



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

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

Dydd Iau, 5 Rhagfyr 2013
Thursday, 5 December 2013

Cynnwys **Contents**

Cyflwyniadau, Ymddiheuriadau a Dirprwyon
Introductions, Apologies and Substitutions

Metro ar gyfer Dinas-ranbarth Prifddinas Cymru
Metro for Wales's Capital City Region

Metro ar gyfer Dinas-ranbarth Prifddinas Cymru
Metro for Wales's Capital City Region

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

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

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

Mick Antoniw

Rhun ap Iorwerth

Llafur

Labour

Plaid Cymru

The Party of Wales

Byron Davies	Ceidwadwyr Cymreig Welsh Conservatives
Keith Davies	Llafur Labour
Mike Hedges	Llafur (yn dirprwyo ar ran Joyce Watson) Labour (substitute for Joyce Watson)
Julie James	Llafur Labour
Alun Ffred Jones	Plaid Cymru The Party of Wales
William Powell	Democratiaid Rhyddfrydol Cymreig (yn dirprwyo ar ran Eluned Parrott) Welsh Liberal Democrats (substitute for Eluned Parrott)
Nick Ramsay	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)

Eraill yn bresennol
Others in attendance

Mark Barry	Cynghorydd Arbennig ar Wasanaethau Metro, Llywodraeth Cymru Metro Special Adviser, Welsh Government
James Brown	Cyfarwyddwr, Powell Dobson Urbanists Director, Powell Dobson Urbanists
Alan Davies	Cyfarwyddwr Eiddo a Seilwaith, Capita Director, Property and Infrastructure, Capita
Edwina Hart	Aelod Cynulliad, Llafur (Gweinidog yr Economi, Gwyddoniaeth a Thrafnidiaeth) Assembly Member, Labour (The Minister for Economy, Science and Transport)
James Price	Cyfarwyddwr Cyffredinol, Yr Economi, Gwyddoniaeth a Thrafnidiaeth, Llywodraeth Cymru Director General, Economy, Science and Transport, Welsh Government

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

Olga Lewis	Dirprwy Glerc Deputy Clerk
Andrew Minnis	Gwasanaeth Ymchwil Research Service
Siân Phipps	Clerc Clerk

Dechreuodd y cyfarfod am 09:49.
The meeting began at 09:49.

Cyflwyniadau, Ymddiheuriadau a Dirprwyon
Introductions, Apologies and Substitutions

[1] **Nick Ramsay:** I welcome Members, witnesses and members of the public to this morning's meeting of the Enterprise and Business Committee. The meeting is bilingual. Headphones can be used for simultaneous translation from Welsh to English, on channel 1, or

for amplification, on channel 0. The meeting is being broadcast and a transcript of the proceedings will be available. I ask Members to please switch off their mobile phones. There is no need to touch the microphones; they should operate automatically. In the event of a fire alarm sounding, please follow directions from the ushers. We have three apologies for absence today: from David Rees, Joyce Watson and Eluned Parrott. I welcome Mike Hedges to the committee again. Thank you for supporting the committee. Mike is the substitute for Joyce Watson today. I also thank Bill Powell, who is the substitute for Eluned Parrott. Your assistance to the committee is much appreciated.

09:50

Metro ar gyfer Dinas-ranbarth Prifddinas Cymru Metro for Wales's Capital City Region

[2] **Nick Ramsay:** Today, we are looking at the Cardiff capital region metro. We have an evidence session with our witnesses. I appreciate that it was at very short notice that you agreed to come in to talk to the committee; thank you for making that possible. Today is a one-off session on the metro impact study, which was commissioned by the Minister for Economy, Science and Transport from the Metro Consortium. As well as Mark Barry, the main author of the report, and metro special adviser to the Welsh Government, we also have with us today two other authors of the report. I welcome you to the committee. Would you like to give your names and positions for the Record of Proceedings?

[3] **Mr Davies:** Good morning, all. My name is Alan Davies; I am a director at Capita. We were involved in looking at the transportation modal study and spatial map for the metro study.

[4] **Mr Brown:** Good morning, everyone. My name is James Brown. I am a director of Powell Dobson Urbanists. We are a regeneration consultancy based in Cardiff, and our input into the report was to look at the economic and place-making benefits of the metro across the whole of the city region.

[5] **Nick Ramsay:** Thank you. We have a large number of questions, so I propose that we go straight into them. If, at any point, I move things on, it is not that I am not interested in what you are saying; it is just that I want to get through the material that we have before us. The first question is from Mick Antoniwi.

[6] **Mick Antoniwi:** Good morning. The discussions and proposals around the concept of a metro go back quite some time, I think, to some of the discussions with the South East Wales Transport Alliance and so on. There have been a lot of developments since then, through the reports from Mark Barry and the recent consortium. Could you give us a summary as to how the policy has developed, and precisely where you think we are now in terms of what the metro concept actually is?

[7] **Mr Brown:** What we have now is a proof of concept. The report in which we have been involved with Mark has looked to test the concept of which Mark has been the key author, and that he has been advocating since around 2010. He looks at the projects that are already being considered, and some of the projects that are already in SEWTA's pipeline of projects, taking a lot of the detailed work that SEWTA has already done, which is of a very high standard. He is taking that detail and the detailed focus that SEWTA had, and putting that together by looking at it from the big picture. When you take that detail and apply it to the big picture in a slightly different way, by looking at it in terms of economic development, regeneration and place-making, and looking at it in terms of the competitiveness of the city region as a whole, both domestically and internationally, you get a slightly different picture

but using some of the details that already exist. So, the work that we have done is really to take a lot of the things that are already there and then apply some different skills, different ways of thinking and different ways of looking at the current challenges and opportunities, and coming up with the concept for a high-frequency, high-quality service throughout the region. The work that we have both been involved with has been really to prove the concept. So what we have now is a proof of concept that needs to be taken on in more detail.

[8] **Mick Antoniw:** Do you think that that concept is sufficiently clear among all of the key players who are likely to be involved in taking this forward?

[9] **Mr Brown:** I think that that is part of this next process. It is about taking that clarity that certainly we have, and that Mark has, and sharing that clarity with others.

