



Cynulliad Cenedlaethol Cymru The National Assembly for Wales

Y Pwyllgor Menter a Busnes The Enterprise and Business Committee

**Dydd Mercher, 16 Ionawr 2013
Wednesday, 16 January 2013**

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Cynnig o dan Reol Sefydlog Rhif 17.42 i Benderfynu Gwahardd y Cyhoedd o'r Cyfarfod
Motion under Standing Order No. 17.42 to Resolve to Exclude the Public from the Meeting

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi 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**

Mick Antoni	Llafur (yn dirprwyo ar ran Julie James) Labour (substitute for Julie James)
Yr Arglwydd/Lord Dafydd Elis-Thomas	Plaid Cymru The Party of Wales
Vaughan Gething	Llafur (yn dirprwyo ar ran Keith Davies) Labour (substitute for Keith Davies)
Alun Ffred Jones	Plaid Cymru The Party of Wales
Eluned Parrott	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Nick Ramsay	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
David Rees	Llafur Labour
Kenneth Skates	Llafur Labour
Joyce Watson	Llafur Labour

Eraill yn bresennol
Others in attendance

Ben Davies	Rheolwr Cyswllt â Rhanddeiliaid, Trenau Arriva Cymru Stakeholder Liaison Manager, Arriva Trains Wales
Martin Evans	Cadeirydd, Sefydliad Siartredig Logisteg a Thrafnidiaeth Cymru Chair, Chartered Institute of Logistics and Transport (UK) Cymru Wales
Dr Andrew Potter	Swyddog Polisi, Sefydliad Siartredig Logisteg a Thrafnidiaeth Cymru Policy Officer, Chartered Institute of Logistics and Transport (UK) Cymru Wales
Michael Vaughan	Pennaeth y Fasnachfaint a Rheoli Rhanddeiliaid, Trenau Arriva Cymru Head of Franchise and Stakeholder Management, Arriva Trains Wales

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

Chloë Davies	Dirprwy Glerc Deputy Clerk
Andrew Minnis	Gwasanaeth Ymchwil Research Service
Siân Phipps	Clerc Clerk

Dechreuodd y cyfarfod am 9.14 a.m.
The meeting began at 9.14 a.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

[1] **Nick Ramsay:** I welcome Members, witnesses and any members of the public to this

morning's meeting of the Enterprise and Business Committee. This meeting is bilingual; headphones can be used for simultaneous translation from Welsh to English on channel 1 or for amplification on channel 0. The meeting is being broadcast and a transcript of the proceedings will be published. I remind Members to turn off their mobile phones. There is no need to touch the microphones; they should operate automatically. In the event of a fire alarm, people should follow the directions from the ushers. We have three apologies today, from Keith Davies, Julie James and Byron Davies. There are two substitutions. I thank Mick Antoniw and Vaughan Gething for being with us to help the committee today. It is most appreciated.

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

[2] **Nick Ramsay:** I am very grateful to the two witnesses for agreeing to come in to help us with our questioning in this inquiry. Would you like to give your names and positions for the record?

[3] **Mr Davies:** I am Ben Davies. I am the stakeholder liaison manager for Arriva Trains Wales, based up in north Wales.

[4] **Mr Vaughan:** I am Michael Vaughan, head of franchise for Arriva Trains Wales, based in Cardiff and covering the south of the country.

[5] **Nick Ramsay:** Great. Thank you for being with us today. We have a range of questions to ask you, so I suggest that we get straight into them. If at any point I move things on, it is because we have a large number of areas to cover, and I want us to get through as much as we possibly can. The first question today is from Dafydd Elis-Thomas.

[6] **Yr Arglwydd Elis-Thomas:** Mae'n dda iawn gennyf weld y ddau ohonoch yma. Rwy'n codi'r cwestiynau hyn fel teithiwr wythnosol sy'n mwynhau'r gwasanaeth—fel arfer.

Lord Elis-Thomas: I am very pleased to see you both here. I am raising these questions as a passenger who enjoys your services on a weekly basis—or usually enjoys them at least.

[7] I ba raddau yr ydych yn edrych ar bolisi trafnidiaeth Llywodraeth Cymru wrth osod eich gweledigaeth a'ch strategaeth? Sut ydych yn dod ymlaen â swyddogion a Gweinidogion sy'n gyfrifol am y polisi trafnidiaeth?

To what extent do you look at the Welsh Government's transport policy in setting your own vision and strategy? How do you get on with officials and Ministers responsible for transport policy?

[8] **Mr Vaughan:** In terms of following policy, obviously we look to the Welsh Government to provide a lead on integrated transport, and on transport in general.

[9] Our day-to-day dialogue with Welsh Government officials is very good. We keep them updated on the latest developments, even—for this week—with the weather implications that might happen by the end of this week. Generally, the dialogue and the relationship are very good. We have monthly meetings with Welsh Government officials, at which we discuss performance and safety issues regarding the system. Generally, we have a very good relationship with them.

[10] **Yr Arglwydd Elis-Thomas:** Cawsom dystiolaeth gan Network Rail yr wythnos diwethaf, a chawsom gyfle'r llynedd

Lord Elis-Thomas: We received evidence from Network Rail last week, and we had an opportunity last year to visit its new

i ymweld â'r pencadlys newydd yn Nhreganna. Gwelsom yn ymarferol y cydweithrediad agos rhwng Network Rail a'ch cwmni chithau ar wasanaethau trenau penodol. Dylwn ddiolch i chi hefyd am y gwasanaeth Twitter ynglŷn â'r tywydd a newidiadau i amseroedd trenau—mae'n ddefnyddiol iawn.

headquarters in Canton. We saw on a practical level the close collaboration between Network Rail and your company on specific train services. I should also thank you for your Twitter service, providing information on the weather and changes to train times—it is very useful.

[11] I ba raddau y mae eich perthynas â Network Rail wedi gwella ers i Network Rail gael ei ddatganoli? To what extent has your relationship with Network Rail improved since Network Rail was devolved?

[12] **Mr Vaughan:** Our direct relationship with Network Rail has been a very close one for many years, and, certainly in the last 12 months with the now-devolved Network Rail scenario, that makes the focus much better on things that happen in Wales.

[13] We must not forget, however, that we operate long-distance trains and cross-border services, and we are just as concerned about those as we are about those trains that operate in Wales. You mentioned the combined control, and that has reaped dividends in terms of the way that we can effectively run our train services, and recover when we have service disruption.

[14] **Yr Arglwydd Elis-Thomas:** A gaf ofyn, yn olaf, am eich perthynas â'r consortia trafnidiaeth rhanbarthol a'r awdurdodau lleol? Yn sicr, mae pawb ohonom sy'n teithio yn gyson ar ein pasys trafnidiaeth gyhoeddus yn gweld diffyg integreiddio yn gyson rhwng gwasanaethau bysys a gwasanaethau rheilffordd. Ni ddechreuaf sôn am y cysylltiad rhwng Blaenau Ffestiniog a Phorthmadog yn y boreau, Ben. [*Chwerthin.*]

Lord Elis-Thomas: Finally, may I ask about your relationship with the regional transport consortia and the local authorities? Certainly, those of us who travel regularly with our public transport passes regularly see a lack of integration between services and train services. I will not start to talk about the link between Blaenau Ffestiniog and Porthmadog in the mornings, Ben. [*Laughter.*]

[15] **Mr Vaughan:** Again, with the regional transport consortia, we have good, established relationships with them. We work with them and have been doing so for many years now—certainly for the seven years that I have been in post. On working relationships and integrated transport in general, I am not so sure that the four consortia are joined up on a one-view basis. Some of the regional transport plans are not particularly concerned with integration rather than the list of projects that they wish to deliver because they have been deemed to be the right ones to do. I believe that more integration could be imported into the list of projects that they deliver. They have done some excellent work, but I think that we can take it a stage further to ensure that integration is always considered as part of their regional transport plans or any such project—it could even be included in the national stations improvement programmes.

[16] **Lord Elis-Thomas:** So, if this committee were hypothetically to make recommendations along those lines, that would go down well with you.

[17] **Mr Vaughan:** Yes, that would be fine. Sometimes we need to be up high in order to take a view of what we have got, what we need and what the customer needs, and then those need to be translated into a strategy or policy that will include integrated transport and better access for disabled people and all the other things that we wish to see.

[18] **Lord Elis-Thomas:** Finally, how would you assess the customer need on a regular

basis?

[19] **Mr Vaughan:** We assess the customer need regularly. We have to have national passenger surveys, which are conducted twice a year. We will be doing our own more detailed survey; in fact, that process is already taking place. We monitor our customer feedback every day and translate the data into their needs on a monthly basis, which is shared at executive level. We also get feedback from rail user groups and even the consortia on a daily basis. Ben and I are certainly open to receiving e-mails from anyone who wants to talk to us and suggest where we can do better.

[20] **Mick Antoniw:** I want to talk a little more about the comments that you just made on the existing forum or structures. Certain other parts of the UK, for example, Manchester, south Yorkshire and so on, have gone for a far more powerful structure, involving a broader range of interests and linking in very much with an economic development agenda. Would we benefit from a more powerful, more beefed-up structural system?

[21] **Mr Vaughan:** I would agree with that to a certain extent. If you are talking about the Greater Manchester passenger transport executive and some others, it is difficult to make comparisons between where we are and where they are: it is a completely different environment; the population density is different. So, you have to be careful and consider whether you are comparing apples with apples or apples with pears.

[22] What is potentially required is something a bit stronger, that has a strategy behind it, that is logical, in a sense, and has some power to say, 'We need to co-ordinate various groups on integrating transport and on trying to improve accessibility in certain areas of the network'. At the moment, you have a lot of good intentions in many areas, but there needs to be a drive to make sure that some of these things are realised.

[23] **Mick Antoniw:** In terms of the role of the Welsh Government, do you think that it is giving sufficiently strong leadership in this area? Do you think there is a more important role to be realised for the Welsh Government in pulling this together?

