



Cynulliad Cenedlaethol Cymru **The National Assembly for Wales**

Y Pwyllgor Menter a Busnes **The Enterprise and Business Committee**

Dydd Mercher, 5 Rhagfyr 2012
Wednesday, 5 December 2012

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

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

Aelodau'r pwyllgor yn bresennol **Committee members in attendance**

Byron Davies	Ceidwadwyr Cymreig Welsh Conservatives
Alun Ffred Jones	Plaid Cymru The Party of Wales
Nick Ramsay	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
David Rees	Llafur Labour

Aled Roberts	Democratiaid Rhyddfrydol Cymru (yn dirprwyo ar ran Eluned Parrott Welsh Liberal Democrats (substitute for Eluned Parrott))
Kenneth Skates	Llafur Labour
Joyce Watson	Llafur Labour

**Eraill yn bresennol
Others in attendance**

Patricia Bowen	Accessible Caring Transport
Betsan Caldwell	Cyd-gyfarwyddwr Cymru, Cymdeithas Cludiant Cymunedol Cymru Co-Director for Wales, Community Transport Association
Justin Davies	Rheolwr Gyfarwyddwr Rhanbarthol, First Group Regional Managing Director, First Group
Richard Lloyd Jones	Rheolwr Cyffredinol, Cwmni Lloyds Coaches General Manager, Lloyds Coaches
John Pockett	Cyfarwyddwr Cysylltiadau'r Llywodraeth, Cydffederasiwn Cludiant Teithwyr Director Government Relations, Confederation of Passenger Transport
Caroline Wilson	Cymdeithas Cludiant Gwledig y Preseli Preseli Rural Transport Association

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

Siân Phipps	Clerc Clerk
Kayleigh Driscoll	Dirprwy Glerc Deputy Clerk
Andrew Minnis	Ymchwilydd Researcher

*Dechreuodd y cyfarfod am 9.31 a.m.
The meeting began at 9.31 a.m.*

**Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introductions, Apologies and Substitutions**

[1] **Nick Ramsay:** Good morning, and welcome to Members, witnesses and members of the public to this last meeting of the Enterprise and Business Committee before Christmas. The meeting is bilingual; headphones can be used to hear the translation from Welsh into English on channel 1 or for the amplification of sound. The meeting is being broadcast and a transcript of the proceedings will be published. I ask people to please turn off their mobile phones. I do not need to remind you that the microphones should operate automatically. In the event of a fire alarm, please follow the directions of the ushers. We have a number of apologies today, from Keith Davies, Julie James, Eluned Parrott and Dafydd Elis-Thomas, and also from Ken Skates, who is hoping to join us later in the morning. I thank Aled Roberts for agreeing to substitute for Eluned Parrott today; welcome to the committee, and thanks for your time.

**Ymchwiliad i Drafnidiaeth Gyhoeddus Integredig—Sesiwn Dystiolaeth
Inquiry into Integrated Public Transport—Evidence Session**

[2] **Nick Ramsay:** We continue with our inquiry into integrated public transport. We have a number of witnesses with us. Welcome and thank you for coming to today's committee meeting. Would you like to give you names and positions for the record?

[3] **Ms Caldwell:** I am Betsan Caldwell, the co-director for the Community Transport Association Wales.

[4] **Ms Bowen:** I am Pat Bowen, from Accessible Caring Transport, for which I am the executive officer.

[5] **Ms Wilson:** I am Caroline Wilson, and I am from Preseli Rural Transport Association in north Pembrokeshire, also known as the Green Dragon community transport organisation.

[6] **Nick Ramsay:** Thank you for finding the time to be with us today. We have a number of questions for you, so I propose that we get straight into them. If at any point I seem to be moving things along, it is because I want to get through the large number of questions that we have. It is not that I am not interested in what you are saying. The first question is from Joyce Watson.

[7] **Joyce Watson:** Good morning, all, and thanks for coming in this morning and for your paper. I would like to ask you to explain to the committee the role of community transport in an integrated public transport network and how that role differs from that of the commercial bus operator.

[8] **Ms Caldwell:** Bore da. CT, or community transport, can provide accessible, affordable and flexible services, essentially to plug gaps in the public transport network. For example, it can provide feeder services—that is, getting people to a public transport hub or point, providing the whole journey if public transport is not available, not suitable or not accessible. It can also provide bespoke journeys for those who are unable to use conventional public transport or for those whose journey requirements are so complicated that they cannot reasonably use public transport. This may be door-to-door or even room-to-room in some cases. It also provides transport for community groups. It is run on a not-for-profit basis, which significantly differs from the commercial sector.

[9] **Joyce Watson:** Thank you. Do you think that it is flexible enough to allow integration where integration does not exist?

[10] **Ms Caldwell:** I think that it is perhaps slightly more difficult to have community transport as part of a fully integrated transport system. That is not in any way to say that it is impossible, but there are differences. I suppose that it is really to do with scheduling and having information about a whole public transport system that includes community transport.

[11] **Ms Bowen:** I would like to answer part of that. We operate under section 19 permits at the moment, providing transport that meets more of a social need for passengers who are unable to access mainstream transport directly due to age, disability, or living in isolation, but we take them to meet the hubs of mainstream transport, such as railway stations and bus stations. The problem is whether the vehicle or the train that they are going to meet will be accessible enough for the person who is travelling.

[12] **Ms Wilson:** I would also like to add that in our rural area, no other public transport is

available, so if people do not have community transport, which is a bespoke service—they ring in, book their ride on the service that they want to go on and we pick them up from the door and take them—and want to go into Carmarthen or get the train down to Cardiff or wherever, we can arrange that within the services that we operate, but, without those services, people would be at home 24/7, unable to go anywhere.

[13] **David Rees:** To come in on that, do you look at timetables to ensure that integration can take place and that you get someone to a certain point for specific transport?

[14] **Ms Wilson:** Yes, when they ring in to book their ride, they tell us what they want or need to do, where they need to go and what time they need to get a bus, and we try our best to get them to that bus at the right time for them. It is a juggling act.

[15] **David Rees:** So, they tell you where they need to be by a certain time to catch the next bus.

[16] **Ms Wilson:** Yes.

[17] **David Rees:** I was wondering whether they told you, ‘I want to go to Cardiff, so what is the best way from here?’

[18] **Ms Wilson:** Some of the elderly people do that, because they know that we can supply them with that information. They are not quite sure where else to go for that information because they are not internet people and they will phone only people whom they know and trust.

[19] **David Rees:** How do you find the timetables from the commercial operators? Are they helpful or unhelpful?

[20] **Ms Wilson:** Some are pretty good, but some are absolutely useless. We are on the border between Pembrokeshire and Ceredigion, and the two are totally different. Ceredigion does not seem to have any timetables that we can fathom, while Pembrokeshire is amazing. We use Traveline Cymru quite a bit to help us with our planning to help these people.

[21] **Ms Caldwell:** To add to that, where it possibly falls down is that if the accessibility of the onward portion of the journey cannot be guaranteed, it is difficult to have a fully integrated service.

[22] **David Rees:** You are quite right; we have heard from other witnesses that there is a lack of information as to what type of service is available for them and their abilities. It seems that the information as to whether you can use a service is missing from many timetables.

[23] **Ms Wilson:** For example, the operator will put on a bus one way that will take a wheelchair, but then a wheelchair-accessible vehicle is not available for people to get back. So, they are stuck.

[24] **Ms Caldwell:** We also mentioned in our original paper the example of Pat, Caroline or one of our other members taking people to a rail station where the northbound platform might be accessible and the southbound platform might not. It is difficult for service users to get absolute information as to the accessibility of the various legs of a journey.

[25] **Nick Ramsay:** We have Members queuing up to ask supplementary questions, so I ask that they are kept succinct. Feel free to be succinct in your answers.

[26] **Byron Davies:** In answering David’s question, you kind of answered my question. It

was more about how much liaison there is between you and the operating companies on timetabling. Do you have a good relationship with them or is it ad hoc?

[27] **Ms Wilson:** We have a good relationship with the other operators in our area.

[28] **Ms Bowen:** We do not in our area.

[29] **Byron Davies:** Where is that, sorry?

[30] **Ms Bowen:** I am based in Mountain Ash in the Cynon valley, and we operate throughout south-east Wales. We do not have a good relationship with commercial operators. There is a feeling that community transport is second class—they do not see us as part of their mainstream operation. In rural areas it is a little different, because community transport is needed more frequently to provide bus services that the commercial operators do not, but because we are in an area where there are commercial bus operators, they tend to see us as competitors and second class.

[31] **Ms Wilson:** They still think that we are competitors; we try to reassure them that we are not.

[32] **Ms Caldwell:** There are some good examples. We have a member in the Llŷn peninsula that is working with the local bus operator; I think it is Nefyn Coaches. They are going to put in two tenders side by side to Gwynedd Council for the delivery. So, they will be working together. Therefore, there are some not-so-good examples, along with some good examples.

[33] **Alun Ffred Jones:** Hoffwn ofyn Alun Ffred Jones: I would like to ask a cwestiwn i Caroline Wilson. Faint o bobl question to Caroline Wilson. How many sy'n defnyddio eich gwasanaeth chi mewn people use your service each year? blwyddyn?

[34] **Ms Wilson:** We provide almost 14,000 passenger journeys each year. It is quite a big service.

[35] **Joyce Watson:** With regard to accessibility and trying to join things up, when you access timetables—and you said that Pembrokeshire has quite good timetables—do those timetables contain any information about the accessibility of the forward transport?

[36] **Ms Wilson:** No.

[37] **Aled Roberts:** Hoffwn symud Aled Roberts: I would like to move on to ymlaen i drafod polisi Llywodraeth Cymru. discuss Welsh Government policy. How Pa mor effeithiol yw'r polisiâu trafnidiaeth o effective are the transport policies in relation ran cefnogi trafnidiaeth gymunedol? to supporting community transport?

[38] **Ms Caldwell:** Generally, community transport is seen as an add-on or an afterthought, quite often, rather than being a valid part of integrated transport policy. From our perspective, there is an undue emphasis on roads, rail, walking and cycling, which we do not feel takes into account the demographic time bomb that we are facing. Given the projected growth, particularly in the oldest-old, as they are called—people aged over 80—over the next 20 years, we feel that transport policy needs to be taking their needs into account far more. I should say that there is absolutely nothing wrong with road, rail, walking and cycling, but we feel that there needs to be more of an understanding of the issues that will shortly be arising.

[39] We do not feel that the concessionary fares policy is consistent as far as community transport is concerned. There is not equity for all. I should also remind the committee that the Welsh Government commissioned the 'Community Transport in the Welsh Transport Network' study, which was a major study undertaken in 2002. That was meant to establish a baseline for CT and form the development of a CT strategy and so on. There were numerous cross-departmental and sectoral recommendations in that report. However, it certainly has not been implemented in a co-ordinated way and has resulted in inconsistencies.

[40] Future developments for community transport in Wales will require both individual and co-operative action across a wide range of stakeholders, not just the Welsh Government's transport department. We would also like to see greater interaction, perhaps, between Government departments in terms of transport policy, so that transport policy is not just in the ownership of the transport department—although, obviously, it is not called that now. This should include health, for example, and transport also plays a huge part in regeneration, community development and so on. So, we would like to see that crossing all departments.

[41] **Aled Roberts:** Mae'n swinio fel pe bai'r berthynas o ran awdurdodau lleol yn amrywio. Pa fath o berthynas sydd gennych chi gyda'r consortia rhanbarthol? **Aled Roberts:** It sounds as though the relationships with local authorities vary. What sort of relationship do you have with the regional consortia?

[42] **Ms Caldwell:** From the CTA point of view, we have a good relationship, and have done for a number of years, with all four of the regional transport consortia. We have worked with them to establish a community transport capital enhancement grant, which each of them now provides. Obviously, that provides only capital funding, as the name implies, but that is a welcome additional source of funding for the sector. Patricia and Caroline might like to comment on individual relationships with operators.

[43] **Ms Bowen:** We are based in the South East Wales Transport Alliance area. I find the whole situation of meeting together with officers of local authorities as well as the grant funding really helpful, because it means that I am also learning from other officers in local authorities about their perspective on community transport.

9.45 a.m.

[44] We have had funding for a minibus during this current year because we have started to introduce a section 22 permit service. I requested that we had funding for computers and a booking system; we really need it now because we are getting so many passengers in the service. We were funded for that. I find that very good, because it is assisting us to become more efficient in the delivery of the services.

