

Agenda – Climate Change, Environment, and Infrastructure Committee

Meeting Venue:	For further information contact:
Video Conference via Zoom	Marc Wyn Jones
Meeting date: 16 September 2021	Committee Clerk
Meeting time: 09.30	0300 200 6565
	SeneddClimate@senedd.wales

Private pre-meeting (09.15–09.30)

In accordance with Standing Order 34.19, the Chair has determined that the public are excluded from the Committee's meeting in order to protect public health. This meeting will be broadcast live on www.senedd.tv.

Public meeting (09.30–11.35)

1 Introductions, apologies, substitutions and declarations of interest

(09.30)

2 Priorities for the Climate Change, Environment and Infrastructure Committee: Evidence session 1 – Transport

(09.30–10.30)

(Pages 1 – 55)

Christine Boston, Director – Sustrans Cymru

Josh Miles, Director – Confederation of Passenger Transport (CPT) Cymru

Scott Pearson, Managing Director Newport Transport and Chairman Coach and Bus Association Cymru (CaBAC)

Attached Documents:

Research brief



Letter from the Minister and Deputy Minister for Climate Change regarding the Welsh Government's priorities in relation to climate change, the environment and infrastructure

Paper – Sustrans

Paper – Transform Cymru

Paper – Confederation of Passenger Transport (CPT) Cymru

Break (10.30–10.35)

3 Priorities for the Climate Change, Environment and Infrastructure Committee: Evidence session 2 – Transport

(10.35–11.35)

(Pages 56 – 60)

Chris Ashley, Head of Policy – Environment and Regulation – Road Haulage Association

Mark Simmonds, Director of Policy and External Affairs– British Ports Association

Chris Yarsley, Policy Manager, Wales, Midlands & South West – Logistics UK

Attached Documents:

Paper – Road Haulage Association

4 Motion under Standing Order 17.42 (vi) and (ix) to resolve to exclude the public from items 5, 6 and 10 of today's meeting (11.35)

Private meeting (11.35–12.00)

5 Consideration of the Committee's draft report on the Legislative Consent Memorandum (LCM) for the Environment Bill

(Pages 61 – 87)

Attached Documents:

Draft report on the Legislative Consent Memorandum (LCM) for the Environment Bill

6 Consideration of the Committee's Forward Work Programme

(Pages 88 – 90)

Attached Documents:

Paper – Forward Work Programme

Break (12.00–12.45)

Private pre-meeting (12.45–13.00)

Public meeting (13.00–15.05)

7 Priorities for the Climate Change, Environment and Infrastructure Committee: Evidence session 3 – Planning

(13.00–14.00)

(Pages 91 – 96)

James Davies, Chief Executive – Planning Aid Wales

Neil Harris, Senior Lecturer, School of Geography and Planning – Cardiff University

Victoria Robinson, Chair – Planning Officer's Society Wales (POSW)

Dr Roisin Willmott, Director of Wales and Northern Ireland and Planning Aid England – Royal Town Planning Institute (RTPI) Cymru

Attached Documents:

Paper – Royal Town Planning Institute (RTPI) Cymru

Break (14.00–14.05)

**8 Priorities for the Climate Change, Environment and Infrastructure
Committee: Evidence session 4 – Infrastructure**

(14.05–15.05)

(Pages 97 – 101)

Ed Evans, Director – Civil Engineering Contractors Association (CECA) Wales

Ian Christie, Managing Director of Water, Asset Planning & Capital Delivery –

Dŵr Cymru Welsh Water

Attached Documents:

Paper – Civil Engineering Contractors Association (CECA) Wales

9 Papers to Note

(15.05)

Please refer to Supplementary Pack A: Papers to Note

Private meeting (15.05–15.30)

**10 Priorities for the Climate Change, Environment and Infrastructure
Committee: Consideration of evidence heard under items 2,3, 7
and 8**

Document is Restricted

Julie James AS/MS
Y Gweinidog Newid Hinsawdd
Minister for Climate Change



Llywodraeth Cymru
Welsh Government

Lee Waters AS/MS
Y Dirprwy Weinidog Newid Hinsawdd
Deputy Minister for Climate Change

Llyr Gruffydd MS
Chair
Climate Change, Environment and Infrastructure Committee

30 July 2021

Dear Llyr,

Thank you for your letter of 2 July 2021 regarding Welsh Government's priorities in relation to climate change, environment and infrastructure.

Below I have set out a series of the priority focus areas across my portfolio for the next 12 – 18 months. I have included some background to each which I hope will give you sufficient information for now. Obviously, I am happy to answer any further questions when your Committee sits.

You asked specifically about my ambitions and plans for COP26. The challenge of climate change requires everyone to work together across geographic and sectoral boundaries, and collaboration is essential if we are going to be successful. My aim is that COP26 will not only help to deliver on our international commitments, but also provide opportunities to promote the outstanding examples of the collective climate action being taken in Wales.

As such we are in liaison with the UK Government to maximise opportunities for Wales at the conference and we plan to publish our climate change action plan around the same time as COP26 to show the world we are a globally responsible nation. Alongside this, the annual Wales climate conference will this year be 'COP Cymru'.

Climate Change

Wales has set stretching targets for reducing emissions of greenhouse gases and these were most recently updated in March 2021 when the Senedd agreed to set a target of net-zero emissions by 2050. These targets are underpinned by advice from the Climate Change Committee (CCC), our statutory advisors.

Climate Adaptation describes the actions required to adapt to the effects of climate change, such as increased rainfall in winter and warmer, drier summers. The Climate Change Act requires Welsh Ministers to report on the Welsh Government's objectives, actions and

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

future priorities regarding the impacts of climate change and also provides Welsh Ministers with powers with regards to public bodies and their response to climate risk.

The Welsh Government has supported a wide range of innovative projects designed to make progress with respect to decarbonisation and energy efficiency, but is dependent on funding for innovation from UKG / BEIS and Europe.

Energy

The UK energy system is facing a period of significant change and upheaval as we transfer to renewable sources of power in support of the wider net zero agenda. Energy generation in Wales will need to evolve in line with these wider changes. The Welsh Government set out a comprehensive statement of its approach to energy policy in Energy Wales: A Low Carbon Transition and we have subsequently published more detailed policies.

The devolved planning system is one of our greatest levers in driving changes across Wales over the longer period. Planning Policy Wales, our main policy statement, places fossil fuel extraction at the bottom of its fuel hierarchy, which in turn supports the aspirations to a net-zero energy system.

The Welsh Government is heavily involved in a range of initiatives designed to promote public ownership and reduce emissions from the power sector, which remains the largest emissions sector in Wales as a result of developments which mean Wales is hosting 16% of the UK's gas fired electricity generation.

To deliver on our net zero ambitions Wales will need to develop a more comprehensive policy on decarbonising heat, which is a substantial cross cutting challenge linked to fuel poverty, housing, commercial, industrial and waste policy areas.

Although the UK Government holds the principal financial and regulatory levers the Welsh Government has set targets for renewable energy:

- for renewables to generate an amount equivalent to 70% of Wales' electricity use by 2030;
- for 1 gigawatt of renewable energy capacity to be locally owned by 2030, and
- for all new energy developments to have at least an element of local ownership from 2020.

In 2019, the equivalent of 51% of Wales' electricity use came from renewables. The rate of increase has slowed due to UK Government incentives ending. We have reached 83% of the locally owned target. The Welsh Government has made clear its commitment to reduce the use of fossil fuels. Wales has published policies hostile to petroleum extraction and to coal extraction and use in power generation.

We have worked with the four regions of Wales to develop energy strategies highlighting the scale of change needed to reach net zero, and the economic opportunities this presents. This puts Wales in a strong position to develop the more detailed and integrated plans needed to design a low carbon energy system. The community engagement we are beginning to see as a result of this work will be essential in securing the public consent to deliver the scale of change needed across heat, buildings, transport and power.

Hydrogen is a nascent but very promising technical solution to some of our decarbonisation challenges. Our consultation on a Welsh pathway for hydrogen closed in April.

Marine Energy Programme

Infrastructure investment provides an important and much needed stimulus, creating the conditions for increased and sustainable growth in the medium and longer term.

Since 2019 work has been underway to stimulate renewable tidal power generation in the seas around Wales and help support other forms of marine energy generation. This has the aim of creating jobs and investment in new industries in Wales.

Net Zero

Wales has recently committed to net-zero by 2050, and this is set in legislation alongside a series of carbon budgets every five years and decadal targets. Carbon Budget 1 was 2016-2019 and required an average reduction of 27%. Carbon Budget 2 is 2021-2025 is for an average 37% reduction. We have committed to publishing our new Low Carbon Plan to coincide with COP26 in Glasgow.

The 2030 decadal target is for 63% reduction against the baseline. This is underpinned by CCC advice and reflects the need for the 2020s to be 'the decade of action' if we are to meet net zero by 2050.

The Welsh Government's Climate Change Board is developing a holistic view of the decarbonisation that needs to take place across Wales. We are developing the policies and projects that will drive decarbonisation in transport, contributing to the overall Low Carbon Delivery Plan.

We need to make sure that the approach to tackling climate change is Wales-wide and that we engage every person, community, business and public servant. The Welsh Government must use every opportunity within its strategy for recovery from the pandemic to embed and drive positive changes with regards to emissions.

The new UK Emissions Trading Scheme, introduced in January 2021, covers all major power, industry and aviation emitters (some 46% of total Welsh emissions), where carbon 'allowances' are bought and sold at auction and in a carbon market. It is managed by a joint four-nation Authority. It is not yet linked to the EU scheme, although the devolved nations and elements of UK Government have been advocating this approach for some time, alongside the majority of scheme participants.

The Welsh Government's ambition is a net-zero public sector by 2030. We continue to drive progress in this area and have developed a monitoring framework to track progress. The Welsh Government Energy Service offers technical advice alongside loans to public sector and community organisations for renewable and retrofit projects. A wide variety of public organisations have benefitted from our decarbonisation innovation programme which seeks to identify and nurture new and ground-breaking ideas and concepts to support work on decarbonisation, especially those which take a systems view of the challenge.

Tree planting

The Climate Change Committee has made recommendations for how Wales meets its climate targets. A central part of the balanced pathway to 2050 would see a significant increase in tree planting rates of around 43,000 hectares of new woodland by 2030, and 180,000 hectares by 2050. That is equivalent to planting at least 5,000 hectares per year. Last year, just 290 hectares of woodland was planted in Wales and annual woodland creation has not exceeded 2,000 hectares since 1975. Further development of a National

Forest, including through community woodlands, is a key part of this. There is also scope to enhance the wider sector, and provide more timber for other uses e.g. construction in Wales.

Delivering this will involve many partners as the vast majority of new woodland will not be planted by the Welsh Government, but by the communities, farmers and other landowners across Wales.

Better engagement is needed with communities and landowners who want to plant trees and we need to learn from community and land owner expertise. Current guidance has been found to be complicated and appears restrictive. We will also begin work to identify areas for 30 new woodlands and 100 Tiny Forests as part of the National Forest programme.

To address these issues the Deputy Minister undertook a deep dive into tree planting, which will form a starting point for the development of a timber industrial strategy for Wales. It will include looking at the role of NRW, who have committed to selling up to 30% of their timber through alternatives to the current model focussed on sale for highest financial value. On the demand side, an important first step to stimulating greater demand is enabling lifecycle analysis of the carbon in a building, including 'embodied carbon' in construction materials.

Further detail will be set out in a new Woodland for Wales Action Plan later this year.

Nature and biodiversity

SoNaRR2020 concludes that the loss of biodiversity is accelerating globally at unprecedented rates and Wales needs to build resilient ecological networks and reduce its impact outside of Wales to tackle this. Connectivity of protected sites is central to this and our Nature Networks scheme is focussed on improving the condition and resilience of the protected sites network including by supporting the active involvement of communities in caring for them.

Our Nature Recovery Action Plan (NRAP) sets out the objectives and key actions needed in Wales to achieve our ambitions for nature recovery both as part of meeting our own Resilient Wales goals and our global commitments to halting the loss of biodiversity. It sets out Welsh Government's priorities for tackling biodiversity loss – but we need to do more, and step up our investment in resilient ecological networks and transformative change to reverse the loss of biodiversity. It reflects the need for action to tackle the nature and climate emergencies, build resilient ecological networks across our whole land and seascape to safeguard species and habitats and the benefits they provide, addressing the root causes of biodiversity loss, and targeting interventions to help species recover where necessary. The NRAP will be revised to take account of the new framework. We are developing indicators which will allow us to ensure we are making progress towards internationally agreed objectives and targets. We are also required to update our Natural Resources Policy to fulfil our duties under the Environment (Wales) Act 2016.

Our vision for our seas is that they are clean, healthy, safe, productive, and biologically diverse. Wales has important marine habitats, such as seagrass forests and saltmarshes. Our approach is structured around assessment, protection and management, and restoration. Effective marine planning for, and regulation of, new development is crucial to enabling sustainable marine sector growth, particularly for the development of marine energy projects to contribute to net zero.

Circular Economy

50% of our carbon is embedded in the products and services we use. Implementing a truly circular economy in which materials are kept in circulation for as long as possible and needs are increasingly met by more sustainable alternatives, is critical to decarbonisation. Increasing recycling and further reducing waste remain key and we have an opportunity to develop our infrastructure further to extract greater economic value from the materials collected.

Environment

Poor air quality contributes to poor health, with a pronounced impact on the most vulnerable. Maximising delivery of air quality objectives through behaviour change, for example active travel, is key. The development of a Clean Air Act for Wales will be informed by the responses to the White Paper consultation held earlier this year.

The government has committed to bringing forward legislation to ban more single use plastics however the implications the Internal Market Act 2020 might have on these proposals is not yet clear.

Maintaining and enhancing our dynamic water ecosystem is central to tackling the wider strategic challenges we face. We need to ensure our drainage and sewerage systems are sustainable, managed effectively and that they are fit for purpose in terms of meeting changing demands. To address these challenges we need to work in collaboration with a wide range of stakeholders.

Reducing the risk of flooding to people, properties and infrastructure in our communities is a significant priority. Across Wales, 245,000 properties are at risk of flooding, with a further 400 at risk from coastal erosion. The risks will only be exacerbated by the changing climate. Our National Strategy for Flood and Coastal Erosion sets out how we will manage the risks over the next 10 years. It focuses not only on reducing present risk, but also preventing issues for future generations through more informed planning decisions, the better management of water and natural flood management. The storms of February 2020 highlighted the risks we face from our industrial heritage.

The interim environmental governance arrangements following the end of the EU transition period have been in place since 1st January 2021. We will continue to work with stakeholders to develop permanent arrangements which will require the development of legislation.

Transport

Welsh Ministers are directly accountable for the Strategic Road Networks (SRN) of motorways and trunk roads in Wales, holding statutory duties and powers for its safe operation, maintenance and improvement as highway authority. Local authorities are responsible for the local roads.

We recently published Llwybr Newydd – The Wales Transport Strategy (WTS) 2021 that sets out the long-term vision for an accessible, sustainable and efficient transport system. It also has responsibility for transport decarbonisation including electric vehicles, air quality and road user charging; place making including road safety, road space reallocation and active travel and Blue Badge scheme.

Currently the three Metro programmes are funded and delivered through a combination of sources. Significant construction work is underway on the South Wales Metro to improve services and better integrate public transport and active travel.