[24] **Mr Vaughan:** You have to start from a base of asking, 'What do we have now, what is the vision, and what do we want to see happening?' I am not sure whether that is in place. On what we have now in terms of integrated transport, we actually have quite a lot of good stuff out there that the general public do not know much about. There is then an issue of how we communicate the services and benefits, and how people can get about the country. That is what we have now. What is our vision for the future? We have a vision, as a company, of where we need to be, but you would need everybody on board. You need a clear lead to co-ordinate and motivate people to bring this about.

[25] **Mick Antoniw:** Do you think there is sufficient clarity of vision at the moment or do you think that more work needs to be done to enunciate that vision?

[26] **Mr Vaughan:** To get to that vision, you will need more work. You need more research and you need to understand what the customer needs. We have a very diverse market: we serve the commuters around Cardiff and the Valleys and we serve retired people who go to Manchester for a leisure weekend. You need to understand your market. Once you understand that, and what the demands are, only then can you intelligently produce something that satisfies. You will not satisfy everybody, but you will satisfy the majority.

[27] **Mr Davies:** I have brought along with me today a considerable amount of documentation of the schemes that we already have in Wales, but they just need joining together. I represent Arriva Trains Wales on the management committee of the TrawsCymru network—formerly TrawsCambria—that operates the T2 and T4 services, so that we can have

proper rail-bus integration. I am also a board director of Traveline Cymru. We have a voice within that, with the bus operators, to try to get what is best for the customer. For example, if you wanted to travel between Machynlleth and Aberystwyth, you could buy a rail ticket and come back on the bus, or buy a bus ticket and come back on the train. It is an integrating way of getting more people to use public transport with the same ticket.

[28] You mentioned about working with the consortia. I am currently discussing with Taith and Denbighshire County Council to ensure that this year's National Eisteddfod of Wales will be almost car free—let us use public transport to get to Denbigh. In our systems in Arriva Trains Wales, we already have 85 combined bus and rail tickets. For this year's Eisteddfod, we hope that a combined ticket will take you directly on to the Eisteddfod *maes* itself. You will be able to get a train from anywhere in the UK to Rhyl or Wrexham, a connecting bus service to Denbigh, a shuttle bus to the *maes* and then a ticket onto the *maes*. It is an integrated way that uses one ticket; it is the way forward. We are trying to do that for every bit of Wales. Take Carmarthen in south Wales: again, you can have a ticket there from Aberystwyth, into Carmarthen, and then along to south Wales. Those tickets are already there. It is about how we can now link the bus and train together. What is integration? Is it the integration between all forms of transport that we believe it should be—including cycling, taxis, buses, walking, having those facilities at the station, and linking it all together—or is it just between bus and bus or train and train and, where we can, just do a bus and train?

9.30 a.m.

[29] **Mr Vaughan:** With reference to some of the evidence that you have already heard, I have not seen much about taxis in there. Taxis are key in getting from A to B, particularly for people who have disabilities. We need to consider everything possible to join all of this up. Are you going to look at integration from an end-to-end journey point of view? Are you going to look at the journey from my doorstep to Heathrow's terminal 3, because that is what I do on a regular basis? You will have to determine the parameters of what you want to consider, because you will need to understand what is deliverable at the end of it.

[30] **Nick Ramsay:** We will move on to the area of integration and Joyce Watson wants to ask you some questions on that in relation to rural areas. So, I bring Joyce in now and then I will move on to David Rees.

[31] **Joyce Watson:** Thank you for the good examples of rail-bus integration that you have given us. However, how can that be continued throughout Wales, particularly in rural areas, given that you mentioned the rural areas of Wales where the services are not as frequent? How can you as a company improve communication with bus operators or even, perhaps, vice versa?

[32] **Mr Vaughan:** I have to say that the integration between bus and train is difficult. We have provided some information, for example providing bus information screens in railway stations. However, it is piecemeal; there is no huge programme of putting in similar systems elsewhere. Some stations in the west Wales area, such as Clarboston Road, are in the middle of nowhere, yet we are putting in new customer information systems in those stations in the hope that we can tell people, remotely from Cardiff, when the next train is coming or whether there is any disruption and various other bits of information. However, it is extremely difficult to do that in rural areas. It is even more difficult to try to synchronise bus and train information. I am not sure whether I have the answer in relation to taking that forward, other than to be hard and keen and develop a programme that states the basic facility that is needed at each railhead or bus station.

[33] **Mr Davies:** It is about working with consortia and local transport officers, which means that we encompass everybody into the whole network. This crude map—I do not know

whether you can all see it—is a map of Wales that shows the areas the trains serve. It is a pure map of Wales. If you take the trains away and put the 85 tickets that we already have in place, you will suddenly see that it is a map of Wales—including its rural counties—that shows an all-encompassing integrated system. Those tickets are already there, so our position now is to market them so that they are known.

[34] Working with bus operators and the TrawsCymru network was disappointing for me. We have just had some work done at Bangor railway station. It is now an integrated station; we have 175 new car parking spaces and CCTV coverage, and the outside of the station has all been redeveloped. It is brand spanking new. Working with Gwynedd County Council, we now bring all the buses to the front of the station. We now have the T2 service serving Aberystwyth, Dolgellau, Porthmadog, Caernarfon and Bangor, which is absolutely brilliant. The whole integration is there, but the bus arrives eight minutes after the train has gone. I sent an e-mail to the manager to ask whether we could now look at this bus and at least get the bus to arrive eight minutes before the train departs. Unfortunately, the e-mail I got back said, ‘Ben, I’m afraid that it’s more important that we meet the bus-to-bus connection at Dolgellau than to meet the bus-to-train connection at Bangor.’ It is a mountain that I have to climb. We will climb it. The situation is likewise at Newtown. Newtown is a hub, as you are all aware; the Cambrian main line runs every two hours and links communities from Machynlleth to Shrewsbury. We also have the Heart of Wales line going down from Llandrindod. The ideal thing would be to have the TrawsCymru linking Newtown and Llandrindod.

[35] Newtown station is not served. Why is Newtown station not served when there are buses that could go to the station and then go back on to the route to Llandrindod? It has been deemed better for the bus to stop at Brecon station, because there are nice new toilets at Brecon. It is difficult, but it is not unachievable. We only have to look at Carmarthen, where buses come in and they meet the trains, and at Llandudno Junction, where almost every single bus comes in. I can talk with great knowledge about the majority of stations in Wales. We have a lot of situations where buses go to the railway station; they do so in Rhyl, Wrexham and Ruabon.

[36] **Lord Elis-Thomas:** That does not happen in Newport.

[37] **Mr Davies:** Newport? That is south Wales. [*Laughter.*]

[38] **Joyce Watson:** To move on, we have received comments from FirstGroup that linking bus and rail timetables does not make any sense because, in its opinion, the two modes serve different markets. You have already given your opinion, but would you like to offer your opinion on those comments? This links in to the possibility of having a comprehensive overview of delivering integrated transport, which we started to talk about.

[39] **Nick Ramsay:** You have already touched on this—[*Interruption.*]

[40] **Mr Vaughan:** I suppose that it comes back to the definitions of integration, of which there are many. You can do research on the internet and you will see that integration in Singapore will be different to integration in Taipei, and so on.

[41] It is important that buses connect with trains. In some ways, it is commercially beneficial for both buses and trains to share routes and work together, but, in others, perhaps it is not. It must be considered, following previous evidence that you have received, that operators have commercial interests that might serve as an impediment to linking certain services. There are costs involved if you seek to join certain bus services to trains, and vice versa.

[42] Train services are probably more fixed because we are not the only ones to agree the

timetable; Network Rail has to agree the timetable. We consider journeys from end to end, for example from Milford Haven to Manchester and from Fishguard to Manchester. Trains have to be at certain positions along their journeys to make sure that they reach their destinations on time. However, we do flex, for example for train companies. We flex at Hereford for First Great Western and we flex at Newport for certain train companies. Therefore, it can be achieved within the UK rail network. We work together as 26 train-operating companies to get the best connections that we can for everybody. However, there are commercial considerations attached to integrating services. I am afraid that that is life.

[43] **Mr Davies:** The one goal that we all have is to make transport work together for all customers and passengers out there. That is the one goal that we should all be looking at. The foundations are in place and through this committee we have the ideal opportunity to build on that and to strengthen the transport links within Wales.

[44] **Mr Vaughan:** Perhaps I could add to that. Ben and I work quite hard to try to make some of these packages work. We know that it is a financial decision, but it is quite disappointing when a bus service is withdrawn. For many years we have supported and invested in putting machines on buses for through tickets, only for the service to be taken away. It is a matter of looking at those aspects for the future and considering how we can protect some of these feeders into the network. People have become very dependent upon these feeders for getting to work in Cardiff, for example.

[45] **Nick Ramsay:** Mick Antoniwi is desperate to come in with a supplementary question.

[46] **Mick Antoniwi:** Many of the things that happen partly tie in with the pressure on companies to achieve certain percentages of their targets, and, of course, to avoid penalties when those targets are not achieved. Do you think that the system is operating in the wrong way, and that there should actually be a reward system for achieving certain objectives, including integration and so on, as opposed to what appears to be a sort of stick system? Is that system playing a role in integration not working?

[47] **Mr Vaughan:** I think that we have some good examples of integration working. There is a distinction between integrating and connecting. If you are talking about rail-connecting services, then, yes, there is a regime—you will want to leave on time and arrive on time. However, if you look on the positive side of that, you will see that what you are actually doing is pleasing your customer because that incentive is getting them to their destination at the advertised time. You could argue that that pressure is necessary to make sure that you deliver what you advertise.

[48] **Mick Antoniwi:** Yes, but you are not if one party is complying and going ahead on time with their bit, but the connecting part is failing because of that.

[49] **Mr Vaughan:** Yes. That is a limitation, but do not forget that it is not always our decision to leave on time.

[50] **Mick Antoniwi:** No; I understand that.

[51] **Mr Vaughan:** Control of the network is down to Network Rail, and it will look at the big picture and say, 'If we delay the ATW service in Newport, we will delay the First Great Western service from Cardiff, which is going to Portsmouth'. It will take the big picture view and it will minimise the disruption around that. We hold connections when trains run late, for example with the London to Swansea service, particularly if it is the last service of the day; we are quite happy to do that. Operators are quite happy to put in alternative contingencies to make sure that people get home safely.