[45] **Ms Wilson:** We have an excellent rapport with the South West Wales Integrated Transport Consortium, through Pembrokeshire County Council.

[46] **Aled Roberts:** Brynhawn ddoe, gwnaeth y Gweinidog ddatganiad am SEWTA a oedd yn sôn am greu tasglu i ddatblygu gwasanaethau trafndiaeth integredig yn y rhanbarth. Nid wyf yn gweld eich bod yn rhan o'r tasglu. A oeddech yn ymwybodol o'r datganiad? **Aled Roberts:** Yesterday afternoon, the Minister made a statement regarding SEWTA, which mentioned establishing a taskforce to develop integrated transport services in the region. I cannot see that you are included in the taskforce. Were you aware of the statement?

[47] **Ms Caldwell:** Nac oeddwn. Nid ydym wedi darllen unrhyw ddatganiad nac unrhyw wybodaeth ynglŷn â hynny fel CTA **Ms Caldwell:** No. We have not read any statement or information about that as CTA Wales.

Cymru.

[48] **Ms Bowen:** No.

[49] **Ms Wilson:** No.

[50] **Byron Davies:** I just wanted to touch on something that you mentioned earlier. There is a great lobby group out there called Sustrans Cymru. As you mentioned cycling earlier, do you have any liaison with Sustrans on policy?

[51] **Ms Caldwell:** Yes, we do. Sustrans chairs Sustainable Transport Cymru, of which we are members. I see Lee Waters from time to time, so we have a relationship with Sustrans. As I said, please do not misunderstand what I said earlier—we have nothing against walking and cycling, but we feel that there should be greater or equal emphasis on other modes of transport for people who are unable to walk or cycle, and for social forms of transport.

[52] **Byron Davies:** Do you get your message across to Sustrans in that sense?

[53] **Ms Caldwell:** I do not know whether it is so much about getting our message across to Sustrans, because Sustrans is a sectoral organisation in the same way as CTA is. We have submitted joint papers in the past with Sustrans, and we have been able to have an input, from an accessibility point of view, into a Sustrans paper in the past.

[54] **Nick Ramsay:** You said a few minutes ago that there was no equity in concessionary fares. What did you mean by that?

[55] **Ms Caldwell:** The committee may be aware of the fact that, following the introduction of the all-Wales concessionary fares back in 2000, there was a realisation a few years later that lots of elderly and disabled people were unable to use their bus pass on conventional or mainstream public transport because they could not get to the bus stop or that the available transport was not accessible and so on. As a result, the Welsh Government set up the community transport concessionary fares initiative, which was a pilot scheme to enable elderly and severely disabled people to use their bus pass within 15 pilot community transport schemes across Wales. That was set up in 2005-06. CTA Wales has managed the scheme on behalf of the Welsh Government since then. It was initially a three-year pilot scheme, which was evaluated by an external evaluation. Since then, it has been continued on a year-by-year basis with uncertainty at the end of each year regarding whether the scheme will be continued or not. Recently, we only had certainty until the end of September, because the Minister announced an internal review of the community transport concessionary fares initiative scheme in April, which took six months. Since then, we have been going on a month-by-month basis. This is causing difficulties, for example, for Pat, who is part of the same scheme, because she has had to put drivers on notice of redundancy and so on.

[56] **Ms Bowen:** We had to do that because annual funding is not realistic if you employ drivers. Our terms and conditions try to follow employment law as best they can, so we give a three-month consultation on redundancy. One of my drivers has had a redundancy notice twice, because he thought his period of employment was going to end in March and then in September. He is a very flexible man, so he was very happy for us to withdraw that redundancy and for him to continue, but another employee might not be willing to do that. I do not think that that is the correct way to employ people, on an annual basis like that with a three-month redundancy policy for consultation. To be fair to the man, I think that he is a really good person to carry on delivering this service for the community transport concessionary fares initiative when he knows that his job is on the line, at the end of the day.

[57] **David Rees:** Have you had any indication at all of the new revised timescale?

[58] **Ms Caldwell:** No, we have not. We are currently awaiting a decision by the Minister on the future of the CTCFI scheme.

[59] **David Rees:** That is on all 15 pilot projects, is it?

[60] **Ms Caldwell:** Yes. Well, it is on the 15 pilot schemes and what the Minister proposes to do with the scheme generally. Is he going to end it? Will it be continued with the 15 pilots, or will it be rolled out?

[61] **David Rees:** Is each scheme individually evaluated?

[62] **Ms Caldwell:** Yes. They were evaluated in the major external evaluation that was completed at the beginning of 2010, and there has been an internal evaluation by officials, who have also visited each of the schemes to look at various roles.

[63] **David Rees:** How reliant on that funding are you to operate those schemes?

[64] **Ms Caldwell:** From a general point of view, the scheme was set up with core funding, and that obviously caused some degree of reliance to a greater or lesser extent among the various pilots, depending on how they were set up. Each of the schemes has a slightly different approach to test it, essentially, so there will be significant issues in that regard. However, I should say that if the scheme is rolled out, we would like to see it rolled out on the same basis as the all-Wales concessionary fares scheme, that is, with separate fare payments. We acknowledge that it would be costly if it were rolled out along the lines of the current core funding scheme, and the schemes would need some transitional funding, perhaps for the first year of a new scheme.

[65] **Ms Bowen:** As a result of the insecurity of knowing whether the CTCFI scheme was going to continue—and we all thought that it was going to end in March of this year, but it did not—the members themselves decided that we had to look at ways forward, because we have many users who are disabled or elderly. My organisation is also a charity, and we have a lot of elderly people—and we are not talking about somebody who is 65, but 94 or 96 and who is very frail. We decided to set up a section 22 permit service with the assistance of Rhondda Cynon Taf, our local authority, in case the CTCFI came to a close, so that we would still be able to deliver a continuation of the service to some of our users. That started at the end of January and, since then, we have noticed that not all people can use that service. With a section 22 permit, you are picking up people, collecting fares, and taking bus passes—which we are now allowed to do, as we have a Wayfarer machine on our bus—but that does not meet the needs of very elderly people.

[66] We had an annual general meeting yesterday, and I was really surprised to see how much the conditions of some of the people with disabilities had deteriorated since the last annual general meeting. I could see that they were having a lot of difficulty, getting on the lift and getting in, and I was thinking to myself that the Range Rider service that we have set up will not meet their needs. There is still a need for the CTCFI scheme, even if it on a smaller scale, for everybody who has a real disability and who cannot get on any public transport. It is about the time that it takes them to alight and board.

[67] **Ms Caldwell:** The qualitative evidence that we have gathered over the years shows quite clearly that the use of concessionary fares on community transport enables people to retain their independence for longer. There are people who are completely housebound, for instance, who would not be able to get out without it. It contributes significantly to improving their quality of life.

[68] **Byron Davies:** The bus funding review group has recommended the implementation of a regional bus and community transport network strategy, which is developed and monitored by the regional transport consortia. I know that CTA has expressed concerns about the delivery of the strategy on a regional basis, saying that you are concerned that the interpretation of a national policy, if devolved to a regional level, may result in inequitable access and integration across Wales. Could you expand on that for me, please?

[69] **Ms Caldwell:** Yes, I think that we would prefer to see what was recommended in the 2002 community transport and the Welsh transport network study, to which I referred earlier, namely an all-Wales overarching strategy. That would give a minimum level of community transport services and quality services to which people should aspire in all parts of Wales. Currently, community transport can be patchy throughout Wales. You may find only one or two different types of community transport service in an area, so, for example, it may be missing a community car scheme or a demand responsive service. Community transport covers an awful lot of different types of transport, from a voluntary car scheme at one end to the demand responsive fully scheduled service at the other end. There are lots of different types in between, which is quite difficult to explain quickly.

[70] The reason for different types of community transport is that they meet the different needs of people. So, having only a minibus in an area will exclude those who need to be served by a community car scheme or something of that nature, such as a multipurpose vehicle. So, we believe that having an all-Wales strategy would put quite clearly on paper the minimum types and standards of community transport that should be seen across the whole of Wales. There could then be four regional sub-themes or strategies below those. We see that there are currently differences between the regional transport plans. TraCC has a very good section on community transport, but that may well reflect the fact that it covers a very rural area in mid Wales and there is a strong community transport base there. As Caroline said earlier, it is a question of needs must, so it plugs all the gaps, but it does vary across Wales. So, we would like to see an all-Wales strategy and then perhaps some regional variations according to development needs and so on a bit below that.

[71] **Byron Davies:** That is very comprehensive, thank you. On the effectiveness of the support currently provided by the regional transport consortia, does that give grounds for concern about a future regional approach?

[72] **Ms Caldwell:** Dealing with the regional transport consortia on an all-Wales level, we find them to be generally supportive of the community transport sector. As I said earlier, we have worked with them to develop the community transport capital enhancement grant. The amounts vary from region to region, but that is dependent on the rest of the regional transport plan that they have in their areas and the demands placed on that. However, we have found that members find the capital grants very useful.

[73] Obviously, there is a lack of revenue funding from the regional transport consortia, which would also be very useful, but that may change as a result of the outcome of the bus funding review, which is considering the amalgamation of the local transport services grant and the bus service operators grant, or BSOG, which is to be channelled, we think, through the regional transport consortia. The regional transport consortia do not have the capacity to provide development support for the sector, but we do not feel that that would be appropriate in any case because it is a voluntary and community sector and that support should come through the same sector, generally.

[74] **Ms Bowen:** I think that I have already explained how helpful SEWTA has been to us.

[75] **Byron Davies:** Yes, you have. Lastly, how do you think the strategy should integrate community transport with commercial bus and rail services? We touched on it slightly earlier,

I know.

10.00 a.m.

[76] **Ms Caldwell:** I do not know whether the strategy will be able to achieve that fully because, I think, of the issues that we raised earlier in the meeting.

[77] **Byron Davies:** That is the challenge, is it not?

[78] **Ms Caldwell:** Yes. The regional bus and community transport network strategy was proposed in the bus funding review. As with all reviews of that nature, the devil is in the detail. I am not sure that everybody knows at this stage what a regional bus and community transport network strategy means or entails, or how it will work. It has been enshrined in the recommendations that went to the Minister that CTA, along with other partners, would be part of the development of such a strategy. We are some way away from being able to integrate community transport—

[79] **Ms Wilson:** It might be useful if some of you people could visit. I do not know how many of you have been to a community transport organisation to see what they do on the ground. A gentleman from the office of the Commissioner for Older People in Wales came out and met us on one of our vehicles a couple of weeks ago, and he was totally astounded by what sort of service we offer, and it opened his eyes very much. He could not believe what we actually do and the sort of people we are dealing with, day in, day out. So, I suggest that you all go out and get on the buses to see for yourselves what sort of service we offer.

[80] One of our passengers will be 100 in February, and she asked, ‘Please can I use your buses to bring people to my birthday party?’ We cannot say ‘no’ to her. We call her ‘Granny’. She is a staunch supporter, and she still goes out and does her weekly shop. The driver keeps his eye on her, and Tesco has been fantastic. It is so important to these people. Without this community transport, they do not have a future, quite honestly.

[81] **Ms Caldwell:** I echo that invitation. We would be more than happy to arrange a visit by the committee to a group of different operators.

[82] **David Rees:** I have used the Sandhopper in Port Talbot, so I have been on that one. It is a very personalised delivery, in a sense. They pick you up at the door, drop you off wherever and take you to places, and I appreciate that. Out of curiosity, what is the average age of your passengers? Clearly, ‘community’ is the operative word in the phrase ‘community transport’, and we seem to be focusing very much on the older generation and on disabled people. Do we have any figures on the other people in the community who might benefit from your transport?

[83] **Ms Wilson:** Our buses, in their downtime, tend to get a lot of use from schools. They use our buses a lot because they do not have the budget to pay commercial bus companies. So, we provide little local services for smaller numbers of children to get to places, which is an essential service. On the whole, we do not get youngsters using our regular Dial a Ride services, by the nature of the beast, because they are in school when they operate, and unless they come on holiday to granny’s, you do not tend to get the youngsters on the buses. We have tried to get youngsters on the buses, on our walkers’ bus, for instance, in the summer holidays. It is like banging your head against a brick wall sometimes, because of the education that kids have.

[84] **Ms Bowen:** Similarly, we just cannot get the youngsters to use the buses. So, when you ask for an average age, I would say that the average age is retirement age. Our passengers range from anybody retiring at around 50 up to the age of 100.