The Welsh Government is responsible for implementing the strategy and policy relating to Bus and Community Transport as set out in the Wales Transport Strategy.

The Welsh Government has a substantive role in ensuring that the transport network supports a sustainable system of distributing goods in Wales. The Wales Transport Strategy commits towards a freight and logistics delivery plan to support this role.

Policy and regulation of the majority of Welsh ports is devolved, but a significant amount of wider maritime policy, including shipping, remains reserved. The Wales Transport Strategy commits to develop a new ports and maritime strategy for Wales which reflects the challenges and opportunities of post-Brexit changes in sea freight movements.

Digital Infrastructure

94% of premises across Wales can access a superfast broadband service and 19% of homes in Wales have access to full-fibre connections. The UK Government target is for 85% of premises in the UK to have access to gigabit capable broadband by 2025. 90% of Wales has access to good 4G geographic coverage from at least one of the mobile operators and 60% has coverage from all four operators. The Shared Rural Network project aims to increase this to 95% good 4G coverage from at least one operator and 80 per cent by all four operators in Wales by 2026.

Since 2006 the Welsh Government has overseen a pan-public sector contract to deliver public sector connectivity to 120 organisations covering around 5,000 locations such as schools, colleges, universities, fire services, police, hospitals, GP surgeries, local authority buildings.

The Welsh Government is the lead consortium partner in a '5G Tech Valleys' mobile technology innovation project focussed on rural connectivity. The project is delivering 5G infrastructure and innovation in parts of Blaenau Gwent and Monmouthshire running until March 2022. The programme is considered to be a 'pathfinder' to inform potential future mobile network deployment models and a potential opportunity to scale such services.

Digital and Data

The Welsh Government published a Digital Strategy for Wales in March 2021. It sets out our ambition for people in Wales to experience modern, efficient and streamlined public services and at the same time stimulate innovation in our economy and support outcomes today and for future generations. A separate Delivery Plan was developed to support the Strategy. The Strategy's vision is: Digital in Wales: improving the lives of everyone through collaboration, innovation and better public services.

The Centre for Digital Public Services was established as an arms-length body in June 2020 to improve capability in digital public services and support the public sector in taking forward projects. The Centre is delivering a programme of digital awareness training to over senior leaders and elected members across the public sector. It is also developing common service standards and sharing best practice to drive cross-sector collaborative working which meets with the needs and expectations of users.

Housing

The £70m Optimised Retrofit Programme (ORP) works in collaboration with Social Landlords, with the intent of matching grid decarbonisation, new heating technologies and known fabric improvements to ensure landlords can set their homes on a pathway to net zero carbon in the coming decade. This positions social housing as an exemplar from which other tenures can learn. There remain challenges for private renters and owner occupiers, but housing policy direction is clear. We will learn and use the levers available in the Welsh Government provision of social housing to gain proof of concept, win hearts and minds, and understand the tenants' lived experience of low carbon homes. The knowledge, skills and capacity gained will then be deployed in the private rented and owner occupier sectors.

ORP is also developing the skills and capacity in our local supply chains and SMEs, not just as sub-contractors to large national companies but as principal contractors and ensuring as much of the investment as possible stays in Wales. The first year of ORP (2020-21) involves five successful applications, four from local authorities and one from a consortia of 27 social landlords. The project is being evaluated live as it is runs.

In parallel to the ORP, Welsh Government is working with the Social Landlords to evaluate the long-standing WHQS programme and to develop a revised standard. The new version will move us forward in tackling fuel poverty and climate change, setting the standards for the retrofit of social homes.

This government is determined to step up to meet the climate change challenge in housing delivery. We will shortly be implementing a new housing quality standard setting quality requirements for social housing centred on flexibility, space and sustainability. The standard will feature bold new requirements for low carbon design.

The social landlord sector will be leading the way in terms of requiring new build homes funded with public money to be high quality, beautiful and low carbon. The standards are designed to maximise community, economic and wellbeing outcomes, and support equalities and social justice. The aim is that these standards will be applicable to all new build homes in Wales in future.

Town Centre Regeneration

The Transforming Towns agenda was announced in January 2020 with a package of support for town centres now worth £136 million. This builds on existing projected investment of £800 million in over 50 towns since 2014 to rebuild and refurbish buildings and public spaces and tackle empty properties. The priority is securing the long term sustainability of our town and city centres by driving footfall and making them attractive places to be. Our Transforming Towns programme is focussed on improving biodiversity and green infrastructure; repurposing neglected properties; increasing flexible working and living space; and providing access to services and leisure.

Two very large scale loan investments have recently been made in the Ness Tar site in Caerphilly town centre and the Hoover site in Merthyr Tydfil. These were prioritised because of their proximity to town centres and the ability to create high quality low carbon housing, green space, and access to public transport routes. Transforming Towns represented a recognition of the need for regeneration in light of the challenges facing town centres. These challenges have of course been exacerbated by Covid-19, but Covid has merely accelerated trends that were already well established.

Yours sincerely



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Y Gweinidog Newid Hinsawdd
Minister for Climate Change



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Y Dirprwy Weinidog Newid Hinsawdd
Deputy Minister for Climate Change

Blaenoriaethau ar gyfer y Chweched Senedd / Priorities for the Sixth Senedd
Y Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith /
Climate Change, Environment and Infrastructure Committee
PR68
Ymateb gan Sustrans / Evidence from Sustrans



Submission of evidence to the Climate Change, Environment and Infrastructure Committee on Priorities for the Sixth Senedd Term

September 2021

About Sustrans

Sustrans is the charity making it easier for people to walk and cycle. We connect people and places, create liveable neighbourhoods, transform the school run and deliver a happier, healthier commute. Sustrans works in partnership, bringing people together to find the right solutions. We make the case for walking and cycling by using robust evidence and showing what can be done. We are grounded in communities and believe that grassroots support combined with political leadership drives real change, fast.

The focus of this evidence submission is the delivery of a sustainable and accessible transport network for Wales. This evidence is relevant to the following priorities identified by the Minister for Climate Change in her letter to the Committee Chair: Climate Change, Net Zero, Transport and Town Centre Regeneration.

For further information about this response please contact Sara Jones, External Affairs Manager at sara.jones@sustrans.org.uk

Introduction

The sixth Senedd term is critical for transport in Wales with a new transport strategy setting ambitious targets for modal shift and climate change becoming a pressing issue. Providing effective transport solutions which allow people to make sustainable journeys and reduce car travel must be the priority over the coming years.

In order to achieve climate change targets, there needs to be a significant increase in the number of people using public transport or travelling actively. The Welsh Government's

commitment for Wales to become an active travel nation requires investment into both infrastructure and behaviour change.

This paper makes recommendations for Ministerial and committee priorities in order to deliver an increase in the number of people travelling actively.

Key points

- **Transport is one of the highest carbon emitting sectors in Wales, accounting for 17% of Wales' greenhouse gas emissions. Increasing sustainable travel options and promoting behaviour change must be a priority for this Senedd term.**
- **Investment into infrastructure for sustainable transport and active travel is needed as well as support for behaviour change programmes to ensure individuals have the confidence and skills needed to travel differently.**
- **Those with protected characteristics tend to be under-represented in delivery and participation of active travel. Increasing inclusion must also be a key priority for this Government.**

Detailed response

Increase no. & diversity of people travelling actively

In order to achieve the Welsh Government's climate change targets, we know we need to increase the number of people travelling actively. Encouraging more people to make everyday journeys on foot or by bike would reduce the number of short-distance car journeys and tackle emissions.

Our Cardiff Bike Life report published in 2019 found that every day cycling in Cardiff takes up to 14,000 cars off the road and saves 6,500 tonnes of greenhouse gas emissions per year¹. There are also benefits for health through the prevention of serious long-term health conditions and a reported £33.7m economic benefit for individuals in the city². An analysis of individuals from lower socio-economic groups tells us that 73% of residents in groups D & E never cycle and would like to. This amounts to 1,900 individuals in Cardiff alone³.

Currently, we know that it is predominantly white males who are cycling and we need to do more to tackle barriers for those with protected characteristics. Women, for example, are not a minority group but are less likely than men to travel by cycle (14% compared with 31%)⁴. Our research tell us that two-thirds of both men and women think cycle safety needs to be improved and 80% say that good quality infrastructure is key to helping us increase the number of people cycling⁵. Since this report was published, Cardiff has made great strides

¹ Sustrans (2019) Bike Life – Cardiff, Available at: <https://www.sustrans.org.uk/bike-life/bike-life-cardiff>

² Ibid.

³ Ibid.

⁴ Ibid.

⁵ Ibid.

in the roll out of cycling infrastructure and this now needs to be mirrored by other towns and cities across Wales.

In Cardiff, 50% more non-disabled people than disabled people cycle (26% compared with 12%)⁶. One of the issues we hear about on a regular basis from people with disabilities wanting to access the National Cycle Network is that access barriers make it impossible. Fear of anti-social behaviour is preventing authorities from providing access to those who need it most. It is also preventing access for a range of different cycles as well as wheelchairs and pushchairs. The market is diversifying and cargo bikes, adapted cycles, tandems, trailers and more are becoming increasingly common. In order to achieve the Welsh Government's vision for Wales to become an 'active travel nation'⁷ the National Cycle Network needs to be barrier free so that it can be a space for everyone.

In order to achieve an increase in active travel, Wales needs clear targets which should include indicators for diversity. It will also be critical to invest in behaviour change programmes to increase skills and confidence to make active travel the number one choice for everyday journeys.

Recommendations:

- **Develop clear targets for active travel to monitor the number and diversity of people travelling actively.**
- **Require that Local Authorities remove access barriers on the National Cycle Network to ensure routes are provided for everyone.**
- **Invest in behaviour change programmes to increase confidence and skills so that individuals can make more active journeys.**

Budget & investment

Up until now, the transport system in Wales has heavily focused on the private car. While 62% of the transport capital budget was being spent on building new roads⁸, 23% of the population of Wales does not have access to a car⁹. By comparison, Wales has one of the lowest per capita spends on public transport in the UK¹⁰.

We must reduce motor vehicle use rapidly and fairly. For this to happen, our focus needs to shift away from investing in our trunk road network and towards prioritising the improvement and development of our rail, bus and active travel services. While there is not a single solution, it is clear that building new roads only encourages more people to drive through

⁶ Ibid.

⁷ Welsh Government (2021) Llwybr Newydd: The Wales Transport Strategy 2021. Available at: <https://gov.wales/llwybr-newydd-wales-transport-strategy-2021>

⁸ Future Generations Report 2020, Commission for the Wellbeing of Future Generations. Available at: <https://www.futuregenerations.wales/wp-content/uploads/2020/06/Chap-5-Transport.pdf>

⁹ Statistical Bulletin: Public Service Vehicles (buses and taxis), Welsh Government. Available at: https://gov.wales/sites/default/files/statistics-and-research/2019-03/public-service-vehicles-buses-and-taxis-april-2017-to-march-2018_0.pdf

¹⁰ Investigation into devolved funding, HM Treasury. Available at: <https://www.nao.org.uk/wp-content/uploads/2019/02/Investigation-into-devolved-funding.pdf>

'induced demand'. Analysis of road schemes shows that road building increases traffic by up to 47%, over and above background traffic growth.¹¹

We commend Welsh Government for making the decision to review all road-building projects that do not yet have a spade in the ground. We now expect funding cycles and budget allocation for transport to reflect the same bold leadership which demonstrates commitment to change.

Following the decisions from the Scottish Government to bring Active Travel funding to at least £320m or 10% of the total transport budget by 2024-25¹², and in the light of the commitment set out in Llwybr Newydd to make Wales an Active Travel Nation by 2030, we expect similar levels of bold leadership from Welsh Government.

One issue that we are aware of is that Local Authorities face challenges in procuring the skills and expertise that they need to deliver effective active travel schemes. Currently, whilst commissioning frameworks do include transport, the weighing favours service providers that deliver conventional 'car-focused' transport networks which goes against what the Welsh Government is trying to achieve. In order to ensure a clear message about the importance of active travel, Wales needs to ensure the procurement framework supports Authorities to commission the expertise needed to deliver. There is a skills shortage in active travel and we believe an active travel framework would also drive skills development within delivery organisations, leading to an overall improvement in the quality of infrastructure.

Recommendations:

- **Dedicate at least 10% of the total transport budget to active travel to ensure Local Authorities are equipped to deliver the Active Travel Act.**
- **Create a separate capital fund of £20m each year for the development and improvement of the National Cycle Network to ensure it is well maintained and fully accessible for everyone.**
- **Develop an active travel framework for procurement to ensure Local Authorities can access the skills they need and drive standards in the sector.**

Place-making

Wales faces significant challenges when it comes to air quality. Public Health Wales estimates that there are the equivalent of around 2,700 deaths attributable to fine particulate matter (PM_{2.5}) and nitrogen dioxide (NO₂) exposure - each year in Wales¹³. Poor air quality will remain a problem without a reduction in overall car use, given that tyre and brake wear account for up to 45% of particulate emissions. The people most likely to suffer from the impact of poor air quality are those least likely to have contributed such as those in deprived

¹¹ Transport for Quality of Life and CPRE, 2017. The end of the road. <https://www.cpre.org.uk/wp-content/uploads/2019/11/TfQLZZTheZImpactZofZRoadZProjectsZinZEnglandZ2017.pdf>

¹² <https://www.gov.scot/publications/scottish-government-and-scottish-green-party-shared-policy-programme/pages/responding-to-the-climate-emergency/>

¹³ 'Estimating the mortality burden of air pollution in Wales'. Available at: <http://www.wales.nhs.uk/sitesplus/888/opendoc/317890>

communities, older people, children and people with disabilities. Furthermore, cars represent a physical danger in our communities which again, impacts vulnerable people.

As a result of the Covid-19 crisis, there was an acceleration of active travel schemes across Local Authorities. As restrictions have eased, many of these schemes have been removed in Wales which means it has not been possible to gauge how effective these schemes would be now people are travelling again. We are also aware of pedestrianisation schemes being removed despite Welsh Government policy being clear that we should be encouraging people to walk and cycle. Schemes have been delivered at public expense and are being removed at great cost also. If Wales is going to achieve climate targets and improve public health, we must ensure decisions which deliver national policy and strategy.

There are some examples of good practice in Wales with some authorities taking forward school streets projects¹⁴ or offering free bus travel¹⁵. At the same time, we are also seeing 'free parking in the town centre' offers and the removal of green space to create more parking bays. We are all very aware that the Welsh Government and some Local Authorities have declared a climate emergency and during this Senedd term, we need to see evidence of this commitment through a change of approach at a local level.

Recommendations:

- **Increase the level of ambition at a local level to deliver walking and cycling initiatives and encourage sustainable travel.**

Reducing car dependency

Diesel and petrol cars are a major contributor to transport emissions. Solutions like electric vehicles can help with reducing tailpipe emissions, however, emissions from manufacturing and from electricity generation for EVs remain, as well as severe particulate matter pollution.

The Tyndall Centre for climate change research has found that even if all new cars were ULEVs by 2035 (80% battery electric, 20% plug-in hybrids), a 58% reduction in car mileage between 2016 and 2035 would be needed for car CO2 emissions to be in line with a 'well below 2°C' pathway¹⁶. Transport for Quality of Life also estimate that necessary mileage reduction could be as low as 20% or as high as 60% by 2030 (assuming a 2040 ban)¹⁷.