[52] **David Rees:** Good morning. Last week, we had Network Rail in to talk to us about its strategy for control period 5. Do you have any involvement with Network Rail in discussing the strategy, and having seen it, what is your vision of how it will be used for greater integration?

[53] **Mr Vaughan:** The short answer is: yes, we do have input into Network Rail's business plans and a range of other train performance initiatives. I see that process as being a continuous dialogue as we go along, and, in my view, CP5 should afford more opportunity for integration to happen. Again, it will depend on what stakeholder aspirations are for integrated services. There has to be a specification driven from somewhere. When that specification is known—and this could be part of that—we can act upon it and deliver it, and work closely not just with Network Rail, but with the consortia, other stakeholders and local authorities. We are used to doing that in any case; it is an ongoing mindset for us to work in that way.

9.45 a.m.

[54] **Mr Davies:** CP5 will provide opportunities for infrastructure, and perhaps better infrastructure for facilities at stations, through accessibility, cycle lockers, everything. But, at the end of the day, CP5 will not get around the fact that the bus in Bangor will arrive eight minutes after the train has gone.

[55] **Mr Vaughan:** Not to lose the point, we are not waiting for CP5 to do what we think is necessary for the customer. That is for us, and it has been ongoing for many years.

[56] **David Rees:** To take it a step further, Professor Stuart Cole said that he believed that there should be a statutory obligation between Network Rail and the Welsh Government to enhance the development, in one sense. It is an issue for the UK Government at the moment, because it is not devolved. Do you think that that is a reasonable approach to take, to strengthen the case for integration? You said that you want leadership. Would that create the leadership that you are looking for?

[57] **Mr Vaughan:** There are a number of elements coming together at the moment. There is the devolved Network Rail Wales, the Welsh Government, which controls our franchise, and there is an environment coming together that can focus more on providing integrated services. That is not going to happen overnight. Certainly, the foundation is there to take that forward. All it needs is some clear strategy or direction and co-ordination to ensure that whatever the vision or aspiration is, it is delivered among those parties.

[58] **Yr Arglwydd Elis-Thomas:** Cawsom sgwrs â Network Rail yr wythnos diwethaf ynglŷn â'r gwasanaeth de-gogledd. Fel y gwyddoch yn iawn, mae dros 25 o drenau yn mynd o Amwythig i Gaerdydd bob dydd, ac eithrio dydd Sul. Weithiau, byddaf yn gyrru i Amwythig, am fy mhechodau, er mwyn teithio'n gynt rhwng y de a'r gogledd. Fodd bynnag, pan fydd y signalau wedi'u gwneud rhwng Casnewydd ac Amwythig, a rhwng Fflint a chyffordd Llandudno, beth yw'r posibilrwydd y cawn weld gwasanaeth de-gogledd amlach a chynt?

Lord Elis-Thomas: Last week, we talked about the north-south service with Network Rail. As you well know, more than 25 trains run between Shrewsbury and Cardiff every day except Sundays. Sometimes, I drive to Shrewsbury, for my sins, in order to travel more quickly between the north and south. However, when the signalling is completed between Newport and Shrewsbury and Flint and Llandudno Junction, what are the chances that we will see a swifter and more frequent north-south service?

[59] **Mr Vaughan:** That is a good question.

[60] **Lord Elis-Thomas:** I want a good answer, as well. [*Laughter.*]

[61] **Mr Vaughan:** I suppose, technically, the potential is there for more. How we get to that point of delivering more, I am not entirely sure. There will be resource and fleet issues to resolve. Potentially, yes, there would be more flexibility to run more services. We have always campaigned for higher line speeds, but until we know the detail on the potential of those, we cannot say for certain what we can possibly do.

[62] We are always keen to expand. You mentioned Sundays. It might not be generally known, but we run 20%—probably more—train miles more than we are contractually expected to. Part of that is on Sundays, because that is a very busy day for us. We run additional Manchester services in the mornings. We are not contractually expected to do so, but the customer demand is there, so we do that and have been doing so for many years.

[63] **Mr Davies:** The one thing that re-signalling will bring is better journey times. Indeed, from north to south Wales it takes almost four hours, whereas we can go from north Wales to London in three hours.

[64] **Lord Elis-Thomas:** Exactly.

[65] **Mr Davies:** From 2014-15 onwards, we will hopefully have quicker journey times, so, in one way, we are going to link north and south Wales easier and quicker.

[66] **Mr Vaughan:** We might have stated this here before, but we have trains that are capable of doing speeds of 100 mph, yet we cannot get above 90 mph. So, the potential—

[67] **Nick Ramsay:** That is the holy grail, is it not? Linking north and south.

[68] **Lord Elis-Thomas:** It certainly is for some of us.

[69] **Nick Ramsay:** Have you finished your questioning now, Dafydd?

[70] **Lord Elis-Thomas:** Yes. I have finished.

[71] **Nick Ramsay:** Ken Skates wanted to come in on this.

[72] **Kenneth Skates:** On that point, based on discussions that I have had, I understand that it is not just signalling that will be upgraded, but that work will be done on the tracks as well, which I have been assured will result in faster journey times between the north and the south, so it will be welcome. You have already spoken about information provision. Network Rail representatives told us last week that there are issues with new bus stations being built, using Swansea as an example of where there did not appear to be discussions taking place prior to the commencement of the work on the station regarding the provision of information about rail services at that station. The provision of live rail transport information at bus stations appears to be a problem across Wales. How can that be resolved? Who is to lead on that?

[73] **Mr Vaughan:** Generally, or if you are talking about Swansea in particular, it depends on who the project lead is and it depends on the specification that has been determined for the delivery of that project. As a company, we can explore—the first one I am aware of is when we provided bus information at Bridgend. We provided the data link for that. So, we can afford some of these things, but if they are major projects that tie into a city bus service, it needs to be a local authority or SWWITCH or another consortium-type project.

[74] **Kenneth Skates:** May I add one thing?

[75] **Mr Vaughan:** We mentioned information earlier, especially in rural areas. These days, we tend to use a lot of smartphones, BlackBerrys or iPhones—

[76] **Kenneth Skates:** Provided that you have reception in rural areas.

[77] **Mr Vaughan:** Yes, that is the point that we wanted to make. Ben and I were discussing yesterday that there will still be limitations because of mobile coverage. That leads to how we go forward with ticketing for the future, because we are looking to trial some mobile ticketing in September, but it is limited by the mobile technology. So, while there are ideas about providing information, we need to understand that there are some limitations. There may be no broadband or no mobile signal in a particular area.

[78] **Kenneth Skates:** Would it be fair to say that some bus operators probably need to be less defeatist and more proactive in how they provide live rail information?

[79] **Mr Vaughan:** Do you have any particular examples of that?

[80] **Kenneth Skates:** I would not go that far, but I have sensed that—

[81] **Mr Vaughan:** You look at this as a customer benefit, which is often a cost benefit to the company, so you will look at something and say, ‘I don’t particularly want to spend thousands of pounds on that’. However, if you do a proper analysis, you might find that it is good for your business. I cannot speak for the bus companies, but that is how we look at our investment in this.

[82] **David Rees:** To clarify this point, you mentioned Bridgend, but you were talking about the provision of bus data at rail stations—historically, rail stations and bus stations have not been located together—while we are looking at the reverse, namely the provision of rail information at bus stations. What discussions have you had with bus operators or local authorities to provide real-time information at bus stations so that people who arrive there can understand by when they have to get to the rail station to catch a train? So, it is the reverse of what you were saying.

[83] **Mr Vaughan:** At Bridgend, we put the rail information system in the bus station as well. So, if you are trying to put in systems like this, they have to be mutual, so that one is in a bus station and one is in—

[84] **David Rees:** Swansea does not have that.

[85] **Mr Vaughan:** Swansea has bus information in the—

[86] **David Rees:** At the rail station, but not the reverse.

[87] **Mr Vaughan:** Indeed. What you are leading to is that the bus operators do that and we do this. I suppose generally that is how things have worked. We are separate commercial companies with different aspirations. However, that is not to say that that cannot be changed. If there is a will, and if we can establish good partnership working and the technical means of doing it—there are some technical things to overcome—then it can be overcome.

[88] **David Rees:** Bridgend might be the only example we have of that—

[89] **Mr Vaughan:** It is the one that I was involved in.

[90] **David Rees:** Newport is about to build a new bus station, I understand, which is not next to the rail station. Has there been any involvement in looking at that type of information

in that development?

[91] **Mr Vaughan:** I am not aware that there has been a lot of dialogue.

[92] **Mr Davies:** From ATW's point of view, we are more than happy to provide the link. I have been discussing a very similar scheme with an English station, having train information displayed in the town square. Is it—dare I say it?—go-ahead English locations that want to do that? It goes back to what Lord Elis-Thomas said earlier about the consortium having the will and the finances to do all that together. It would need an overarching body for Wales to put guidelines together so that you knew exactly what was wanted. Within Arriva Trains Wales we try to have all our stations the same—the same shelters and the same customer information screens, so that you know that you are on an Arriva Trains Wales station. If you take that in its broader sense for Wales, working with integrated transport, there could be guidelines that set out that each new build would have something like that. Network Rail and Arriva developed a £5 million scheme for Llandudno station, and that was the perfect opportunity. We are putting new information screens there, new security, toilets and everything else, linking with the town centre and putting rail information in the major shopping centre. If that was one of the major guidelines that came from an overarching—

[93] **Mr Vaughan:** We are coming back to the question: what is the vision? What is the strategy?

[94] **Mr Davies:** We are happy to work with that.

[95] **Mr Vaughan:** We are happy to come on board and help deliver these things.

