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National Assembly for Wales
Economy, Infrastructure and Skills
Committee
The future development of Transport
for Wales
Evidence from Welsh Local
Government Association

Introduction

1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales, and the three national park authorities and the three fire and rescue authorities are associate members.
2. It seeks to provide representation to local authorities within an emerging policy framework that satisfies the key priorities of our members and delivers a broad range of services that add value to Welsh Local Government and the communities they serve.
3. We welcome the opportunity to respond to the Economy, Infrastructure and Skills Committee inquiry into the future development of Transport for Wales.

Response to questions

Are the current governance, structure and funding of Transport for Wales effective and transparent?

4. Transport for Wales (TfW) is a relatively new and growing organisation. It is in the process of recruiting and therefore its structure is still under development. Its website ([Transport for Wales website](#)) contains details of its Board of Directors and its Executive Team. It also contains a summary business plan for 2018-20, its annual report and financial statement for the year ending 31st March 2018, and minutes of Board meetings since May 2018.
5. The business plan:
 - makes clear it is a not-for-profit company, wholly owned by the Welsh Government

- states its remit as being to provide technical advice to allow the Welsh Government to develop policy and to be '*the primary delivery body for the Welsh Government's transport policy*' (p. 9)
- sets out the values of the organisation
- identifies the legal and statutory duties and the non-statutory requirements that establish the environment in which it operates
- states that the organisation is ready to grow and take on further responsibilities wherever an acceptable business case can be made.

6. It also includes a specific section on governance which states:

The structures and governance arrangements for Transport for Wales and its relationship with the Welsh Government have been developed in accordance with the guidance on managing relationships with external partners found in Chapter 7 of Managing Welsh Public Money and Annexes 7.1 – 7.4. UK Government Cabinet Office guidance on establishing public bodies has also been considered (p. 8).

7. In relation to TfW's funding, its Business Plan identifies resource and capital expenditure, both increasing from 2018/19 to 2019/20 (from £102m to £181m and from £55m to £148m respectively).
8. A Management Agreement has very recently (November 2018) been published on the Welsh Government website, which contains information about governance, management and financial responsibilities.
9. All of that information is in the public domain, providing a good level of transparency. This marks a significant improvement from the early days of TfW when there was, understandably in many ways, little readily available information about the organisation.
10. In particular, there has been limited detail on how Transport for Wales is intended to evolve in future. Some of the statements that have been made by Welsh Government have suggested an expansive role. This, potentially, could see TfW taking over functions currently performed by local authorities. For example, in February 2018, when addressing the National Assembly, the Cabinet Secretary stated that "*our aim is that the public transport network will be increasingly directly owned or operated by Transport for Wales*" and

that TfW's role: *"might include bus services, it could include rail services, the construction of capital transport and improvement for walking and cycling. It could include capital projects for rail and, of course, for roads as well"*.

11. It is vitally important that TfW's plans and activities are shared at the earliest possible stage with local authorities. This will ensure there are opportunities to debate, and where necessary challenge, proposals and agree a way forward. Forms of joint working must be developed that will prevent situations whereby near-final plans emerge from TfW, with major implications for local authorities, where there has been little or no involvement. Encouragingly, there have been some good, recent examples of TfW engaging in a co-productive approach and this needs to extend to all operations across Wales.
12. It is known that many people in posts in TfW have transferred across from the Transport department of Welsh Government, supplemented by external recruits. The intention is understood to be that the policy function and related roles will remain in Welsh Government, whilst functions and roles associated with delivery will transfer across to TfW. This distinction is not always clear-cut, however, as those in policy roles often need to understand and be closely involved in delivery issues (e.g. agreeing on project and funding variations as new information comes to light). It will be important when working with partners such as local authorities that there is clarity over respective responsibilities to avoid a situation where different views are being expressed and/or there is duplication of requirements for information.
13. It is also unclear if the TfW workforce is covered by the equivalent of the Civil Service code of conduct (the Management Agreement refers to 'a code of conduct') and, if not, what does the code say about actions / behaviour? Similarly, if remuneration levels in TfW are determined on a more 'commercial' basis, this could result in anomalies with similar posts in local authorities.
14. Finally, in relation to funding, Welsh Government has put indicative five-year funding in place for TfW. This is something that local authorities have called for over many years. It raises the question as to why it is possible to do this for TfW but not for local authorities? Does it mean that, in any future cuts, TfW's budgets would be protected whilst the local authorities would bear the

brunt?