This is why, it needs to be understood that a switch to electric cars cannot be the whole solution. Instead, the focus should be on reducing the number of vehicles on the road.

Other practical considerations of electric vehicles are around charging facilities. We have already seen chargers installed on the pavement by some local authorities in Wales and we know that households in some areas are running a cable across the pavement to charge the vehicle. This clearly disadvantages pedestrians and vulnerable road users. The cost of

¹⁴ Nurse, R. (2021) Fairfield Primary School in Penarth Aims to Improve Air Quality for Children. Available at: <https://www.penarthtimes.co.uk/news/19480494.fairfield-primary-school-penarth-aims-improve-air-quality-children/>

¹⁵ Arlow, C. (2021) Bus Travel Will Be Free to All Four-Days-A-Week in Swansea This Summer. Available at: <https://www.walesonline.co.uk/news/wales-news/swansea-council-free-bus-travel-21099366>

¹⁶ Friends of the Earth (2019) More than electric cars, available at: <https://policy.friendsoftheearth.uk/insight/more-electric-cars>

¹⁷ Ibid.

electric cars is a barrier for many and the focus on switching to EV risks creating an even wider gap in those who have access to transport and those who do not.

There can be no doubt that Covid-19 has changed the way we move around and we welcome the Welsh Government's ambition to engender more homeworking and use of sustainable transport in the future. With our lives increasingly normalising again, we are now, however, facing the resurgence of private vehicles on our roads, with car usage creeping back to pre-pandemic levels or higher¹⁸.

Without concerted action from the Welsh Government and key delivery partners, there is a real risk that the recovery from Covid-19 will be heavily car dependent, with all the social, environmental and economic costs that comes with excessive reliance on private vehicles without a viable sustainable transport alternative.

Recommendation:

- **Conduct an urgent inquiry into options for reducing car dependency to avoid a car-led recovery and deliver change as quickly and effectively as possible.**

Conclusion

We know that to achieve climate goals, we need to reduce reliance on the private car and increase the number of people travelling actively. The Welsh Government has shown increasing support for active travel which is welcome. As Llwybr Newydd and the Programme for Government set out a vision for Wales to become an Active Travel Nation, we now need further action to make this a reality. Furthermore, we need focus and investment on sustainable travel options along with funding for behaviour change to reduce the number of car journeys and support the switch to sustainable travel.

¹⁸ Road Traffic Statistics, UK Government. Available at: <https://www.gov.uk/government/statistical-data-sets/road-traffic-statistics-tra>



September 2021

About Transform Cymru

Transform Cymru is a coalition of organisations that provides advice and support for policy makers on transport issues. A diverse membership represents transport, equalities and sustainability with a focus on user experience. Our vision is for a sustainable and inclusive transport network for Wales.

We welcome the opportunity to participate in this inquiry and set out our priorities for the sixth Senedd term below.

Find out more about Transform Cymru and read our vision in full by visiting our website: www.transformcymru.org

Key points

- 1) Transport is one of the top 3 highest emitting sectors in Wales which makes modal shift a priority. As energy is also in the top 3, a switch to electric cannot be the whole answer.**
- 2) Covid-19 has led to the demonization of public transport and action must be taken to avoid a car-led recovery.**
- 3) Ensuring transport is sustainable and inclusive through the effective delivery of the Wales Transport Strategy - Llwybr Newydd - is a key priority for this Senedd term.**

Introduction

Having access to transport is essential for experiencing and enjoying everyday life and yet many people across Wales face barriers to accessing transport which makes them socially excluded. We also know that addressing transport emissions is a key priority in tackling climate change and improving air quality.

We must remember that transport is a key enabler and has a critical role to play in supporting other policy areas such as economy and health. The key message here is that transport is a social justice issue and an essential public service and we must ensure a high quality, affordable and accessible service that delivers for everyone, particularly those who need it most.

Urgent action is needed to reduce the number of car journeys made by individuals and support people to travel sustainably. This cannot be achieved through a mass switch to electric cars; this may be part of the answer but ultimately, the key message has to be 'fewer cars, not newer cars'.

In the last 18 months, the Welsh Government has taken positive steps in tackling transport emissions. We fully support their actions to realise the potential of community transport; develop community car clubs; and increase access to electric bikes. We also commend the Welsh Government's commitment to seize the opportunity provided by the Covid-19 pandemic and promote flexible and remote working to reduce the need for people to travel.

In terms of public policy, the recently published transport strategy 'Llwybr Newydd', sets a target for 45% modal shift and makes a commitment for Wales to become an active travel nation by 2030. We now need to turn this policy into reality and ensure all partners are focused on the delivery of sustainable and inclusive transport that leaves no-one behind.

This committee will have a key role to play in ensuring the Welsh Government delivers on their transport strategy and that transport remains a high priority for the Minister and Deputy Minister for Climate Change.

Key priorities for transport:

1) Funding and investment

Budgets - we know that budgets are tight. However, we also know that 62% of the capital transport budget in Wales was being spent on building new roads. There have been some major decisions on road building in Wales which we fully commend such as the roads review and the scrapping of the new M4 corridor. We know that the view of the public is that the alternatives to car use are impractical and that we need to invest in alternative options. Public transport must become efficient, reliable, accessible and affordable in order for people to consider it a viable option. In the Deputy Minister's own words – 'we must make the right thing to do, the easy thing to do'. We suggest that the capital funding saved from major road schemes should be redirected into public transport,

community transport and active travel. Infrastructure alone, however, will not be enough; for investment into sustainable travel schemes to realise their potential, we also need to increase revenue funding for behaviour change projects to build confidence and develop skills for the general public to facilitate sustainable journeys.

Services - Throughout the pandemic, passenger numbers for bus, rail and community transport have plummeted. Despite keeping services open for those who rely on public transport, there has been a discouraging tone which continues to keep people away. In fact, the Welsh Government's current guidance for employers suggests that 'use of alternative transport to get to work' is one control measure for reducing the risk of Covid-19. It will be impossible to deliver modal shift if the messaging remains negative. It also puts services at risk and whilst the Welsh Government has supported operators throughout the pandemic, there are concerns this may not continue and with reduced farebox revenue, services will be impossible to sustain.

Funding cycles – the current annual funding cycle is too short and with late decisions, it becomes impossible for organisations to deliver effectively. The Welsh Government must find a way to provide longer term decisions so that the focus can move to delivering quality and standards rather than a constant focus on financial sustainability and for many, survival.

Recommendations:

- **Protect public transport services and increase sustainable travel options by reallocating road building funds to public transport and active travel. This should ensure at least 10% for active travel and working with public transport operators to ensure sustainable services.**
- **Provide longer term funding agreements for the transport sector to enable longer term planning for sustainable services.**

2) Reducing car dependency

Covid-19 - Covid allowed us all to see what life could be like with fewer cars on the road. With extreme congestion creeping back and air quality reducing once more, we know we have to tackle car dependency. This doesn't mean that people need to live without a car but they could commit to making fewer car journeys or consider sharing a vehicle either with their own household or in the local community. Welsh Government is looking to progress community-based car clubs and are supporting demand responsive schemes which ensure alternatives are available.

The pandemic has led to passengers being actively told to avoid public transport where possible. As highlighted above, Welsh Government guidance for employers alludes to the use of private transport as a control measure in

reducing the risk. The danger of this is that we see a car-led recovery with the congestions and pollution that goes with that. It also means continued revenue losses for public transport which is likely to lead to a reduction or removal of services and a possible increase in fares for remaining services, making those who rely on public transport further excluded. This demonization of public transport must be addressed in order to ensure a sustainable and inclusive recovery.

Public health - It is also important to remember that cars are detrimental to public health. Further to the dangers of carbon emissions, road transport is responsible for 80% of roadside NO₂ pollution where legal limits are being broken. In London, 60% of particulate matter has been found to come from road transport: 45% from tyre and brake wear and 15% from exhaust emissions. This means that electric cars will still have a negative impact on air quality and are therefore not the whole answer to the challenge that we face. Air pollution is increasingly recognised as a threat to public health with the first death from poor air quality recorded last year. In Wales, it is estimated that 4 deaths per day are caused by air pollution and it is important to note that those most likely to suffer from the impacts of poor air quality are the most vulnerable in our society and those least likely to have contributed (i.e. deprived communities, older people, children, people with disabilities). Furthermore, cars represent a danger in our communities which particularly impacts vulnerable people.

Removal of active travel schemes - We know that Local Authorities have been removing active travel schemes and pedestrianised zones despite Welsh Government policy being clear that we should be encouraging people to walk and cycle. The argument for the removal of schemes has been either opposition from the business community or re-direction of traffic affecting air quality in residential areas. We suggest that the issue is exacerbated by a lack of behaviour change support that would encourage people to travel differently and enjoy the benefits of pedestrianised zones. Currently, the availability of capital funding and lack of revenue, means that we are schemes being introduced and then removed at public expense without any moves to maximise potential and give the schemes time to embed.

In Wales, there needs to be some serious discussion about how we can reduce car dependency and improve air quality.

Recommendations:

- **Government investment in behaviour change programmes to maximise the potential of active travel infrastructure.**
- **A public health campaign to increase public awareness of the importance of behaviour change and the benefits of reduced car travel.**
- **An urgent inquiry into options for reducing car dependency to ensure change is delivered as quickly and effectively as possible.**

3) Leadership

Responding to the crisis - It is leadership that makes change happen. In Wales, many Authorities have declared a climate emergency and we know there is an urgent need for action. In the transport space, there are some authorities demonstrating a commitment by taking forward school streets projects or offering free bus travel. At the same time, however, we are also seeing Authorities taking green space to create more parking; offering free parking as an incentive for coming to the town centre; and situating EV charging points on public foot paths. Policy and practice needs to be more joined up at all levels and across departments. We need transport planning, highways delivery, regeneration, housing and more to align their approaches and ensure we can all work together to deliver modal shift.

As we approach the local elections, Welsh Government should consider how new administrations can be supported to develop knowledge and expertise to deliver interventions at a local level that will deliver climate targets. Furthermore, our members report a disconnect between Welsh Government, Transport for Wales and Local Authorities in the delivery of schemes and initiatives. Success will only be achieved if all organisations work together to deliver a shared goal.

Recommendations:

- **The Welsh Government should ensure a joined up approach across Authorities and Departments to ensure all organisations are working together to deliver shared goals.**
- **Leaders at all levels should demonstrate their commitment to change by setting an example to the public by actively using public transport and active travel, thereby demonstrating confidence and role modelling behaviour change.**

4) Diversity

Accessible and inclusive transport – Llwybr Newydd (the Wales Transport Strategy) has 4 pillars with one of these being access and inclusion. As such, there should be a strong emphasis on developing and delivering inclusive services. Transform Cymru has a wide reach through members that are working in the community and the expertise available in this group should be utilised in developing the National Transport Plan which will ensure delivery of national strategy.

Diversifying the transport workforce - Another extremely important action is to increase diversity in the transport workforce, including in management and senior roles. Figures from a survey of transport professionals showed that transport decision makers face fewer barriers to accessing transport than the general

public (32% compared with 75% of transport users)¹. Evidence also tells us that organisations with a diverse workforce have a better understanding of their customers and therefore offer a better service for passengers.

Recommendations:

- **Ensure engagement with representative bodies through Transform Cymru to ensure the delivery of equalities outcomes as defined in Llwybr Newydd.**
- **Increase diversity in the transport workforce to ensure better representation of the population in order to develop and deliver services that meet the needs of all passengers.**

5) Rural transport

Transport innovation - It has to be recognised that 80% of Wales is classed as rural and the delivery of transport services in these communities requires a different model than urban areas. We believe, however, that there are many examples of transport innovation in rural areas which is pushing the boundaries of what is possible. For example, we are aware of organisations offering access to electric cars and e-bikes, some of which are linked to community energy. Examples of this include Partneriaeth Ogwen in Bethesda, offering free access to retro-fitted e-bikes; and a scheme in Montgomery that has refurbished 530 bicycles and passed them on free of charge to those returning to cycling. Furthermore, community transport organisations and the newly developed Fflecsi service offer demand responsive services for rural communities.

Bus services - A recent report published by the WI on rural bus services found that less than 1 in 5 survey respondents living in rural areas said they have access to a frequent, reliable bus service². Of those respondents, 25% said that cuts to bus services have made them feel more isolated, and 19% said their mental health had been negatively affected³. This research found that cuts to bus services have led to a reduction in longer journeys by public transport because passengers can no longer connect to other services. 72% said that their dependency on using a car and reliance on family and friends had increased⁴.

Transform Cymru would like to see improved services for rural areas which make public transport a viable option. We understand that a timetabled service along a fixed route may not be the answer but the Welsh Government must continue with their efforts to connect rural communities through a range of means suitable for those communities. The fundamental travel requirements in each area must be

¹ European Commission (2014) European's satisfaction with urban transport, report no. 382b.

² Women's Institute (2019) A New Route for Bus Services, available at: <https://www.thewi.org.uk/campaigns/news-and-events/national-federation-of-womens-institutes-nfwi-launches-new-report-into-local-bus-services>

³ Ibid.

⁴ Ibid.

understood by a consultation process so as to ensure that the correct solutions are devised.

Active travel - Finally, there has previously been a challenge to active travel as a solution for everyday journeys in rural areas but the development of e-bikes has helped to break down barriers. The National Cycle Network provides many traffic free routes but there is also a need to make rural roads safer. Current figures show that a higher proportion of walkers and cyclists in rural areas are killed in road accidents than in urban areas⁵. We know that there is an increasing number of people in rural areas that want to travel actively, especially with the advent of e-bikes. In order to make active travel safer for rural journeys, we believe a 40 mile limit should be imposed on most rural roads to reduce serious accidents amongst those travelling on foot or by bike. Finally, it is crucial that active travel funding is extended to areas that are below the population criteria presently required as many rural populations desperately need to be able to access their service provision in towns using active travel.

Recommendations:

- **Protect rural transport services and support innovative solutions to mobility in rural areas.**
- **Introduce a 40 mile speed limit for most rural roads.**
- **Understand local travel needs through local consultation and engagement.**
- **Extend the Active travel funding into rural areas so that the sizeable desire to travel can be enabled through suitable infrastructure.**

Conclusion

Tackling transport emissions and modal shift is a key priority for the sixth Senedd term and the Climate Change, Environment and Infrastructure committee has a critical role to play in ensuring this remains high on the agenda. Earlier in the year, the Welsh Government adopted Llwybr Newydd as their new transport strategy for Wales and the focus needs to be on delivering the strategy, ensuring the target for modal shift is achieved, services become more accessible and inclusive and Wales becomes an active travel nation.

⁵ DfT custom data accessed via: <https://roadtraffic.dft.gov.uk/custom-downloads>



Dear Llyr,

Thank you for the opportunity to contribute to the Climate Change, Environment and Infrastructure Committee's call for evidence on its priorities over the coming 12-18 months. The Committee has a vital role to play in scrutinising the Welsh Government on matters around climate change and the environment, particularly as we transition towards a low carbon economy in order to meet Wales' statutory climate change targets.

As the organisation representing coach and bus operators of all sizes in Wales, CPT Cymru looks forward to working closely with you to ensure the policy developed in Wales helps us to achieve those targets in a positive and equitable way.