[10] **Mick Antoniw:** So, if you had to summarise what that concept is, for the record, as much as anything, how would you do that? I just know that, from my end, when you talk about this to different people, they have different views, if for no other reason than what you call it. My suggestion that it be called the Pontypridd metro was rejected very early on. *[Laughter.]* I still have aspirations. It would be useful if you could outline what you think the concept is now, in a nutshell, for the record.

[11] **Mr Brown:** I think the concept is pretty much coined by the three words ‘transform’, ‘regenerate’ and ‘connect’. The technical rail engineering is only part of that story. The concept really is for a very high-frequency, high-quality service that gets people thinking differently in the region about the use of public transport, so that it becomes habitual and part of everyday life, as it works in other cities. We have looked at a lot of other cities as part of this process, and you can see that people’s responses to the use of public transport are different in the cities that have these kinds of very tightly integrated systems. So, as a concept, it is high-quality, high-frequency, transform, regenerate and connect.

[12] **Mick Antoniw:** I suppose that it is fair to say that, in the last two or three years, the whole concept of the idea, and the potential of the idea, have actually moved pretty quickly in terms of having been accepted by bodies and so on.

[13] **Mr Brown:** Yes.

[14] **Mr Davies:** Yes, I think so. It has been out there for a few years and a lot of people have bought into the concept of it. The metro is an economic development project; it is not just about transport. As James said, it is about connection, regeneration, and using the metro as a vision for the future development of south-east Wales up to about 2030.

[15] **Alun Ffred Jones:** Byddaf yn gofyn yn Gymraeg. Roeddech chi’n cyfeirio yn y fan honno at astudiaethau o ddinasoedd eraill fel rhan o’r astudiaeth hon. Pa ddinasoedd oedd y rheini, ac a oeddent yn debyg o ran eu natur i’r hyn sy’n cael ei alw yn ‘ddinas-ranbarth Caerdydd’?

Alun Ffred Jones: I shall ask my question in Welsh. You referred there to studies of other cities as part of this study. Which cities were you referring to, and were they similar in nature to what is referred to as ‘Cardiff city region’?

[16] **Mr Brown:** With some of the cities that we looked at, principally Nottingham and Manchester, we were able to identify the similarities in terms of the kinds of services and the kinds of organisations and governance that were coming through from those examples. So, being able to take the spatial geography of those cities, and being able to take the economic opportunities and challenges of those cities and apply them here, is a challenge because they are naturally different places with different opportunities and challenges. One of the key things was really understanding the process that they had gone through, and some of those

processes were around governance and leadership, and some of those processes were around delivery. So, for instance, we spent some time with the CrossRail team, and we were able to get some really good information from the CrossRail team about how they had managed to deliver high quality. I think that we would be in a position here to learn from some of the mistakes that they made through their process, which they were able to adapt as they went through. One of the common currencies of the kind of system that we are advocating is about the quality and the frequency, and actually, when we looked at the schemes in Nottingham and Manchester, and other nascent schemes like those in Edinburgh and Sheffield, and some of the schemes that actually did not occur, such as in Merseyside, we were able to pick out the lessons from those different experiences and take the best of those and apply them here.

[17] **Rhun ap Iorwerth:** You have given an outline of the efforts that you went to to make sure that lessons were learned from other projects, and you have tried to really clarify the strategy in this document. Do you want to just give us a summary of the methodology that you used in putting the report together?

[18] **Mr Davies:** In terms of the methodology, looking at transform, connect and regenerate, we looked at the lower super-output areas of the south-east Wales area as a whole, put those onto a geographic information system map-based system, looked at the existing connectivity that those areas had to existing transport systems—rail, bus, et cetera—and we then analysed the existing enterprise zones and potential development sites, both commercial and residential, from the local development plans and unitary development plans of the local authorities, and we came up with a scoring process of the distance from existing connections on three bases: 0m to 800m, 800m to 1.2 km, and 1.2 km and above, as being the reasonable distances that you would walk to a station or travel to make the connection to a transport hub.

10:00

[19] Using that scoring system and bringing everything together onto the spatial map, we were then able to see where the areas of high density that were not served by existing travel arrangements were, identify where we could position new stations and look to see what effect that would have on the spatial map if this were to be a metro intervention, not just in terms of transport but in terms of serving areas—say, the populations to the north-west of Cardiff; there are 7,000 units there—and what difference that would make in terms of the connections, the employment and the regeneration of areas. From that, there was a scoring matrix that was then set out, to say, ‘These are the top ones,’ and they were scored against the red, amber and green system that we had set up.

[20] **Rhun ap Iorwerth:** How accurate a picture do you think that you were able to paint, considering the fact that the report refers to the need to make rapid progress, even if some data and analysis were outstanding? You were under a certain degree of pressure to deliver this and to deliver this quickly.

[21] **Mr Davies:** I think that the pressure helped to concentrate minds by having deadlines and timescales to work to, but also, now is the opportunity, with the electrification of the Valleys lines coming through, to look at this whole concept of the metro project and see where we can make best use of the Valleys lines electrified system and of the Cardiff area signalling replacement scheme that is going through, and do a little bit of a stock check to ask, ‘Is this what we are programming or what we would like to deliver? Does that give us the best value for money? Is it, in terms of regenerate, transform and connect, a good outcome in terms of trying to deliver something that we can set a road map out for up until 2030?’

[22] **Mr Brown:** I think that one of the other elements that we found very useful as part of the methodology was to have a challenge-and-review panel, so we guarded against our own optimism bias and the fact that we knew that, with such an intense working period, we would

all become very embroiled in the project. As the project manager, Mark had set up a challenge-and-review panel that, in many ways, matched some of the perspectives, skills and expertise that existed within the team, but that panel was deliberately placed outside, and there were two or three set-piece sessions where it was able to penetrate and look for any weak spot in our methodology to try to find any elements that could have been a bit brittle. It was very useful to have that counterbalance at three key stages in the process.

[23] **Rhun ap Iorwerth:** Again, looking at potential limitations to the overall picture, there is a recommendation, for example, about the use of bus rapid transit as part of a truly integrated system, but there were no representatives of the bus industry within the project. Was that kind of thing an issue in terms of how we should look at the overall picture?