[96] **Mr Davies:** I sit with Taith every eight to 12 weeks to see how we can take all this type of stuff forward. It is only recently that we have had a bus-rail operators meeting, led by Taith. Bob Saxby of Conway council chaired the meeting, and we brought in the major bus players for north Wales, the major train player, and Virgin was invited, to look at how we can get integrated transport to work. What came out of that—I have to mention it—is the Tocyn Crwydro, which is the north Wales rover ticket. I have brought some of our 2013 pdf documents, which have just gone to print. They show here the bus operators that are in the scheme; 20 or so of them. It is one ticket for any train, any bus, any day, for £9.50, in any two counties. So you can go from Anglesey to Gwynedd, Gwynedd to Conwy, Conwy to Denbighshire—as long as they are adjoining counties, it is £9.50 on any bus, any train, any day. It is totally integrated, but it is only by sitting down with the transport consortium that we were able to take this forward. Taith took the lead in this. So, yes, Taith is completely different to TraCC.

[97] **Lord Elis-Thomas:** Well said.

[98] **Mr Davies:** I also sit every eight to 12 weeks with poor old Chris Wilson and TraCC, which has a different budget even to Taith. We look for station investment and third-party investment, and, when Mike is not here, I actually come down and see the wider world, as it were. *[Laughter.]* You have SWITCH and SEWTA, so there are these four different consortia, with four different working arrangements, but thankfully, for the last 12 months now, the Welsh Government has been bringing all of that together. Mike and I come down—we have done so twice in six months, whereas the consortia and the transport industry sit down together in Cardiff—fortunately, technology means that I can now link in from the Welsh Government offices at Llandudno Junction—but that is the way forward. You are quite right; it is about linking all the different ones together.

10.00 a.m.

[99] **Nick Ramsay:** I know that Members want to ask supplementary questions on this issue, but we have moved inexorably on to ticketing, and Eluned Parrott has a section of questions that she would like to ask on ticketing.

[100] **Mr Davies:** This is a passionate area for us.

[101] **Nick Ramsay:** I know; I sense that. Eluned, please ask your questions, and, if Members want to pick up on other points, we will come back to them.

[102] **Eluned Parrott:** The integrated ticketing that you are talking about is very interesting, but the holy grail in this area is the much-mooted all-Wales Oyster card type of scheme. There has been much talk in the press recently about that being delayed until after the new franchise has been awarded in 2018. Can you comment on why that might be the case?

[103] **Mr Vaughan:** To be honest, I am not entirely sure why there is a delay, other than—. It seems to be, with regard to the smartcard, always ‘the Oyster card, the Oyster card, the Oyster card’. It may fit one environment, but it might not fit another. With the Oyster card, you have to tap in and you have to tap out, and a lot of infrastructure is required to enable that to happen. You might argue that there are other technologies that could do the job, and be futureproofed, because you have to look to the future. If you spend a lot of money investing in ticketing systems, you want them to be expandable and sustainable in the future.

[104] I mentioned earlier our trial in September of mobile ticketing. There are two types that we believe have more flexibility, particularly for the customer, and they are better for revenue protection—nobody in the evidence that I have seen has mentioned revenue protection. While we provide the services, we would like people to pay for them. You probably know that we do not collect all the revenue that we should be collecting now. We are making big strides to do that, and, within the next few months, we will be putting another 60 to 80 ticket machines on stations. With the Oyster card, however, you need to have barrier facilities. You would need to do that at all the unstaffed stations, and it is very expensive. That is why we are looking at potentially solving it with other technologies that seem to exceed the Oyster-card-type technology.

[105] **Mr Davies:** However, we can categorically state here today that we are talking with the Welsh Government about the scheme. There are other schemes, such as the Walrus card in Liverpool, and there is one in Birmingham as well—I think that that is the London Midland smartcard scheme. What we have to do in Wales, however—this is predominantly Ben Davies—is not to tag on to other people’s tails. Let us take the best technology out there and let Wales lead the world. Let us not hang on to anyone else’s coat tails; let us find what is best for Wales.

[106] **Mr Vaughan:** I think that we forget that the rail retail system is extremely complex.

[107] **Eluned Parrott:** Yes.

[108] **Mr Vaughan:** There is one system that attributes all the revenue to each train operating company. If you buy a Club 55 ticket, certain people get elements of the fare paid. You need to protect the integrity of that, not just for ATW, but for other operators as well, such as CrossCountry. How will you integrate and extend smartcards and mobile technology when other companies use the same tracks as we use? You really need to give special attention and thought to that, because each company will want its slice of the revenue.

[109] **Eluned Parrott:** I have a question that follows on from that, on the complexity. A real challenge for the passenger is the complexity of the ticket offer. It is perfectly possible to confuse a conductor by asking him for a ticket that he has not heard of before, for example, I

remember that happening when the PlusBus service was first introduced for Cardiff. However, there is also complexity within the train system when it is not integrated. You could quite easily be sitting next to someone who has paid half the price that you have to sit in the seat next to you for the same journey, depending on when and how you booked, and so on. Passengers do not really understand why that should be the case.

[110] **Mr Vaughan:** Within the UK network—because that is what we are a part of, essentially—we will have walk-up fares, which are there for your freedom to use the service whenever you like. We will have determined that, at certain times of the day, some trains will be under-used. So, we will make certain tickets available to encourage people to use those services. This manages the capacity across the network as well. So, it is a win-win situation. We can offer someone on, for example, the 11.21 a.m. Cardiff to Holyhead service a special price because we know that train will not be full. It is part of yield management. It should be noted that yield management helps capacity in the whole of the UK. So, we are trying to move people from the very busy services and give them an incentive to use a different service if it is convenient for them to do that. So, nationally, it manages the capacity of the whole network.

[111] In terms of integrated transport itself, one thing that this committee in particular would need to bear in mind going forward is that, on certain routes at certain times, capacity is at a premium. While we would like to encourage people to come out of their cars and use certain train services, we need to manage the expectation that the capacity is there for them when we convince them to do that. Part of the advance purchase system is that it has a beneficial effect on capacity. So, while it perhaps seems that morally it is not right that someone has paid half of what someone sat next to them has paid, I am not sure how we get out of that.

[112] **Eluned Parrott:** Okay. I can understand why you would encourage people to book in advance, as it helps you to plan for capacity, but the odd absurdity appears in relation to monthly passes on commuter services, for example. I will take the Vale of Glamorgan line, as I know it well. For a period of time, commuters into Cardiff from my station, Rhoose, were getting a season ticket to Cardiff from Llantwit Major or Bridgend, which are further away, because it was cheaper to have a season ticket from further away than from nearer Cardiff. The monthly ticket was more expensive, the weekly ticket was the same, and a daily ticket was cheaper. That is a complexity that it is more difficult to understand the necessity for.

[113] **Mr Vaughan:** It is difficult to understand. It does not make much sense, does it?

[114] **Eluned Parrott:** Not a lot, no.

[115] **Mr Vaughan:** Some of the issues that we have with the fare structure were inherited some 15 years ago. At that time, under our nationalised system, a lot of emphasis was placed on market pricing. The route between Cardiff and London, for example, is a premium route and might therefore be priced higher than the route between Cardiff and Swansea. So, market pricing did operate. When we came into the privatised world, many of the in-between journeys—because they are all segments, are they not—suffered from market pricing. We have managed to try to flatten a lot of that, but it takes a long time to do so.

[116] **Eluned Parrott:** That is what I wanted to know, really: what you have done.

[117] **Nick Ramsay:** We need to move on. We have only five minutes left and I want to touch on the franchise issues.

[118] **Mr Vaughan:** If I may respond to that quickly, we are trying to even it out and make it more equitable across the network.

[119] **Eluned Parrott:** Okay. Thank you.

[120] **Vaughan Gething:** I want to go over a few issues relating to the franchise, which has been touched upon, and the extent to which the franchise in its current form prevents or enables greater integration. You spoke earlier about piecemeal integration to show that it is possible in some circumstances to integrate train and bus services, in particular. I am interested in whether the current franchise is an active barrier to that greater integration that we would like to see on a more strategic basis.

[121] **Mr Vaughan:** Not at all. I do not see any particular barriers. I suppose that it is down to the company's attitude and the way in which you deal with your stakeholders. The contract does not prevent you from exercising any flexibility or creativity whatsoever. Our creativity comes through timetabling. We have managed to run fast train services to Manchester that were never predicted before. Our stakeholder engagement is very flexible and very creative; we encourage ideas.

[122] A contract is a contract is a contract, so you have that to fall back on if that is what you want to do. This company is more about engaging with people, pushing the boundaries back, and trying to exert some influence on thinking in terms of what can be done commercially—we talked about ticketing. We are experts in our field. We are experts in timetabling. There are so-called experts in timetabling who will give us ideas, and we take those ideas on board. We consult with a large number of people every time we change our timetable and ask them to give us their ideas. If we can implement those ideas, we will. In terms of integration, that is a particularly good example, because a response to the consultation process will say, 'You are missing a connection here; why can't you make that connection there?', and very often we have been able to do that.

[123] **Vaughan Gething:** Some of the evidence presented to us has been about whether or not the current franchise does enough to motivate you as the operator to produce greater integration, and about whether the next franchise should have greater requirements within it to try to deliver integration. Without putting words in your mouth, it sounds as if you are saying, 'That's fine, but without accompanying incentives for bus operators, that integration will not take place'. Is that a fair assessment of what you are trying to say? I am just trying to cut through.

[124] **Mr Vaughan:** To go back to the existing contract, I have a long history in this industry, and it has always been an aspiration to try to get as much integration as possible; I suppose it is in the mind set. When the contract was written, it included an annex that says, 'We have x number of integrated bus systems that we want you to take part in'. That is part of the contract. So, the principle was there from the beginning. Unfortunately, the annex has shrunk somewhat, because some of the bus operators are no longer there.

[125] **Vaughan Gething:** In terms of the quality and nature of the rolling stock, you mentioned in your evidence the ability to take on different modes of transport, with walking and cycling being good examples. Do you think that the franchise could help to deliver more of that, or is there an additional barrier with regard to the quality and nature of the rolling stock? The committee has had evidence about whether there is enough capacity to deliver greater walking and cycling routes, in particular with regard to the ability to take bicycles on to rolling stock. I also have a second point about rolling stock, and that is that many of us get complaints from our constituents about the quality and capacity of rolling stock, regardless of how you get to the station, whether you are walking or cycling, or whether there is a bike rack at the station or on the train. What level of investment is there to improve the nature of the rolling stock, and could the franchise agreement do more to deliver that?