CPT Cymru has identified the following issues as key priorities for the Committee in undertaking its work scrutinising Welsh Government:

Recovery from Covid-19

Whilst the restrictions on operator activity has largely eased, the longer-term impact of Covid-19 is a major issue going forward. For bus operators, the Bus Emergency Scheme 2 will come to an end in July 2022. Should passenger levels not recover by then, there is likely to be significant pressure on bus networks that could lead to increased fares or reduced service levels without government support.

Furthermore, as a result of issues at the DVLA and DVSA and broader labour market trends, both bus and coach operators are currently experiencing a driver shortage that has put an upward pressure on costs and placed services at risk. For coach operators in particular this will be a concern as school services return in September.

As such, the Committee should undertake an **inquiry into the transition out of current Covid-19 support arrangements for services.**

Implementation of Llwybr Newydd

The publication of Llwybr Newydd earlier on in the year marked a step change in Welsh Government's transport policy, with a stretching ambition to shift from 32% of journeys made by sustainable means to 45% made by sustainable means. This will require a significant amount of policy change in order to realise and CPT Cymru is clear that both bus and coach operations offer part of the solution in getting us towards this level of modal shift.

Under the transport strategy, a number of accompanying delivery plans were promised including a Statement of Funds Available (SoFA), National Transport Delivery Plan (NTDP) a Decarbonisation Pathway, Equality Pathway, an Integrated Journey Planning Pathway and a Rural Pathway. Furthermore, Llwybr Newydd envisaged a layer of Regional Transport Plans.

With so much of the delivery of Llwybr Newydd still to be determined by these subsequent documents, the Committee should consider an **inquiry into the delivery of Llwybr Newydd** in the next 18 months.

Bus Plan and Bus Services Legislation

Welsh Government has committed to publishing a Bus Plan for Wales under the current transport strategy Llwybr Newydd. This, along with a new Bus Services Bill proposal are suggested to be published by the end of 2021 and will mark a significant change in the landscape for bus services in Wales.

The proposals are likely to relate to three key areas; the regulatory model for bus services, the local government footprint and regional organisation and policy ambitions relating to transition of the fleet to zero-carbon emissions.

CPT Cymru has set out its proposals for the bus plan and legislation in the attached document. The Committee should undertake an **inquiry into bus services in Wales to inform the development of this policy concurrently with Welsh Government.**

Clean Air Bill

Welsh Government has a commitment to a clean air Bill during the life of this Senedd term. Such a Bill will have significant implications for bus and coach operations in Wales. For instance, many coach operators run tourism-based services from rural areas into Wales' major cities or to our tourism hotspots such as in Snowdonia. Done correctly, clean air legislation has the potential to disincentivise excessive car use in these areas, which brings with it harmful emissions, and instead to encourage a shift to bus and coach operations that are better for the environment.

Furthermore, clean air legislation is likely to have a significant impact on the vehicles used by operators across the broad range of services our members provide such as home to school transport, regular bus services, long distance coach travel and private hire activity. Scotland, for example, introduced its Scottish Bus Abatement Retrofit Fund (BEAR) to help coaches reach emission standards for entry into their low emission zones.

As such, the Committee should undertake an inquiry into **Wales' approach to Clean Air policy and legislation.**

Conclusion

CPT Cymru welcomes the opportunity to contribute to the Committees priorities over the coming 18 months. The Committee will have a key role to play in scrutinising Welsh Government and helping to improve the policy development process in Wales. CPT Cymru looks forward to engaging its membership in the important work undertaken by the Committee.

Your sincerely,

J W Miles

Joshua Miles
Director CPT Cymru

Confederation of Passenger Transport Cymru

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About CPT Cymru

Cyddfederasiwn Cludwyr Teithwyr Cymru/The Confederation of Passenger Transport Wales (CPTCymru) is the professional trade association of the bus and coach industry in Wales and is part of CPT UK. Its members in Wales include operators forming part of large multinational transport operators, municipally owned operators, medium sized independent operators and small family businesses. CPT Cymru members provide over 80% of all bus journeys and some 70% of all public transport journeys made across Wales. Our members are often significant local employers, especially in the rural parts of Wales, and make major contributions to their local economies. The bus and coach industry as a whole employs some 4000 people across Wales.

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09.09.2021

National Bus Strategy for Wales – Bws Cymru A CPT Cymru Approach

A Vision for Wales' Bus Sector

The development of a strategy for bus services in Wales by the Welsh Government comes at a critical juncture for bus travel in Wales, across the UK and globally. As the world emerges from the pandemic and continues to grapple with key challenges such as climate change, the decisions made now will have a bearing on the future of services for many years. Wales has an opportunity to lead the way and to innovate by setting out long-term interventions that lead to real modal shift away from car use and to make our bus services part of the solution in tackling climate change.

The creation of a National Bus Strategy would help ensure greater coordination of bus policy across government and help deliver long term funding. Our vision is of a bus network that is clean, flexible, and easy to use. It needs to be given priority, along with improved supporting infrastructure, if we are to better connect our communities, support successful economies, drive up productivity and meet the country's net zero carbon emission targets.

Introduction

This document sets out CPT Cymru's approach to a National Bus Strategy for Wales. It highlights the approach that bus operators would like to see undertaken by Welsh Government across the broad policy objectives over the life of the new Welsh Parliament and beyond. It does not cover in granular detail activities that would be undertaken by regional or local bodies, or by individual operators. Rather, it sets out a vision for the sector as a whole and the policy and institutional governance needed to deliver it.

The context for the document is important. As Wales emerges from the worst stages of the pandemic, the bus sector has been under sustained pressure from lockdowns and changes in passenger behaviour that may become permanent. The Welsh Government has provided significant support to the sector throughout the pandemic, without which many operators may not have been able to continue to provide the service passengers need. Moreover, we now have the Bus Emergency Scheme 2 to help us through the transition out of covid restrictions and into a new era of bus policy in Wales.

Operators want to return to commercial operations in an organised and sustainable way. However, against the backdrop of regulatory uncertainty and significant change in the organisation of the public sector on transport issues, they need certainty to do so. BES 2 allows us to achieve this through progressing the Umbrella Partnership Agreements with Transport for Wales (TfW), local authorities and corporate joint committees when they arrive. It also allows us to address critical issues such as bus open data usage, reviewing the reference networks and multi-operators ticketing schemes as agreed with TfW.

Besides our ongoing relationship and discussions with TfW and Welsh Government, much of the evidence base used to inform this document comes from a number of reports undertaken by the TAS Partnership for CPT Cymru that reviewed the key issues facing the bus network and its development in Wales.¹

¹ The TAS Partnership Report was commissioned by CPT Cymru during 2020/21 to undertake a review of the reform options that could potentially be undertaken in Wales. It consisted of interviews with all the key

The following **strategic issues to address** in delivering a national bus strategy were identified as common ground between operators, Welsh Government, local authorities and TfW in the TAS Partnership report commissioned by CPT Cymru in 2020 and subsequent partnership working:

- a) An overall vision for the future of buses in Wales
- b) Recovery from Covid-19, reassuring the public that travel by bus is safe
- c) Challenge of turning modal shift aspirations into reality
- d) Failure to tackle congestion, which is key to reducing bus costs and making bus travel more attractive
- e) Lack of and uncertainty of public funding, especially for revenue expenditure.
- f) Lack of expertise and capacity at local authority level, and demographic profile of officers
- g) Poor co-ordination with infrastructure and land-use planning
- h) A desire to bring more coherence to the network with easy interchange and common ticketing
- i) Network instability and the desire for greater public sector involvement
- j) Transition of the bus fleet to zero emission vehicles
- k) Ensuring a strong pipeline of diverse talent entering the industry

Core Objectives

In addressing these issues, CPT Cymru believes the following **core objectives** should form the overarching top level aims of a National Bus Strategy for Wales:

- To improve the passenger experience in order to deliver an increase in patronage on the bus network
- To engender modal shift and contribute to the WG ambition in Llwybr Newydd of moving 32% of journeys undertaken by sustainable transport to 45% by 2040.
- To reduce the environmental impact and carbon footprint of the bus fleet
- To ensure bus companies are financially viable and have the ability to invest in buses, facilities and people
- To support the development of the bus network to help deliver the better functioning of Wales' economy and society.
- Regional working within the framework of the Wellbeing of Future Generations act with all stakeholders

These objectives are broad in nature and should set the tone for actions that will be undertaken by all partners in delivering a National Bus Strategy for Wales.

Principles

In addressing the issues raised and delivering the core objectives of the strategy, CPT Cymru believes the following **principles** should be followed:

- A presumption for partnership and early engagement on the design and delivery of the strategy.
- A policy environment that instils confidence to invest over the longer term by;
 - Setting out clearly WG's intended regulatory model
 - Setting out clearly the policies and budgets commitments for the next 5-10 years for BSSG, bus priority measures and concessionary fares

stakeholders involved in bus policy (Welsh Government, Operators, Local Authorities etc) and sought to bring together shared issues and concerns and develop potential solutions to those. The report also set out the various pros and cons for different regulatory models and undertook a full costing of a proposed franchise model for Wales.

- Delivering a clear policy statement on the transition to lower emission vehicles and the policy mechanisms and funding schemes to achieve it
- Governance that encourages transparency and co-delivery between the public and private sector with clear roles for Transport for Wales, regional transport authorities and local authorities
- A recognition of the different needs of local bus markets across Wales, with flexibility to adopt the right framework for the needs of local customers and communities
- An approach that fosters respect and trust from all parties where risks are openly discussed, and parties decide how to deal with them

By working this way, a strong partnership can be developed between operators and the public sector that focuses on modal shift and patronage growth through delivering better services for passengers and non-users alike.

Key Deliverables

In order to deliver the core objectives, the strategy should focus on the following **key deliverables**:

- A vision for the complementary role between rail and bus services, including better integration.
- Welsh Government Ministers to champion bus as a mode of travel.
- Capital funding for the reallocation of road space and intelligent systems to give buses priority, including traffic signal measures. This would tackle congestion, improve journey times and reduce costs on operators.
- Better integration of services and ticketing, including with rail (but not to the detriment of vast majority of bus passenger who do not interchange) through the development of multi-operator or multi-modal ticketing schemes
- Open data on routes, fares and service performance
- Network planning that allows for investment in more intensive services on key corridors, including higher frequencies enabled by lower congestion and better journey times
- Supporting operators to maintain or lower fares including consideration of flat fares and price caps where appropriate with revenue support
- A Welsh Green Bus Fund developed with operators to drive increased investment in zero emission buses, including ongoing revenue support.
- Greater investment in RTI and clear information for passengers at stops and on bus.
- A greater role for passenger voice in the policy process
- Consideration of how to support socially necessary transport such as Fflecsi (DRT), community transport schemes and Bus Rapid Transport.
- Integrated transportation and land use planning with a presumption in favour of public transport

The National Bus Strategy will need to identify key deliverables, but it should be recognised that these will be delivered locally or regionally by partners including operators, CJs, local authorities and Transport for Wales. In achieving this, there is a clear need for reporting lines and rationalisation at a regional level.

What needs to happen to deliver the strategy's aims:

CPT Cymru believes three key changes are required in order to deliver on the core objectives highlighted above and transform the bus network in Wales. They are; setting out the operating model, creating a long-term regional footprint and providing clarity on future funding streams.

The three changes highlighted above will help create a supportive policy environment for Wales' bus network. However, passenger transport does not exist in a vacuum. As such, there is also a section

on tools that could be undertaken to discourage car use. Our own modelling suggests that whilst bus positive measures can have a significant impact on bus patronage, deterring private car use can be significantly more effective. Indeed, this is a key part of the story around growth elsewhere in the UK such as in London following the congestion charge or Nottingham with its Workplace Parking Levy.

1 Operating Model

There has been much confusion over the future of Wales' regulatory framework for the bus network in Wales, owing to the postponement of the previous Bus Services (Wales) Bill due to Covid-19. The original bill included a number of approaches that could be adopted by local transport authorities, including greater municipal ownership, a Welsh Partnership model similar to the Enhanced Partnerships in England and bus franchising.

The National Bus Strategy for Wales needs to articulate clearly what the regulatory model is going to be over the longer-term. It should set out what model Welsh Government intends to pursue and the timelines and process by which we will get there. A lack of certainty about the future operating model is likely to have a chilling effect on investment. The operating model should follow the issues that we are trying to address. For our part, we set those out in our core objectives above.

Voluntary Agreements and the Umbrella Partnership Agreement

CPT Cymru's preferred model would be to develop voluntary partnerships in the short term. This process is effectively already underway through the umbrella partnership agreement (UPA) process detailed as part of the BES 2 agreement. The UPAs are expected to last for 5 years and would therefore provide a solid foundation upon which to build partnerships.

As our research carried out by the TAS Partnership has highlighted, voluntary partnerships are capable of addressing the issues highlighted as needing to be addressed by both operators and the public sector, such as; network planning issues, multi-operator ticketing, bus priority measures and road space reallocation and decarbonization of the bus fleet.

The advantages of a voluntary approach in the first instance would be the speed at which benefits could be delivered for customers, the low levels of legislation and 'institutional structures' needed to make it operational and the requirement of input from all parties to make it work. For the public sector in particular, they would gain input into network, ticketing and fares and partnerships could be used as leverage for further investment – which would of course benefit passengers. However, to be successful this approach requires local authority 'buy in' which will also give them better control of their expenditure on a variety of budget lines including My Travel Pass, concessionary travel and BSSG.

Regional working, which is discussed in further detail below, creates an opportunity for strong voluntary partnership in the short-term. CPT Cymru has supported the formation of Corporate Joint Committees and they have the potential to delivery much greater benefits for passengers through their scale and additional capacity, particularly when agreeing joint approaches with operators.

In the short-term, the National Bus Strategy should pursue voluntary agreements between operators and the public sector through the Umbrella Partnership Agreements set out under BES 2.

Statutory Partnerships

The drawback of voluntary partnerships are that they aren't statutorily binding and therefore cannot prevent operators, particularly those operating at standards below those specified in the partnership, from not being involved in the scheme.

For this reason, over time the voluntary partnerships could develop to include a statutory underpinning. There are a number of ways that this could be done and it would be important to ensure the use of statutory measures is to the benefit of passengers. In the shorter term, more use of existing legislative powers such as Quality Partnerships could be developed to underpin coordination between local transport authorities and operators as they seek to invest in higher standards and to develop the network.

Over time, the voluntary agreements should be supplemented by Statutory Quality Partnerships where possible to underpin investment by both operators and the public sector in shared objectives.

A Welsh Partnership Model

The Welsh Government are minded to legislate for a new Bus Services (Wales) Bill which will give new powers beyond those currently on the statute book. CPT Cymru believes the Welsh Partnership model could be further developed to provide the longer-term statutory underpinning for a genuine partnership approach.

This could be done on a similar basis to the Bus Services Improvement Partnerships developed in Scotland or Enhanced Partnerships in England. In short, these would:

- Create a mechanism to coordinate network development issues, multi-operator ticketing and fares between the public sector and operators
- Provide longer-term certainty for all partners around shared goals and objectives
- Be used to leverage further investment in the bus network and standards
- Ensure a level playing field for operators by virtue of all operators being involved
- Would continue to see the involvement of the Traffic Commissioner for Wales in the route registration process and would give them a responsibility for assessing whether an operator will comply with service standards.
- Allow the public sector to tender some key routes where there is a lack of coordination between operators.

