselves as an authority.

[373] **Hefin David:** Okay. And will that then link together with strategic planning, do you think?

[374] **Dr Peppin:** Yes.

[375] **Hefin David:** Do you think it's going to be successful in doing that?

[376] **Dr Peppin:** This is the whole point. Strategic planning and strategic land use, and economic development are being looked at in an integrated way in each of the regions, to make sure that we do get away from the sorts of issues you've raised.

[377] **Hefin David:** Okay.

[378] **Mr Nelson:** And now we've got a group of transport planners from different authorities within the region who are looking at the region's problems to try and identify five key priorities, as it were, for moving forward to bid for investment to address some of these pinch points.

[379] **Hefin David:** Finally, Chair, we as a committee would be looking for a demonstration of that kind of dialogue, because we're talking about something new here, aren't we? So, we're looking to see a demonstration of that kind of dialogue, and how it then feeds into what Tim has called the 'whole system', and how planning links up with bus services, which links up with rail services and everything else. And the city deal is the footprint for that process. Is that right?

[380] **Dr Peppin:** The city deal is a subset of the—

[381] **Hefin David:** It's—*[Inaudible.]*

[382] **Dr Peppin:** Yes.

[383] **Hefin David:** But it's been the kind of—

[384] **Dr Peppin:** It's been the catalyst.

[385] **Hefin David:** The catalyst for it all. Okay.

[386] **Russell George:** David and Mark, are your questions on the LDP?

[387] **David J. Rowlands:** It's just to follow on from Hefin, if I can, just very quickly.

[388] **Russell George:** Okay. So, I'll come to David first, then Mark.

[389] **David J. Rowlands:** Does the local government association have any input into this? Obviously, when you're talking about cross-border issues, if I can call it that, with regard to local authorities, surely the local government association should be involved in these sorts of processes.

[390] **Dr Peppin:** Yes, we are very heavily involved. We're working with all the four regions, and in fact, we've been bringing the four regions together at a national level to start to look at how we integrate the work of the four. We've met with Welsh Government officials, with the four groups of authorities, to make sure that what we're doing fits into the national agenda as well.

[391] **David J. Rowlands:** Thank you.

[392] **Russell George:** Mark.

[393] **Mark Isherwood:** How many of the 22 Welsh local authorities have completed LDPs, and what are the implications for strategic regional planning if they haven't?

[394] **Dr Peppin:** I'd have to get back to you on the exact number. I think the vast majority of them now have got their approved LDPs, but we are now moving into this new period where the regions are going to have to look at how they bring their LDPs together, because a plan for a local authority area is a different animal, really, to when you look at a strategic plan for the region as a whole, because you start to identify priority areas across the region. So, we can get back to you with chapter and verse on who's got their completed LDPs.

[395] **Mark Isherwood:** That would be helpful.

[396] **Russell George:** Thank you. We're straying a little bit off the topic, perhaps, that we're here to discuss. Hannah Blythyn.

[397] **Hannah Blythyn:** Thank you, Chair. I just want to turn to—. Perhaps if I can ask you about your views on the role of the voluntary Welsh bus standard in service quality improvement. Do you think it's fulfilling its objectives to date, and what room for improvement do you think there is?

[398] **Mr Nelson:** I think there's a problem with the standard, not a problem with standards per se, but how we're funding these improvements in standards. To give an example, in south-east Wales, we piloted standards on a kind of a bronze was basic, silver was a bit beyond that, and gold was the highest standard. What we were giving was differential payments in terms of pence per kilometre, using our bus service support grant funding, and what we're finding is because the funding has been frozen, and because the funding is based on a share of our mileage, and our share of the mileage has gone down, in relation to other regions, our funding has gone down by about 1 per cent.