What action should be taken to develop these aspects of the organisation?
What other governance models and good practice are available?

15. Whilst recognising that the structure of TfW is still evolving, **organograms** would be useful for partner organisations. These can help to explain planned organisational arrangements/developments and identify posts that have been filled (with names) and those still to be filled. They give a good indication of the extent of operations and responsibilities and help to identify the most appropriate contacts.
16. Both in terms of strategic planning and day-to-day operations a crucially important consideration relates to **local democratic accountability**. Decisions about highways and transport affecting an area impact on virtually every resident in one way or another. Local authorities have well-established systems whereby locally-elected Members represent the interests of their residents. As such, they need to be kept informed of plans and given opportunities to feed views into the decision-making processes. In a local authority setting, governance arrangements ensure that Full Councils discuss and agree major strategic plans and budgets. Scrutiny committees can 'call in' Cabinet decisions and hold the Executive to account. Good practice is for major highways and transport-related developments to be subject to consultation with relevant local communities, again with active involvement of local members. If TfW is to become involved in delivery in ways that include work on behalf of local authorities it will be important for them to respect such arrangements. Accountability to local and Cabinet Members will need to be considered as well as to Ministers. Similarly, accountabilities to Regional Transport Authorities (or similar) need to be agreed too.
17. A related issue would be the legal status of any advice provided by TfW to local authorities. Where would **liability** rest if advice is acted upon and subsequently results in financial loss or injury?

The future role of Transport for Wales in delivering transport policy. What additional responsibilities should it take on and how should these integrate with the role of the Welsh Government, local government and emerging regional transport authorities?

18. As suggested in paras. 10-11 above, it would be difficult – and wrong – to try and draw up at this point a list of additional responsibilities for TfW to take on. As the TfW Business Plan states, decisions on such issues must be taken on an evidenced, business case basis. In developing such business cases it will be important to take on board the views of stakeholders, including local authorities at the earliest possible opportunity.
19. There may well be opportunities for TfW to take on roles that would be beneficial and acceptable to all concerned. Certainly, the last decade has seen the capacity of local authority transport teams reduced markedly as a result of austerity-driven cuts. The demise of the Regional Transport Consortia has also resulted in a loss of expertise, especially in relation to strategic transport planning and modelling. Access to a central resource such as TfW that can help to overcome these capacity issues, and assist and advise on delivery matters, could be an attractive proposition for local authorities. It must be stressed, though, that business cases proposing the transfer of functions from local authorities to TfW would be unacceptable if they depend on *additional* resources being found *after* transfer to enable TfW to do effectively the same thing.
20. Recently, we have seen a resurrection of regional transport arrangements, linked to wider regional development work and City/Growth Deals. The Cardiff Capital Region now has a (non-statutory) Regional Transport Authority and the other three regions (South West, Mid and North Wales) are all at various stages of rebuilding the regional level bodies/committees that existed under SEWTA, SWWITCH, TraCC and Taith. Dialogue must take place to secure agreement on the bodies and structures needed to deliver transport most effectively across Wales.
21. Welsh Government is currently consulting on a White Paper on Public Transport that proposes additional powers in relation to the formation and operation of Joint Transport Authorities. Such proposals need to be considered in light of existing and emerging regional arrangements and the

possibilities for developing TfW's role. It will be vitally important that the way forward is co-produced, and not imposed, as any successful future arrangements will depend on there being a relationship of co-operation and trust.

22. WLGA organised a meeting in November 2018 between the chairs of the four regional transport bodies, Welsh Government and TfW to discuss opportunities for working together in future. The meeting was very constructive and it was agreed that such discussions should continue to take place. Joint working of this nature would appear to be an effective way to develop future roles in an integrated way. It will allow ideas to be shared, considered via established arrangements in each region and then, where appropriate, worked up in more detail.