There would however be drawbacks to introducing a partnership scheme of this type. Firstly, it would introduce new costs in terms of management, audit and network planning capacity. From an operator perspective, such a model could lead to significant changes in the way in which routes are planned and developed and a loss of commercial freedom. To be successful, operators have to follow customer demand and there is a risk that customer needs would be harder to satisfy as accountability shifts towards more public sector accountability in decision making.

Despite this, a Welsh Partnership model developed and implemented with the positive involvement of all parties in a longer-term time frame could be successful in addressing the key issues identified above, giving greater public sector input whilst providing greater certainty to operators to invest and grow their businesses.

In the longer-term, a Welsh Partnership Model could be developed to underpin the partnership model with a statutory basis. This could be done on a broader geographical footprint and would allow for greater coordination between the public sector and operators.

Franchising

The other model previously identified in the Bus Services (Wales) Bill was for a full franchising model. This would see all routes tendered out by the public sector. In many ways, this would be a radical departure from the current regulatory environment.

There are several franchise models in practice such as the route level approach seen in London, the whole network approach as seen in Jersey or even de facto franchises in areas where the commercial market doesn't exist and routes are all effectively tendered such as Shetland and the Western Isles.

CPT Cymru does not favour franchising as the preferred approach for a number of reasons. They are as follows:

- **Speed of delivering improvements** – Setting up a franchising scheme is a lengthy process compared to the other models highlighted above and provides little benefit to passengers in the short term. For instance, under the Manchester proposals there is a three year period during which no investment to improve journey times, services or zero emission buses will be undertaken. By comparison, the partnership models undertaken elsewhere in England will begin delivery of benefits to passengers by 2022.
- **Risk to SMEs** – franchising generally favours larger operators who are better placed to compete through a competitive tender process. Wales' bus market is relatively unique in that 25% of all main day services in Wales are provided by SMEs and the proportion is much higher in mid and west Wales where the presence of 'big group' operators is limited. The major risk is that once a smaller operator loses its work in a round of franchising, the business closes and is not there to offer competition for contracts next time around.
- **Risk of stranded assets** – The market in Wales has developed around operators and their depots across a broad geography. There is a risk that an operator, with considerable critical mass in one area could lose contracts once tendered and find themselves with 'stranded assets' that is surplus vehicles or depots that can no longer be used.
- **High costs of operation** – Our assessment of a franchising model for Wales undertaken by the TAS Partnership suggests moving to a franchising model would cost around £61m more per year by year 7 due to increased vehicles costs of moving to a leasing model, increased labour costs set out in franchise standards, additional costs from bidding, reporting and monitoring franchise contracts and new costs borne by the public sector in planning, tendering, managing and auditing the franchise regime. This would equate to £54.22 per household per year by year 7.
- **Upfront costs to public sector** – additional public sector costs would be required to establish the franchise including ticketing equipment, setting up back-office functions, rebranding, uniforms, new depots, new fleets, contract monitoring and of course the tendering processes themselves. This is estimated as around £5.7m for year 1.
- **Geographical implications of fares policy** – Part of the rationale for the introduction of franchising is to create Wales-wide or regional fare structures, based around cheaper fares. This would be challenging given the broad variation in fares across Wales. Some areas of Wales, such as Cardiff and Newport have strongly competitive markets and therefore fares are lower, which is not the case where competition is weaker. In harmonising fares, a franchise would either have to increase fares in currently cheaper areas to compensate for reduction elsewhere, or would have to find new revenue from somewhere else – likely from Welsh Government through taxpayers.
- **Revenue Risk** – It is unlikely a franchised network would stay as it currently is and there would be pressures to reduce competition with rail, reduce frequencies in 'over-bussed' corridors, increase service provision to lesser served or outlying areas, increase service provision on evenings and Sundays. Taken together, these shifts would see more unprofitable routes pursued at the expense of currently profitable ones and would therefore reduce revenues for the sector as a whole. Franchises can also run the risk of network ossification as any changes to the services operated could be challenged by an unsuccessful

bidder on the basis that they could provide the revised network at a lower cost than the operator which was awarded the original contract.

With the above taken into account, CPT Cymru believes that the ambitions that are shared by operators can be better addressed by partnership arrangements that would avoid the challenges posed by a dramatic shift to a franchising regime. Furthermore, the additional costs required including the estimated £61m per annum by year 7 could be better spent addressing problems in the here and now, such as decarbonising the bus fleet, investing in bus priority measures and developing socially desirable routes. There should be a requirement to demonstrate a market failure and the inability of the market to address shortcomings before progressing down a franchising route.

A franchise model would be a significant and costly departure from the current model of regulation. CPT Cymru believes the additional costs it would bring could be better prioritised in partnership between the public sector and operators to address shared issues of concern.

Table1: Summary of Objectives and Problems by Regime Type

Objective	Franchising	Voluntary / Statutory Partnership	Statutory Welsh Partnership Model	Do Nothing
Partnership Working	No, as operator provides service dictated by franchising authority	Yes (voluntary)	No. LA imposes network and fares on operators, though with consultation	Yes, informal arrangements often apply
Regional Structures	Depends how franchise is structured, but recommended	Advisable	Advisable	Advisable for longer term funding and planning
Increased Funding and Status Quo	Will be needed, especially if an increase in service provision and reduction in fares is desired	Needed as an incentive for improving infrastructure and service provision	Will be needed if an increase in service provision and reduction in fares is desired	Needed for long term stability
Greater Vision	What are the aims of franchising? How will it deal with changes in demographics? Etc.	What should the criteria be to apply for a partnership? How will they interact?	What are the aims of introducing an EP? How will it impact on neighbouring LAs?	Advisable as it links to regional structures and funding.
Improve Passenger Experience	If the contracts are specified correctly and there is a willingness to improve infrastructure	Should be the number one goal of a partnership – high quality service provision and improvements to infrastructure	Should be the number one goal of an EP high quality service, set fares and improvements to infrastructure	Only if each party is willing to invest without the safety net of a partnership agreement. Current regime has delivered many improvements already
Lack of Expertise at Local Authorities	Recruiting will increase cost of franchising	Some operator expertise can be used but still may benefit from independent advice	Recruiting = extra cost. Unlikely operator expertise can be used; may benefit from independent advice	Ideally needs resolving to ensure long term stability of supported network and oversight – ‘a voice for bus’

2 A Regional Transport Footprint

The Local Government and Elections (Wales) Act 2021 will lead to significant changes to the governance of the nation, not least in respect of transport functions. The Act sets out four regional

footprints for local authority collaboration through Corporate Joint Committees (CJCs). These CJCs will have a statutory duty to exercise functions around economic development, transport and spatial planning; all of which it can be argued have a key role on the future of the bus network in Wales.

In February of 2021 the then Minister for Local Government Julie James MS laid the relevant regulations to establish the Corporate Joint Committees, which came into effect from 1st April 2021. At the same time during her statement to the Senedd the Minister noted that the discharge of functions around planning, transport and economic development would commence in 2022 with agreement of local authorities.²

Concurrently, accompanying regulations were laid to modify the Transport Act 2000 to recognise the existence of the new transport authorities.³ In practice they;

- Make CJCs the primary policy development actor and require individual LAs to implement their policies
- Ensures that this aligns with the Wales Transport Policy (currently Llwybr Newydd)
- Make it a duty for CJCs to deliver Regional Transport Plans

Bringing these elements together, the National Bus Strategy should set out clearly where each set of actors has responsibility around bus policy. This is particularly important given the level of change in governance that is currently ongoing through the creation of CJCs and TfW at the end of the last Welsh Parliament term.

CPT Cymru believes the regional bodies should be tasked, through close collaboration with operators, with developing the voluntary partnerships in the first instance. This would take place as a core element of the Regional Transport Plans. Over time, and when the regulatory model evolves they would also be the bodies responsible for the statutory underpinning of the partnership model, be that through voluntary partnerships or a newly legislated Welsh Partnership model.

CPT Cymru believes the new CJCs should be given responsibility for driving the partnership model between operators and the public sector in their regions. Over time, this should include the use of any statutory measures created by a Bus Services Bill.

CPT Cymru also believes there is an opportunity for Welsh Government to use its legislative process to introduce a clear target process for the new CJCs around modal shift. For instance, the UK Government's strategy *Bus Back Better* sets out targets for local authorities to increase bus patronage and to report on these at six monthly intervals.

Welsh Government could go further with a duty on CJCs to set targets for modal shift and bus patronage increases and report on them regularly within the context of the Welsh Transport Strategy Llwybr Newydd. This could be accompanied by a delivery plan developed by Welsh Government setting out the key steps and measures it proposes to implement to achieve its modal shift ambitions for Wales. Doing so would confirm Wales as the innovator on bus policy, ahead of the other nations of the UK.

²Senedd. 2021. *Debate on the Introduction of CJC secondary legislation* [Online]. Available at: <https://record.senedd.wales/Plenary/11185#A65374> (accessed 9th August 2021)

³ Welsh Government .2021. *Explanatory Memorandum to the Corporate Joint Committees (Transport Functions) (Wales) Regulations 2021* [Online]. Available at: <https://senedd.wales/media/ovghik1s/sub-ld14142-em-e.pdf> (accessed 9th August 2021)

Given the other functions of the CJs relate to land use planning and economic development, the use of statutory targets could ensure modal shift becomes a core aspect across all aspect of a CJC's work. This could include spatial planning that encourages bus priority measures.

The CJs should be subject to targets for modal shift, bus journey times and their variability and bus patronage growth and should report on these regularly to Welsh Government and the Senedd. This should be accompanied by a Welsh Government modal shift delivery plan setting out key actions and milestones.

The other development happening in parallel is the increasing role of Transport for Wales. Whilst TfW initially focused on the rail franchise it has slowly been developing its capacity for implementing Welsh Government's priorities around the bus network. The Welsh Labour manifesto *Moving Wales Forward* committed to giving new powers to Transport for Wales to allow for the integration of modes.

TfW's role in relation to bus should be made clear going forward under the new strategy. CPT Cymru believes it should focus on helping to administrate key aspects of delivery and helping to drive consistency between the local authorities and four regional authorities created by the CJs. This should allow for lower compliance costs and duplications, particularly for operators working across county boundaries.

TfW's role in relation to the bus network should be clarified. It should focus on reforming the administrative impacts on bus operation, improving operational efficiency and ensuring consistency across the regions including promoting greater integration with other modes of transport (e.g. rail), with a view to lowering the administrative burden of compliance.

3 Longer-term Funding Horizon

The final element needed to help the delivery of the core objectives would be a much longer-term funding horizon. There are a number of funding streams that support the bus network in Wales. Some are targeted at the supply of services and others subsidise passenger fares for key groups such as the elderly.

BSSG

Before the pandemic, the Welsh Government's direct support for the bus network was largely focused on the Bus Services Support Grant (BSSG). BSSG helps to keep fares down by helping operators with costs. It is paid per live bus kilometre operated and has been frozen at £25m since its inception in 2013/14 – with the consequence of a real terms reduction over that time. Indeed, in 2011/12 the predecessor for BSSG was £32m, highlighting a longer-term decline in direct funding.⁴ Despite this, data from the Department for Transport suggests that costs have risen 20p per mile between 2012/13 and 2019/20, going from 273p per mile to 293p.⁵

As the main direct subsidy to the bus network BSSG has a key role to play in keeping costs down, increasing the viability of routes and encouraging longer-term stability. Its slow decrease in real terms over the last decade will have put further pressure on fares, which in turn puts further pressure on passenger demand.

⁴ Welsh Government. 2020. *Bus Services (Wales) Bill* [Online]. Available at: <https://senedd.wales/laid%20documents/pri-ld13090-em/pri-ld13090-em%20-e.pdf> (accessed 19th March 2021).

⁵ Department for Transport. 2020. *Bus Statistics: Operating cost per vehicle mile on local bus services* [Online]. Available at: <https://www.gov.uk/government/statistical-data-sets/bus04-costs-fares-and-revenue> (accessed 30th July 2021).

The National Bus Strategy for Wales should make a clear statement around what BSSG is for and how it can be increased in the future to help further support the bus network. At a minimum, this should start with increasing it in line with inflation to help manage costs. More ambitious reform could see it enhanced with a top-up to reward investment in ultra-low emission vehicles which has taken place in Scotland through their Bus Services Operator Grant: low Emission Vehicle (LEV) incentive payments scheme and more recently in England through the decarbonisation strategy⁶. Additionally, consideration could be given on how to capture rurality in the system accepting that this is often a challenging area to define.

BSSG should be increased in line with inflation in the first instance. In the longer-term it should be reviewed to include a top-up to help with the transition towards zero emission vehicles.

Concessionary Fares

Welsh Government also supports passengers through its concessionary fares schemes which include those with a specified disability, those over 60 and younger passengers through its MyTravelpass scheme. This costs around £70m per year at present from both Welsh and local governments and contributes towards the provision of free or discounted travel for these groups.

Whilst the investment in concessionary fares is significant, it is important to note that it is not a direct subsidy to operators and therefore does not have a direct bearing on the supply-side of the network. Under this model, operators continue to assess routes on their commercial viability and influence on this is brought to bear by passenger demand rather than decisions from either the operator or the public sector.

Furthermore, the concessionary fares scheme operates on a “no better and no worse off” basis. In practice, this means that operators are reimbursed at a rate of roughly two thirds of the full price of a ticket. The longer-term implications of this lower reimbursement rate (in a post-Covid situation) on fare paying passengers are not clear. It could for instance present an upward pressure on fares for those passengers not able to access the concessionary fares scheme, which would have implications for passenger demand in those demographics.

Llwybr Newydd commits to a review of the mandatory and voluntary concessionary fares scheme. A consultation was undertaken on changing the age of qualification to match the pension age in 2017⁷.

The National Bus Strategy for Wales should set out clearly what the terms of any concessionary fares review are and its overall objectives with a view to providing clarity on the funding situation over the longer term.

School Transport

The other main source of funding for the network as a whole relates to the provision of school transport under the Learner Travel (Wales) Measure 2008. This makes certain types of school transport a statutory duty for local authorities. In practice, this is delivered either through dedicated home-to-school transport via coach operators or through the provision of registered routes on the

⁶ Scottish Government. 2021. *Bus Services Operators Grant* [Online]. Available at: <https://www.transport.gov.scot/public-transport/buses/bus-services-operators-grant/> (accessed 9th August 2021).

⁷ Welsh Government. 2017. *Consultation: Mandatory Concessionary Fares Scheme in Wales* [Online] Available at: https://gov.wales/sites/default/files/consultations/2018-02/mandatory_concessionary_fares_en.pdf (accessed 9th August 2021).

public bus network. Whilst the objective of this funding is not to develop the bus network, it does have an impact on the provision of routes from which other passengers can benefit.

Bus Priority Measures

The Welsh Labour Manifesto *Moving Wales Forward* committed to: “Invest in bus services and complete major new bus infrastructure projects, including reallocating road space to support dedicated bus lanes and new rapid transit routes that make bus travel easier.” This is a very welcome commitment and could be encapsulated in the National Bus Strategy for Wales through a dedicated funding stream for bus priority measures.

Such a fund could be part of the Regional Transport Plan process and could form the key contribution from the new CJs to the voluntary partnership approach in the first instance. Scotland provides a useful example. Through its Bus Partnership Fund the Scottish Government is investing approximately £500m to introduce bus priority measures that are identified through partnership schemes underpinned by the Transport (Scotland) Act 2019⁸.