[126] **Mr Vaughan:** To clarify, we discharge the franchise agreement as it stands, as per contract. So, I suppose that the answer to your question is that the franchise agreement, the contract, is the contract and we are sticking to that contract. In terms of whether it imposes any responsibility on us to integrate transport, apart from annex 3, it does not; it is quite clear if you read it.

10.15 a.m.

[127] However, it does not prevent us from carrying that forward. If you are talking about a new franchise, that is not for us to specify; that is for someone else to specify and it could be part of this committee's influence to say, 'Well, in the next franchise, we will want x, y, z'. It is then up to those people who are interested in bidding for that franchise whether they want to take on that responsibly.

[128] **Vaughan Gething:** Your colleague, Ben Davies, talked earlier about wanting to deliver greater connectivity, and in particular mentioned walking and cycling. So, I guess it is about asking whether that enthusiasm is an individual response, or whether it is from the company's point of view. From the company's point of view, if you are saying that you deliver the franchise as specified, are you essentially saying that unless the franchise changes you will not be doing a great deal more because that is going beyond what you are required to do at present?

[129] **Mr Vaughan:** Going back a few minutes, I did say that we run 20% extra train mileage, which we are not contracted to do; it is at our own cost. We do that because we recognise the market and the demand. There are other issues, such as investment, where the franchise only asked to invest £400,000, but we have already invested over £32 million. So, we go over. It is a company ethos that we do not just discharge the franchise; we do more.

[130] **Mr Davies:** The rolling stock came with the franchise, and, to some extent, was inherited. The rolling stock that was on the Valleys lines—the 14X series—was already there. I was the migration manager, together with Mike, at this company in 2002. Therefore, when I came from First North Western to this new Welsh franchise, we brought with us the 175s, which was at that time a new rolling stock. However, even then, for that franchise, half of those went off to TransPennine to run the Blackpool services, until such time that TransPennine had its new trains and those were then cascaded into Wales. Some of the 150s that you also see along the Valleys lines and the Conwy valley line for those in the north, came down from ScotRail, so we are allocated—

[131] **Lord Elis-Thomas:** Everybody's cast-offs, Ben.

[132] **Mr Davies:** Yes, everybody's cast-offs. However, you can see what we have actually done, working in partnership with Welsh Government, to what is now commonly known as the 158 fleet: we have completely and utterly revamped that and it is now an absolute pleasure.

[133] **Nick Ramsay:** Before we get too much into the realms of the different stock and where they have ended up, I note that we are at the end of our time, but I know that Mick Antoniw has an important closing question. So, I hope that you will allow us a couple more minutes for Mick to have an answer to his question.

[134] **Mick Antoniw:** It is a very short question, and I know that it is very difficult because there was so much in the McNulty report.

[135] Lurking in the background is the McNulty report and there is quite a bit in there about integration and common practice between operators, Network Rail and so on. One area on

which I have had many representations is what people see as a depersonalisation of service in terms of the experience and what people expect and want as part of the service—you mention a lot about service—for example, ticketing, staffing, railways, the opening of stations and so on, where the only convenience element about stations sometimes is that they become public conveniences. It is about that experience. How do you see the future of that? It seems to me that there is a conflict between what McNulty is trying to direct us towards and what people want and expect.

[136] **Mr Vaughan:** Are we talking about station staffing?

[137] **Mick Antoniw:** Station staffing, opening, ticketing and so on.

[138] **Mr Vaughan:** We have no particular plans to reduce any staffing from the current levels. Since we took on the franchise, I believe that we have actually increased the level of staffing on stations. It is about where you draw the line between what is reasonable and what is proportionate. If it is to do with closing booking offices, we have no particular plans to do anything like that, and we believe that the staffing levels that we have now are fit for purpose, and they are reviewed at least every year, depending on demand and growth in patronage. One thing that we do have on our trains is exceptionally good staff and conductors, whereas in some areas of the UK network there are only drivers. We provide someone in the back of the train as well as in the front and they generally do a good job and look after the customers very well.

[139] **Nick Ramsay:** The very final word goes to David Rees.

[140] **David Rees:** You mentioned in your paper disability access, and staffing is clearly an important aspect of that. Therefore, do you look at staffing at stations where there is limited disabled access? Guards can get people on and off trains, but getting them on and off platforms is another issue. Is that a major input into your consideration of not just the staffing levels, but of the times when staff are available on train platforms?

[141] **Mr Vaughan:** We rely on providing a telephone service or you can go on to the internet to the National Rail Enquiries site and choose the travel-made-easy option. Hopefully, we will give the right advice to people on where they can board, where there is ease of access and where staff will provide assistance, if they require it. However, all this is dependent on the type of disability. We all assume that it will be a wheelchair issue, but we sometimes forget that people have other disabilities that we cannot see. So, we try to provide as much information as we possibly can. If we cannot provide that access to the station, our policies include making provision for taxis at, for example, 4 a.m. from Port Talbot to Bridgend where there are staff. So, we will make reasonable adjustments. I do not like that phrase, but it is very often used and they are adjustments to enable people to access our system. We are quite happy to do that.

[142] **Mr Davies:** This year, we worked with Disability Wales to do the all-Wales challenge. We had a team of young people from Carmarthen who used the services to, for example, Wrexham. They also used the bus service. They travelled to north Wales and then from Bangor to Porthmadog, from Porthmadog down to Aberystwyth and from Aberystwyth to Carmarthen. We did the all-Wales challenge to see how accessible the rail network was. With the feedback that we got, we sat down with Disability Wales to see how we could improve our services and how the bus service could improve its services. So, it is about working with the likes of Disability Wales to ensure that we have proper access to our trains and egress as well. We also worked with—I am sorry, I have lost my train of thought.

[143] **Nick Ramsay:** That is okay; it was a good time to lose it, on a very positive point.

[144] **Mr Vaughan:** On that point, perhaps the committee can help us with this, and not only us, but disabled people. When we discuss the issue, we are positive about it because we come across people who have a perception and perception is the worst thing you could have. We want people to use us and be confident that we can provide that service. I have mentioned our policy and that is what we will deliver. If people understand that that is what we can do for them, they will use us. We have seen the confidence levels of certain disabled users increase and we want that to continue increasing because there is still that perception about rail travel and I am asking you to positively support people to come and use our public transport system.

[145] **Lord Elis-Thomas:** You are sitting in a building that has the best disabled toilet—
[Inaudible.]

[146] **Nick Ramsay:** You do not have to respond to that because we are now completely out of time. We will endeavour to be as positive as possible and thank you for your positive attitude today. Thank you, Ben Davies and Michael Vaughan from Arriva Trains Wales. That has been a very helpful session. I should have thanked you earlier for your written paper and for the information that you brought with you today.

[147] **Mr Vaughan:** If you require any further information, by all means get in touch.

[148] **Nick Ramsay:** Great. Thanks for being with us today. With that, I will suspend the meeting until 10.30 a.m..

*Gohiriwyd y cyfarfod rhwng 10.25 a.m. a 10.30 a.m.
The meeting adjourned between 10.25 a.m. and 10.30 a.m.*

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

[149] **Nick Ramsay:** I welcome Members back to the second half of today's Enterprise and Business Committee meeting. We are continuing with our look at integrated public transport in Wales and how that can be achieved. I thank our next set of witnesses for agreeing to be here today to help us with our inquiry. I ask witnesses to give their names and positions for the record.

[150] **Mr Evans:** I am Martin Evans, chair of the Chartered Institute of Logistics and Transport (UK) Cymru.

[151] **Dr Potter:** I am Andrew Potter, policy officer for the Chartered Institute of Logistics and Transport (UK) Cymru.

[152] **Nick Ramsay:** Thank you for being with us today. We have a number of questions for you, so I propose that we move to them straight away. The meeting is bilingual, so if Members ask question in Welsh, please use the translation kit.

[153] I will kick off the questioning by asking a question regarding Welsh transport policy and delivery. Do you believe that current Welsh transport policy adequately supports integration and how do you think that it could be improved?

[154] **Mr Evans:** Thank you for that question, Chairman. A number of plans have been brought forward by the Welsh Government that look at transport at a strategic level. When it comes to transport integration, you have to look at transport at a more local level. That is where the gap has developed between national policy in Wales and delivery, which is the

responsibility of the regional consortia in Wales, to a large extent. While they have done a good job within the powers that are available to them, there is a gap in those powers.

[155] If you look at what is, perhaps, needed in a large urban area like Cardiff and, potentially, a larger city region around Cardiff, you can equate that to the large urban areas in England where they have passenger transport executives responsible for transport delivery. The sorts of powers associated with the passenger transport executives are more likely to bring about an integrated transport system. The regional consortia bring forward individual schemes to bring about integration. However, they tend to be very small-scale schemes to fit in with the grants available from the Welsh Government. I do not think that they have the vision that you would expect compared with what would be available from a passenger transport executive. To show that the gap is developing, we can see that various organisations, and certainly the Cardiff business partnership, are bringing forward their own schemes and visions as to how transport should look in Cardiff. That demonstrates that there is a gap in delivery at a local level.

[156] **Nick Ramsay:** Do you think that local authorities currently have the skills and resources to deliver on this? I hear what you say about the need for things to be done locally. Do you think that they are in the right place to do that?

[157] **Dr Potter:** Our experience, with the membership that we have, is that a lot of members of the institute are very well equipped to deal with that. If you look at the national transport awards, which the institute organises, we get a lot of submissions from local authorities throughout Wales showing examples of good practice in public transport and transport planning. It is clear to see that they have the skills that enable them to deliver that role.

[158] **Nick Ramsay:** We have a couple of supplementary questions, the first of which is from Alun Ffred Jones.