[24] **Mr Davies:** I do not think that it was an issue in terms of the overall picture. From the experience of the individuals involved in the team, we were aware of the bus routes. However, this is really about a high-capacity, very frequent type of service that can provide the connections to it. There was a lot of work that went into the type of rolling stock that could be used, and the frequency of the stops—whether they were every 500m or every 800m. The bus rapid transit system was brought into it, because there are areas where it will be difficult to connect with a full metro light-rail tram/heavy rail system and which are better served with bus rapid transit to do the cross-valley connections that then get people to the hubs and the connectivity modes.

[25] **Rhun ap Iorwerth:** So, you do not think that the lack of close involvement by the bus industry is a weakness in that respect, then, do you?

[26] **Mr Brown:** Not at the stage that we have been at, which is proof of concept. We needed to keep it strategic and we needed to prove that that concept worked. By looking at the Valleys lines electrification as the backbone and keeping a strategic picture, we decided very early on in the methodology that, if we brought in a consideration of bus services at the local level, we would quickly find ourselves completely swamped by too much information and would be brought down into detailed local issues when we needed to look at this strategically. As Alan said, some of the strategic elements of the framework plan that we have cannot be served by rail in any one of the guises that we have outlined in the report. So, naturally, strategic buses need to form a part of that network.

[27] **Keith Davies:** Gofynnaf fy nghwestiwn yn y Gymraeg. Un o'r cwestiynau sydd gennyf yw am y busnes hyn o fynd o un cwm i gwm arall. Pa mor bwysig ydyw i fynd o Bontypŵl i Bontypridd? Nid wyf yn gweld bod pobl yn trafaelio fel hynny, oherwydd i lawr y cymoedd y mae pobl yn mynd. Felly, pam ydych yn sôn am symud o un cwm i'r llall? A yw hynny'n bwysig?

Keith Davies: I will ask my question in Welsh. One of the questions that I have is about this business of going from one valley to another. How important is it to go from Pontypool to Pontypridd? I do not see that people travel in that way, because people travel down the valley. So, why are you talking about going from one valley to another? Is that important?

[28] **Mr Brown:** I will start off on that one. It is terribly important. As part of the city region, while we recognise, economically, Cardiff's importance, in terms of transport, what we have been advocating is that the different centres within the city region should be able to be connected and operate independently of Cardiff. So, from a travel point of view, having to come into Cardiff to go back out to another destination might make the difference between somebody deciding to take a job or not, because of the cost and the time associated with travel. Clearly, there are geographical boundaries that we cannot overcome, but one of the really important spatial components in our thinking was looking at the importance of being able to connect to the mid Valleys either through rail, or through a combination of rail and

rapid bus transit, so that they can provide the opportunity for people to move between places. We were very much looking at opportunities and scenarios such as someone in Pontypridd who wants to take a job in the enterprise zone in Ebbw Vale and them being able to use the metro system that we have been advocating in order to be able to make those inter-valley connections, without having to come down south into the very urbanised part of the region. So, in summary, being able to connect all of the Valleys is not going to be achievable because of the geography, but, where we are able to make those connections, we feel that it is very important to do so as part of the functioning of the city region.

[29] **Mr Davies:** There are some very important educational centres, health centres and commercial centres that are not in the centre of Cardiff. The ability of people from one valley to be able to connect to another valley to get to those employment areas is vital. It is about connection; it is not just about transportation. It is a two-way system: it is the flow into Cardiff, but it is also for somebody in Cardiff who wants to work, say, at the Heath hospital to be able to get them to a station that is nearby or to the educational facility at Treforest, to the University of South Wales and the new college that has been built there. So, it is about all of the connections across the south-east Wales region.

[30] **Nick Ramsay:** Mick Antoniwi is going to give the completely opposite view now and say that everyone wants to go to Pontypridd. [*Laughter.*]

[31] **Mick Antoniwi:** The M4 relief road issue that has arisen, which is under consultation at the moment, is being considered and consulted upon in the absence of the implications of the metro and the inter-connectivity that that presents. Do you think that that causes a problem in terms of being able to evaluate the whole issue of transport around that area?

[32] **Mr Davies:** There are several schemes within the Wales infrastructure investment programme that have commenced already while our study and our part was going on. I think that it is important for the M4 study that recognition is taken of the metro concept, and, if there is something can be provided within the M4 corridor, be it junctions, be it park-and-ride systems, be it connectivity, I think that would be very useful. I should mention that it is too late to stop that and review it and do a metro test on it, as you would a WelTAG assessment, but, certainly, taking due recognition and cognisance of the metro report in anything that happens on the M4 would be of benefit.

[33] **Mick Antoniwi:** The Institute of Chartered Engineers some time back gave evidence—certainly, it started off doing so, anyway—that, in any consideration of transport issues, whether it be motorways et cetera, you have to take a global view of all the factors. So, anything that is happening with regard to integrated transport and connectivity is a vital consideration in any other. Would that be your view?

[34] **Mr Davies:** Yes, indeed. I am not sure at what stage the consultation and the development of the M4 is—I cannot go into that in any detail, because I am not aware of it—but there would have to be a WelTAG assessment undertaken as part of the M4 development that looks at the economic benefits, social benefits and environmental benefits, et cetera. Hopefully, the assessment that is undertaken at that time will take into account the concept of the metro in terms of what can be added, produced or amended in order to fit in with the whole south Wales regeneration agenda.

[35] **Mr Brown:** One of the important elements of the M4 that was quite prominent in our thinking was the level of congestion around Coryton and Taffs Well, and highlighting that as one of the most congested parts of the region that may or may not be affected by the proposals further east. The methodology and some of the conclusions in the report are very much trying to overcome that as a key bottleneck, not only to the growth of Cardiff, but also the connection between Cardiff and its Valley catchment. So, that was quite a prominent

theme in our work, which has come through in the report.

[36] **Mick Antoniwi:** That would equally apply to the Brynglas tunnel congestion, which is the bit I was really talking about, would it not?

[37] **Mr Brown:** Yes.

[38] **Nick Ramsay:** I suppose that, if you get rid of that bottleneck at the Brynglas tunnel, you speed up traffic to the other bottlenecks further on, do you not? That is the nature of roads. There is also the missing junction 31. Okay, let us move things on. Alun Ffred Jones is next.