Similarly, the recently announced National Bus Strategy for England gives a strong indication of how central government can set expectations of local government in this regard. In it, the UK Government says:

“Just as important as new operating models, are other measures to drive quality and efficiency. We want to create a virtuous circle: increasing usage, but also reducing operating costs so better services can be sustained without permanently higher subsidy. In cities and other congested places, the key intervention will be significantly more ambitious bus priority schemes, making services faster, more reliable, more attractive to passengers and cheaper to run. To benefit from the funding in this strategy, LTAs in such places will be expected to implement ambitious bus priority schemes and draw up ambitious Bus Service Improvement Plans.”⁹

There is a need for operators to be able to run services efficiently, without the need for additional vehicles and drivers to deliver a specified frequency in order to account for delays and variability occasioned by traffic congestion. This not only provides a quicker and more attractive service for passengers, but opens the door for operator investment in fleet replacement in a capital efficient manner. The business case for such a basic ‘maintenance’ of fleet replacement is an essential prerequisite for any investment in ‘greening’ the fleet with zero emission buses, even where financial assistance is available to cover the capital and operating cost differentials.

It is also important that we understand the impact of road space reallocation has in relation to active travel. A step change in the planning and funding processes will need to occur if we are to ensure road space reallocation to active travel or to bus services does not come at the expense of the other mode.

Dedicated funding for Bus Priority Measures should be created to help speed up bus journeys through, for example, road space reallocation, intelligent transport systems, prioritisation for bus at junctions and bus rapid transport schemes. This could be used as a key element of the partnership approach

Zero Emission Bus Funding

⁸ Scottish Government. 2020. *£500m for Bus Priority Infrastructure* [Online]. Available at: <https://www.transport.gov.scot/news/500-million-for-bus-priority-infrastructure/> (accessed 9th August 2021).

⁹ Department for Transport. 2021. *Bus Back Better* [Online]. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/980227/DfT-Bus-Back-Better-national-bus-strategy-for-England.pdf (accessed 9th August 2021). P.13

One part of the landscape that exists elsewhere in the UK but not in Wales is funding for ultra-low or zero emission buses. This has been a feature of the approach in Scotland and England for some time and has led to a considerable number of operators being able to purchase electric or hydrogen fuel cell vehicles and to decarbonise the fleet.

In Scotland, the previous Scottish Ultra-Low Emission Bus Scheme (SULEBS) took over from the Scottish Green Bus Fund and provided support for the purchase of new ultra-low emission buses up to a maximum 75% of the differential costs against diesel buses, depending on their zero emission running capability. Support is also available for the infrastructure for this technology of up to a maximum 75% of the capital cost and a per km payment in lieu of lost BSOG¹⁰

Over the last round £40m was allocated to the fund leading to the purchase of 215 ultra-low emission vehicles with investment from both the Scottish Government and operators. This is paired with the previously mentioned BSOG supplement to create a strong incentive towards investment in ultra-low or zero-emission emission vehicles.

More recently, the Scottish Government has introduced its ScotZEB scheme adding £50m to the first phase, continuing their longstanding commitment to fleet decarbonisation.¹¹

In England, the recently announced Zero-Emission Bus Regional Scheme (ZEBRA)¹². The ZEBRA scheme is worth £120m in its first round and is aimed at local authorities who will bid for funding as part of their proposals under the national bus strategy for England *Bus Back Better*. This has now been augmented by a payment in lieu of lost BSOG under the UK transport decarbonisation plan in July.¹³

Furthermore, the ULEB scheme in England allowed for 100% use of funding on bus body/chassis with power companies providing the infrastructure under a least arrangement. This allowed a degree of flexibility in the use of the funding and introduced multiple partners into the solution of procuring EVs.

The National Bus Strategy for Wales needs to develop a 10 year plan, including a long-term funding programme to avoid the ‘feast and famine’ approach seen in other nations, to help provide confidence for operators to invest in new vehicles. This should start with an examination of the existing policy, which is for ‘zero tailpipe emissions by 2028’. On current trends, it is very unlikely that this will take place without additional investment. Wales is also operating in a broader competitive environment which means there is a real risk of investment from cross-border operators in vehicles elsewhere in the UK where the incentives are stronger.

To address this, CPT Cymru has previously called for a Welsh Green Bus Fund that would set up a grant funding mechanism that encourages and de-risks investment in zero-emission vehicles by operators.

¹⁰Scottish Government. Scottish Ultra-Low Emission Bus Scheme [Online]. Available at: <https://www.transport.gov.scot/public-transport/buses/scottish-ultra-low-emission-bus-scheme/> (accessed 9th August 2021).

¹¹Sustainable Bus. 2021. *ScotZEB scheme launched: £50 million for e-buses in Scotland in 2021* [Online]. Available at: <https://www.sustainable-bus.com/electric-bus/scotzeb-scheme-scotland-electric-buses/> (accessed 9th August 2021).

¹² Department for Transport. 2021. *Zero Emission Bus Regional Areas (ZEBRA) scheme* [Online]. Available at: <https://www.gov.uk/government/publications/apply-for-zero-emission-bus-funding> (accessed 9th August 2021).

¹³ UK Government. 2021. *Decarbonising Transport: A Better, Greener Britain* [Online]. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1009448/decarbonising-transport-a-better-greener-britain.pdf (accessed 9th August 2021)/

The precise model for the Green Bus Fund should be explored by a working group. It could for instance see the development of a financial model with partners such as the Development Bank of Wales in order to leverage other forms of public and private finance. Power companies are also a key partner in this regard and should be involved in the working group. Furthermore, consideration could be given to the economic and social impact of any procurement exercise to ensure maximum economic benefit for Wales of the Green Bus Fund model.

In the first instance, CPT Cymru believes there should be a working group between the Welsh Government, LTAs and bus operators to develop a bus decarbonisation plan 2028. This would set a clear timeframe for transition that would ideally align with other parts of the UK. Working back from this, a Welsh Green Bus Fund should be established with a long-term funding horizon in order to provide the financial incentives necessary to encourage operator investment.

Providing a longer-term approach

Including funding for TrawsCymru, Welsh Government's total revenue budget for direct bus support to operators in Wales was £32m in 2019.¹⁴ This compares to an equivalent of £171m for Transport for Wales' rail operation, supporting 31m rail journeys.¹⁵ As such, financial support per passenger is roughly 30p for bus and £5.51 for rail.

The funding environment should help operators to keep fares down, develop the network and drive innovation. With 76% of public transport journeys taken by bus, the number of bus journeys made is significantly higher than that of other public transport modes.¹⁶ As such, meaningful investment and attention must now be given to the nation's best used mode of sustainable transport.

Bringing all the funding streams together as part of a National Bus Strategy and providing a longer-term time horizon could encourage a step change in bus services in Wales. Access to new forms of funding such as a Welsh Green Bus Fund and Bus Priority Measures could be tied into the partnership approach bringing together the commercial innovation provided by operators and the input of the public sector through the regional bodies.

Funding should be set out over a longer-term time horizon and should be accessed by operators and the public sector through the partnership model, as established through BES 2 and the umbrella partnership agreements

Discouraging Car Use

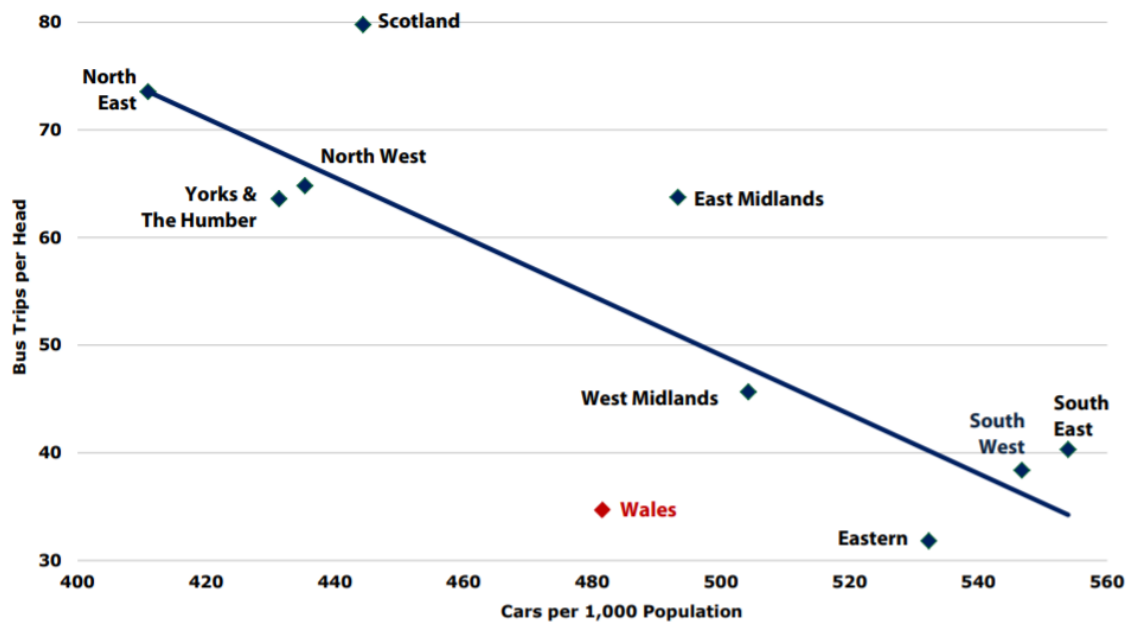
In order to achieve Welsh Government's ambition of modal shift from 32% of journey made by sustainable transport to 45% by 2040 a significant change in the transport landscape will be required. As mentioned previously, measures to create a positive policy environment for bus travel are a key positive step towards this. However, bus as a mode of travel does not operate in isolation.

As the graph from 2014 below shows, the higher rates of car ownership within an area the lower bus ridership tends to be:

¹⁴ Welsh Government 2019. *Final Budget 2019 to 2020* [Online]. Available at: <https://gov.wales/final-budget-2019-2020> (accessed 19th March 2021)

¹⁵ StatsWales. 2021. *Rail passenger journeys to, from or within Wales and total journeys in Great Britain by year* [Online]. Available at: <https://statswales.gov.wales/Catalogue/Transport/rail/rail-transport/railpassengerjourneystofromwithinwalesandtotaljourneysingb-by-year> (accessed 19th March 2021)

¹⁶ Welsh Government. 2020. *Llwybr Newydd: Supporting Information* [online]. Available at: <https://gov.wales/sites/default/files/consultations/2020-11/supporting-information-transport-data-and-trends.pdf> (17th August 2021)



Source: TAS Analysis of Annual Vehicle Statistics and Annual Bus Statistics DfT.

The key reason for this is that passengers have a number of alternatives available to them and they are able to ‘price’ the cost both financially and in terms of other factors such as time and reliability so as to determine which mode to use. This is called the ‘generalised costs of travel’. For a car, journey times are typically shorter, there are no waiting times and the quality of the vehicle is determined by you as the car owner. The actual cost of the journey is also influenced by issues such as parking charges, congestion and fuel costs vis-à-vis other alternatives.

The same calculation is made by bus users however other factors are included such as time waiting for the bus, time spent at a bus station the process of acquiring information about the bus. Measures such as bus lanes, or newer vehicles can help to reduce the ‘generalised cost’ from a bus perspective in addressing these additional aspects. However, bus as a mode of travel will always struggle while the costs of motoring are maintained low.

That is why some of the most successful schemes to encourage bus use have taken place in tandem with measures to reduce car dependency. For instance, London’s congestion charge was undoubtedly a driver towards an increase in patronage across the city. Similarly, Nottingham’s workplace parking levy has served as a major disincentive towards car use whilst bolstering public sector incomes to be reinvested in sustainable transport schemes.

To give a concrete example, CPT modelling undertaken by 2FM has shown that reducing fares by 10%, introducing bus priority measures to reduce journey times by 10% and improving the waiting environment at bus stops and introducing real time information would lead to an estimated mode shift of 2.4%, which would lead to 17% more passenger on buses. This would clearly be a positive outcome for bus as a mode of transport¹⁷.

¹⁷ Research currently being undertaken for CPT by 2FM Limited. Details available on request.

However, increasing the cost of motoring by £5 per trip (modelled as £10 per day) would lead to a reduction in car mode share from 86% to 74.9%, with the balance shifting to bus. This would in effect lead to an increase in bus travel of 79% on the baseline assumption.

Whilst this example is from a hypothetical model, it shows that if we are serious about mode shift then both a push and a pull factor need to be considered. This is particularly critical as we transition from ICE to EV cars. The temptation will be to see EVs as a key part of the environmental challenge of transport, however a like-for-like transition to EVs will not lead to modal shift and will not reduce levels of congestion.

This means the Welsh Government must take action to introduce positive measures that would discourage car use. These could be designed to be income generating further alleviating the financial challenges facing the public sector in improving public transport.

For our part, we believe the following should be actively considered:

- Congestion charging in key urban centres
- Road user charging along key corridors where there are significant amounts of congestion
- A workplace parking levy in towns and city centres
- local authorities to avoid measures such as free parking and to price their maintained car parks with modal shift in mind
- Placing an emphasis on efficient highways by instituting 'red routes' as happens in London on key arterial routes
- Strong enforcement of bus lane and parking violations that impact on bus punctuality.

All of the above could potentially be revenue raising and the proceeds of any revenue could be ringfenced for public transport investment, particularly through any funding set up to deliver partnerships around road space reallocation and fleet decarbonisation.

Conclusions and Next Steps

As the above identifies, there will be a considerable amount of work needed to provide a step-change in Wales' bus network. CPT Cymru and its members are ready to engage positively with Welsh Government, Transport for Wales and local authorities to make these changes a reality for Wales. As such, we look forward to the details of the bus strategy being developed.

In terms of timeframes, it is our hope that the strategy released later this year will be the starting gun for a new period of partnership on bus services in Wales. Whilst the legislation is likely to come later in 2022, CPT Cymru and its members is keen to begin this conversation now so that we can quickly deliver better services for passenger in Wales.

Blaenoriaethau ar gyfer y Chweched Senedd / Priorities for the Sixth Senedd

Y Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith /
Climate Change, Environment and Infrastructure Committee
PR67

Ymateb gan y Gymdeithas Cludo ar y Ffyrdd / Evidence from the Road
Haulage Association

10 September 2021

Summary of the consultation

1. The Welsh Parliament's Climate Change, Environment and Infrastructure Committee is seeking views on the priorities it should set itself for the Sixth Senedd. In particular, the Committee is interested in:
 - a. hearing views on the priorities for the Minister and Deputy Minister for Climate Change “for the next 12-18 months”;
 - b. hearing about any other subject that should be prioritised over the next 12-18 months.
2. To inform our response to this consultation, we have taken note of the letter dated 30 July 2021 from Julie James (Minister) and Lee Waters (Deputy Minister) which places “collective climate action” at its heart and where the following remarks are made:

We recently published Llwybr Newydd – The Wales Transport Strategy (WTS) 2021 that sets out the long-term vision for an accessible, sustainable and efficient transport system. It also has responsibility for transport decarbonisation including electric vehicles, air quality and road user charging; place making including road safety, road space reallocation and active travel and Blue Badge scheme...

...The Welsh Government has a substantive role in ensuring that the transport network supports a sustainable system of distributing goods in Wales. The Wales Transport Strategy commits towards a freight and logistics delivery plan to support this role.