[159] **Alun Ffred Jones:** Byddaf yn gofyn fy nghwestiwn yn y Gymraeg. Roeddech yn feirniadol, rwy'n credu, o'r strwythur presennol gyda chonsortia rhanbarthol, ac yn awgrymu nad oedd ganddynt weledigaeth na phwerau priodol. Felly, pa fath o strwythur y byddech chi'n ei argymhell er mwyn creu system integredig gwell?

Alun Ffred Jones: I will ask my question in Welsh. You were critical, I think, of the current structure with regional consortia, and suggested that they did not have a vision or appropriate powers. Therefore, what sort of structure would you recommend in order to create an improved integrated system?

[160] **Mr Evans:** There are already provisions for joint transport authorities, and that would certainly be the sort of approach that I would think would be needed in our biggest urban areas—definitely in a city region around Cardiff, and potentially around the city region in Swansea. You would have to balance the benefits of having one in mid and north Wales against the cost, because such an authority would have to have a permanent set of skills; it would need to employ people to draw up plans for what that authority is going to do. So, you would have to balance those costs against the potential benefits, which would be far less in a rural area than in a large urban area, such as Cardiff and Swansea.

[161] **Mick Antoniw:** I have a question on a similar theme. You talked about the gap in powers. I would be grateful if you could expand on whether you are talking about the gap in powers between Westminster and Wales in terms of infrastructure. However, do you not think that there may be scope for much broader regional transport consortia—possibly a south Wales consortium, even—and that, in many ways, what we are doing is too fragmented, in terms of the structures we are talking about? We could, possibly, even have a consortium that integrates within the transport structure the airport and its connectivity. Are we doing

ourselves down by not having a sufficiently large and aspirational vision?

[162] **Mr Evans:** I certainly think that there may be scope for a larger authority covering a large part of Wales outside of the urban area around Cardiff. However, the major benefit of a joint transport authority in a particular region is that you would brand all of the transport available—the trains, buses and everything—with the identity of that transport authority. So, the travelling public would know that, within that area, people could, for instance, have a daily travel card similar to the Oyster card used in London. You asked about what the gap in powers is. Well, there were particular powers in the Transport for London Act 2008, which set up Transport for London, that enabled London to have that sort of integrated system. That is the sort of system that I think we need to have operating in our largest urban area in Wales. It is not just a case of it being a nice thing to do, or much better for passengers. The issue here is that, if you make transport work more efficiently, you make the local population more productive, and, in doing that, you make the area a much more attractive location for business. This is what we have to do in Wales. We have to use transport to ensure that we are as competitive as, if not better than, the large urban areas in the rest of the UK, because, at all times, we are competing for inward investment and for business with other parts of the UK.

[163] **Mick Antoniw:** I have a quick follow-up question on that. Does not what you are saying argue against a smaller joint transport authority and in favour of a much more comprehensive and extensive transport authority? Many people who work in Cardiff come from quite far away from Cardiff, and many who live in Cardiff work in other areas. Is that not equally as important? Do you think that there is a broader role for the Welsh Government in providing leadership and pulling this together?

[164] **Mr Evans:** The whole idea of a Cardiff city region is that it should encompass the whole of the travel-to-work area around the city. A large number of people come into the city every day to work, because there is not affordable housing here for people to live where they work. So, people travel in daily from this much larger area. The function of transport here is to make sure that that daily journey is as short and efficient as possible.

[165] What I am talking about with regard to identity is that, if we are going to have integrated solutions within that area, we want people to be able to move seamlessly from mode to mode using a single ticket and to be able to have a daily travel card so that their travel costs are capped, as they are in London. If you use an Oyster card in London, you get charged less per journey and, when you get to a certain point, you do not get charged anymore. There are particular benefits to that. If you were to try to introduce that identity and that type of integrated ticketing throughout the whole of Wales, you would make it confusing for the passenger—you want to be able to give them a defined area within which they can travel using integrated ticketing.

[166] **Vaughan Gething:** I want to pick up on two points from the evidence that you have given so far, and thank you for the paper, which was very helpful.

[167] You are clear in your support for a joint transport authority covering Cardiff, Newport and the Valleys and a separate one covering Swansea bay. Could you explain why you think that that would be preferable to the current inter-authority collaborative approach? Why do you take the view—I assume that you do—that the current network would not be appropriate in terms of governance and delivering that wider vision for integrated transport across those two regions in Wales?

[168] Also, with regard to whether Welsh local authorities have the skills and resources to deliver and manage public transport, what I am really interested in is, whether, if we have the vision and desire to create a wider integrated network across those two areas that you have identified so far, you really think that the current mix of local authorities has the skills to

manage that wider network, dealing with buses and trains? If we are talking about a system comparable to an urban network in the north-east, Merseyside, Yorkshire or Manchester, say, do we have the level of expertise to run that sort of system?

10.45 a.m.

[169] The second area that I want to pick up on is the point that you made about wanting a unified brand across the Cardiff, Newport and Valleys area, for example. I understand why there is a desire for that with regard to the ticketing arrangements, but how would you see that working in reality? There are, of course, many different bus operators, even if there is only one train operator, effectively. So, how would you see that being taken forward, given lots of different bus operators that have their own branding and livery across the area? It is not just Cardiff Bus and Newport Bus that we are talking about here; there are many other operators. So, how do we get to the point of delivering that unified branding and getting all of the different operators to play the same game with the same timetable?

[170] **Nick Ramsay:** There was a lot of information in that question, so, do your best, Mr Evans.

[171] **Mr Evans:** In terms of skills and resources, the existing consortia are very underfunded and so cannot develop pools of expertise. They employ very few people directly. If you were to have a transport authority covering these large areas, you would permanently employ planners who would be able to bring forward new schemes, such as happens in the passenger transport executive areas in England, where they might develop a plan for a tram scheme, for instance. That would be far too large and unmanageable for the existing consortia to undertake. You would need to have a statutory body, for a start, that could enter into contracts. At the moment, the consortia cannot enter into contracts in their own right. If they were to enter into a contract, they would have to have a lead authority from among the local authorities to do that for them. It is about having a corporate body that can enter into contracts, is big enough to have a pool of skilled staff who can bring forward new transport schemes, and can, more importantly, raise the funding to make those schemes come about.

[172] **Dr Potter:** On the ticketing and branding side, a key part of that is to make the journey more seamless for the passenger. They are the people who will use the service and they need it to be seamlessly integrated. In terms of ways in which you could achieve this, you mentioned the different branding of different operators. If you go to many other cities in the UK, you will find that a number of different operators may have a common ticket. So, in areas such as Liverpool and west Yorkshire, I believe, there are tickets that can be used on multiple operators within the same geographically defined boundaries. If you wanted to formalise that more, one approach might be to look at such things as quality bus partnerships or quality bus contracts, giving predefined standards for tickets, for service levels, fares and so on. Alternatively, you could go down the London route of operating a franchise-type model. If you were to ask our membership about this, I think that our members would have a very broad range of views on which approach would be best, because our membership includes a number of bus operators, for example, who would say that the current system works effectively. There a number of different options that you could take to try to achieve this, and each has its strengths and weaknesses.

[173] **Vaughan Gething:** With regard to your views on joint transport authorities, do you have a view on what would be the optimal structure? Are we essentially talking about a wholly separate body or about local authorities pooling sovereignty and all having a stake in something? There are models—I am thinking about Merseyrail, for example—where, effectively, local authorities direct that some of their elected members make up the board, as well as other very different models of transport authorities. Do you have a view on what might work in the two areas of south Wales that you have identified where transport

authorities would be, in your view, optimal?

[174] **Mr Evans:** ‘Pooling sovereignty’ is a very good expression, which you have borrowed from elsewhere.

[175] **Vaughan Gething:** Yes, from Ted Heath. [*Laughter.*]

[176] **Mr Evans:** I would favour that approach. You certainly would not want to remove the local authorities from having any responsibility whatsoever in the delivery of transport. You would want to get them to work together to make this joint authority work. The difficulty that you are trying to overcome is having one statutory body that can undertake the function rather than having a collection of local authorities, none of which, on their own, have the powers to undertake what you want to achieve.

[177] If I may say something on branding, I am sure that you have all noticed that the buses in London all look exactly the same, but if you look closely at the small letters on the side of the buses, you will see that they have different operators. The common thing is that they are routes that have been franchised by Transport for London. There are many different operators, but to the passenger they all look exactly the same and send out the message that this is operated by Transport for London.

[178] **Nick Ramsay:** That is a good point. Dafydd Elis-Thomas, did you have any further questions on local regional policy?

[179] **Lord Elis-Thomas:** Yes, you have not brought much joy to me so far as someone who represents a constituency in what is called the Mid and West Wales region, but lives in the north. What about north-south connectivity? To what extent do you think the work of Network Rail, devolved over the last year, has led us towards that? How do you assess the plans so far developed for the T bus network, which emphasises this aspect of north-south-west-east connectivity? Those were three questions, I think, with one more to come.

[180] **Mr Evans:** We have a transport network in Wales that is what it is. Large parts of the rail network were taken out post Beeching, and the strategic view of the Welsh Government that you need to use long-distance bus services to fill in the gaps is correct. It has a challenge to do that, because of the restriction on its powers over buses, but it is doing a good job of that at the moment.

[181] On the new Network Rail work on a route for Wales, again, the situation is better than it was, but there is no statutory relationship between Network Rail and the Welsh Government, unlike the situation in Scotland. So, the two work together well at the moment, but that is all done on a voluntary basis. The HLOS statement for Wales is produced by the UK Government; the one for Scotland is produced by Scottish Ministers. At the moment, a great deal of investment is coming into the railways in Wales, but we do not have transparency. I would not be able to tell you—I do not know who could—exactly how much of the spending in Wales is coming from Network Rail and how much from the Welsh Government, and how that compares with what Network Rail is investing in the rest of the UK. So, we could not say whether we get a fair share of investment in Wales or not, because we just do not have the information to say. If we are not going to have that Network Rail spending devolved to Wales, we do at least need that transparency so that we can make a judgment as to whether we are getting a fair amount of spending.

