
Cynulliad Cenedlaethol Cymru
Pwyllgor yr Economi, Seilwaith a Sgiliau

National Assembly for Wales
Economy, Infrastructure and Skills Committee

Ken Skates AM
Cabinet Secretary for Economy and Transport

22 February 2018

Wales Act 2017 Transport Powers and transport scrutiny session

Dear Cabinet Secretary,

You may be aware that the Economy, Infrastructure and Skills Committee recently received oral evidence from stakeholders in relation to the devolution of transport powers under the Wales Act 2017. Please find attached as an annex to this letter a summary of the key issues raised in relation to the devolution of bus registration powers, devolution of taxi and private hire vehicle licensing and devolution of ports policy and development powers. The Committee has also written to stakeholders to seek views on devolved powers relating to speed limits, and will provide an update in due course.

The Committee heard that there was unanimous support for Traveline Cymru taking responsibility for bus service registrations. We understand that such a change could be relatively straightforward to implement, but should result in more accurate information for passengers. The Committee notes from your letter of 13 February that your officials are considering reforms to the planning and delivery of local bus services and believes that the Welsh Government should give early consideration to the proposal that Traveline take this responsibility and would be grateful for your response to this.



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Strong evidence was presented in favour of updating legislation relating to taxi and private hire vehicles, particularly in light of technological developments which have impacted on the industry. Many of the issues raised by stakeholders could be addressed by introducing proposals to legislate once the powers are in place, in particular having a consistent approach across Wales on issues such as cross-border hire, national standards for drivers and operators and a national register of drivers. The Committee notes that your officials will be developing proposals to reform the licensing regime and believes that this should be given urgent consideration to ensure an effective and safe service for passengers and drivers. The Committee would be grateful for updates as this work progresses, including specific timescales for bringing forward detailed proposals for reform.

The Committee heard that devolution of ports policy and development will allow the Welsh Government to join up relevant policy areas and better reflect ports in its strategies. It will be important that the Welsh Government be ready to administer its additional responsibilities when powers are devolved, including ensuring that there is sufficient expertise among its staff. We were told that the Scottish Government have an effective team in place, so it will be important to learn from their experience.

Following on from these oral evidence sessions, the Committee agreed that it would like to invite you to attend a scrutiny session focussing specifically on the transport aspects of your remit, and I understand that arrangements for this are being put in place.

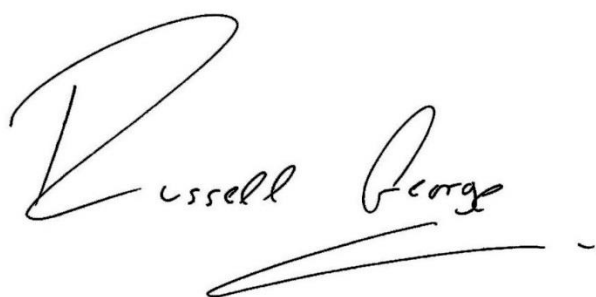
Prior to that session, the Committee would be grateful if you could provide an outline of the Welsh Government's plans for how you intend to use the powers once devolved, and an indication of timescale for bringing forward any legislation. Additionally, continuing our consideration of planning and delivery of highway schemes, in the light of your recent letter of 31 January, the Committee would be grateful if, in replying to this letter, you could provide the following information



for all trunk road projects (both new roads and improvements) completed between 2007/08 and 2017/18:

- The earliest cost estimate identified during scheme development (including the quarter / year on which the price estimate is based);
- The final cost estimate identified during scheme development pre-construction (if different from the above, including the quarter / year on which the price estimate is based);
- The actual final cost of each completed scheme; and
- A brief description of each scheme, including the contract type length of road constructed / upgraded by the scheme and the reason for any under / overspend against estimated costs.”

Best wishes,

A handwritten signature in black ink that reads "Russell George". The signature is written in a cursive style with a large, sweeping initial 'R' and a long horizontal flourish at the end.

Russell George

Chair of the Economy, Infrastructure and Skills Committee



Annex – Summary of oral evidence on the use of new transport powers devolved by the *Wales Act 2017*.

17 January: bus registration powers and taxi / private hire licencing; and

25 January: ports policy and development powers.

Devolution of bus registration powers

Key points included:

- The importance of providing a framework to enable a stable and effective bus network;
- Congestion is the biggest barrier to an efficient service. The industry would welcome further measures to tackle congestion and give buses priority. Reliability, punctuality and speed are the biggest passenger priorities;
- There is a need to simplify and improve information for passengers. Traveline Cymru's biggest source of public complaints is inaccurate information as Traveline isn't notified of service changes;
- All witnesses urged caution on bus franchising. For example, there was concern that it would be expensive and, particularly in rural areas, could lead to a marketplace with fewer operators. WLGA was reticent about franchising but agreed that it should be an option available to local authorities;
- Partnership working on a regional level was seen as key to delivering improvements, in particular a defined joined-up plan is needed as well as stable funding;
- Regional planning should cross local authority boundaries and take account of 'travel to work' areas;
- The Welsh Government has consulted on repeal of the current statutory prohibition on local authorities setting up bus companies. However, witnesses felt it is unlikely that local authorities would set up bus companies unless there was a serious failure in the provision of services in an area;
- Low emission vehicles could make bus travel an appealing option if low emission zones were introduced;
- Stakeholders are still waiting to see the outcome of the Welsh Government's "bus summit" held in January 2017 and the subsequent workshops. Currently



the outcomes are unclear. Clarity on bus policy, combined with continuity of funding, were felt to be key;

- The Bus Services Support Grant is an important element of bus funding, particularly when combined with voluntary bus standards;
- Enhanced standards were introduced in south-east Wales. Operators get paid a different rate per kilometre depending on the standard reached;
- Technology can improve service delivery, but requires investment;
- All witnesses supported Traveline Cymru taking responsibility for bus service registrations. This would enable them to receive information directly rather than relying on local authorities or bus operators for updates. This should lead to more up to date, accurate information for passengers; and
- Bus Users Cymru felt it is important to stop bus operators “over-extending” themselves leading to financial difficulties.

Devolution of taxi and private hire vehicle licensing

Key points included:

- The view that the current system is not fit for purpose. The legislation is antiquated and some was drafted for horse drawn hackney carriages. It needs a “complete overhaul”;
- Overhauling the legislation will be a major task and will require resources;
- The two-tier licensing system is complicated. While there was some support for a single tier, this was not universal;
- A regional system was discussed as a stepping stone to a national approach;
- It was clear that there is variation in practice across Wales. For example, Cardiff is the only local authority which currently limits the number of hackney carriage plates;
- The fee regime should enable local authorities to recover costs of enforcement and other costs, such as taxi marshals. The system should be self-financing. However, the cost of the licensing regime, and the fact that the burden is currently on drivers, was also raised;
- Local authorities are not carrying out annual assessments of need. The GMB Union felt this has led to too many licences being issued;
- Legislation has not kept pace with technology – for example GPS is widely used but is not a “taxi meter” for the purposes of the legislation;



- Cross-border hire / working (i.e. taxis licenced in one local authority working in another) is a major issue and needs to be addressed. Some suggested all journeys should start or finish in the area which issued a driver's taxi / PHV licence. Witnesses said currently Transport for London registered drivers are working in Cardiff, and 144 Uber drivers registered in Newport live in Cardiff;
- Enforcement is an issue due to the age of current legislation. Local authorities cannot currently enforce against a driver working in their area who is licensed in a different authority. Greater funding is needed to improve enforcement;
- The Welsh Government's consultation on taxi and private hire vehicle licensing focused on implementing Law Commission recommendations. However, the GMB suggested the Law Commission report would need to be updated;
- Standards for drivers and operators are needed at a national level;
- More streamlined enforcement is needed;
- A definition of 'fit and proper' person is required, and a code of conduct for operators needed, to address the risk of exploitation of drivers and establish a driver complaints mechanism; and
- A national register of drivers and consistent approach across Wales is required.

Devolution of ports policy and development powers

Key points included:

- The view that current UK ports policy is generally effective but devolution might bring greater clarity and dialogue in some areas;
- Beyond some policy and guidance documents, current policy is largely delegated to ports and is market led. This allows ports to operate flexibly as businesses and respond to customer needs;
- Devolution will allow the Welsh Government to join up relevant policy areas and better reflect ports in its strategies. Currently policy areas affecting ports are partly devolved (e.g. land use planning, marine licensing, highways) and partly reserved (port development);
- Brexit and negotiations on customs and other checks are important issues – port capacity is a function of the size of the ports and the speed traffic passes through. Devolution may help by bringing relevant frameworks together in Wales;



- The Welsh National Marine Plan “could be quite an important document” which will have to balance sustainable development and marine environmental protection;
- Ports want to see environmental protection “tailored” with “port zones” supporting “a pro-business and development-type policy”. Ports cannot be relocated and are often in economically deprived areas;
- Ports need a level playing field. Compared to Wales, EU governments have put in place simpler consenting regimes and in England longer licences are granted with more activities exempt from marine licence requirements;
- Delays in the consenting process are a major issue. Opportunities can be lost if applications are not handled efficiently;
- The ports supported both “free zones” in appropriate circumstances (i.e. areas with exemptions from import duty requirements while goods remain in the zone), and also “port zones” (simplified and accelerated development arrangements);
- Resourcing in the Welsh Government to administer policy will be important – Scotland was described as a good model with sufficient staff, appropriate expertise and an effective system; and
- Discussions with the Welsh Government are on-going with “some positive indications”. There has been consistency in the Welsh Government staff which ports are dealing with and mutual respect. Ports are “in a good place with officials and the transport team”.