[39] Alun Ffred Jones: Mae'n amlwg bod y syniad hwn o ddatblygu y metro yn cydfynd â'r polisi o greu dinas ranbarth. A ydych yn credu y gellir datblygu y metro ar wahân i'r syniad o ddinas ranbarth, neu a yw'r ddau beth yn cydgyssylltu?	Alun Ffred Jones: It is apparent that this idea of developing the metro goes hand in hand with the policy of creating a city region. Do you believe that it is possible to develop the metro separately to the city region concept, or are both interlinked?
--	--

[40] **Mr Brown:** I think that the two things have become interlinked because of timing. However, had the debate about the city region happened at a different time, or had it not happened at all, I think that we would still be here with metro, because of the needs of the city, the needs of the region, the needs of south-east Wales, what is happening in other cities and what is happening to cities globally, where a lot of the economic growth is being focused on the city. In terms of it going hand in hand, the two make a very good fit, because significant spatial ramifications arise from the metro that fit some of the objectives of the city region. However, I think that the metro is a project and an initiative that is capable of standing on its own, but it also forms an important part of the city region.

10:15

[41] Alun Ffred Jones: Os felly, a ydych yn credu y dylid creu awdurdod i gyflenwi'r metro? Sut byddai'n ffitio mewn gyda'r strwythurau trafnidiaeth rhanbarthol presennol? A ddylai gymryd lle y rheini neu beidio?	Alun Ffred Jones: In that case, do you believe that an authority should be created to implement the metro? How would that fit in with the current regional transport strategies? Should it replace those or not?
--	--

[42] **Mr Brown:** One of the recommendations we made in the report is that there needs to be a distinction between strategy and delivery. We have looked at, as I said earlier, other structures in other cities. How those structures are applied in the embryonic city region is a conclusion that we have not made very clearly, because the city region was almost a different agenda, which this was connected to, and I think that, really, what we are looking at is very much a delivery authority, a delivery structure and a strategic structure. How those play into the city region is not something that we, as the authors of the report, were really focusing on.

[43] **Mr Davies:** There are other examples out there of the governance matrix for schemes such as this, but I think we have alluded to those in the report—that is about the design, delivery and development of it. I think the next stage of the metro concept should pick up on the governance and how it all fits in with the strategy and the delivery to provide a framework that is suitable for south-east Wales. Rather than pick one that has been done before, it should make sure that the delivery and governance model suits what we want in south Wales.

[44] Alun Ffred Jones: A ydych yn credu y gallai'r syniad rydych wedi'i ddatblygu	Alun Ffred Jones: Do you believe that the concept you have developed with the metro
---	---

gyda'r metro hwn gael ei ddatblygu mewn rhannau eraill yng Nghymru, fel Abertawe neu ogledd-ddwyrain Cymru? could be developed in other parts of Wales, such as Swansea or north-east Wales?

[45] **Mr Davies:** The answer to that would be, 'yes'. The concept of connectivity, regeneration, transformation and it not just being a transport project, could be applied in various forms to Swansea or north Wales. Wherever we have the need to provide such a system to transform and regenerate an area then the concept could be applied. It would probably look totally different from what we have produced here, because we have a compact area here. However, I cannot see a problem with that.

[46] **Nick Ramsay:** In terms of the metro proposal and the priority interventions, you have spoken about the M4 north of Cardiff. What modes of transport were considered and how were they evaluated? Why were the modes proposed selected?

[47] **Mr Davies:** The modal study looked at the connection primarily by rail. We looked at all the different rolling stock currently on the system, given the legacy that we have in terms of heavy rail—large diesel units with lots of freight lines and the historical delivery of that. We looked at the frequencies we could achieve on the existing system using existing stock and we looked at new stock such as light rail, tram-trains and other forms of transport, and looked at how applicable that was to certain areas. For example, the link down to Cardiff bay does not suit the heavy rail system we have at the moment, and it could be more of a light rail, tram-train type of system. If it were a tram-train system, that would give us the opportunity to look at extending it to other areas of Cardiff.

[48] **Nick Ramsay:** That is a completely over the top rail link is it not, the one between Queen Street and Cardiff bay?

[49] **Mr Davies:** Yes, and, of course, it is to Queen Street and not Cardiff Central. We looked at all those sorts of things and how we can connect those things together, and at the frequency and quality of the service as well. Once you start introducing one type of system—light rail or tram-train—onto the main system, you then have to look at the scale of it, because having just one tram-train running around is not economically feasible. You need to agglomerate these up and get more of them on more lines. So, we came up with a concept for three types of system that were best suited to the rapid transit that you have on the south Wales main line, which is a rapid system with few stops, down to the tram-train, which has lots of stops in an urban area.

[50] **Nick Ramsay:** Will Powell, did you have a supplementary question?

[51] **William Powell:** It is around issues of cost. Good morning, both. I wonder whether you could share with the committee a little more detail as to the breakdown of cost of the estimated £2 billion that is involved with the entire project. Also, why, at this stage, have you not included issues such as the cost of rolling stock and operating subsidy?

[52] **Mr Davies:** In terms of that last point on rolling stock and operating subsidy, there is an element within the report that looks at the rolling stock that could become available from the Valleys lines electrification, where there is that—not hand-me-down stock, but pre-existing stock. The stock issue needs further investigation as part of the next stage of the metro report. If we are looking for a project that is going to run for the next 20 or 30 years, some of the existing stock that we could receive has probably got a life of 10 to 15 years only. So, the stock and how that fits in with the subsidies and everything else is the next stage. In terms of the costs that we have come up with at the moment, it is based on a qualitative and quantitative analysis. There is the old Government health warning at the bottom of it, which says, 'This is based on our existing knowledge'. We have been operating in the transport field

for quite some time, so we know costs. We have comparative costs for other schemes—Newcastle, Edinburgh and so on—as well as international schemes coming through. We have used those, schemes that have recently been built, station upgrades that Network Rail has provided and station upgrades that the Welsh Government has provided, and put all those together to come up with the conglomerate cost of £2 million until 2030.