General comments

3. The RHA thanks the Climate Change, Environment and Infrastructure Committee for the opportunity to comment on its priorities. Last month's publication of the *Sixth Assessment Report* by the UN's Intergovernmental Panel on Climate Change (IPCC) once again highlighted the need for all of us to act quickly to address the challenges posed by climate change. As we collectively consider our responses, the question the RHA has put at the centre of its thinking is not “what” nor “why”, but “how”.¹
4. We support the aim to decarbonise heavy goods vehicles. However, based on our assessment of Welsh Government plans, we have reservations on how current policy thinking will facilitate that outcome. We comment that, of the responsibilities listed by the

¹ See: <https://www.rha.uk.net/news/policy-campaigning/policy-campaigning-documents/detail/rha-vision-for-decarbonising-road-freight>

Minister and Deputy Minister in their long-term vision for an “accessible, sustainable, and efficient transport system”, the word **productivity** is absent. We believe this is a significant oversight and, to ensure a green Welsh economy thrives, the Committee should ensure that productivity is prioritised to inform future transport decisions.

5. On 25 June 2021, we wrote to the Deputy Minister to express our concern over the Welsh Government’s decision on climate change grounds to “freeze” all new road building projects in Wales.² We believe this decision is misjudged on economic, social and climate change grounds.
6. Roads are a good thing. They facilitate access to works for people, encourage businesses to thrive and give people and businesses opportunities they would not otherwise have. Failing to improve roads to reduce congestion increases carbon emissions, increases air quality impacts, impedes connectivity within and beyond Wales, and makes the Welsh economy less productive and competitive. Inadequate infrastructure chokes off jobs and business investment opportunities.
7. When HGVs account for 4.3% of overall UK greenhouse gases,³ we look to the Committee and Ministers for a proportionate and coherent policy response that facilitates productivity and empowers HGV operators to play their full part. We do not see addressing climate change and investment in roads as incompatible and, when road-based operators are working to achieve Net Zero targets, regard an anti-road approach as out-of-date. Supported by the on-going investment by our sector in low carbon / no carbon vehicles, we strongly believe that policies which nurture productivity will raise standards of living and allow Welsh businesses to flourish.

UK-level measures to decarbonise commercial vehicles

8. We also ask that the Committee takes account of our sector’s engagement in measures at a UK-level to decarbonise the commercial vehicle fleet. Recently, the UK Government concluded a consultation⁴ on when to end the sale of new non-zero emission HGVs. This brought into sharp focus the practical considerations of “how” we decarbonise the HGV fleet sustainably.
9. We comment that, whilst we share the ambition to decarbonise at pace and strongly support technological developments to deliver it, sustainable implementation is not yet apparent. The ramifications arising from the apparently simple question posed by the UK Government’s consultation of “when” are highly complex, and we observe that

² See: <https://www.rha.uk.net/news/policy-campaigning/policy-campaigning-documents/detail/rha-writes-to-lee-waters-ms-about-cancelled-road-investment-in-wales>

³ This is based on figures contained in Department for Transport, *Consultation on when to phase out the sale of new, non-zero emission heavy goods vehicles*, July 2021, p5 which states that transport accounts for 27% of UK GHG emissions and HGVs for 16% of transport emissions, which equates to HGVs accounting for 4.3% of UK GHG emissions.

⁴ See: Department for Transport, *Consultation on when to phase out the sale of new, non-zero emission heavy goods vehicles*, July 2021. Here, DfT sought views on the feasibility of a phase-out date of 2035 for goods vehicles with a gross vehicle weight (GVW) from 3.5 tonnes up to and including 26 tonnes, and 2040 for vehicles greater than 26 tonnes GVW.

policymakers currently overlook how lifecycle emissions are recognised in policy and have an insufficient grasp of the diverse use-cases employed by HGV operators.⁵

10. In our response to the UK Government, we advised that DfT adjust their current plans⁶ as they do not adequately address the barriers-to-entry that currently impede the adoption of zero tailpipe emission HGVs. To inform the development of policy, we further recommended that DfT fully scope the full complexity of HGV use-case needs which we believe is essential for the following reasons:
- for net zero to succeed, **all types of operation and HGV use must be accommodated** so that all parts of the economy and all types of supply chain are catered for;
 - **considerable market uncertainty exists** with operators currently having insufficient information available to make informed choices. This must be managed in an agile way, with policymakers engaging in a series of conversations with our sector to navigate flexibly the many issues that lie ahead. We particularly flag that the policy framework must give clear guidance on how unavoidable emissions are offset;
 - **the whole vehicle lifecycle must be central to decision making** so that all owners of any vehicle bought before the new vehicle bans are introduced are able to benefit from its utility and a full known economic lifespan. Central to this is sustaining asset values so that all businesses, including our vital SME sector, have the standard financial tools intrinsic to any business available to manage natural vehicle replacement cycles.
11. We have also asked ministers to provide clear leadership on lifecycle emissions. A narrow focus on “zero emission” HGVs, which we re-term as “zero tailpipe emission” HGVs, disregards solutions to decarbonise transport elsewhere in the supply chain and distorts accountability. We look to policymakers to provide coherent holistic solutions that also account for carbon use in the manufacture, powering and recycling of vehicles.
12. With a full understanding of use-case needs and ensuring there are operationally practical mitigations in place, we strongly believe that a vehicle standards approach supported by real-world trials will allow the sustainable decarbonisation of HGVs.
13. Part of that will come from infrastructure investment by government, part from providing the right market signals to inform vehicle operators. Good practice already exists. We commend the development of the Euro VI/6 standard, introduced from 2013, as a model for policymakers to follow. In this instance, a well-designed standard led by business in a

⁵ It is an oversimplification to assume, as DfT have done, that “HGVs conventionally fall into two distinct categories in the UK” where “vehicles of 26 tonnes and under run around 150 kilometres on an average day, while heavier vehicles run just under 400 kilometres on an average day”. This analysis, founded on a telematics data sample, is based only on the part of the supply chain that uses telematics data, has an urban bias and overlooks, for example, rural/remote locations with limited infrastructure, SME operators that use 2 and 3 axle rigid vehicles operating at longer distances, abnormal loads or refrigerated vehicles and trailers.

⁶ Based on our initial assessment, our advice to the UK Government is the timetable for stopping the sale of new diesel HGVs should be determined by the following weight categories and dates: from 2035, 18 tonnes and below; from 2040, 32 tonnes and below; from 2045, over 32 tonnes. Our assessment however comes with a significant “health warning” as it assumes the satisfactory resolution of future cost, operational and supply barriers, both known and unknown, to meet all use-cases. Our detailed response can be found here: <https://www.rha.uk.net/news/policy-campaigning/consultation-responses/detail/rha-responds-to-dft-sale-of-new-diesel-lorry-ban-consultation>

stable regulatory environment required vehicle manufacturers to create new technology which generated significant and sustainable reductions in NO_x air pollution across the diversity of use-cases without the need to subsidise vehicle purchases.⁷

Final comments

14. Hauliers are willing to invest in Net Zero and, to overcome the challenges and complexities that lie ahead, the RHA is guided by **sustainability values** which recognise that economic needs must be nurtured alongside environmental and social needs. The low margin, highly competitive nature of our sector means that we operate dynamically and sensitively to consumer demand that is attuned to the need for effective environmental stewardship.
15. As economic enablers, hauliers drive productivity and invest in environmental well-being. We strongly welcome innovations to develop low carbon and zero emission vehicle technologies. We will also continue promoting ways to improve efficiencies and minimise emissions from conventional technology, which includes effective driver training, efficient fuel use, optimal load utilisation and investing in streamlined vehicles.
16. We comment however that there are substantial risks to the realisation of climate change targets and, for a successful transition away from diesel to occur, the **right policy frameworks** must be in place. At the time of writing, we note media reports that UK Government ministers⁸ are guided by a desire⁹ to send signals to the market that develops the desired technology and, crucially, allows the private sector through natural replacement cycles to carry the heavy lifting¹⁰ required to phase the technology in.
17. If so, the RHA endorses this approach. It is consistent with our position that market-driven solutions are best-placed to achieve commercial vehicle decarbonisation. However, for this to work, **asset values must be sustained** so that all businesses, including SMEs, have the standard financial tools intrinsic to any business available to manage natural vehicle replacement cycles.

Background about the RHA

18. The RHA is the leading trade association representing over 8,000 road haulage and distribution companies across the UK, 85% of whom are small and medium-sized enterprises (SMEs). Our members operate around 250,000 HGVs (half of the UK fleet) out of 10,000 operating centres, and range from a single-truck company to those with thousands of vehicles.
19. These road transport companies provide the people and businesses of the UK with the goods upon which we all depend - from food and clothing through to medicines, car parts

⁷ We estimate that, due to the £1.9bn investment by hauliers in the latest cleanest lorries, NO_x pollution from HGVs has fallen by over 60% since 2013. With no further policy intervention, it would fall by 85% from 2013 levels by 2025.

⁸ See: <https://www.thetimes.co.uk/article/ministers-backtrack-over-gas-boiler-ban-5ct59jxrp>

⁹ See: <https://www.telegraph.co.uk/politics/2021/08/21/heat-pumps-worse-heating-homes-gas-boilers-admits-energy-secretary/>

¹⁰ See: <https://www.telegraph.co.uk/politics/2021/08/21/heat-pumps-worse-heating-homes-gas-boilers-admits-energy-secretary/>

and construction material. Without lorries and vans delivering good to businesses and consumers, the economic and social wellbeing of the UK would be seriously impacted.

20. Recently, the RHA has initiated a coach operator membership for those operating non-scheduled passenger services using vehicles with a capacity of more than 16 seats.
21. We proactively encourage a spirit of entrepreneurialism, compliance, profitability, safety and social responsibility. We do so through a range of services, such as advice, representation, and training. We also work alongside policymakers and haulage companies to identify ways to move freight more efficiently at a lower cost based on our widespread knowledge and expertise in the area.
22. Our response is set within an overall context where 54,800 SMEs are involved in haulage and 52% of lorries operate in fleets of less than 20 (source: Traffic Commissioners - 2016/17). The purchase cost of an HGV starts from £100,000 and its life span is typically 12 years. However, depending on the application (e.g. mobile cranes), this can be for much longer (30+ years) and cost considerably more (£200k+). Due to the high efficiency of logistics, operators typically work on a 2% profit margin (source: Statistica 2020), meaning any additional costs incurred cannot be absorbed.

10 September 2021

Chris Ashley
Head of Policy – Environment & Regulation
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Road Haulage Association

Document is Restricted

Agenda Item 6

By virtue of paragraph(s) vi of Standing Order 17.42

Document is Restricted

Agenda Item 7

Blaenoriaethau ar gyfer y Chweched Senedd / Priorities for the Sixth Senedd
Y Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith /
Climate Change, Environment and Infrastructure Committee
PR31

Ymateb gan Sefydliad Cynllunio Trefol Brenhinol (RTPI) Cymru /
Evidence from Royal Town Planning Institute (RTPI) Cymru



RTPI Cymru
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9 September 2021

Dear Sir/Madam,

Response to: Priorities for the Climate Change, Environment and Infrastructure Committee

The Royal Town Planning Institute (RTPI) is the largest professional institute for planners in Europe, representing some 26,000 spatial planners. RTPI Cymru represents the RTPI in Wales, with 1,300 members. The Institute seeks to advance the science and art of planning, working for the long-term common good and well-being of current and future generations. The RTPI develops and shapes policy affecting the built environment, works to raise professional standards and supports members through continuous education, training and development.

Thank you for the opportunity to respond to the above consultation. We welcome the opportunity to comment on the Committee's priorities.

The pandemic has had a significant impact on all our lives and the economy. Whilst there are many uncertainties around how we will emerge from the pandemic, it is likely that many of the issues which Wales already faced will continue and even be compounded.

Areas of Wales have traditionally faced complex place-based issues, including a decline in economic growth, changes in our high streets, poverty and inequality, the delivery of quality housing in the right locations and the resilience of Wales is frequently tested by severe weather events. The role of planning is to look to the long term and act in the long-term public interest, making a balance between competing interests and setting the framework and decisions for a sustainable future.

The planning system sets the context for development and creates the enabling conditions for a sustainable and healthy built environment. Planning shapes the environments where people work, live, learn and interact.

Wales has a strong national planning policy framework guided by the Well-being of Future Generations Act. There is increasing recognition that the planning system and Wales' sustainable development ambitions are intrinsically linked, and this is recognised in national planning policy.

Planning offers an established and effective process to facilitate a sustainable future for Wales. However it needs to be invested in and strengthened to be able to deliver expectations. In 2019 the Auditor General concluded that: "Planning Authorities are not resilient enough to deliver long term improvements because of their limited capacity." The RTPI and other stakeholders have long called for the adequate resourcing of the planning system in order for it to achieve its full potential in addressing the complex and challenging issues it faces.

Planning services are under particular pressure and scrutiny. Total expenditure on planning services have fallen by 50% in Wales since 2008-09. These budget constraints have forced LPAs to prioritise meeting statutory obligations around development management over plan-making. Compounding these budget cuts, LPAs are under pressure to quickly address applications and deliver housing targets. The system is sometimes perceived as an impediment rather than an enabler of housing development due to the uncertainty and complexity of the current development management process. Like any good public service, the planning system requires resources and capacity to deliver outcomes efficiently, effectively, and equitably. Financial support to increase the number of public sector planners employed, funding for specialist knowledge and investing in efficiency-saving digital technologies can help support a stronger, proactive and strategic planning system. RTPI Cymru would support further investigation of actions and interventions, such as the ring fencing of planning fee income and full cost recovery models to support the planning service. A well-resourced, plan-led, positive planning service can deliver corporate objectives, which, if properly encouraged and effectively organised can bring together objectives across services and help achieve local and national sustainable development and climate action goals. Local authority corporate management teams provide leadership, vision and priority setting for areas, by shaping the strategic operational direction and investment decisions of local authorities. The implications of these corporate decisions on new investment, infrastructure, development activity, local services and policy delivery are significant, particularly at this time. The RTPI believes that making the role of the Chief Planning Officers a more prominent and strategic position within local authorities would positively influence the outcomes of planning and support good growth and a balanced recovery.

While we note and support in principle the issues identified in the Minister and Deputy Minister's priorities for the next 12 – 18 months ([the Minister and Deputy Minister's priorities for the next 12-18 months](#)), alongside the proper support and resourcing of the planning system, the following key issues should also be considered. We have indicated where an adequately resourced planning system can have a positive impact on these priorities:

Deliver long-term climate mitigation and resilience actions, including biodiversity enhancement.

The planning system can prevent locking-in inefficient, high-carbon infrastructure that will be used for decades. Through stringent climate requirements, the planning system has the potential to avoid significant carbon lock-ins from fossil-fuelled infrastructure that make it difficult to shift to lower-carbon pathways. This will be critical to supporting the net-zero transition. Planning that protects natural environments, safeguarding the landscapes and places we will value in the future must be supported. Wales' environment and its natural resources are one of its particular strengths and even economic advantages.

Invest in and seize the opportunities from Future Wales – the National Plan 2040 to prioritise the right investment decisions.

Spatial planning can positively support the economic performance of Wales through influencing factors that determine productivity, by defining the future role of key settlements and strengthening their interrelationships, by providing enhanced connectivity etc. Future Wales – the National Plan 2040 (the National Development Framework (NDF)) is an essential new addition to the development plan in Wales and will aid Welsh Government, other public agencies and private investors to make strategic investment decisions for Wales. Future Wales will play an important role in identifying infrastructure projects at a time where there is uncertainty around the future of planned projects, infrastructure finance and as Britain leaves the European Union.