[85] **Nick Ramsay:** Why do you think that is? [*Inaudible.*]—perception?

[86] **Ms Bowen:** I think that people are quite active, and they hop on and off ordinary buses. It tends to be the people who want a service that is that little bit special, I suppose, because all of our vehicles are accessible. So, I suppose that society directs itself to using whatever meets its needs.

[87] **Ms Caldwell:** It may also be because they have to book. Having said that, there are examples of young people using community transport. A service was set up in Powys some years ago, called the Nightrider, I think. That enabled young people to go to their local market town for an evening of socialising and then it took them back safely afterwards. Another of the many forms of community transport is Wheels to Work, whereby young people are loaned mopeds or small cars for a period of about six months, to enable them to get to their first employment, training or something of that nature. There was a Wheels to Work scheme in Powys, which was funded through Objective 1 at the time. That has come to an end now, but there are certainly schemes in England. So, it is probably fair to say that there are more elderly and disabled people using community transport, but it is not exclusively so.

[88] **David Rees:** So, we need to look into that strategy and that network that you are talking about as well.

[89] **Ms Caldwell:** Yes, absolutely.

[90] **Nick Ramsay:** You just made a very philosophical point about society directing itself.

[91] **Ms Bowen:** I think that it does, because it is about word of mouth. Older people tend to meet in groups and they pass on messages that are useful to them. That is how we get our users. We have not put out a great deal of promotion for this new service that started in January with one vehicle. By April, we had two vehicles and now I need three vehicles on the same service. It is booked every day from Monday to Saturday. The majority of people are older people or people with disabilities, and a lot of them are using their concessionary fare cards.

<p>[92] Alun Ffred Jones: Rwyf am fynd yn ôl at yr adolygiad o gyllido bysus. Rydych wedi cyffwrdd â hyn eisoes. Mae'n debyg y bydd gostyngiad yn y cyllid i wasanaethau bysus. Sut fydd hyn yn effeithio ar y sector trafndiaeth gymunedol o ran cael rhwydwaith o drafnidiaeth integredig?</p>	<p>Alun Ffred Jones: I want to return to the review of bus funding. You have already touched on this. There is likely to be a reduction in the funding for bus services. How will this impact on the community transport sector in terms of providing an integrated transport network?</p>
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[93] **Ms Caldwell:** I will start by making a few general points and then I will ask the operators, because obviously they will be affected. Community transport's not-for-profit status means that there is less of a financial cushion, if you like, to absorb any reduction in funding, unlike commercial operators who are more able to do that. It is also restricted in some sense by the size of its vehicle capacity and that means that there is a restriction in terms of its ability to generate additional patronage to offset any fare rises. Also, I suppose, ironically, apart from the downside of this—I will leave the operators to expand on that—there will be some greater opportunities for community transport arising from it, simply because there will be a reduction, inevitably, in some of the more peripheral traditional or mainstream bus services. Then, ironically and conversely, the funding available for them to respond to the need will be less. So, from our point of view, from an all-Wales perspective, there are plusses and minuses. Do you want to come in, Pat?

[94] **Ms Bowen:** From our point of view, if we had reduced funding—the funding that we receive from the Welsh Government and the local authority, or from anywhere, really, is our mainstay, but we generate our own income as well—that reduction would reduce our services as there is no other way forward. That would have a real impact on the people who really need it—people living in isolation, frail people and disabled people—because they cannot travel without our assistance. Already, where there are bus services in place, you are seeing that subsidies may be taken away from an operator. I operate in a valley area and an operator may be going up the sides of the valley. I am sure that that is where the subsidies will be taken away from. That means that community transport services are going to have to deliver that service, which means that it is going to increase the work for us, but we will have reduced funding. Due to the fact that the concessionary fare that we receive is fixed, we would not be able to increase the fare rates coming into us. We could not turn around and say, ‘We want to increase this now; we have more work and you are going to have to pay more’ because we would have to apply the local authority’s rate on concessionary fare passes. So, we are not going to generate any more income on those fares, but we are going to have a lot more work to do. If we have reduced funding, it will affect those people’s lives, in terms of shopping and healthcare. Those activities account for a great deal of the destinations for which we provide a service. The impact from the operators’ point of view is that we could have job losses.

[95] **Ms Wilson:** It is a fallacy that community transport only operates with volunteers. It does not. You cannot put a volunteer on a regular daily service, because it is not fair to that volunteer or to the passengers. If you are going to offer a regular service, you need a proper paid driver. These drivers are like gold dust, really. They are fantastic with the passengers. They carry in their shopping and they really look after them. They are almost like mum and dad to these passengers.

[96] The other problem that we have relates to the fact that we are on the boundaries between Pembrokeshire, Ceredigion and Carmarthenshire. The different rates that we get for our concessionary fares are just crazy. We can operate a service in one county and just about cover our costs, but we cannot claim the same amount of money from another county to help cover costs. So, we are going to struggle.

[97] **Alun Ffred Jones:** Nid wyf am roi geiriau yn eich ceg. Serch hynny, rwyf yn cymryd yn ganiataol y byddech yn gwneud achos dros gadw cyllid eich sector chi fel y mae ar hyn y bryd oherwydd y galwadau arbennig sydd ar y gwasanaeth. Tybiaf hefyd y byddech yn dweud nad yw cyllido blynyddol yn effeithiol nac yn deg.

Alun Ffred Jones: I do not want to put words in your mouth. However, I take it for granted that you would make the case for keeping the funding in your sector as it is because of the particular demands on the service. I also suspect that you would say that annual funding is not effective or fair.

[98] **Ms Caldwell:** Byddem yn sicr yn dweud hynny. Yn y gorffennol, rydym wedi galw am gael cyllid dros gyfnod o dair blynedd, ar y lleiaf. Mae trio edrych ymlaen a gwneud gwaith cynllunio o unrhyw fath, fel cynllunio busnes neu gynllunio strategol, ar gyfer y cyrff hyn yn amhosibl pan rydych yn treulio hanner y flwyddyn yn chwilio am gyllid ar gyfer y flwyddyn nesaf. Yn ogystal, pan fydd corff yn gwneud ceisiadau am arian i gyllidwyr eraill, yn aml, mae’r cyllidwyr hynny am weld cynllun busnes tair blynedd

Ms Caldwell: We would certainly say that. In the past, we have called for funding to be allocated over a three-year period, at least. Trying to look ahead and do planning work of any kind, such as business planning or strategic planning, for these organisations is impossible when you spend half the year looking for funding for the following year. In addition, when an organisation bids for funding from other funding bodies, those bodies often want to see a three-year business plan from that organisation. Therefore, with a

gan y corff hwnnw. Felly, ar sail system o system based on annual funding, that does ariannu blynyddol, nid yw hynny'n gweithio. not work.

[99] **Nick Ramsay:** I now bring in David Rees, with some questions on procurement.

[100] **David Rees:** On procurement and tendering processes, I noticed that you could not tender for the Bwcabus scheme, for example. Are there any other aspects of services for which you cannot tender, and if so, why?

[101] **Ms Caldwell:** I wish to clarify a point regarding Bwcabus. With Bwcabus 1, community transport operators were not allowed to tender because there was a requirement that operators needed to have a public service vehicle licence. So, that was absolutely out. The Bwcabus 2 tender did provide opportunities for community transport operators to tender. However, because of the way in which it was advertised—in the *Official Journal of the European Union* and in *Route One*, which is a trade journal for the commercial sector—I am not sure that community transport operators would have seen it. In point of fact, the CTA was also not aware that this was going out to tender. If we had been aware of the second tender, we would obviously have been able to work with members who displayed an interest to help them with that. So, community transport operators were not allowed to tender for Bwcabus 1. They were allowed to tender for Bwcabus 2, but the information was not advertised in a fashion where CT operators would have picked up on it.

[102] **David Rees:** How would you like to see tendering and procurement rules changed, to allow for a fairer playing field so that community transport operators could get involved?

[103] **Ms Caldwell:** I will ask Pat to answer this one because she has some experience as a director.

10.15 a.m.

[104] **Ms Bowen:** When it comes to procurement, until the new local authority framework came into place, as a CT operator, it was quite an easy and acceptable process because we were given regard for the quality and the care of the service that we provided. Since the frameworks have come into place—and I can only speak for the Rhondda Cynon Taf area, because that is where I am based—drivers have to have PSV licences, the vehicles have to pass a PSV MOT, a great deal of paperwork has to be provided on method statements and other paperwork for the contract tender for each contract that you go after, and notification of any changes in the vehicle, the driver or the passenger assistant has to be provided by e-mail each day. All this has increased the administration costs of the CT operator. The successful tender is inevitably the one with the lowest cost and, as a CT operator, we cannot match it, particularly because we have high training costs. We do not just train people as commercial operators do, where they have PSV drivers who go for their regular PSV certificate of professional competence; we train for every kind of incident that we could come across, relating to the caring side of the transport that we supply—be it on a tender or any other transport for which we are providing services.

[105] It has come at a cost to us because, initially, once this changed, we were able to go to the job centre at the time, which trained three of our drivers up to PSV standard and we did not have to pay for that. However, since that, we have had to introduce other drivers into our organisation. Not everybody wants to come into a low-pay environment, as we are, with a PSV licence, so we try to train our own drivers. In the last year, we have trained two drivers: one cost £900 and the other cost £1,000. That is not in our budget and that is just for us to continue to tender.

[106] **Ms Caldwell:** It is fair to say that we find that there are inconsistencies between local

authorities, for example, on whether they allow community transport to tender in the first place. There are also inconsistencies as regards their caveats, whereby some insist that community transport operators have certain types of licences, as Pat has just described, which is not appropriate for community transport.

[107] **Ms Wilson:** The only service that we have gone through tender for successfully was the Cardi Bach bus service, which we got for the Ceredigion coast between Cardigan and New Quay. It seems to be working quite well. It is now a service that operates all the year around, so local people have transport where they did not have it before all through the winter, as well as the summer. It has its good points and its bad points. It is quite a tricky process to go through because you are trying to concentrate on keeping your regular services going. Therefore, to put time into sorting out tender documents and all that goes with that is a nightmare. A lot of the time, you just say, 'Well, I just haven't got the time to deal with it, so I can't do it'.

[108] **Ms Caldwell:** That is a big issue. The general move to e-procurement, which is meant to simplify things, in that it is all done online, has caused a huge amount of difficulty as local authorities and operators try to get used to the new system. It is not fair to say that it is a simplified system.

[109] **Ms Bowen:** The e-system is fine, but the e-auction is not, because you have to sit there for two hours to undercut somebody else. Rhondda Cynon Taf has set a rate, so you cannot undercut by less than 50p. People were undercutting by 10p and 20p. We do not have time to sit there on an e-auction to get a tender and to get work, so we just do not do it anymore.

[110] **David Rees:** In one sense, the mechanisms operated by local authorities are not very helpful. From what I understand of the European directives, e-procurement will be coming in irrespectively.

[111] **Ms Caldwell:** Yes, it will. It is here whether we want it or not, but it is a factor for voluntary and community organisations that struggle with resources generally.

[112] **David Rees:** Are enough local authorities being creative in their procurement contracts? You talk about the lowest cost being the main driver of their decisions. Are they being creative in their documentation, so that community services provision and local provision are all part and parcel of their contracts? They are, effectively, social clauses.

[113] **Ms Caldwell:** Yes, we had put in our original paper that we would like to see more of that.

[114] **David Rees:** You have not seen enough of that.

[115] **Ms Caldwell:** My impression is that that does not actually happen.

[116] **Ms Bowen:** It is very commercially targeted; it is about what can be achieved commercially, rather than through CT.

[117] **David Rees:** Do you have any examples of good ones in community transport that allow that type of flexibility, even in the UK?

[118] **Ms Caldwell:** I am sure that there is something that we could send to you, from Wales or from the organisation across the board.

[119] **David Rees:** As a separate issue, we are looking at procurement as well.

[120] **Nick Ramsay:** If you could send that to us, it would be helpful to the committee. Thank you.

[121] **Alun Ffred Jones:** Mae gennyf gwestiynau byr ar docynnau integredig a gwybodaeth i deithwyr. A oes angen tocynnau integredig i'r sector, ynteu a yw hynny'n nonsens? Rwy'n cymryd bod tocynnau integredig ar gael, sy'n eich galluogi i ddefnyddio'r un tocynnau ar eich gwasanaethau chi ac ar wasanaethau masnachol hefyd. A yw hynny'n bosibl?