[53] **Nick Ramsay:** Just before I bring in Mike Hedges—sorry, I am jumping around a bit here—I will go back to the previous question about the transition from heavy rail to light rail, which I think everyone sees the merit of. Do you see any practical problems in managing that transition—the intermediate stage, where you are going from one to the other—or do you think that it could be done quite smoothly?

[54] **Mr Davies:** I would like to think that it could be done quite smoothly, yes. However, practically, I think there needs to be further investigation into whether the systems run on the same lines or whether we go for segregation. Certainly, a tram-train would satisfy the heavy/light system. If we had a light rail system, that would not run on heavy rail. In the report, we have looked at segregating certain areas where the type of stock would suit that type of line and at whether it would be segregated or not.

[55] **Nick Ramsay:** With the Cardiff bay link, for instance, you would be using the same route. You are not talking about a tram on Lloyd George Avenue, are you? You are talking about a light rail system where the railway line is at the moment.

[56] **Mr Davies:** Yes, and extending that further north and south.

[57] **Mike Hedges:** The report identifies, like most reports that I have read on transport, the need to integrate local bus services and the requirement for high service frequencies. How can this be achieved without some form of regulation of the bus market? That is, what is to stop the bus company having the equivalent of a ransom strip—a ransom route?

[58] **Mr Davies:** Good question. I am not sure that I am fully qualified to answer it, I am afraid, in terms of the bus regulation. It is not something that I have an intimate knowledge of. I think that any bus service regulations need to be brought in as part of the overall concept to see how we can provide a rapid, frequently connected service that can get people to the main node points from far and wide.

[59] **Mike Hedges:** How can the rail franchise specification and the resulting franchise be used to support the implementation of the metro?

[60] **Mr Davies:** Again, the franchises are up for renewal in a certain period. We have had input, as you will see in the report, from Arriva Trains Wales, so we have some insight from one of the franchisees regarding how the metro system could benefit them in terms of their investment in going forward. Any investment or capital that we can release as part of the metro system will reduce the subsidies that would then be paid to the franchisees coming through. It is about looking at not just transport but what else we can provide as part of the metro system, such as what can happen at the stations and regeneration around those and densities, with high density at the station areas, moving out to lower densities further away. For example, the development of the stations themselves, making them more like central points—not just a transport node but commercial operations and residential operations with hotel facilities et cetera—will all help, hopefully, to make the operation of those systems more attractive to the franchisees .

[61] **Nick Ramsay:** What do you think of the M4 consultation's suggestion that any improvements to the public transport system would have only a minimal impact on M4 congestion? Do you agree with that?

[62] **Mr Davies:** No, I do not agree with that. Anything that we can do that will relieve congestion on the M4 through a modal shift of individuals to use a higher frequency, cleaner service to get to their destinations is going to have a beneficial effect on the M4 and the network as a whole. As part of the report, we have looked at strategic park-and-ride sites to relieve the existing congestion points. The difficulty with major transport schemes is the reservoir effect: we can relieve the congestion but it will eventually come back. What we are trying to do is to put something in place with the metro concept that provides a long-lasting, sustainable offering in terms of connectivity and transport.

[63] **Mr Brown:** To add to that, some of the research that we did looked globally at where cities were going and the kind of thing that they were investing in. We thought that it was very interesting that of the 10 most liveable cities in the world, ranked by 'The Economist' Intelligence Unit, eight of them have high-frequency and high-quality public transport systems and the other two are working on such a system. Therefore, where you have 1.5 million people living in very close proximity—which represents 'a city' in my opinion at least—embedding public transport into that city is a very important part of making it a successful community of people.

[64] **Julie James:** In terms of that equation that we are talking about, I have read several of those reports as well, and there was a good conference in Cardiff on sustainable cities very recently, which emphasised a lot of that. However, when we were all arguing about the electrification of the railway down to Swansea, which is the area that I represent, we had a circular argument going on about the fact that we could not justify it because not many people currently use the rail system. We were trying to make the exact argument that you are making, which is that more people would use it if it was worth using. How do you make that argument for a transport system that is not currently being used because it is too difficult?

[65] **Mr Brown:** Some of the research that we undertook was about the effectiveness of the modal shift. Even though we have already covered buses, the bus operations were not in our study because the depth that we would have had to go into would have meant that we would have lost some of the strategic focus.

10:30

[66] The modal shift from private car use to buses is actually fairly small, because bus services can be switched on and off and they can change. There is a perception of, 'I don't know how rapid or how direct the service is', whereas, by using light rail and mixtures of different rail, there is an awful lot of clarity and certainty, which provides to individuals lifestyle and employment choices. It also has a big impact on businesses, because it gives them the certainty that their employees can reach them very easily. So, the modal shift from private car to a high-frequency, high-quality rail-based network will be very important.

[67] **Julie James:** To follow that up, what you are saying is that if you build it, people will come. That is the argument that we were told we could not have for the electrification.

[68] **Mr Brown:** The patronage is already there. I think that the level of patronage on the new Ebbw Vale line is extremely revealing about the way that people change their travel habits, according to a new railway. Some of the academic studies that are happening about people's attitudes to work as a consequence of that investment, are huge. That gives us the certainty that it is not a hopeful, 'Build it and they will come', but it is proven that, across the rail industry, passenger figures are going up. That is happening not just here, but it is happening in the whole of western Europe and, actually, there is a delay in people buying a private car and there is an increasing preference for sustainable modes of transport. For the region to be competitive, it needs to provide that backbone of sustainable transport.

[69] **Nick Ramsay:** Rail is sexier than buses, is it not? You were talking about the effect of putting in a new railway or an enhanced rail service. You can put in all of the bus services that you want in the world, yet people do not sit up and take notice in the same way as they do when a new railway station opens.

[70] **Mr Brown:** It does not have the same shift.

[71] **Nick Ramsay:** No. Why is that?

[72] **Mr Brown:** I think it is because bus services can be here today and gone tomorrow. The rail service infrastructure gives individuals and investors the certainty that it is going to be there.

[73] **Nick Ramsay:** Great.

[74] **Mick Antoniw:** There is also the certainty that you will not be stuck in a traffic jam in the same way.

[75] **Nick Ramsay:** Well said, Mick. Keith Davies is next.