11:45

[399] That's had an impact on the amount that we can pay for the highest standard, and we're actually paying less now in 2017 than we were when we introduced the standard in the first place in 2015. We're actually asking operators to deliver more and we're actually paying them less to do it. So, I think there's a little bit of a disconnect there. There are some standards that we'd like to see introduced—and some more quickly than others. I think we need an incentivisation of the standards—perhaps rewarding those who are delivering quickly with a higher rate. But when we've tried to do that, we're hamstrung by the need to balance the funding streams with the operators. Perhaps in order to introduce some of the standards, where there's a cost involved, we need a separate funding stream if we're going to introduce those standards more quickly.

[400] **Hannah Blythyn:** So, which standards would you like to see introduced more quickly, then?

[401] **Mr Nelson:** One of the biggest areas that we've been discussing recently is audio-visual display screens and announcements on buses. We estimate that, if we were to equip all the buses in Wales with that kind of equipment, it would cost about £5 million, maybe slightly more than that. How do we fund that? Do we fund that through BSSG payments or do we fund that through a different funding stream? At the moment, some operators are

doing it commercially. There's now an imperative on the bigger groups to introduce it with all new vehicles that they introduce. So, the latest buses in Cardiff are actually fitted with that equipment. When I costed out the figure that's been quoted of about £5 million, that's to retrofit vehicles. Obviously, retrofitting is more complicated than fitting equipment from new. It's things like that. Audio-visual is a good thing, but it's about the speed with which you introduce it and how you fund that introduction.

[402] **Hannah Blythyn:** Tim, do you have any further comments from the WLGA perspective on that?

[403] **Dr Peppin:** No, I think Charlie's covered that aspect.

[404] **Russell George:** In terms of leadership—and I suppose I'm looking at Tim to answer this—do you think that the Welsh Government needs to have greater leadership when it comes to addressing bus congestion?

[405] **Dr Peppin:** I suppose at a macro level there has been leadership in the sense of the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016—I think that those two pieces of legislation, which the Assembly has obviously seen through, have been very important. Things like carbon budgeting in the Environment (Wales) Act are going to be very important in terms of how we respond to that. When you've got issues of congestion, that is a contributor to that problem of carbon dioxide emissions. So, tackling those large-scale issues through the well-being of future generations and thinking long term, and having your carbon budget, I think, has given quite a strong lead.

[406] In terms of what I said earlier about having that big-system approach, those pieces of legislation encourage you to think about what is causing the problems. So, when you look at, for example, decarbonisation, which is a big issue, we've got to achieve an 80 per cent reduction by 2050 against 1990 levels. We've done quite a lot in the field of waste, we've done quite a lot on property, in terms of energy efficiency and so on, but transport is going to be a big area for us to tackle. That's about 25 per cent of emissions.

[407] **Russell George:** But should the Government be doing more in bringing a modal shift to public transport?

[408] **Dr Peppin:** The Active Travel (Wales) Act 2013, again, was an important development. It has encouraged authorities to develop integrated

network maps, which are an important contributor in getting people out of their cars, especially for those shorter journeys of up to three to five miles. If you can encourage people to make those journeys by cycling or walking, that will ease the congestion problems. So, I think that has been an important lead as well. But perhaps there could be more of a thrust in terms of getting the messages across as to why we need people to get out of their cars and to use public transport and use active travel, and the benefits of doing that.

[409] **Russell George:** So, how do you think they could do that?

[410] **Dr Peppin:** I think perhaps a more coherent and comprehensive message about, 'This is for the future generations'. We've got a lot of messages coming out on the well-being of future generations, but tying some of these types of things into that higher-level message would be really important.

[411] **Russell George:** Are those messages going to local authorities or to the public?

[412] **Dr Peppin:** They are going to the local authorities, but the local authorities are then passing them on to the public through work on well-being plans, for example. So, there are things local authorities can do in developing their well-being plans. They should be consulting with local residents and thinking, 'How do we want our areas to develop over the next 20 to 30 years? What is our vision for the future?' What if that vision is congested town centres where no-one can get in and out or it takes you a long time? That's not the future that anyone wants.