Support and use the hierarchy of plans to make long-term decisions, including supporting the delivery of SDPs.

Equally, bringing forward Strategic Development Plans (SDPs) at a regional level will enable planning and stakeholders to address the more complex regional spatial issues that cross boundaries and may require different responses across Wales. This strong plan framework is vital to the balanced recovery of Wales and for long-term decision-making. It is important to recognise the spatial distinctiveness of places in developing policy. Future Wales – the National Plan 2040, SDPs and Local Development Plans (LDP) can together facilitate an integrated approach with other areas of policy, linking decisions on economic development with those on housing, climate change, energy generation, transport, and other infrastructure, providing a spatial framework for investment at different scales across Wales and facilitate joint working and maximise benefits on the ground. Place Plans can also add value at the local level for those communities which have them. The policy framework would be strengthened by emphasising the importance of these links and the use of the evidence that they provide.

Introduce the Infrastructure Consenting Bill

The regulatory framework to support the change in the infrastructure consenting regime needs to be brought forward to provide an effective process for making decisions on large infrastructure, providing clarity to support needed infrastructure and balancing this with the needs of communities.

Encourage collaborative working to support rural planning

National planning policies set out in Future Wales, Planning Policy Wales and Technical Advice Notes (TANs), as well as Local Development Plans and other local strategies address rural related development. Both development planning and the development management functions need to be recognised as important tools in addressing health, food security, climate change, flooding, energy, landscape enhancement and protection etc, with the ability to give consideration to the wider land use and spatial implications of such issues.

Housing: Support and invest in the delivery of quality homes in the right places across Wales.

Without the planning system, Wales is unlikely to meet affordable housing targets. It is estimated that an average of 7,500 new homes will need to be built each year to meet housing needs, of which 3,500 will need to be affordable homes. To achieve ambitious national targets, planners will need to identify where housing, including affordable housing, is needed, enforce quality standards, ensure new homes have good access to amenities, support community cohesion, and coordinate developer contributions. The planning system supports delivering ambitious targets for suitable and affordable housing. Planning can support delivery of affordable housing, which may not be delivered through the private sector, even where total supply issues are remedied. High quality homes, safe living environments and access to opportunities for exercise and recreation enable population health. Public Health Wales prioritises environmental and social conditions which affect public health. Key planning-related priorities in the Public Health Wales 2018-2030 strategy, include creating cleaner air, improving mental health conditions and reducing childhood health inequities. Well-planned places, particularly those with access to green infrastructure and that enable community cohesion, are important for supporting the mental and physical health of residents. Access to greenspace is particularly important for childhood development; having high access to greenspace in childhood can reduce risk of developing mental health diseases later in life by up to 55%.

Encourage and support inclusive, affordable, sustainable public transport

“Large parts of Wales are rural in character with 40% of the population living in settlements with fewer than 10,000 people. Commuting patterns are a distinctive feature of our regional economies, with significant daily movements of people to their place of work”. [Update to Future Wales - The National Plan 2040 \(gov.wales\)](#)

RTPI Cymru has long called for a “more integrated approach to transport and land use planning” in line with the findings of the [RTPI Net Zero Carbon Transport research](#). It is vital that we work to better integrate an inclusive and affordable sustainable public transport system if we are to enable more sustainable places, a modal shift, achieve decarbonisation, net zero targets and climate action goals.

We have recommended the Welsh Government work closely with the UK Government and other devolved nations to support the development of common technical standards and practice.

Active Travel: Continue to enable the delivery of active travel.

The planning system can play a key role in encouraging active travel through identifying new opportunities and facilitating infrastructure investment. Active travel is currently impeded by a lack of safe and accessible infrastructure with safety factors being reported as a key factor for deterring people from cycling. Providing active travel infrastructure requires community engagement to identify where active travel is most needed, spatial planning, funding for infrastructure and stakeholder coordination. Active travel helps deliver a range of benefits including reducing pollution caused by private car usage, provide health benefits from being active and reduces congestion with its economic negativity.

Welsh Language and Identity

Invest in and roll out a common methodology to carry out linguistic impact assessments. The Welsh language is an important part of Wales' identity, and this is important in placemaking. The development of robust policies and mechanisms would enable LPAs take significant account of the Welsh language in land use decisions to support Cymraeg 2050.

Community engagement in plan making

The promotion of community engagement in plan making at all levels is an important strength of planning. Planning can support local neighbourhoods to shape development, retain their identity and enable community buy-in to the right form of development in their local areas through the planning process. A range of engagement mechanisms to enable as many parts of communities to engage in informing policies should be invested in. New mechanisms for digital engagement to be used more will facilitate engagement with many groups who traditionally do not engage with the planning process, including young people.

Support capacity-building in public sector planning and bring forward a Bill on Planning Law Consolidation.

Strategic plan-making requires technical skills and a deep understanding of community needs and priorities. Prioritising strategic planning includes non-financial actions, such as freeing up resources by reducing needlessly burdensome regulations and changing performance targets to measure quality instead of speed or efficiency. Recommendations from the Law Commission on a consolidation bill for planning should be taken forward. This will reduce the burden of the complexity of the current planning legislation contained in multiple Acts.

Support the delivery of vibrant town centres

Town centres are vital economic, community and social hubs. The closure of non essential businesses, as a result of the pandemic, has had a significant impact on high streets and town centres. Several major retailers went into administration as income collapsed. Others are restructuring and renegotiating leases. However, industry figures show that local corner stores and independent grocery stores experienced a 63% boost in trade in the three months leading up to 17 May, along with a 75% increase in online grocery sales in the last month of this period. It is essential that a town-centre first approach is maintained by taking a holistic, plan-led approach to the integration of high-quality homes, including affordable homes, a regular and affordable sustainable public transport system and the repurposing of

vacant commercial space for uses which support community resilience and environmental sustainability.

If you require further assistance, please contact RTPI Cymru on 020 7929 8197 or e-mail Roisin Willmott at walespolicy@rtpi.org.uk

Yours sincerely,



Dr Roisin Willmott OBE FRTPi

Director

RTPI Cymru

Agenda Item 8

Blaenoriaethau ar gyfer y Chweched Senedd / Priorities for the Sixth Senedd

Y Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith /
Climate Change, Environment and Infrastructure Committee
PR27

Ymateb gan Gymdeithas Contractwyr Peirianeg Sifil Cymru /
Evidence from Civil Engineering Contractors Association (CECA) Wales



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Dear Mr Gruffydd,

8th September 2021

Thank you for the opportunity to comment on the priorities for the Climate Change, Environment and Infrastructure Committee. The scope of the Committee's work programme is extremely broad and challenging. However, as a Chartered Civil Engineer and as Director for the Civil Engineering Contractors Association (CECA) Wales, I am very pleased that infrastructure matters are being considered alongside the challenges of climate change and our environment. With an estimated 17% of global carbon emissions coming from our infrastructure the challenges are significant but the opportunities to make positive changes are huge. However, I do have a general concern that with such a broad range of matters for the committee to consider there may be a risk of focusing largely on environmental and climate change matters at the expense of the infrastructure aspect of its work. I hope this is not the case. If we are to deliver on the high-level aspirations and targets around climate change and improvements to our environment then we need to translate these into actions, activities and progress "on the ground". Having appropriate infrastructure in place will be critical to achieving this and I hope that the committee will be able to focus on "unblocking" any restrictions on delivering lower carbon infrastructure across Wales. With this in mind, a number of my comments relate to the practicalities of delivering on these priorities as much as the priorities themselves.

I note that you are seeking views on the priorities of the Minister and Deputy Minister for Climate Change for the next 12-18 months and, in particular, which of these priorities the Committee should be focusing on over the next year or so. I also note your request for any other subject that should be prioritised over the next 12-18 months.

I have set out my response based on both of these points.

Views on [the Minister and Deputy Minister's priorities for the next 12-18 months](#)

The programme set out by the Minister and Deputy Minister is broad and challenging and whilst there is a clear emphasis on mitigating the impacts of climate change and improving our environment most if not all priorities will require some form of infrastructure.

Climate Change

The priorities set out by the Deputy Minister focus on climate adaptation actions, the requirement of the Climate Change Act to report on actions and future priorities and the support given by the Welsh Government towards innovation in this area. Whilst we agree with these we would hope to see the committee focus on what tangible actions the Welsh Government actually delivers, “on the ground”, to make real and quantifiable differences in reducing climate change impacts, particularly where new infrastructure is needed and/or existing infrastructure is modified or discontinued.

We will shortly be launching our Annual Report on “Decarbonising Our Infrastructure”, a joint public and private sector report, based on the findings from our Annual Conference held in May 2021. The report sets out an action plan of how we believe both public and private sectors need to collaborate far more widely if we are to decarbonise our infrastructure and what actions need to be taken. This could offer the committee a template to measure progress in decarbonising our infrastructure. I will forward a copy to the Committee Secretary when it is published.

Energy

The Deputy Minister’s priorities in this area highlight the partially devolved nature of energy responsibilities but we would hope to see this Committee scrutinise the Welsh Government’s targets for renewable energy, its relationship with the four regions of Wales and the UK Government and how it is utilising its Planning responsibilities to drive a net-zero energy system. This scrutiny should highlight any blockers to progress and how these can be overcome.

We would also like to see the Committee focus on opportunities for local energy grids, particularly in rural areas, based on renewable technologies, which could support, amongst other things, renewable energy facilities for EV charging points. We are already aware of Welsh businesses developing such facilities and, if supported through investment opportunities, could help reduce our carbon footprint whilst delivering employment, business and community development opportunities within Wales’ “green economy”.

Marine Energy Programme

As well as providing the infrastructure we need to mitigate against climate change effects and improve our environment it is important that local companies benefit from investment and that high quality jobs are created for local people along with training and apprenticeships. This is particularly true in relation to marine energy which receives positive publicity but it is unclear how much of this benefits local communities. We would wish to see the Committee take an active interest in this area and to identify how economic and social value can be maximised for local communities.

Net Zero

We would hope to see the Committee scrutinising how the Welsh Government intends to exploit the opportunities in its “net-zero” strategy and how this translates to “real action” at the coalface. Far too often we see well intentioned Welsh Government policies fail to be properly implemented “on the ground” and the touted benefits fail to materialise.

In particular, we would wish to see carbon measures sitting alongside economic and social measures in determining infrastructure investment and that these measures follow through the procurement process so that public and private sector providers of infrastructure are properly rewarded for reducing carbon. We feel that there is a key role for the Committee to play in ensuring that this becomes a reality rather than a “tick box” exercise.

Tree Planting

The commitment to a “Woodland for Wales” Action Plan is welcomed and we would like to see the Committee scrutinise any proposals in relation to commercialising Wales’ timber resources, particularly in relation to the construction sector. This is a complex area which whilst promising exciting opportunities has some very serious constraints, not least the ability to grow “construction quality” timber.

Nature and biodiversity

Investment in infrastructure brings with it opportunities to increase biodiversity across Wales. However, it needs to be an integral part of any justification for investment in infrastructure and needs to be “channelled” through the procurement process with clear indicators to reward those better performing suppliers. Transparency around the “additional benefits” available through infrastructure investment for things such as jobs, training and apprenticeships and environmental improvements remains low at both national and local levels despite many of these issues being Welsh Government Procurement policy for many years. The Committee could play an important role in increasing this transparency which would lead to better recognition of good performers and better value for public money.

Circular Economy

The infrastructure sector, and the broader construction sector, lends itself better than most sectors to the introduction of a truly circular economy. The sector represents 17% of global carbon emissions which is not surprising given the extractive nature of much of the materials used and the equipment needed to build. However, it also means that there are opportunities to make significant improvements particularly as the Welsh public sector spends in the order of £2bn per annum on construction and infrastructure but rarely measures the carbon impact of this investment. A Committee inquiry into the Circular Economy, with the infrastructure sector as a key part of this, could unlock these opportunities.

Environment

The introduction of Sustainable Urban Drainage Systems (SUDS), whilst positive and well-intentioned, has not been implemented well across the public sector and has caused significant disruption and frustration amongst those wishing to promote infrastructure and construction projects across Wales. We would like to see the Committee investigating why this positive environmental initiative is not working well and to make recommendations for change.

Transport

Whilst we welcome the new National Transport Strategy, Llwybr Newydd, please see below for other areas requiring attention.

Digital Infrastructure

Whilst we welcome increased investment in digital infrastructure we would like to see the Committee scrutinising the benefits to local businesses and communities, via social value from these investments.

Digital and Data

Improvements in digital capability are welcomed as are efforts to drive cross-sector collaboration but we would hope to see this extended to collaboration with the private sector so that the full benefits can be realised for Welsh citizens.

Housing

Increased investment in housing retrofit programmes are welcomed but, as with other priority areas, we would like to see the Committee scrutinising the benefits to local businesses and communities, via social value from these investments.

Town Centre Regeneration

As with Housing, we welcome increased investment in town centre regeneration but, as with other priority areas, we would like to see the Committee scrutinising the benefits to local businesses and communities, via social value from these investments.

General observation on the priorities

If progress is to be made across all these priorities then a far more constructive and collaborative approach will be needed between the Welsh and UK Governments given the devolution settlement that exists and the different responsibilities. Whilst current relationships appear, at times, to be tense and adversarial, we need to see an improvement in relationships and more positive cooperation if Welsh citizens are to see improvements in performance in relation to climate change. Increased infrastructure investment to enable these improvements will also be dependent on better relations and we would hope to see this Committee having a role to scrutinise this relationship or recommending that it be dealt with by another Senedd committee.

Other subject areas that should be prioritised over the next 12-18 months

Roads Review

One of the first announcements made by the Deputy Minister for Climate Change was to “pause” the delivery of new road construction projects and to set up a “Review Panel” to advise on a suitable way forward given the “carbon intensive” nature of many of these projects. Whilst this is understandable given the declaration of a climate emergency in 2019 and the launch of the Welsh Government’s National Transport Strategy, Llwybr Newydd, it has created further uncertainty across the infrastructure sector. The Panel is not expected to report for almost 12 months which is a considerable period of time given that it closely follows the 18-24 month period of uncertainty

created by the Burns Review. Given that roads will continue to provide the main transport infrastructure for most people in Wales, whether that be via car (electric or petrol), bus or cycling or for transporting goods, we would like to see the Committee scrutinising the outputs of this Panel as soon as possible, especially given the potential impact on jobs and communities if key planned infrastructure investment do not go ahead. An obvious example of this is the proposed new route in Flintshire.

Burns Review

Whilst the Burns Review into transportation challenges in southeast Wales (and leading on from the cancellation of the M4 Relief Road project) reported some time ago progress in taking forward the recommendations is unclear as are work opportunities for infrastructure businesses. Many of the recommendations, particularly those involving partially or non-devolved functions, such as works to the mainline railway, require significant cooperation between Welsh and UK Governments and it is unclear as to whether progress is being made. We feel that the Committee should be focusing in this area given the significant climate change, environment and infrastructure issues associated with the Burns recommendations. We also feel that as this approach could provide a template for future transportation investment (see Roads Review above) then, as an industry sector, we need clarity for the future so that we can maintain employment across many of Wales' communities.

I trust that these views and observations are helpful to you and your Committee but please contact me should you wish to discuss these matters in greater detail.

Yours sincerely



Ed Evans
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