[76] **Keith Davies:** Fe wnaif i ofyn fy nghwestiynau yn y Gymraeg. Yr hyn rydym wedi ei drafod hyd yn awr yw symud pobl o gwmpas. Rydych chi newydd ddweud os ydych chi'n adeiladu ar y system drenau sydd gennym, bydd mwy o bobl yn eu defnyddio nhw. Beth am adfywio ac effeithiau economaidd? Mae sôn am hynny yn eich adroddiad, felly, mae cwpl o gwestiynau ynghylch hynny. Faint o fuddsoddiad sydd eisiau o'r sector preifat, ac a fydd hynny'n dod? Yn eich profiad chi o'r hyn sydd wedi digwydd ym Manceinion ac yn y blaen, a yw hynny wedi digwydd? Hefyd, pa mor ddibynadwy yw'ch ffigurau chi? Rydych chi'n adeiladu ar brofiad dinasoedd eraill. A ydynt wedi cael mwy o waith yn yr ardaloedd hynny? Rwy'n symud ymlaen yn awr, o symud pobl i greu swyddi.

Keith Davies: I will ask my questions in Welsh. What we have discussed so far is moving people around. You have just said that if you build on the system that we have in terms of trains, more people will use them. However, what about regeneration and economic impacts? You refer to that in your report, so there are a few questions in that context. How much investment is needed from the private sector and is that going to come? In your experience of what has happened in Manchester and so on, has that happened? Also, how reliable are your figures? You build on the experience of other cities. Have they seen more employment in those areas? I am moving on now from moving people around to creating jobs.

[77] **Mr Brown:** If I could answer part of that question, particularly on regeneration. There are three components to regeneration. The impact of the potential metro on that is around property values and developer perception, places and place quality, education, skills and access to employment, which relates back to your point about moving people around. It has been very interesting that, during the process that we were undertaking on this report, one of the main house builders described a snowline across the Valleys, above which it would not be prepared to develop. I thought that that was very interesting at a point in time when we were thinking that, because of a higher quality public transport system, we can effectively begin to intervene in the travel-to-work area of south-east Wales. By intervening in that travel-to-work area you give people more opportunities to move around in different ways than they have had before, which begins to have an impact on developed perceptions. We have been looking at this. As soon as that statement came out, our view was that we could start doing something to shift that snowline, as they described it, even further north, because it improves people's choices and their access to work.

[78] The other element is around places. If you have a more active developed industry, and if values on sites are such that certain kinds of development become viable and which are currently not viable, it means that the private sector is encouraged to intervene in the physical fabric of places in a way that it may not be at the moment, or certainly it has a very clear perception about where it will or will not be able to get a return.

[79] I suppose that the final point on regeneration is about education, skills and access to employment. One of the ingredients that we put into the report was around the skills agenda and individuals making different choices about their ability to access employment while they are still in education, rather than once they are in the labour pool. So, it is that issue of thinking, 'Actually, I am going to apply myself through my schooling years because I am seeing people all around me that are accessing jobs here there and everywhere, rather than just accessing jobs in their nearby locality'. So, the metro, as we have been describing it, is a way of expanding the horizons of communities in terms of employment and giving people the ability to move around.

[80] In terms of their experience from other places, looking at some of the developments in fairly unsexy parts of north Manchester, where the development industry may have been a little bit reticent, and by plugging some of those sites into the metro link service that they have up there, it means that you are naturally pumping people; you are getting all of that footfall through an area. As soon as you achieve those kinds of numbers of people, developments become more viable and interesting, and you are able to hook in the private sector to get it to do its fair share of the heavy lifting.

[81] **Mr Davies:** To pick up on the reliability of the figures, James has already mentioned the sorts of developments that have happened in Manchester. An example of that is the BBC moving to Salford Quays and the integrated transport systems there. However, more locally we have input in the report from Centrica, where it states that it is very important that it has the access for lots of people to come to work for the company. That is a big bonus for employers—that they know that they have a guaranteed workforce that can access their premises. I am sure that the decision by Admiral to put the new headquarters in Newport right opposite the station was also an important factor in terms of the reliability of the figures.

[82] **Nick Ramsay:** Mike Hedges has a supplementary question.

[83] **Mike Hedges:** We have examples. When the Bedford to St Pancras line was speeded up, land values increased dramatically around Bedford. I could go through a whole range of them in the south of England. What actually happens when you build these nodes, you actually increase land values in that area because people have the ability to travel easily. So, it causes that level of regeneration, but it also creates windfall profits to individuals. Have you taken that into account?

[84] **Mr Davies:** We have not taken account of the individual profits that the companies could make, but, obviously, that may be a possible source of funding to look at opportunities there, where you can try to leverage out some of the increasing value of the land around those sorts of areas. You are quite right; there are examples of it, particularly St Pancras and other areas of London, where they are looking to regenerate areas specifically close to existing stations or proposed new stations, which gives the increase in land value, which then attracts more commercial and employment uses.

[85] **Mike Hedges:** The point that I was making was that the increase in land value was in Bedford when the Bedford line came in.

[86] **Mr Brown:** I think that it is a matter of who is able to benefit from that increase in

land value. There will be scenarios where the private sector actually owns the land that is immediately adjacent to a proposed railway or metro station, but there are opportunities there for society in general, because then it means that we are able to get more section 106 or community infrastructure levies through the system. The other opportunity is where the public sector either already owns land or can directly intervene and take on opportunities to get land assembly around important metro locations. Again, from our international research, it is very interesting to see that at the moment, in Copenhagen, there is a new line to the high-frequency public transport system, and a lot of the land around it is Government owned and is being sold off in plots. As those plots get developed and as more people live there, you can imagine what is happening to the land values.

[87] **Mike Hedges:** *[Inaudible.]*

[88] **Nick Ramsay:** You said that the metro will support economic development and regeneration; however, I think that you have also said that the economic benefits are difficult to quantify using traditional appraisal techniques. Do you think that that causes problems? Do we need new appraisal techniques? To what extent can we quantify the economic benefits?