[413] So, selling this is partly what I'm saying—if we don't want to end up in that position, we've got to start looking at healthier ways of getting to work, easing the burden on the health service, cutting down on pollution and improving air quality. So, I think you can actually have the high-level messages and then try and tie in some of this work as part of the contributory—

[414] **Russell George:** So, what specific actions can the Welsh Government take, in addition to what you've said, to tackle bus congestion?

[415] **Dr Peppin:** Well, if we're including funding as part of that, then I think longer-term funding would be a clear thing we would like to see. It's very difficult—and I'm sure Charlie will want to comment—it's very difficult to do

things on an annual basis, but if you had a longer-term commitment of funding to tackle some of these issues, I think we could make a lot more progress. Also, in terms of communications and publicity, I think there's more we could do to publicise this as part of the wider message of, 'We need to do this for the future generations'.

[416] **Russell George:** Charlie, I can see you nodding.

[417] **Mr Nelson:** Yes. A funding programme that is more than year-on-year funding, I think, is essential. At the moment, we get funding for a year and it's very, very limited in the amount that's available, and it doesn't enable us to do that much with it.

[418] **Russell George:** Is that funding specifically to address bus congestion?

[419] **Mr Nelson:** Yes. I've bid for local transport fund moneys over the past few years within RCT and we've been quite successful in getting that money. What we've done is a combination of interventions, some of which have addressed pinch points, but the rest of it has just been investing in the quality of the infrastructure at the roadside—shelters and accessible curbing and so on and so forth. But, for things like your pinch points, to do something at a junction in Pontypridd, my engineers tell me, could be about £300,000 or £400,000 to do. That money, last year, enabled me to improve 50 bus stops in my area.

[420] **Russell George:** I was interested in exploring—you talked about longer-term funding. So, just explain that. Is there a limit on how many bids you can put in in one year or what? Explain that.

[421] **Mr Nelson:** Well, it's all down to resources. You can identify a problem, you can design a solution for that problem, so that takes costs—the designer's time to design the solution. He's designed the solution, he then puts it out to tender—again, that's resource, and time is ticking on. You've probably found yourselves—. If we've been given the funding on time, ready to start on 1 April, then we're probably now down to the middle part of September before we've actually got ourselves in a position to get a contractor on the ground, and that's for a very simple scheme.

[422] **Russell George:** So, how should the system change?

[423] **Mr Nelson:** I think if we go to something like a three-year funding

programme, we could then look at a number of schemes simultaneously. We can use the resources of the engineers to look at two or three schemes instead of just one scheme, and you then end up with a kind of a conveyor belt, as it were. If you know, three years in advance, rolling, where you're going, you can develop schemes that are ready to implement the following year, or the year after. You start a conveyor belt of development.

[424] In the old South East Wales Transport Alliance days, we looked at the corridor between Cardiff and Pontypridd. At that time, we identified, in conjunction with the bus operators, six key junctions that we needed to do some improvement works on. It took us, I think, three and a half years from start to finish to actually deliver six small-scale improvements. We had three had years' worth of funding but we didn't really have enough to make a major impact, and by the time the final one was in place, the benefits of the first one had been overtaken by traffic congestion and so on. So, it was that kind of—

[425] **Russell George:** So, your headline message is longer-term funding. I can see Tim's nodding—would that be the view of other local authorities?

[426] **Dr Peppin:** Yes, most definitely. I think there's an economy of scale, as Charlie said, if you can do a number of schemes simultaneously. What the old consortia used to be able to do was to switch money between projects, so that if one was hitting a problem, you could progress another one. You don't have that same sort of risk associated with having a single project that you've got to be able to start and finish within the financial year—you can be a bit more strategic.

[427] **Russell George:** Okay, and—

[428] **Mr Nelson:** We actually project managed one of the projects in Cardiff.

[429] **Russell George:** Yes. So, in terms of what specific actions the Government could take, you were talking about—the headline is longer-term funding. You've also mentioned publicising—is that in terms of a public awareness campaign?