Alun Ffred Jones: I have some brief questions on integrated ticketing and information for passengers. Are integrated tickets required for the sector, or is that nonsense? I assume that integrated tickets are available, which allow you to use the same tickets on your services and on commercial services as well. Is that possible?

[122] **Ms Caldwell:** Nid yw hynny'n bosibl ar hyn o bryd.

Ms Caldwell: That is not possible at the moment.

[123] On the first part of your question, on integrated ticketing between community transport operators, I am not sure whether that would be feasible. Service users tend to use one form of transport—their local community transport. Presumably, there are some examples. Pat, for example, works with community transport in Aberfan and Merthyr Vale, where people do joint journeys, or one service takes them somewhere and the other fetches them and so on. I am not sure whether that would be a way forward.

[124] **Ms Wilson:** In Pembrokeshire, we have been given four ticket machines that came from the Government. During the first summer, we were told that we had to use them on section 22 permits, which was fine. We trained the drivers and we did that. However, they do not work in places like the Gwaun valley—

[125] **Nick Ramsay:** That is a slight drawback.

[126] **Ms Wilson:** As we are on the border, we have different prices from different people. We have a hub in our office, but who does the ticket machine belong to and can it all be incorporated through that hub? The chaps who do the ticket machines come out, and it is a nightmare. We spend lots of hours trying to sort these wretched things out.

[127] **Nick Ramsay:** Those Assembly Members on the committee who represent border areas know full well what you are talking about in relation to different systems.

[128] **Ms Bowen:** We operate section 22 and we use the Wayfarer machines, which are provided by Caerphilly County Borough Council. Given that we are so close to the borders of three local authorities—Rhondda Cynon Taf, Merthyr and Caerphilly—we have all three local authorities involved in this service. We take people from the Cynon valley area to Prince Charles Hospital—we are only allowed to go out 15 miles from Mountain Ash, because it is a flexible Dial a Ride service, registered with the traffic commissioner, so we can reach Merthyr. We go to Prince Charles Hospital and, on the way back, we can pick people up from Merthyr bus station to bring them back into the Cynon valley. For example, we have one gentleman who uses our bus to go to Merthyr bus station to pick up a commercial bus that takes him north of Merthyr. I have another person who uses the bus to go to Merthyr to pick up the community-transport-run bus service, which is running under section 22. However, those people have to pay for a ticket with each individual operator as they go.

[129] There would be problems integrating with commercial services, because their pricing might be different to ours. I must say that I had not thought about community transport integrating ticketing, but I think that there could be problems with that. However, we

definitely could not do it with commercial services, for the reason that their pricing would be different and we have such small vehicles and, particularly if you have wheelchairs on board, there is a very low number of passengers. We just could not compete.

[130] **Ms Caldwell:** However, the general principle could be acceptable if the differential in costs could be met. Chair, I tried to find an example of integrated ticketing involving community transport. It seems that Gloucestershire County Council is working with four community transport operators to provide feeder services to the main bus network there. There is a through-ticketing element that is being trialled as part of that project on the back of smart technology. That is being grant-aided—

[131] **Nick Ramsay:** That is integrated rather than the e-purse-type system, is it?

[132] **Ms Caldwell:** Yes. It is a pilot project, and that is the one example that I have heard of in England.

[133] **Nick Ramsay:** That is very helpful, thank you. Byron Davies, do you have any final questions?

[134] **Byron Davies:** I have a general question about policy and planning. What action should be taken through the planning system to address the accessibility needs of elderly and disabled people identified by CTA?

[135] **Ms Caldwell:** One of the actions, which I may have touched on earlier in the meeting, is that potential transport impacts that arise from policies and strategies in other departments across Welsh Government should be identified and discussed with the integrated transport unit, or that department in the Welsh Government. The reverse should also apply. Currently, CTA works on transport issues across several departments on rural transport, strategic regeneration areas and health, obviously, because non-emergency transport is a big issue as is day-to-day transport. There also needs to be better recognition across the board that not all elderly and disabled people will be able to use conventional public transport, particularly where they have severe mobility restrictions or they are frail or infirm. As we discussed earlier, the statistics show that demand in this area will increase.

[136] We would also like to see more in-depth equality impact assessments undertaken. I know that they are undertaken, but, somehow or other, we never seem to see the results of the assessments. Those need to be undertaken in relation to all new developments. Finally, we would like to suggest that a policy sounding board be set up comprising us, the Older People's Commissioner for Wales, Disability Wales and Age Cymru to raise awareness of some of these issues.

[137] **Byron Davies:** Finally, I do not know how well acquainted you are with the Griffiths review of non-emergency patient transport, but can you comment on the progress on implementing the recommendations?

[138] **Ms Caldwell:** I am happy to say that we are well acquainted with the Griffiths review. We were part of the review working group and we are also part of the national programme board that was set up to implement the findings of the review. So, we have been playing a full part in ensuring that community transport is part of this so-called mixed economy of transport. A couple of the pilot schemes have involved community transport. For example, in Pembrokeshire, it was involved in taking patients to St Brynach Day Hospital. There have been schemes in other areas as well. Statistically, those have proven to be very beneficial. They have lowered the number of did not attend et cetera. We are hoping that this will develop further and that there might be some funding from the Department for Health and Social Services for community transport.

[139] **David Rees:** Transportation issues will be a major part of the changes being proposed. I know that this is not the health committee, but do you see an increase in demand for community transport as a consequence of the proposed changes in the report itself?

[140] **Ms Caldwell:** Almost certainly, yes.

[141] **Nick Ramsay:** Finally—and feel free to be succinct in your answer—what role should CTA have in integrating community transport with the wider public transport network? How could the Welsh Government support you in this?

10.30 a.m.

[142] **Ms Caldwell:** Our role is that of a strategic body. We provide an all-Wales perspective. We work with our members at a local level, but over the years we have been the strategic and policy interface, if you like, between the sector and Government departments, as well as other major stakeholders, such as health boards, local authorities and so on. I feel that we should be able to continue that role. I suppose that the Welsh Government could support that by continuing to provide funding for CTA Wales.

[143] **Ms Wilson:** There are lots of things that community transport organisations have to consider. We little people out in the country could not operate without the knowledge of CTA Wales and without their staff helping us.

[144] **Ms Bowen:** We rely on CTA in Wales and in the UK, particularly in terms of transport law. It is very good at providing the laws for transport and for development work.

[145] **Nick Ramsay:** Thank you; that is an appropriate point to bring this session to a close. ‘We little people out in the country’ will be one of the final comments on the record. That has been extraordinarily helpful. Thank you for being with us today. You have given us a lot of food for thought. We will feed your answers into our inquiry on integrated transport and make our recommendations to the Welsh Government accordingly. Thank you, Patricia Bowen, Betsan Caldwell and Caroline Wilson, for coming today.

[146] We welcome our next witnesses to this morning’s meeting of the Enterprise and Business Committee. We are continuing our inquiry into integrated transport. Thank you for coming in today to give evidence to the inquiry. Would you like to give your name and title, for the record?

[147] **Mr Pockett:** I am John Pockett, and my official and formal title is director of government relations Wales for the Confederation of Passenger Transport, which is the professional trade association of the bus, coach and light rail industry.

[148] **Nick Ramsay:** That was comprehensive.

[149] **Mr Davies:** I am Justin Davies. I am the regional managing director for First Group. I cover the whole of south Wales and the south-west of Britain.

[150] **Mr Jones:** Bore da. Fy enw i yw **Mr Jones:** Good morning. My name is Richard Lloyd Jones, rheolwr cyffredinol Richard Lloyd Jones, general manager for Lloyds Coaches, Machynlleth. Lloyds Coaches, Machynlleth.

[151] **Nick Ramsay:** I remind you that the microphones will operate automatically, and translation is available on the headsets provided. If you have any problems, let us know.

[152] We have a large number of questions for you, so I propose that we move straight into those. Byron Davies has the first question.

[153] **Byron Davies:** Bore da. The question that I have is on the age-old problem that causes the lack of integration in the Welsh bus market, particularly in rural areas. Would you like to comment on that?

[154] **Mr Pockett:** Perhaps I could start by giving more of an overview. Integration is not as simple as it seems. It is not just a bus turning up and beating another—

[155] **Byron Davies:** Can you tell us why, John?

[156] **Mr Pockett:** Indeed. There are a variety of reasons. There are competition reasons: the Office of Fair Trading and the Competition Commission have problems with certain aspects of integration and, to be fair, there is a commercial market, which operates. My colleagues can give you operational examples, but that is the overview.

[157] **Mr Jones:** In a rural area, of which Machynlleth is a good example, it is a matter of effective utilisation of resources and simply maximising those resources. At Lloyds Coaches, for example, we make sure that the resources are used around peak times for school travel et cetera. The difficulty that we have in a rural area is population. Simply, the passengers are not there, so the profit margins are very tight. In terms of integration, I suppose that there are pressures on rail, on community transport and on the bus services themselves. Unfortunately, the pressures are slightly different. Machynlleth railway station is a good example. The train travels on to Birmingham international airport and beyond, but at Lloyds Coaches we run our own cohesive, local transport network, and it works around school times, so it is about the effective utilisation of resources in our immediate area.

[158] **Mr Davies:** It depends upon what type of integration we are talking about—bus-rail or bus-bus integration. In terms of bus-rail integration, the very best type of integration is where you have relatively high-frequency rail services meeting relatively high-frequency bus services, because there is then no need to know the exact timetable, and the concern and worry about ‘Am I going to miss a train? Am I going to miss a bus?’ is diluted. Clearly, in the more rural areas there are different challenges. With regard to bus-to-bus integration, obviously, having good quality interchanges, like the new Swansea bus station, is very important. That is very important in allowing people to travel from one area to another. Again, having high-frequency to high-frequency services, good publicity and interchange points are important. Those are some of the key elements. A lot of integration does take place, but it does actually allow people to make many journeys right across the area?

[159] **Byron Davies:** Could I come back on that? I do not want to dwell on Swansea too much, but I do not think that it is a good hub, because you have the railway station at one end of the town and the bus station at the other, which makes it difficult, actually. I am a frequent user of it myself. Did you travel by bus from Machynlleth down to Cardiff?

[160] **Mr Jones:** I travelled from Porthmadog this morning. So, unfortunately, I faced a four-hour journey.

[161] **Byron Davies:** By?

[162] **Mr Jones:** By car, unfortunately. I have to be honest. Previously, I worked for a local authority as the senior officer in the transport department, and, working there, I depended on public transport. I was living in Minffordd near Porthmadog and, travelling to Caernarfon every day, I used public transport because, at the end of the day, if we are there to provide a service to the public, we need to experience it ourselves. Today, of course, it was just a

logistical issue—I had to travel by car, unfortunately. Picking up on what Justin was saying with regard to interchanges, it is about accessibility, is it not, at the end of the day? Interchanges and services need to be accessible, and information, such as signage, needs to be provided. It is about ensuring that the customer can make their journey confidently, knowing that there is a connection. With regard to bus-to-bus connections, for example, there are rural areas in north Wales such as Oakeley Arms, or Synod Inn in mid Wales, where customers need that confidence. Mrs Jones, who is in her 70s and has to rely on public transport, needs to know, if she travels to Oakeley Arms, and wants to travel beyond there to Pwllheli, whether there is a connecting bus. Will it be running late? Are there roadworks along the route? For example, there was a time when there were 12 sets of traffic lights between Machynlleth and Aberystwyth. Of course, you had emergency works on utilities, but you also had planned works. Was it necessary to have 12 sets of lights, which then made our service, which had been always punctual and reliable, very late? The difficulty then is that you are unable to tell the passenger, ‘Yes, I will get you there in an hour and a half, and you will make that connection’. It is about getting customers’ trust and confidence in the services provided.

[163] **Byron Davies:** Reliability.

[164] **Mr Jones:** Yes. It is the key aspect, is it not?

[165] **Byron Davies:** We have heard from the rail sector that there is no dialogue between bus and train operators on timetabling. Have you a view on that?

[166] **Mr Davies:** It depends upon what we are seeking to do. It is very difficult to have a conversation about linking services. I will use Swansea as an example, but I could use Port Talbot, to get away from Swansea, if that would help.