[89] **Mr Brown:** One of the ways that we have quantified them to date is to do a high-level sift on available development sites—so, those development sites that are already out there that are deliverable. As we know, there are a huge amount of development sites around the region that are not necessarily deliverable, for a number of reasons. We look at the combined scale of the largest sites that are within the catchment of the potential metro lines, and when we are able to put all those together at that high level, we can start to get a picture of the quantum of new development that could come through as a direct consequence of the metro. What that does is put a property dimension onto the figures that, in a more pure transport-planning way of doing it would not necessarily be there. So, that idea of having a much broader model of cost and value that takes into account not only the transportation and movement of people, but also the shift in perception and in values, would get a more combined, fit-for-purpose way of measuring these things.

[90] **Nick Ramsay:** Is there a danger that the schemes proposed could fail with current transport appraisals? That is, fail to deliver the benefits.

[91] **Mr Brown:** The evidence for that is all around us. There are sites in LDPs and UDPs and they have just sat there. They are strategic sites. They may have been cleaned up previously, with access put in, so they are ready, they are marketed, they have planning consent, and yet they have just sat there through the biggest economic property boom that we have ever experienced. Those sites are still there. What this is really about is changing the status quo. Not all of the sites, I hasten to add, would come forward under this. This is not going to be the cure for all ills, but certainly with some of those sites that we have been able to identify the perception has changed, and the idea of what is possible on those sites has changed where we have overlaid the metro as a way of looking at these sites and their viability.

[92] **Nick Ramsay:** There is a different way of looking at things all round. You mentioned WelTAG earlier, did you not? That is quite a blunt tool in terms of whether a road gets the go-ahead or not, and it does not always take everything into account, from my experience of Standing Order 25 Committee in the past, which looked at WelTAG. It strikes me that what you are trying to do here is quite innovative and the appraisal methods might not be suited to it.

[93] **Mick Antoniw,** did you have a very quick supplementary question?

[94] **Mick Antoniw:** Yes, I have a very short point on that.

[95] **Nick Ramsay:** Please be very brief, because we are in the last six minutes.

[96] **Mick Antoniwi:** Within the report, there is reference to opening existing lines that are still there, and the construction of new lines. How important is that as part of establishing comprehensive connectivity—I am talking about railways lines now.

10:45

[97] **Mr Davies:** It is quite important if it can be achieved. What we have tried to do is to have an overall concept, and we are trying to capture as much as we possibly can. Obviously, if there is a missing link that is an extension to a line, it is a very nice thing to have a comprehensive approach to this. There are certain key links within the report and, if they did not happen, then the overall concept would not satisfy what it set out to do. However, there are bits that could fall away at the edges and it would be part of the further study to ask how critical these elements are in terms of developing all of it, asking whether we need to put the extension through or whether there are better benefits if we go for another part of the system that can be delivered more easily et cetera. It is a balancing exercise that has to be followed through on the next part, really.

[98] **Mr Brown:** One of the surprising conclusions for me, personally, was the importance of a new line to north-west Cardiff. If Cardiff is going to grow and that growth is going to be sustainable, then enabling those new communities to be able to move around the city without using their cars is going to be absolutely critical, because there will be a lot of people. So, that new line will be very important. One of the surprising conclusions for me was the level of disconnection of some quite deprived communities to the east of Cardiff and the west of Newport. It was quite a surprise to see the journey times from those locations—45 minutes by public transport into the city centre, which is the same time that it would take if you lived in Merthyr. So, using the electrified relief line between Cardiff and Newport to open new stations and to connect those communities to one another but also to other areas of employment and opportunity is very important. For me, that will be one of the big outcomes.

[99] **Nick Ramsay:** We will have to move on because we are very short of time. Rhun, do you have a question?

[100] **Rhun ap Iorwerth:** I can ask it at the end, if we have time.

[101] **Nick Ramsay:** Okay, great. Julie James?

[102] **Julie James:** Your last point takes us very nicely into what I wanted to talk to you about. What do you think the policy problems are at the moment, if there are any? What should the Government be putting into the raft of legislation that it is proposing for us? We have a planning Bill, an environment Bill, a heritage Bill and a future generations Bill on the table; what do you think they should contain in order to make this happen, in policy terms?

[103] **Mr Davies:** Gosh. [*Laughter.*] You are asking an engineer a policy question. It is very difficult for me to answer that. In terms of what we looked at for the governance of the metro, that would be the main driver of what should be included, looking at all of the policies that we have, to see what influence the scheme can have on those to ensure that there are benefits.

[104] **Julie James:** To follow that through, with regard to what you talked about—and I am not too sure which one of you was doing it, because you were doing a bit of a double act—in terms of the development of land nodes as you bring a metro system in, are you happy that the current policy framework would facilitate that, or do you think that there are changes to

planning land use policies or evaluation methods, or some of the technical advice notes that the Government currently has in place, to facilitate that, or are you happy that they would all be splendid as they are?

[105] **Mr Brown:** Part of the next stage of proof of concept is to test all of the various policy arenas. It is very significant that the Active Travel (Wales) Act 2013 is now in place, which provides a good policy background. However, in terms of planning policy, that would need to be looked at as part of the next phase of work.

[106] **Rhun ap Iorwerth:** I am guessing that finance will be at least a part of your answer to this question, but could we have a quick word from the two of you about what you think are the potential pitfalls, the big banana skins, ahead of us that could potentially scupper the delivery of the kind of effective metro system that you envisage?

[107] **Mr Brown:** Honestly, we need to be prepared to do things differently. If we try to apply the way in which we have always done things to create something that is different, that is a potential banana skin, and we need to try to evolve our current ways of delivering projects such as this.

[108] **Rhun ap Iorwerth:** Where is that creativity needed?

[109] **Mr Brown:** At the policy level, the delivery level and at the strategy level. This is quite innovative and new, and we need to look at the delivery systems that we have to make sure that they are fit for purpose.

[110] **Rhun ap Iorwerth:** Mr Davies?

[111] **Mr Davies:** Yes, certainly. I would totally agree with that and say that this is a new concept, which deserves to have different procedures put in place in order to make it happen. Hitting the nut with the same old hammer is not going to work; we need to do something differently and look at things for a change.