[430] **Dr Peppin:** Yes. Look at the success with recycling. That started off with a major publicity campaign encouraging people to change their behaviour. I think you need something similar, really, about changing travel modes. If we don't do something like that, people carry on doing what they

do already.

[431] **Russell George:** Are you saying that should be at a Wales-wide level rather than local authority level?

[432] **Dr Peppin:** I think it needs to be both.

[433] **Russell George:** Okay. Right. And are there any other actions you think the Welsh Government can take to reduce bus congestion other than the two you've mentioned?

[434] **Dr Peppin:** I think support for the regional work that's going on—we're very pleased to see we're now having a very good dialogue on that regional work. The more we can align the resources of local authorities with those of Welsh Government and make sure that we're working together—. We've been having discussions recently about joining up investment plans so that if Welsh Government is going to invest in something and local authorities are doing something in the same area, let's do it together, let's go to the market jointly. We can get better value for our money that way.

[435] **Russell George:** Are there any other Members with any further questions? No. That's it. Is there anything you want to add—any other points that have not been addressed through questions at all?

[436] **Mr Nelson:** I think one final point that I would emphasise is partnership. It is a partnership approach. It's top down, so we look to Welsh Government to set a strategic direction in terms of what it wants to do. If it wants to address traffic congestion, then we look for a strategic approach of how it looks to do it. Then, at the local/regional level, we look to implement that strategic direction and identify schemes and work with the bus operators, who will then deliver better services as a result. So, there is a hierarchical partnership but we all have got a part to play. What we suffer from in some respects is a degree of micromanaging when we haven't got a strategic direction. I think we would certainly benefit from that strategic direction coming out of Welsh Government.

[437] **Russell George:** And that strategic direction should be longer-term financial planning and publicity at a national level. Those are the two aspects you think should be in that strategic approach.

[438] **Mr Nelson:** Yes. Definitely. The level of funding that we've had over

the past few years up through the local transport fund has meant that we've spread the jam very thinly across Wales. I think, in order to make an impact, that level of funding needs to increase, as well as be over a three-year period. Otherwise, we're just going to be spreading jam even thinner.

[439] **Dr Peppin:** I think, just to add to that, putting money into transport helps all services. So, coming back to that whole-system thing, investing in the transport system has wider benefits and it's important not to lose sight of that.

[440] **Russell George:** As you mentioned, health et cetera. Yes, absolutely.

[441] **Mr Morgan:** Can I just reiterate what I think the representatives from TAS said about adopting the carrot-and-stick approach for bus congestion and restricting car use? It's not just a case of making it difficult for car users or, in terms of demand-management tools and demand-management measures, to use their car on a regular basis for short-distance journeys, but enhancing the quality of the bus service, investing in new vehicles, better quality standards at the bus stop, et cetera. So, it's not just a case of providing bus priority measures, it's a whole package of measures around that, as well.

[442] **Russell George:** I'm very grateful. Can I thank you all for your time this morning? I'm very grateful. Thank you very much.

12:00

Papurau i'w Nodi Papers to Note

[443] **Russell George:** I move to item 5, and note two papers under 5.1 and 5.2. Are Members happy to note the papers? Right.

12:01

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o
Weddill y Cyfarfod
Motion under Standing Order 17.42 to Resolve to Exclude the Public
from the Remainder of the Meeting**

Cynnig:

To propose:

*bod y pwyllgor yn penderfynu that the committee resolves to
gwahardd y cyhoedd o weddill y exclude the public from the
cyfarfod yn unol â Rheol Sefydlog remainder of the meeting in
17.42(vi).*

*accordance with Standing Order
17.42(vi).*

Cynigiwyd y cynnig.

Motion moved.

[444] **Russell George:** In that case, I move to item 6, and that's under Standing Order 17.42 to resolve to exclude members of the public from the remainder of the meeting. Are Members content with that? Yes, so we'll go into private session.

Derbyniwyd y cynnig.

Motion agreed.

Daeth rhan gyhoeddus y cyfarfod i ben am 12:01.

The public part of the meeting ended at 12:01.