[167] **Byron Davies:** It would help you. [*Laughter.*]

[168] **Mr Davies:** Let us say we run a comprehensive local bus network. What that is seeking to do is provide local transport for local people in the local environment. That is the whole thing about a bus: it is a local service for local people. Now, trying to organise that local bus service, which may have to meet the demands of the colleges and local schools, and, for example, the demands of the DVLA—we serve it and provide some of the integrated transport for that organisation—and then trying to say, ‘Okay, now we’re going to link our timetables and make them depend upon the national rail timetable,’ which, using First Great Western as an example, very much based on how many trains can get through Reading at a particular time of day, does not make a lot of sense. That was my point at the beginning. High-frequency bus services meeting a regular train service know that there may not be exact co-ordination of the timetables, but there is a great deal of travel opportunity available. There are two timetable changes a year in the rail industry, which are in December and May, I think, and the local bus times frequently change in September, to meet the needs of the college environment, and around Easter, when more services come on for tourism and the leisure industry, so trying to link them does not work. They are two different markets. Yes, there is a benefit in providing integration and opportunity to travel, but linking the timetables together does not make a great deal of sense.

[169] **Mr Pockett:** What we are saying is that yes, there are people who want to use the train and get off it and onto a bus, but there are far more people who are purely using buses, and it is not fair in areas where you do not have a high-frequency bus service to inconvenience, if that is the word, or to expect Mrs Jones, Mrs Rees and Mrs Davies and all those who are going shopping to fit in with the twice-yearly train timetable changes.

[170] **Aled Roberts:** A gaf i roi esiampl i **Aled Roberts:** May I give you an example of

chi o rywun sydd yn defnyddio bysus yn unig, yn hytrach na mynd o'r rheilffordd i fysus, o'm gwaith achos? Mae'n fyfyrwr sydd wedi arfer â theithio rhwng Llanbed a Bangor ar y penwythnos. O dan yr hen wasanaeth cyflym, cymerai bedair awr. Nid yw hynny'n ddeniadol iawn, efallai, ond roedd ef yn ddigon parod i'w dderbyn. Yn awr, mae'r un gwasanaeth yn cymryd pum awr ac mae'n aros am awr yn Aberystwyth. Pwy sydd yn gyfrifol am y newidiadau hynny? Rwy'n derbyn y bu un cwmni yn darparu'r gwasanaeth ac rwy'n meddwl eich bod yn darparu rhan o'r gwasanaeth yn awr. Y broblem yw nad yw'r amserlen yn integredig hyd yn oed pan ydych yn sôn am ddau gwmni bysus yn ceisio cydweithio.

[171] **Mr Jones:** A gaf ateb hynny? Gan fynd yn ôl i ddyddiau Crosville—rydym yn eu cofio'n iawn—roedd gwasanaeth 701 yn rhedeg o Fangor i Aberystwyth. Felly'r oedd hi yr adeg honno. Daeth yr X32 wedyn, gwasanaeth bob dwy awr, a oedd yn rhedeg rhwng Aberystwyth a Bangor ac wedyn roedd Arriva yn rhedeg gwasanaeth arall, yr X40, a oedd yn mynd i Gaerfyrddin a Chaerdydd ac yn y blaen.

[172] A gwisgo'm hen het cyngor sir, a chyn hynny wedi bod yn yrrwr bws a chyn hynny yn hogyn o Danygrisiau a oedd yn gorfod defnyddio cludiant cyhoeddus achos nad oedd gan mam gar, rwy'n gweld y sefyllfa o bob ochr. Nid oes neb eisiau newid bysus neu orfod trafaelio am bum awr er mwyn cyrraedd Bangor. Yr hyn rydym yn ei wneud yn awr yw gweithio'n bositif gyda David Hall, rheolwr y TrawsCymru, ac rydym wedi dechrau darparu'r gwasanaeth T2. Rwyf i eisiau i ni fel cwmni weithio mewn partneriaeth, gyda'r Llywodraeth, wrth gwrs, i weld beth fedrwn ei wneud i wella'r gwasanaeth. Fel sydd wedi cael ei ddweud, nid yw pobl eisiau newid bws. Rwy'n cofio yn Aberystwyth y bu sôn am hen bobl yn gorfod gadael ces ar ochr y ffordd a hyn a'r llall. Ni fydd pobl yn gwneud y daith honno, yn enwedig Mrs Jones yn ei 70au. Ni fydd hi'n gwneud hynny.

[173] Yr hyn yr wyf eisiau ceisio ei wneud gyda David yw edrych ar beth fedrwn ei wneud i weithio gyda'n gilydd i ddarparu gwasanaeth o ansawdd sydd yn ddibynadwy

somebody who just uses buses, rather than going from rail to bus, from my casework? It is a student who has been used to travelling between Lampeter and Bangor on the weekend. Under the old swift service, it took four hours. That is not very attractive, perhaps, but he was willing enough to accept that. The same service now takes five hours and there is an hour's wait in Aberystwyth. Who is responsible for those changes? I accept that, previously, one company provided the service and I think that you now provide part of that service. The problem is that the timetable is not integrated even when you are talking about two bus companies trying to work together.

Mr Jones: May I respond to that? Going back to the days of Crosville—which we remember well—the 701 service ran from Bangor to Aberystwyth. That is how it was at that time. Then the X32 came along, a two hourly service, which ran between Aberystwyth and Bangor, and then Arriva ran another service, the X40, which went to Carmarthen, Cardiff and so on.

Wearing my old county council hat, and before that having been a bus driver and, before that, a boy from Tanygrisiau who had to use public transport because my mother did not have a car, I understand the situation from all sides. No-one wants to change buses or have to travel for five hours to get to Bangor. What we are doing now is working positively with David Hall, the manager of the TrawsCymru, and we have started to provide the T2 service. I want us as a company to work in partnership, with the Government, of course, to see what we can do to improve the service. As has been said, people do not want to change buses. I remember in Aberystwyth that there was mention of elderly people having to leave their luggage at the sides of the road and so on. People will not undertake that journey, particularly Mrs Jones in her 70s. She is not going to do that.

What I want to try to do with David is to look at what we can do to collaborate in order to provide a good-quality service that is reliable and swift. As part of that, I deal with three

ac yn gyflym. Fel rhan o hynny, rwy'n delio gyda thri awdurdod lleol, sef Gwynedd, Ceredigion a Phowys. Wrth gwrs, y mwyaf o bobl sydd gennych yn eistedd o gwmpas y bwrdd, anoddaf y mae i gael penderfyniad. Rydym yn rhedeg y gwasanaeth drwy gontract, ac nid yn fasnachol. Fodd bynnag, rwyf eisiau gyrru'r peth yn ei flaen a gofyn beth fedrwn ei wneud i weithio gyda'n gilydd. Mae sôn am y partneriaethau ansawdd statudol. Rwy'n teimlo, o fod wedi gweithio mewn awdurdod lleol a delio gydag 20 o gwmnïau bysiau—

local authorities, namely Gwynedd, Ceredigion and Powys. Of course, the more people you have sitting around the table, the more difficult it is to reach a decision. We run the service via a contract, not commercially. However, I want to drive this forward and ask what we can do to work together. There is talk of statutory quality partnerships. I feel, having worked in a local authority and dealt with 20 bus companies—

10.45 a.m.

[174] **Nick Ramsay:** May I stop you there, as you are moving into our second area of questioning? John, I will call you on this, but please be brief, because we are a quarter of the way through our time, and I am mindful that we have only covered integration so far.

[175] **Mr Pockett:** It is a little bit humorous—

[176] **Nick Ramsay:** We could spend the whole session on integration.

[177] **Mr Pockett:** It does perhaps show that things have improved. When I was a student in the very early 1970s, I would leave Pontypridd at 8.45 a.m. and would be in Aberystwyth by 4.30 p.m. Not that it is perfect now, but that is what we were faced with as students in 1972, 1973, 1974 and so on—an 8.45 a.m. start, arriving at Aberystwyth at 4.30 p.m. to 4.45 p.m.

[178] **Nick Ramsay:** Those were the days, John. Okay. We have looked at integration. We want to look at quality contracts and franchising, which is what you were just touching on, Mr Jones. David Rees has questions on that.

[179] **David Rees:** Thank you, Chair. You started to talk about quality contracts. I have read through the papers and you seem to be quite opposed to quality contracts and more in favour of voluntary partnerships. Professor Cole last week clearly identified to us his strong views in favour of franchising. Why are you opposed to quality contracts? What do they not give? You say:

[180] 'Quality Contracts take the provision of local bus services into local authority hands and effectively remove the expertise and knowledge of local operators, whose livelihood is dependent on designing and operating the services which the public want.'

[181] How do you know what the public wants? Is it that the public uses the service, but, if something else was available, they would want that? Would quality contracts provide that something else? I know of areas in which there are very poor bus services, so you cannot say that is providing what people want—they are not using the buses, because the services are not there.

[182] **Mr Pockett:** The Association of Transport Coordinating Officers also says, in its paper, that it does not believe that quality bus contracts would solve the issues described. So, there is not a uniformity of view. Professor Stuart Cole talks about franchising in London all the time, but you cannot compare—

[183] **David Rees:** No, you cannot.

[184] **Mr Pockett:** Franchising works in London, but I think that the cost is the best part of £1 billion. My colleagues can fill in on this.

[185] **Mr Davies:** I would like to start with the simple premise that we are business people. We run our businesses—whether that is the type of business that I run, or the type that Richard runs. The only way for us to make our businesses work is by serving the public. If we do not run the routes and we do not carry the customers, we do not have a business. Therefore, we have an absolute desire to grow the market, to serve the needs of people and to provide the services that we can. We cannot provide services everywhere, because we cannot make an economic return on running certain services. The money that we take on some routes simply does not provide a return on the investment that we have to make. It does not matter where we bank or whom we bank with, be it Barclays bank in Porthmadog or, in my case, with shareholders' money, we have to make a return and make sure that we make an adequate return on the money to those people and do what they request us to do with that money. We have to make a return on our capital.

[186] That means that we have a great interest in what the public wants. We have a huge interest in what type of service that it wants. I think that the industry is innovative; there are plenty of examples of innovation within and without Wales, developing service quality. We passionately believe in working with local authorities through quality partnerships, where we take on board the two elements—what local authorities are looking for in terms of serving the widest market possible and trying to serve all areas of the market, and the commercial desire, drive and enterprise that comes into service type, service development, bus type, staff training and all of those issues that make the service something that somebody wants to use. I think that it is that in-between approach that works the best.

[187] **Mr Jones:** That is exactly right. Looking at it from the point of view of Lloyds Coaches in Machynlleth, we want to provide the best level of service. We want to serve Mrs Jones—I talk about Mrs Jones quite often—we want to see what Mrs Jones wants and we try to provide it. As Justin said, we bring to it the commercial flair and the acumen that comes with it and, because we are on the ground, we talk to people, we talk to the passengers, and we are able to provide innovative solutions. For example, working with Arriva Trains Wales between Machynlleth and Aberystwyth, there is acceptance of both ticketing arrangements. It gives the passenger a wider choice of modes of transport to be able to travel. As a result, there is a marginal increase in the revenue taken over the counter. It is a halfway house. I know that Justin in First Group, we in Lloyds and other operators in Wales share an aspiration to work in partnership through voluntary, quality partnerships. We want to do it. Why have a statutory quality partnership? It is because we want to work together. So, let us work together and let us bring the commercial flair of the private sector together with the public sector, and let us give Mrs Jones what she wants.

[188] **David Rees:** John mentioned the frequency of transportation earlier in relation to the rail links. The point that I am concerned about relates to the commercial decisions, in one sense and, perhaps, the services provided to communities that may not always use them frequently. If the integration is going to be hit because the frequency may not be commercially viable, what type of partnership will you operate to ensure that that frequency continues so that people can still use those services, and that it is not only a commercial concept? What is your view on that?

[189] **Mr Davies:** If you work together in a partnership environment in developing a public transport service, such as a bus service, the important matter is the availability of information for the marketing of the service and the tuning of the service to meet people's needs and requirements. Where you have a partnership environment, you can often take on board the

particular issues being raised by local members through the appropriate body within a council, and understand exactly the level of service and the requirements. You then learn a lot more about what it is that people really want and you can do something about it. While there may not be a fully comprehensive service at all times, it will meet the needs of people quite well within a certain community. Given that we have knowledge of the scheduling, the buses that are available and the crew that are available, it is often possible to provide a service somewhere that may not have been served before quite cheaply, because we have the ability to make alterations to the timetable and put that into force. However, if you work apart from each other, you do not talk or discuss, and you do not integrate your minds, then those opportunities are often lost, and the pure commercialism is not translated into action on behalf of the whole community on a wider basis.