[182] One aspect of north Wales connectivity that you did not mention is the air service, which is another provision for people to make the journey all the way from the north to the south and vice versa. Certainly, not enough consideration is given to that as an end-to-end journey. People do not make journeys just from Cardiff Airport to Anglesey airport and vice

versa.

[183] **Nick Ramsay:** I will just interrupt you there, Martin. We cannot really go into that because this is more about public transport.

[184] **Mr Evans:** Exactly, but the point that I was making was that people have to continue their journey on from those airports. That is part of integrated transport, and people find those journeys particularly difficult because of the transport provision at either end.

[185] **Lord Elis-Thomas:** Finally, you have commented on the transport structure for south-west Wales and south-east Wales; would you care to comment on the effectiveness of the two consortia that I have to live with? That is called a leading question. [*Laughter.*]

[186] **Mr Evans:** It is. Thank you for that. [*Laughter.*]

[187] **Nick Ramsay:** You kept the best for last there, did you not, Dafydd?

[188] **Mr Evans:** You have to look at the powers that we have available, the nature of the area—it is mainly rural—and obviously there are long-distance connectivity issues, which need to be addressed by the completion of the TrawsCymru long-distance coach network. Certainly, we have innovative solutions in Wales for rural transport, which have been trialled in the Carmarthen area with the Bwcabus service. We should be pushing for that to be rolled out into other parts of Wales, to make sure that people living in rural areas in mid and north Wales have adequate provision of integrated transport.

[189] **Eluned Parrott:** I would like to ask about ticketing, initially. With regard to the Wales transport entitlement part, you seem to suggest in your paper that it does not do enough to encourage integration. Today, you seem to have suggested that it is not necessarily desirable, either. Are we barking up the right tree here? Is there another solution that you would prefer to see introduced to encourage integration?

[190] **Mr Evans:** When it comes to ticketing, you have to look at different elements. One would be a concessionary card that gives you completely free travel, and it would be completely right and correct for that to be available universally and accepted across the whole of Wales. There is also the electronic wallet, which is really just a store of money, and you have payments deducted from that card as you spend. Again, that should be universally accepted across the whole of Wales, and we should not have a diverse system with one card for one operator in one part of Wales and another card in another. There is no reason why those systems cannot be linked up so that you have a card that can be used throughout the whole of Wales.

11.00 a.m.

[191] Thirdly, you have area-specific travel cards. That is what I was talking about earlier: having distinct areas with an identity and branding. That is, you can use a particular card that is not an electronic wallet; it does not deduct money but allows you to travel across a defined area.

[192] **Eluned Parrott:** You seem to be suggesting that those types of cards are viable in city regions, such as the ones used in English city regions. However, that leaves a large area of Wales, and I wonder what approach you would want to see taken in rural Wales.

[193] **Mr Evans:** For those cards that allow travel over a defined area, the larger you make the area, the more expensive the card would have to be in order to give funding to the many different operators that it would be valid for. That is not to say that I do not see merit in a

travel card that can be used in a defined rural area, but you would have to be careful that you could price it at an economic level, so that people could afford it. That would be difficult in an area where there would be a lot of different journeys and where people may want to take journeys over longer distances in order to access services.

[194] **Dr Potter:** Picking up on that, in an urban area, people will often make multiple journeys with one ticket. You get on a bus from your home to a connection point, and then you get on another bus to take you to your place of work. When you get to more rural areas, you may be taking more single point-to-point journeys for which a travel card would perhaps have less value to the passenger, because you would buy either a single or, more likely, a return-type ticket. You may have, say, options to travel within a defined area. So, if you are travelling to Aberystwyth, the use of local buses around the town could be built into the card.

[195] As Martin said, if you are looking at a wide, rural area, the number of people who make anything more than an out-and-back journey and would use the service as a network would probably be far lower, and its economic viability would therefore be a lot less, I would think.

[196] **Eluned Parrott:** Are you therefore saying that you do not value the idea of an all-Wales-type card?

[197] **Mr Evans:** What we are saying is that the electronic wallet has merit, so that you have a card that is a store of money that you can use on the bus to deduct the value of the journey being taken, but that that journey would probably be a one-way journey or a return. It would not be the number of small journeys that you would be likely to undertake in an urban area.

[198] **Eluned Parrott:** Okay; thank you very much. Quickly, I want to talk about bus and rail station infrastructure and quality, which are issues that you also mention in your paper. These are important to the passenger experience and to how likely they would want to transfer between modes. Can you explain to us why you think standards ought to be introduced for facilities? Can you tell us what those standards should be? What should be the bare minimum for a bus station, a rail station and a bus stop?

[199] **Dr Potter:** I will make a start on that one. The whole point is that, across Wales, there is a very diverse quality to the bus stations and railway stations. The whole point of trying to have minimum standards for them is that people will then travel and know that there will be certain facilities at the different points that they are going to. For instance, a bus station in a city centre or a town centre should perhaps have toilet facilities. Maybe it should have refreshment facilities. That way, you have the confidence of knowing that, when you get there, certain things will be available, and it gives you the confidence to choose that mode of transport over using the car.

[200] Talking about bus stops, defining a minimum standard for every one of them in Wales is probably not practical, because you do not want to have a shelter in a rural place where there is perhaps not the space for much more than a post. Equally, the demand from passengers would not necessarily justify that investment.

[201] The thing that we are trying to bring out in particular is that there are a number of points that are not bus stations but people will use them as an interchange for routes. I will take Cardiff as an example as I travel around Cardiff and know it particularly well. The Heath hospital, for example, has a number of routes going into it and people connect there. Once again, there are just a couple of shelters and a couple of information screens. Perhaps, as a minimum standard, if there were shelters and certain timetable information at these more connection points, people would think less about having to go all the way to the city centre

and could start to connect around a bit more of the network. It is about picking those key locations and having some kind of expectation. So, people are not trying to change buses when it is tipping down with rain on a December day, the wind is howling and they get drenched while they wait to go from one bus to another and there is no information so they do not actually know if the next bus is coming or not.

[202] **Eluned Parrott:** Thank you; you paint a very attractive picture of using the public transport network. [*Laughter.*]

[203] **Mr Evans:** The problem is that it is so mixed. There are examples of very good provision in bus stations in Wales. Swansea bus station is a very good example, apart from the fact that it is some distance from the railway station. The facility itself is very good. However, if you are going to attract passengers on to public transport, you need to meet their reasonable expectation that standards would be consistent for the whole of the journey.

[204] **Nick Ramsay:** There is a very good screen at Swansea station, which I am a particular fan of and which tells you the times of the buses when you get off the train. I thought I would mention that as I am a big fan of that information system. I will bring in Joyce Watson and then Ken Skates.

[205] **Joyce Watson:** Good morning. I want to talk about funding and the regional bus and community transport network strategy. You have talked at length about serving urban areas, but sometimes the real challenge is serving rural areas, like the area I represent. I would like your views on how the proposed regional bus and community transport network strategy could be developed and implemented to improve services and integration. If you have the answers, it would be great.

[206] **Dr Potter:** I am not sure that I can provide you with an answer, but I can provide you with a view, at least. In the paper we have written, we talk about Bwcabus as an example of effective transport that is more suited to rural areas. I think that Martin has already alluded to the fact that, at the minute, its geographical scope is quite limited, but it has shown that that kind of service can work and therefore I think that, as an institute, we would be keen for that to be rolled out more widely to serve other important parts of Wales as well and to be spread more widely. That would be suitable for areas where there is reasonable road access for mini or mid-size bus operations. However, if you want to hit even more of rural Wales, you have to find a solution that deals with infrastructure that is far more constrained, where perhaps the roads are wide enough for a car but perhaps not much more than that. So, we would encourage consideration of the next level down from Bwcabus where, perhaps, minibuses are used to access even more parts of rural Wales where you cannot get the equipment that is used for a Bwcabus-type service to provide that quality.

[207] You also mentioned other community transport. Obviously, there are services like Dial-a-Ride, which are popular in certain parts. Once again, they have an important role to play, but they perhaps need to be integrated better into transport as a whole. Perhaps they are not seen as part of the transport provision and integrating their services more with other public transport options, whether bus or rail, would be a better way to encourage end-to-end journeys over longer distances, which you could achieve if you did that.

[208] **Mr Evans:** It is a case of applying a standard that is associated with funding. So, if you are funding a community bus service, part of the standard for their service delivery should be that they integrate with other forms of public transport. I think that you are correct in saying that that integration is patchy at best at the moment, and could be improved.

[209] **Joyce Watson:** Okay. Do you think that the strategy can be successful given the expected funding reductions? We all know that there is less money about—and that it is

stretched, to say the least—to provide a comprehensive service to all who might require it.

[210] **Mr Evans:** Funding is always going to be a challenge, and community transport has this role in those parts of the community, as Andrew said, that cannot be reached by other forms of transport. By their very nature, community transport schemes are funded services, so the cost is what the cost is. If you want to have that service provision at that level, you have to pick up the bill.

[211] **Joyce Watson:** Indeed. Do you think that the quality outcomes approach that is expected to result from the bus funding review can be achieved using those voluntary partnerships that you talked about, or do you think that statutory quality partnerships or contracts are required? To that end, evidence has also told us that there is not a single quality contract in existence.

[212] **Mr Evans:** As we said earlier, we have a diverse point of view within the institute. Those of our members who work within the bus industry want the lightest possible touch. I can point out some deficiencies in that view in that bus provision solely open to competition leaves a situation where bus companies maximise profits; they cherry-pick routes to do that and they offer a limited service.

[213] A good example of this is where you have competition between private companies and companies that are owned by local authorities such as those within Cardiff, where the local authority-owned bus company will provide socially necessary services that the private operator will not. For example, a private operator runs the no. 32 bus in Cardiff that runs to St Fagans at the times of greatest demand—Monday to Saturday—and Cardiff Bus fills in the gaps in the evenings and on Sunday.