[190] The other thing that operators bring is a great deal of knowledge, realism and understanding about the timetabling, reliability and the type of journeys that can be made and the timetables that operate on a certain route. We spent a lot of time working with, for example, the City and County of Swansea on the services to Gower. When we took over the service from a previous operator, the timetables just did not work. They were unreliable and the buses did not make the connections that they were supposed to make. We worked very closely with the local authority to modify the timetable. We put a bit of extra resource into it and then provided a much more reliable service that met people's needs, but which also met the needs of the local authority. It is only by working together in a partnership situation that we managed to combine the commercial understanding with the needs of the local community in that particularly rural part of Wales.

[191] **Mr Pockett:** With regard to looking back with rose-tinted glasses to the 1970s—and, once again, I have to mention Pontypridd—there were two buses an hour from Pontypridd to Cardiff at that time, but there are about eight or nine now. So, you can see how things have moved on. That is due to commercial acumen and commercial expertise, and due to the exploitation of the market. That did not happen in the 1970s and the early 1980s.

[192] **David Rees:** No, but I can give you examples of services where there were buses travelling up the Afan valley on a regular basis that are not available now. So, I can see the reverse side of things. Are there any circumstances in which you think quality contracts would work?

[193] **Mr Jones:** It is only when all other avenues have been expended that we are en route to voluntary quality partnerships, sitting down with the operator and talking things through—as Justin said, not to go over it, but to discuss ground route information, bus stop information, and paper-based information. Let us face it, there are elderly people and a lot of other people out there who do not do the internet and websites and who do not have iPhones, to be honest. When things like that have been expended and there is no clear, positive route through it, it is then, and only then, that quality contracts should be considered.

[194] **David Rees:** So, in your view, it is a fall-back mechanism for when everything else has failed.

[195] **Mr Jones:** When there has been total failure—

[196] **Mr Davies:** That is the concept of a quality contract anyway. The test is whether all possible measures have failed within the defined areas. If they have, that potentially says that that is where a quality contract could work. There are no quality contracts in existence anywhere, but there are many examples of quality partnerships, such as the statutory quality partnership that I operate in part of my business in Bristol, where we have clear agreements for the level of service provided, as well as control of any fares increase taking place. So, actually, it is almost a regulated type of market. In other places, such as Hampshire, we have a

very successful bus rapid transit scheme, which was launched in absolute partnership with the local authority there, and, in that case, there are not any controls in terms of the timetable and the fares—a roadway is provided, as it is an off-road scheme—and yet, between us, we have increased passenger loadings by 30%. So, there are real examples of quality partnership work and evidence that, on the ground, it makes a difference.

[197] **Nick Ramsay:** There are a couple of supplementary questions, and I would like to bring them in. We will first turn to Alun Ffred Jones, then Aled Roberts.

[198] **Alun Ffred Jones:** Rydych yn sôn am weithio mewn partneriaeth, ac rwy'n siŵr y buasem ni i gyd yn cytuno â hynny, ond y gwir amdani yw bod y dystiolaeth a gawsom yn dangos diffyg gweithio mewn partneriaeth ar hyd Cymru. Cawsom alwad yr wythnos diwethaf i ni gael y pwerau i ddeddfu yn y maes hwn o San Steffan, fel y gallasai'r lle hwn basio deddfwriaeth i wella'r sefyllfa. A ydych o blaid y pwerau deddfu hynny'n dod draw i'r lle hwn?

Alun Ffred Jones: You mentioned partnership working, and I am sure that we would all agree with that, but the fact of the matter is that the evidence we have had has shown a lack of partnership working across Wales. A call was made last week for us to have the powers to legislate in this field from Westminster, so that this place could pass legislation to improve the situation. Are you in favour of those legislative powers coming to this place?

[199] **Mr Pockett:** Mae trafniadaeth gyhoeddus—wel, bysus, beth bynnag, gan nad yw popeth o ran y rheilffyrdd wedi cael ei ddatganoli—

Mr Pockett: Public transport—well, buses at least, since not every aspect related to the railways has been devolved—

[200] **Alun Ffred Jones:** Na'r deddfwriaeth, ychwaith.

Alun Ffred Jones: Or the legislation, either.

[201] **Mr Pockett:** Yn hollol. Felly, mae'n gwneud synnwyr i'r pwerau deddfu gael eu trosglwyddo. Mae rhan o'r deddfwriaeth yng Nghaerdydd, a pheth ohoni o hyd yn San Steffan.

Mr Pockett: Indeed. It therefore makes sense for the legislative powers to be transferred. Part of the legislation sits in Cardiff, but part of it remains at Westminster.

[202] **Aled Roberts:** A oes elfen o rwystredigaeth yn hyn o beth hefyd? Rwy'n byw yn y gogledd-ddwyrain, ac mae ansawdd y gwasanaethau yr ydym ni'n eu derbyn yn gwella o ran yr amserlen, ond yn gwaethgu o ran ansawdd y bysus, ac mae hynny oherwydd bod partneriaethau eithaf cryf yn yr awdurdodau yng Nglannau Merswy a sir Gaer. Yr hyn sy'n digwydd gan amlaf yw bod y gogledd-ddwyrain yn cael bysus ryw 10 mlwydd oed a drosglwyddir pan nad ydynt yn cyrraedd yr ansawdd a ddisgwylir gan y partneriaethau yng ngogledd-orllewin Lloegr.

Aled Roberts: Is there an element of frustration in this as well? I live in the north-east, and the quality of the services that we receive are improving with regard to the timetable, but deteriorating in terms of the quality of the buses, and that is because there are quite strong partnerships in the Merseyside and Cheshire authorities. What happens is that the north-east gets 10-year-old buses that are transferred when they do not reach the quality required by the partnerships in north-west England.

[203] **Mr Jones:** Mae'n bwysig cofio bod 22 awdurdod lleol yng Nghymru a nifer fawr o gwmnïau bysus. Felly, daw'r cyfan i hyn: a yw'r bobl hyn i gyd eisiau gweithio gyda'i gilydd? Ac ateb y cwestiwn—o ochr Lloyds

Mr Jones: It is important to remember that there are 22 local authorities in Wales and a large number of bus companies. Therefore, it all comes down to this: do these people want to collaborate? To answer the question—

Coaches, wrth gwrs, nid o safbwynt Cymru gyfan—rydym eisiau gwneud hynny. Fel y dywedodd Justin, fel busnes cyfrifol, rydym am wasanaethu pobl. Busnes ydym ni ar ddiwedd y dydd, felly rydym yn dibynnu ar yr elw sy'n dod i mewn dros y cownter. Yr unig ffordd y cawn ni'r elw hwnnw yw drwy roi gwasanaeth o ansawdd, a rhoi pecyn at ei gilydd sy'n cynnwys bysus modern—ac mae'r rheini'n dod am gost aruthrol o uchel. Yna, mae'n rhaid ichi feddwl am yr hyn a wnewch yn y man gwerthu—a ydych yn rhedeg ar amser, a ydych yn ddibynadwy ac a oes gennych chi brisiau fforddiadwy? Yr hyn y mae'n rhaid inni ei gofio yng Nghymru yw nad oes gennym bobl allan yna sy'n defnyddio cludiant cyhoeddus sydd ar gyflogau mawr; rydych yn sôn am bobl ar gyflogau bach. Wrth gwrs, mae'n rhaid adlewyrchu hynny yn yr hyn yr ydych yn ei godi ar y cwsmer ar y bus. Mae'n fater llwyr o economeg: os ydych yn codi gormod o bris, ni fydd pobl yn defnyddio'r bus.

11.00 a.m.

[204] Yn Lloyds Coaches, mae gennym wahanol fathau o wasanaethau. Mae gennym rai masnachol yr ydym yn eu rhedeg ar ein liwt ein hunain. Mae gennym rai o dan dendr lle rydym ni'n cadw'r refeniw a rhai eraill lle mae'r cyngor sir yn cadw'r refeniw. Rwy'n cadw llygad barcud ar y ffigurau, ac rwy'n sylwi nad yw'r refeniw o'r gwasanaethau lle mae'r refeniw yn cael ei gadw gan y cyngor sir yn mynd i fyny ac i lawr rhyw lawer o fis i fis. Fodd bynnag, mae'r gwasanaeth X28 y gwnaethom ei gyflwyno'n fasnachol ddwy flynedd yn ôl yn ffynnu ac yn tyfu'n gynyddol, a hynny am fod gennym ymrwymiad i roi'r ddarpariaeth gywir. Wrth gwrs, does dim byd yn dod heb risg. Wrth lansio'r gwasanaeth X28, roedd elfen o risg aruthrol yn y peth oherwydd y costau o ran bysus modern newydd ac yn y blaen, a pha un a fyddai hynny'n gweithio. Mae risg ym mhob dim—mae risg inni wrth groesi'r ffordd. Drwy lunio cynllun marchnata a chael strategaeth yn ei lle i ddatblygu, mae'r gwasanaeth wedi ffynnu. Ar draws ein rhwydwaith yn gyffredinol, mae tyfiant yn digwydd, ac nid yw hynny ond yn fater o godi pris tocyn o 5% heddiw, er enghraifft. Nid yw hynny'n gynaliadwy. Mae'n dyfiant sy'n digwydd yn naturiol o fis i fis am ein

from the Lloyds Coaches perspective, rather than from an all-Wales one—yes, we do. As Justin said, we, as a responsible business, want to serve people. We are a business at the end of the day, therefore we depend on the profits that come in over the counter. The only way that we are going to make those profits is by providing a quality service and by putting a package together in which you have modern buses—and these are exceptionally expensive. Then there is what you do at the point of sale—whether you run on time, are reliable and have affordable prices. What we have to remember in Wales is that we do not have people out there using public transport who are on big wages; you are talking about people on low wages. Of course, that has to be reflected in what you charge the customer on the bus. It is entirely a matter of economics; if you charge too much, people will not use the bus.

At Lloyds Coaches, we have different types of services. We have commercial ones that we run entirely on our own. We have some under tender where we retain the revenue and others where the county council retains the revenue. I keep a close eye on the figures, and I notice that the revenue from the services where the revenue is retained by the county council does not fluctuate much from month to month. However, the X28 service that we introduced commercially two years ago is prospering and gradually increasing, and that is because we have made a commitment to make the right provision. Of course, nothing comes without risk. When we launched the X28 service there was considerable risk in it because of the costs involved with new modern buses and so on, and whether that would work. There is a risk in everything—crossing the street can be a risk. However, by drawing up a marketing plan and putting a development strategy in place, the service has prospered. Across our network in general, there has been growth, and it is not just a matter of raising fares by 5% today, for example. That is not sustainable. It is growth that is happening organically from month to month because we provide the service at the right level.

bod yn rhoi gwasanaeth ar y lefel iawn.

[205] I fynd yn ôl at eich prif gwestiwn, To return to your main question, there are 22
mae 22 awdurdod lleol yng Nghymru ac local authorities in Wales and it depends on
mae'n dibynnu pa mor rhagweithiol y maent how proactive they and the bus operating
hwy a'r cwmnïau bysus ym mhob ardal yn companies in each area want to be. I can only
dymuno bod. Fe allaf i ddim ond ateb dros fy answer for my own area.
ardal fy hun.

[206] **Nick Ramsay:** I think that that is a pretty comprehensive answer to your
supplementary, Aled. Joyce Watson, do you have a short supplementary question?

[207] **Joyce Watson:** Yes, to First Group. You mentioned that you had a service running in
Hampshire as an example. I have a daughter who lives in Hampshire, and I happen to know
that it is an extremely wealthy part of the country compared with some areas in Wales, for
example. So, I am not sure about the value of that as an example.

[208] **Mr Davies:** I was merely quoting an example of where a partnership between a local
authority and a bus company has increased the number of people using the service. I could
have quoted the metro service in Swansea, which was a partnership between the city council,
with money provided by the Welsh Government in relation to the road network, and us in
providing the vehicles. That is an equally good partnership that equally has achieved a high
level of passenger growth on the route. I was merely trying to give an example of the way that
partnership working around the country has led to some very effective improvements in local
public transport in providing local buses for local people.

[209] **Joyce Watson:** Okay. I will move to my set of questions. Is competition the main
obstacle to integration?

[210] **Mr Davies:** Are you talking about bus-to-bus journeys or bus-to-rail journeys?

[211] **Joyce Watson:** We all know that buses operate under competitive rules, and you are
bus operators, in the main, so let us talk about bus-to-bus journeys.

[212] **Mr Davies:** I do not think that the Transport Act 1985 prevents people from working
together and providing integrated services. The Transport Act 1985 set up the legislative
environment that we have today for people to operate services on a commercial basis, with
each provided by the local authorities on a tender service basis. As I said earlier, all of us—it
does not matter what size of business we are doing—are here to grow the market and carry as
many people as much as we can, because that is how we will grow our business. The
questions I am constantly asked are, 'How much have you grown your business?', 'How
many more people are you carrying?', and, 'What are you doing to encourage more people?'
If, by providing good-quality services and encouraging more customers, the market expands
and more people come into the market, then that is a natural development of running a quality
market. I do not think that it necessarily stops integration between modes or between services.

[213] **Mr Jones:** In Machynlleth, competition no longer exists. We run the entire network
in that area now, from the previous operator. Going back to my initial opening statement, it is
down to the effective utilisation of resources and the way we work it. Going into the bus
world, it is around your peak vehicle requirement. The amount of vehicles, drivers and
resources you have on off-peak times are determined by the number of resources you need at
peak times for getting people to work, colleges, schools et cetera. So, it is worked around that.
The X28 is a prime example of that. It feeds into education traffic in Aberystwyth, simply
working with the local authority. What we have done there, simply, is rather than the local
authority paying for a pure school bus—an extra driver, an extra vehicle and more pollution

to the environment—we are carrying scholars on our commercial service, at a much cheaper price than the council would pay for a pure school bus vehicle.

[214] In getting people onto public transport, the timetable needs to be understandable; it needs to be an easy, comprehensible timetable. Mrs Jones does not want to be looking at a timetable and thinking, ‘I can’t work that out so I’m not going to use the bus’. So, we run a clock-face timetable. Simply, it is half past every hour from Machynlleth and half past every hour from Aberystwyth. People remember the times. However, it is about working around your peak vehicle requirement. Then, if you move things slightly, because of the utilisation of the resources we have, it is then shifting the whole service for the whole day. Then, because we have commitments with other strategic bus service connections, it would mean moving the whole network across. The network, in other places, connects with other schools, as we serve Tywyn high school, Dolgellau high school, two high schools in Aberystwyth and primary schools. We link all this into our network to make it more cost-effective.

[215] **Mr Pockett:** I just support my colleagues; they have the on-the-ground experience.

[216] **Joyce Watson:** Okay, so it is not competition that is causing problems with regard to integration within the bus industry. Is it competition that is causing integration between rail and bus, do you think?

[217] **Mr Davies:** Do you mean it in a positive sense?

[218] **Joyce Watson:** In any sense at all. We have been told that it is an obstacle, that it is the competitive rules that get in the way of integration. I am trying to ascertain whether that is true. If it is not true with bus-to-bus integration, because you have just given examples, is it the case between bus and rail?

[219] **Mr Davies:** There is clearly a market for people wanting to use a train, arrive at a town or city centre then continue their journey by bus. As a commercial operator, we would want to do that. As I said before, it works really well where you have high-frequency services going past a railway station, which gives people lots of travel option. We have the Plusbus ticket, which is a nationally available ticket from the rail network, which gives onward journeys on the bus. So, the ticketing problem is taken away: you simply have to ask for your Plusbus ticket and you can go straight onto the bus using your rail ticket. In that sense, there is no barrier to making the journey. We see it as an economic proposition. We want to do it and we want to develop it and therefore we provide those services.

[220] Where it may not be provided, to take Richard’s point, is where you then have to add a lot of extra cost to re-route a service that may go to the city centre, but not directly to the railway station. That is because you are adding another peak vehicle, you are adding in more drivers and there is a lot of extra cost that might be associated in a particular place, serving a particular location. That has to be looked at on a one-by-one basis, looking at the particular opportunities that exist. So, you may be able to do it at certain times of day, but not at all times of day. In my experience as a commercial operator, we want to use rail. After all, the number of people travelling by train in the United Kingdom is up and is increasing quite significantly. That is all to do with more people wanting to use a public transport service and therefore wanting to make onward journeys when they arrive at their destination. For example, in the summer a lot of people want to be able to arrive at Swansea station and go down into the Gower to campsites and places like that. A lot of people who come to Haverfordwest in the summer want to go on to other destinations in Pembrokeshire. We want to do that. We want to make those opportunities available because it is good business for us.

[221] **Mr Jones:** For example, we have got our hands on the T2 service: we run it to and from Bangor railway station, which has never happened in the past. It terminates and starts in

the railway station. It is an extra couple of minutes. It is just joined-up thinking. At the end of the day, we are thinking about education, health and employment. T2 is a perfect example. There are massive colleges at both sides—in Bangor and Aberystwyth—and two massive hospitals—Ysbyty Gwynedd and the hospital in Aberystwyth. There are also employment masses along the route. We need to try to tap into all of that. Student traffic is something that we are doing—we had a meeting with David Hall last week. Students are travelling on the weekend: they travel from Aberystwyth to come home to north Wales, or vice versa. Let us give them a cheap ticket. We are going to launch a student weekend ticket, which we will call ‘boomerang’. It will be a four-day return ticket so students can travel home on a Friday and go back to college on Saturday, Sunday or Monday. It is a matter of bringing this commercial flair and acumen together, working with people like David in the public sector, who will help us to market it. With a bit of luck, we will generate more traffic and more income and the service will become more sustainable in the long term. It will hopefully cost less money to the public purse in the long term.

[222] **Mr Pockett:** I want to make a broader point. You hear of the bus against the train, but the message that we want to get across—and that I think that you and the Government want to get across—is that of the bus and the train against the car. That is, public transport against the car. The car is the ‘enemy’. I do not think that you want a wedge between the bus and the train. The enemy of public transport is the car. The aim is to reduce dependency on the car.

[223] **Joyce Watson:** You are absolutely right, and that is what we are trying to drive at here. [*Laughter.*] As somebody who lives in Pembrokeshire and who covers mid and west Wales—all of the area in which you operate—if I did not have a car, I would take a very long time to do a lot of my work. That leads me on to my next inquiry. We have heard about profitability and I am going to keep on the line of profitability. I can give you some good examples of where the bus pulls out five minutes before the train arrives in Carmarthenshire and other places, which is ridiculously stupid. I have heard a lot from Justin about how you build your services and you have to make a profit in those areas. What happens to the ones that are a bit less profitable? What about using, for example, some of the top-end profitability to try to encourage, in the way that Richard has described, a possible profitable service that is not currently profitable by driving up demand? That is what we are trying to do here.

[224] **Mr Davies:** I can assure you from my business’s point of view, and I am sure that Richard will speak for himself, that we have what I would describe as a basket of services, within which we will have some operations that probably make us no money at all, or may even lose us some money. At the other end, there are some services that are more profitable. We look at the entire basket of operation. I can assure you that we do not just drive at the most profitable services and say, ‘That is all we want to run’. If we did that, we would run far fewer buses than we do today. It is very simple; we do not do that.

11.15 a.m.

[225] If we have a depot, wherever it is located, clearly it has a number of vehicles that it can accommodate and it has a number of staff who we use to maintain and supervise the vehicles. So, we then have a generalised cost of that location and we know that if you take out one or two buses that may not be the most profitable in the world, you do not actually save that much money: we would still have the depot, the fixed facility, and we would still have the supervisor clocking the guy on in the morning and we would still have to take the cash away at night and all of those pieces. So, you can sustain quite a lot of services that may be described as marginally profitable. In fact, I can assure you that one or two of them are loss-making services, but you retain them within the portfolio because it is good for the entirety of the business.

[226] We know that having the network is quite an important thing: it is sellable to people and it makes people travel across the whole network. So, with a route coming in here that may be very marginal, some customers may buy the weekly ticket, the monthly ticket or the daily ticket and then transfer on to a service that takes them to a hospital, a railway station or a specialist out-patient facility where they have to go. So, we have a basket of services and I can assure you that if we simply took the very harsh economic decision, 'I am only going to run that which makes me the total economic and the best return', we would run far fewer services than we do today. We do not take that attitude: we take the rounded picture of the rounded operation that we can cope with. Clearly, we cannot keep going on operations and build up a massive amount of loss-making services. The pressures in the business at the moment, particularly in terms of the local authority funding, which is a problem, mean that we are having to look at the package.

[227] **Mr Pocket:** Very quickly, I was just going to use Cardiff as an example. The poorer areas are where the bus services are better patronised, so they are more profitable. The services in the leafy suburbs are far less patronised, so the poorer areas are going to subsidise the leafy well-off areas and I do not think that that is the intention at all. I just used that as a possible example of that.

[228] **Aled Roberts:** Pa mor effeithiol yw'r consortia rhanbarthol i wireddu cael polisi trafniadaeth cyhoeddus integredig?

Aled Roberts: How effective are the regional transport consortia in implementing an integrated transport policy?

[229] **Mr Pocket:** Byddai pobl yn derbyn nad yw 22 awdurdod lleol yn addas o gwbl i gyflawni trafniadaeth gyhoeddus o unrhyw fath—adeiladu heolydd na dim arall. Felly, mae angen dod â'r awdurdodau lleol at ei gilydd fel yr oeddent o dan yr hen siroedd efallai. Roedd wyth cyngor sir o'r blaen a nawr mae 22 awdurdod trafniadaeth unigol. Felly, mae lle i groesawu dod â nhw at ei gilydd mewn ffordd wirfoddol neu beth bynnag arall.

Mr Pocket: People would accept that 22 local authorities are not appropriate to deliver public transport of any kind—neither road building nor anything else. Therefore, we need to bring the local authorities together as they were under the old counties maybe. There were eight county councils before and now there are 22 individual transport authorities. Therefore, we should welcome any efforts to bring them together in a voluntary way or whatever.

[230] **Aled Roberts:** Oes perygl na fyddant yn gallu gwahaniaethu rhwng polisïau trefol a gwledig o ran rhanbarth mor fawr?

Aled Roberts: Is there a danger that they would not be able to differentiate between urban policies and rural policies in terms of such a large region?

[231] **Mr Jones:** O ystyried beth mae John newydd ei ddweud, mae'n amlwg y buasech yn arbed arian pe baech yn cwtogi ar y 22 awdurdod lleol. Mae dyblygu mawr yn mynd ymlaen yn y maes ym mhob awdurdod, ac mae'r un peth yn wir am feysydd eraill o lywodraeth leol. Fodd bynnag, y perygl hefyd yw y byddwch yn colli'r wybodaeth leol. Er enghraifft, pan oeddwn yn gweithio yng Ngwynedd, roeddwn yn gwybod hanes pob un llwybr bws a phob cwmni lleol. Mae perygl o golli hynny, ond ar ddiwedd y dydd, rhaid edrych ar y sefyllfa economaidd bresennol a'r ffaith bod rhaid arbed arian, ac mae hynny'n un ffordd o wneud hynny.

Mr Jones: Considering what John has just said, it is obvious that you would save money if you cut down on the 22 local authorities. There is huge duplication going on in the area in each authority, and the same is true of other areas of local government. However, the risk attached to that is that you would lose local intelligence. For example, when I worked in Gwynedd, I knew the history of every bus route and every local bus company. There is a danger of losing that, but at the end of the day, we have to look at the current economic situation and the fact that savings have to be made, and that is one way of achieving that.

[232] **Mr Pocket:** Hefyd, os mai dyna'r ffordd mae'r Llywodraeth yn meddwl mynd, rhaid sicrhau bod gan swyddogion arbenigedd, a hefyd bod cyllid ac adnoddau digonol i gefnogi eu gwaith yn y maes. Nid yw'n ddigon da i wthio hyn atynt a dweud, 'Reit, cerwch ymlaen gydag e'. Mae angen sicrhau bod yr adnoddau a'r arbenigedd ar gael i gyflawni hynny.

[233] **Aled Roberts:** Rydym wedi derbyn tystiolaeth ynglŷn â pholisïau caffael bod perygl wrth i ni symud tuag at ranbarthau, ac wrth i'r rhanbarthau ddefnyddio fframweithiau o ran caffael, bod cwmnïau lleol yn mynd i golli allan.