[214] The provision of a network for the passenger is needed that is available at the times that the passenger wants. I guess that all of you spend a lot of time talking to passengers, as I do, and one of the first questions is, ‘Why can’t I get a bus on a Sunday or early evening, because those are the times when I have things that I want to do for leisure?’ It is a time when demand for buses is lower, and there are no buses available. The way in which you overcome that lack of provision is to even out revenue, so that you take revenue from the times when the buses are very busy and spend it on times when buses have to run for more socially necessary reasons.

11.15 a.m.

[215] That is not going to be done under competition; you must have a voluntary arrangement under the quality partnerships or some type of contract. There is no evidence of one working yet. Indeed, the way of giving you assurance of having a network available at the times that you want it is to go for a franchising system, as they have done in London.

[216] **Nick Ramsay:** We do not have very long left, but we still have a few areas of questioning. I ask Members to be succinct, and feel free to be succinct with your answers as well; that would be very helpful.

[217] **Alun Ffred Jones:** Yn dilyn pwynt Joyce Watson, mae’n ymddangos y bydd gostyngiad o tua chwarter yng nghyllid gwasanaethau bysys. Dywedwch hyn yn eich tystiolaeth: **Alun Ffred Jones:** Following on from Joyce Watson’s point, it appears that there will be a reduction in finance for bus services of about a quarter. You say in your evidence that a

[218] ‘reduction of funding by 25% is a major concern that will severely undermine ... the ability to improve integration.’

[219] Beth yw'r dystiolaeth sydd gyda chi o'ch aelodaeth sy'n eich arwain i ddweud hynny, ac a ydych yn credu y bydd hynny yn effeithio ar wasanaethau gwledig yn fwy na rhai trefol, neu fel arall? What evidence do you have from your membership that leads you to say that, and do you think that that will affect rural services more than urban services, or otherwise?

[220] **Mr Evans:** The reduction in funding for bus services does undermine the amount of services that will be available, in that some marginal services will be lost. We have already seen that bus fares have risen, which makes buses more expensive and does not offer a travel alternative to people who perhaps are finding other forms of transport expensive as well. As regards what that does for integration, yes, you will see a less complete network because you will lose bus services due to that lower level of funding. The effects will be seen more in rural areas, where perhaps some journeys are discretionary and people who perhaps may have gone into town a couple of times a week may go only once now. Journeys within the urban area are perhaps less discretionary if people are going to work on a bus and the fares go up—they still have to carry on travelling to work. So, the effect will be that we will lose some marginal services.

[221] **Nick Ramsay:** I want to move things along. Ken Skates, you have some questions on marketing and communication.

[222] **Kenneth Skates:** You have already spoken about branding, so I am quite content with that, but with regard to timetable co-ordination, you said in your evidence that it is important that timetables are integrated to provide a seamless journey. However, FirstGroup told us that linking bus and rail timetables does not make a great deal of sense because the two serve different markets. How, therefore, can we reach the point at which we have satisfactory timetable integration, and who needs to wield a big stick to bring that about?

[223] **Mr Evans:** I suppose that you can understand where this is coming from. We can all remember the views of Margaret Thatcher on bus services—

[224] **Nick Ramsay:** Please do not get into that at this point. [*Laughter.*]

[225] **Kenneth Skates:** I am very young; could you just relay what they were? [*Laughter.*]

[226] **Mr Evans:** I do not think that I want to repeat it.

[227] **Nick Ramsay:** We are running very short of time. That is for another time.

[228] **Mr Evans:** Exactly. I do not agree with this. I integrate my personal bus and train journeys and I cannot understand anyone taking the view that you would not want to integrate bus and rail services, particularly on long-distance networks in Wales. I would want people to be able to seamlessly transfer from a bus to a train—

[229] **Kenneth Skates:** I am sorry to interrupt. Therefore, FirstGroup, in your view, is wrong in its assumption. What, therefore, needs to be done to compel it to integrate its timetables with the timetables for rail services?

[230] **Mr Evans:** Again, this comes back to bus regulation. If bus companies are not willing to voluntarily integrate their services—I think it would be sensible if they did undertake voluntary arrangements—then quality bus contracts or even franchising would be the answer in order to make that happen.

[231] **Vaughan Gething:** I want to go back to the rail franchise. We have already heard

your views on the desirability or otherwise of the Welsh Government having a greater involvement with Network Rail, but I am interested in how you see, to start off with, infrastructure renewals and enhancements during control period 5, which we have heard announced, and how those should be exploited to support integration. Do you want to add anything else to what is out there already and its potential, whether that is crossrail, metro or anything different?

[232] **Mr Evans:** The addition of electrification can be transformational to a rail system. You may think that if you have travelled on the Valleys lines, you do not need it to be transformational because it is already pretty popular and what is needed is more capacity. Electrification will bring that additional capacity and will address the challenge of trying to attract more of those people who are travelling into Cardiff daily out of their cars and onto the railway. It will be a much more attractive proposition to them when it is electrified. What you have to do is that you have to overcome any barriers to that occurring. You have to accept that not everyone will make a complete end-to-end journey by public transport. Some people are going to want to start their journey by car because it is convenient if they are not near public transport provision and they will want to drive to a station and park. So, the biggest thing that can be done to exploit electrification is to increase the number of park-and-ride facilities, particularly on the outskirts of our big cities such as Cardiff and Swansea.

[233] **Vaughan Gething:** I want to move backwards a bit. In terms of supporting integration, you have given a view about park and ride and the Minister has announced a task and finish group asking the South East Wales Transport Alliance to look at different points of integration. Is there anything else that you would expect to or want to see to ensure that integration takes place, not just for private car users, but in terms of walking and cycling? Is there anything else that you would expect to see under this heading in terms of bus operation?

[234] **Mr Evans:** The big issue in Wales is land-use planning. We are not thinking about integrated transport at the time when we are planning new housing schemes. At that point, you need to ensure that new urban areas are planned so that they facilitate walking and cycling and perhaps the removal of the car under certain circumstances, and ensure that there is adequate provision for public transport for those who want to make longer journeys that cannot be undertaken by walking and cycling. I am thinking in particular of the planned new urban developments around Cardiff that need, in a couple of instances, disused rail lines to be reopened and, in other instances, the introduction of dedicated bus ways. Those things need to be considered as part of land-use planning so that section 106 agreements can be used to get contributions out of developers to make sure that those transport schemes are put in place at the beginning, and not thought about afterwards when we have a lot of additional cars on the road.

[235] **Vaughan Gething:** In terms of the operation of the franchise, Arriva gave evidence this morning essentially saying that the franchise, as currently drawn up, is not a barrier to greater integration. Do you think that the current franchise is a barrier? What would you like to see in a future franchise to support greater integration, whether it is park and ride, walking and cycling or the holy grail of trying to get buses and trains to work on a more strategic and uniform basis than the piecemeal level that Arriva outlined?

[236] **Dr Potter:** We are probably now at the point when it is time to start thinking about that, because there are five years of the franchise left to run, allowing for developments in the industry over the next few years and the scoping upwards of that. Now is the time to start defining what we want from the franchise. Again, it comes back to asking what we want to achieve for the transport system in Wales as a whole and what the broader policy objective is, and then fitting in all the different modes to that. That will look at not only what the expectation is for rail, but how that fits with the other transport modes that go from it. So, it might be more park-and-ride facilities at stations; it might be encouraging integration with

bus services; it might be more cycling lockers at stations; or it might be other things like extra services. However, again, you have to balance that against the cost. We might want a gold-plated railway service, but if it will not generate a feasible financial model for the operator of the franchise, maybe we need to take that into account and come up with a realistic objective that we might want to achieve.

[237] **Nick Ramsay:** We are virtually out of time, but David Rees wants to ask a final question.

[238] **David Rees:** CILT threw in a final point about freight being an important aspect. You have already mentioned the increased capacity as a consequence of electrification. In your view, what is the capability and the capacity of the system to be able to handle the increase in public transport plus the current freight, noting the fact that the UK Government might reduce rail freight because of its additional charges? In addition, is the balance right at the moment, and how do we maintain that balance if we are looking at increased public transport?

[239] **Dr Potter:** If you look at the rail network currently, you will see that in some places in Wales there is enough capacity for both passenger and freight systems to co-exist, but in other areas, for instance, the Valleys lines, it is already the case that passenger trains are occasionally dropped out from the timetable to create paths for freight trains. So, if you have more passenger trains on the Valleys lines, you will have a greater conflict there. As an institute, we have expressed some concern previously that if you develop the Cardiff metro scheme and have far more frequent rail services across south Wales as a whole, plus additional stations that might be located on the lines that are currently dedicated to freight, you will start to constrain the extent to which we can shift stuff around.

[240] Product like Tata Steel's is well suited to going on rail and a trainload will carry 700 tonnes to 1,000 tonnes of steel, which is a lot of trucks to put on to the road network if we cannot fit it on freight trains. Often the argument is put about that you can move freight at night, because freight trains are less time-sensitive than passenger trains. To some extent, that may be true for certain flows, but, for instance, we have seen Tesco start a rail freight flow in the past 12 months that is time-sensitive and needs to run reliably and effectively during a daytime slot to feed into its wider network. We should not act on the view that all freight can move at night; there will be flows that have to move during the day. While containers do not vote, if they were ever given the vote, you might get a slightly different set of outcomes to a lot of transport policies.

[241] **Nick Ramsay:** Is that okay?

[242] **David Rees:** Yes.

[243] **Nick Ramsay:** I thank Martin Evans and Dr Andrew Potter from the Chartered Institute of Logistics and Transport Cymru Wales for being with us today. That was a very helpful session. Thank you for your written evidence as well, which helped us greatly in forming questions for you.

11.30 a.m.

**Cynnig o dan Reol Sefydlog Rhif 17.42 i Benderfynu Gwahardd y Cyhoedd o'r
Cyfarfod
Motion under Standing Order No. 17.42 to Resolve to Exclude the Public from
the Meeting**

[244] **Nick Ramsay:** I ask a Member to move the appropriate motion.

[245] **Joyce Watson:** I move that

[246] *the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 17.42(vi).*

[247] **Nick Ramsay:** I see that the committee is in agreement.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 11.30 a.m.
The public part of the meeting ended at 11.30 a.m.*