[234] **Mr Jones:** Mae'n ymddangos ei fod yn digwydd yn awr, o edrych ar y sefyllfa o ran tendro am waith. Gan wisgo fy hen het gyngor unwaith eto, byddem yn anfon papurau tendro allan a byddent yn mynd i'r cwmnïau lleol i gyd. Fodd bynnag, gydag e-dendro, mae'r tendr yn mynd allan i unrhyw un sy'n dymuno rhoi pris ac sy'n cyrraedd y gofynion disgwylidig mae'r awdurdod lleol yn gofyn amdanynt.

[235] Rydym yn awr wedi gwneud llawer o ymarferion e-dendro ac, wrth lwc, rydym wedi bod yn llwyddiannus iawn wrth ennill contractau dan fframweithiau Powys ac ardaloedd eraill. Felly, mae'n edrych yn debyg ei fod yn gweithio. Ond, fel y crybwyllodd John—ac rwyf wedi ei gynnwys yn fy mhapur i—y duedd wrth wneud arbedion mewn awdurdodau lleol yw symud pobl o gwmpas a'u slotio i mewn o adran arall, yn hytrach na chael arbenigwyr yn y maes, sydd â'r angerdd a'r dymuniad i wneud gwahaniaeth, sy'n awyddus i helpu Mrs Jones ac i weithio tan 6 p.m. ar nos Wener. Er enghraifft, mae rhywun sydd â chefnidir addysg neu gefndir mewn adran arall yn cael ei slotio i mewn i gludiant cyhoeddus. Nid oes ganddynt gefndir mewn trafndiaeth, ond maent yn diweddu i fyny yn yr adrannau hynny.

[236] I gyfeirio'n ôl at yr hyn a ddywedodd y gŵr bonheddig yn gynharach, mae hefyd yn bwysig cofio, gyda chontractau ansawdd neu gontractau gwirfoddol, ei fod yn dibynnu ar y bobl sy'n gweithio yn y cefndir i'w gyrru

Mr Pocket: Also, if that is the approach that the Government intends to take, we must ensure that officials have expertise, and that there are adequate resources and funding to support their work in this area. It is not good enough just to push this at them and say, 'Well, get on with it.' You need to ensure that the resources and expertise are available to achieve that.

Aled Roberts: We have had evidence regarding procurement policies that there is a danger as we move towards regions, and as the regions use frameworks in terms of procurement, that local companies are going to lose out.

Mr Jones: It seems to be happening now, if you look at the situation with tendering for work. Wearing my old council hat once again, we would send tender papers out and they would go to all the local companies. However, with e-tendering, the tender goes out to anyone who wishes to submit a price and fulfils the requirements of the local authority.

We have now been through many e-tendering processes and, luckily, we have been very successful in gaining contracts under the framework in Powys and in other areas. So, it seems to be working. However, as John mentioned—I have included this in my paper—the tendency when making savings across local authorities is to shift people around and slot people in from other departments, rather than bringing in experts who have the passion and the drive to make a difference, to help Mrs Jones and to work until 6 p.m. on a Friday evening. For example, someone with an education background or a background in another department is slotted into public transport. They do not have a background in transport, but they end up in those departments.

To refer back to what the gentleman said earlier, it is also important to remember that, with quality contracts or voluntary contracts, it depends on the people working in the background, driving it forward in the

ymlaen o fewn yr awdurdodau ac yn y authorities and in the bus companies.
cwmnïau bysiau.

[237] **Nick Ramsay:** I am mindful that we only have 10 minutes left and we have a fair number of questions to get through. So, I want to move things on at this point. On the bus funding review, what is your view on the impact of proposals to fund bus services through a single scheme administered by regional transport consortia?

[238] **Mr Pockett:** As Members will know, because I have had discussions with them on this over the last few months, the bottom line is that there is a reduction of 25% in bus funding. Any idea that you can get more for less is just economic folly. We have worked very hard under difficult circumstances over the summer to meet the very tight timescale set for us with our partners in local authorities—we work closely with our partners; we have a good, transparent and happy relationship with our partners in local authority and with the Government. We have played our part and we are now waiting for the Minister to make an announcement.

[239] **Nick Ramsay:** So, what sort of impact will that 25% have?

[240] **Mr Pockett:** It would probably be better for people on the ground to answer that.

[241] **Mr Davies:** It is not simply the 25% reduction in fuel duty rebate, because there is clearly a reduction in the funding that is going to local authorities for the local transport sustainable fund. So, there are two reductions happening. There is a need to make that clear.

[242] The reality is, and John has made this point, that that level of funding cuts will lead to some hard questioning about the level of service provision at some times of day and in some places, and/or the price charged for the product, simply because the level of money coming in is going down. As I have said, it does not matter whether we borrow the money from Barclays Bank in Porthmadog high street to fund the business or we raise money through our shareholders, we have to return that money and they have expectations, and rightly so, regarding that money being returned to them. It does not matter whether the local authority is funded by the Assembly or whoever, the money has to be used, found and replaced.

[243] So, inevitably, there will be some effect. I do not think that we have seen the full effect yet, because we do not know what the local authorities will do and how they intend to move forward. However, I will emphasise the point that John made in that we worked very hard in the summer as an industry in very close association with our local authority colleagues, and I think that we reached the best solution possible under the circumstances.

[244] **Nick Ramsay:** Did you introduce the service reductions and the fare increases in advance of the 25%?

[245] **Mr Pockett:** No. On 17 January, we received a letter, which was a bit of a bombshell, stating that there was going to be this cut of 25%. Members here will remember various communications from me and various meetings were held. We should bear in mind that, behind all of this, is the fact that bus operators have to give eight weeks' notice to the traffic commissioner if they want to change any services. So, this cut was going to be introduced with around 10 weeks' notice. By the time that you give eight weeks' notice to the traffic commissioner, you are talking about no time at all. As I said, we got a letter on 17 January. We met the Minister on 20 February and we had some discussions with him. There was no mention of an extension. There was still a cut of 25% on the table at that time. On 29 March, we met with the Minister and he said that there would be an extension from 1 April, which was three days hence. However, bearing in mind that, for the bus operators, looking at their plans and budgets that had already been done the previous autumn, it drove a coach and

horses through everything.

[246] Subsequently, there was a further three-month extension. We were notified by letter on 27 June this year, with it coming into effect on 1 July. Again, we were given three days' notice, which, for bus operators that have to comply with the law with the traffic commissioner, is really no notice at all. I hope that that puts it in context. I do not think that anyone jumped the gun. The only evidence that we had on which to plan services was the letter on 17 January.

[247] **Kenneth Skates:** Can you just confirm when you first understood that you had additional negotiating time? Going through these dates again, you got the letter on 17 January; you then realised that you had 10 weeks in which to implement any changes as a consequence of the letter. At what point were you told by the Minister or officials that you had more time to look at this and that more negotiations were going to take place?

[248] **Mr Pockett:** There were various stories floating around that some discussions would be held. We met with the Minister on 20 February and, from my contemporaneous notes, he indicated that, probably, there would be more money on the table for this, but he could not give us a figure. It was all very nebulous. You can only go on the actual evidence that you have in front of you and, at the time, it was a 25% cut.

[249] **Kenneth Skates:** However, there was still negotiating time that was offered to you—

[250] **Mr Pockett:** No. That did not start until well into the new financial year. I cannot give you the date now, but I can check that for you.

[251] **Kenneth Skates:** On 29 February, the Minister told the committee:

[252] 'I have come back to the table to offer them some negotiation time.'

[253] **Mr Davies:** I think the term 'negotiation' is wrong.

[254] **Mr Pockett:** Yes. If—and it was a big 'if'—there were going to be discussions about setting up the new funding mechanism, which has now happened, it was thought that that could be considered. It was all 'ifs' and 'coulds' and whatever. As I said, we made it clear that we wanted to be part of those negotiations from day 1. I come back to the underlying principle that you have to give 56 days, or eight weeks, notice to the traffic commissioner. So, if you do not have the money on the table to run things that you had already budgeted for, it is very difficult.

[255] **Mr Davies:** The other point to make here is that, on the basis of the information that they had been given by the Minister, a number of local authorities gave notice on local bus tendered contracts at the same time.

[256] **Nick Ramsay:** I think that we have got the message that it was less than clear. You have explained that pretty well. I am mindful that we have three minutes left. Ken, do you have some questions on inter-modal integration?

[257] **Kenneth Skates:** Yes, although I think that some of them have been answered. What do you see as the role of community transport? How should it be integrated with commercial bus services?

[258] **Mr Jones:** It definitely has a place in this. Going back to what the gentleman said about journey times increasing vastly, at the end of the day, because of the profitability factor, you need to get as many people on to the bus as possible to make it pay. So, these services

divert into places such as Comins Coch, Gellilydan, Tremadog, Trawsfynydd and so forth. My opinion is that community transport definitely features in this, because it does away with any duplication that may happen in certain places. It also provides the opportunity to improve journey times, such as in the case of the T2, because community transport can serve outlying communities, making the end-to-end journey on something like the T2 more attractive. So, yes, definitely, without a doubt.

11.30 a.m.

[259] There is an opportunity there as well to improve the infrastructure. It is not just a matter of having a bus stop at the side of the road and a minibus that turns up to pick up passengers. It is about having a proper interchange—a strategic hub between community transport and that local service, whichever one it may be and in whichever part of Wales it may be. Simply, it is giving Mrs Jones that opportunity: if it is raining, there is real-time bus information there, there is a bus shelter there, there is a minibus waiting for her, there is better co-ordination. So, again, yes, definitely, without a doubt.

[260] **Mr Pockett:** I think that community transport increases the number of journey opportunities. Overall, that is great. Getting them integrated with appropriate calling points into commercial bus networks is absolutely vital. To an extent, they are a bit hidden, because, often, they are funded through a local authority scheme in a completely different way. The visibility of some schemes, in the total travel sense, could be improved. So, a bigger picture, and being able to say ‘All of this available, here is where you can see it and this is how you can interconnect with it’, would help.

[261] **David Rees:** You talked about visibility. One issue that we discussed with Community Transport Association Wales earlier this morning, and with other groups, was the information provided on accessibility of bus services. Community transport might provide a link to a hub, but if passengers cannot get onto the bus at that hub—

[262] **Mr Jones:** This is it, is it not? It is about having that hub, which is accessible and has information—

[263] **David Rees:** It is also that the transport is accessible and about putting the right buses on the right routes to provide that accessibility. Basically, I think that our information is that your operators are not very good at giving that information out.

[264] **Mr Pockett:** The information goes to local authorities and they are responsible for putting out information—

[265] **David Rees:** I was talking about what type of bus runs on which service and how accessible particular buses are to particular users.

[266] **Mr Jones:** I disagree completely, from a Lloyds Coaches perspective. We are very proactive. We have our own corporate website; we have even produced—at great cost—our own paper leaflet with a huge distribution area, simply so that we can get to people like Mrs Jones who does not have access to the website. We have a Facebook site, so we are able to give out information—if there are roadworks, road accidents, flooding, or whatever, we are able to get that message out to the general public. I have seen myself doing it at 4 a.m.—making sure that the message gets out to the public. In terms of information and in accordance with the Transport Act 1985, information at the side of the road is the responsibility of the local authority. We have approached local authorities and asked if they would like us to do it for them.

[267] **David Rees:** What I want to ask about is not just bus timetables, but—

[268] **Nick Ramsay:** I do not think that we have enough time for more.

[269] **David Rees:** It is important, because the operators are here. I will be very quick.

[270] **Nick Ramsay:** No, I am sorry, we do not have time. We are two minutes over already, and you did say that you were going to ask a brief supplementary question.

[271] **Mr Pockett:** Could I clarify something that I said about the Minister? The Minister said that we had a six-month extension. We did have a six-month extension but we did not—we had two three-month extensions with three days' notice in each case. When you work on a timescale of 56 days—eight weeks—that is a very important fact. It is right to say that there was a six-month extension, but there was no notice and it was two three-month extensions, which is not the same when you are planning transport.

[272] **Nick Ramsay:** Great. I thank our witnesses, Justin Davies, John Pockett and Richard Lloyd Jones, for attending today. That was exceptionally helpful. A lot of information was covered in a short time there. With three witnesses, it is always difficult to manage the time.

[273] **Mr Pockett:** As always, should any matter arise, if Siân contacts me about it, I will be more than happy to help.

[274] **Mr Jones:** The same goes for me, as well.

[275] **Nick Ramsay:** It was remiss of me not to thank you for your paper at the start of the session. Thank you for providing that information as well, which was helpful. I bring this session of the Enterprise and Business Committee to a close.

*Daeth y cyfarfod i ben am 11.34 p.m.
The meeting ended at 11.34 p.m.*