[112] **Rhun ap Iorwerth:** What about money? Are you confident that this is deliverable and—

[113] **Mr Davies:** Yes, obviously, there is going to be further interrogation to get down into the detail of this. This is just a strategic overview that we have, using the best information available at the time, but it is not beyond belief that the figures that we are talking about, over a 15 to 20-year period—£100 million a year or £50 million a year is not a significant investment if you take it year by year in terms of transport schemes, for example. However, the benefit is that it is not just a transport scheme; it is regeneration, it is employment and it is education—there is a lot more to it, really.

[114] **Nick Ramsay:** There are certainly more maps involved in this project than in anything else that I have seen.

[115] **Mr Davies:** The maps were the highlight. Once it was all put down in front of you and you could see it on the large-scale maps, it became very apparent where the disconnections were and where the problems were.

[116] **Nick Ramsay:** It might be useful to see those at some point. May I thank Alan Davies and James Brown for being with us today? That has been really helpful. We will be producing a transcript of today's evidence within the next few days, and we will provide you with a copy of that so that you can correct anything that you might think is amiss there. However, that has been really useful and, again, thanks for coming in at such short notice. It

has been very helpful to put some meat on the bones of this significant document for economic development and transport within south-east Wales.

[117] We have eight minutes until our next witness, the Minister, is with us, so we will take a break until then.

*Gohiriwyd y cyfarfod rhwng 10:52 ac 11:01.
The meeting adjourned between 10:52 and 11:01.*

Metro ar gyfer Dinas-ranbarth Prifddinas Cymru Metro for Wales's Capital City Region

[118] **Nick Ramsay:** I welcome the committee back. I welcome our witnesses. Thank you for being with us today, which is very helpful. Would you like to give your names and titles for the Record of Proceedings?

[119] **The Minister for Economy, Science and Transport (Edwina Hart):** Edwina Hart, Minister for transport.

[120] **Mr Barry:** Mark Barry, special adviser on metro.

[121] **Mr Price:** James Price, director of the economy, science and transport department.

[122] **Nick Ramsay:** We have a number of questions for you on the metro project. The first of those questions is from Rhun ap Iorwerth.

[123] **Rhun ap Iorwerth:** I think that we are going to ask a few questions about the TEN-T network and how we have arrived at where we are today. Just some brief questions to you, Minister, first of all. Were you aware that the original corridors map draft proposed by the European Commission included the north Wales route?

[124] **Edwina Hart:** If it would be helpful, I will outline for the committee our explicit understanding of the issues around the TEN-T network. I think that that is quite important in terms of what has happened with the UK Government and the Commission. That might also help with any follow-up questions. I am happy to go through it, and James has gone through the historic details of all the paperwork going back to 2010 and 2011.

[125] The new TEN-T framework differs from the current arrangement—as I think Members understand—which only had one layer. The new TEN-T framework is made up of the comprehensive network. This is a detailed network of roads, railways, airports and ports, and it was proposed by the member state subject to Commission thresholds for inclusion, and effectively mirrors the current TEN-T network. The core network is a subset of the comprehensive network representing the key strategic routes. It aims to bring together routes, roads and hubs of strategic importance for transport flows within the internal market, and between the EU and its neighbours. It was proposed by the European Commission itself. The TEN-T corridor has been identified as a tool to help the implementation and development of the core network, and is particularly relevant for routes that cross multiple member states on one land mass. That was also proposed by the Commission.

[126] I have received clear advice that the inclusion of the corridor does not affect our ability to bid for or secure funding. The Welsh Government has been actively engaged in discussions on the framework since 2010. In 2010, the Commission held a consultation on its review on TEN-T. The Minister at that time agreed a consultation response, which was sent by officials to the Department for Transport. The Minister for Local Government and

Communities wrote to UK Ministers twice in 2011 and once in 2012. I have written more recently seeking clarification of how the final corridor map was arrived at, and officials have been engaged in discussions with DFT, with the other devolved administrations.

[127] There are some concerns about the position of Holyhead port. We understand that a decision was taken in early 2011 that Holyhead port was not strategic, but there were issues around what you would have to do financially to make it stack up to be a European issue on Holyhead. That is still unclear, if I am correct, James. However, that does not preclude us, because Holyhead is very important to us in terms of the Irish links, in terms of the money that we have already put into developments in Holyhead and Ynys Môn, especially with energy island and all the other developments there.

[128] We will take forward the issues around Holyhead when we have clarification from the Commission on the obligations if it becomes that type of port. There will be obligations, but they are still unclear. James has written to the Commission on these issues. I have a meeting with a representative of the Irish Government to press the case for the Irish end of it. What is going on is extremely technical and we have not had clarity from the Commission, have we James?

[129] **Mr Price:** It is not completely clear yet.

[130] **Edwina Hart:** It is not. Never mind what the Commission might have told you last week, there is not absolute clarity on all of this.

[131] **Rhun ap Iorwerth:** However, we do, for example, know that Holyhead port is now classed as part of the comprehensive network, which is only—in all the comprehensive parts of the TEN-T network—eligible for 5% of the total funding.

[132] **Edwina Hart:** Yes, but we do not even know what we have to do to get the funding for Holyhead. That is still unclear.

[133] **Rhun ap Iorwerth:** We do know—however you get to that funding—that it would only be a very small portion of what it would have been had it been a part of the core network. Do you contest the European Commission's view that the removal of north Wales, and in particular Holyhead, from the original draft of the core network corridors will be disadvantageous? The Commission made it clear that it was. I agree that it does not preclude it from being able to bid for money, but I disagree perhaps on the ability to secure funding. What not being part of a corridor means is that you do not have access to the complete range of European help in order to draw down money.

[134] **Mr Price:** In trying to get into the detail of all of this, I have found that it gets more and more complicated as you get further down. On the road stuff, as the Minister outlined, that is quite clear and we are not in any way disadvantaged in terms of what we have.

[135] **Rhun ap Iorwerth:** I would disagree, and the European Commission seems to disagree.

[136] **Mr Price:** The corridor provides no access to funding at all; being on a comprehensive network or the core network does.

[137] **Rhun ap Iorwerth:** That is what I contest. The ability to bid for funding is absolutely right, but it is the ability to secure that funding that is important. The Commission made it clear that lack of access, through not being part of a corridor, to the whole range of European aid and data and so on would be disadvantageous. It said that.

[138] **Mr Price:** What it is telling us is that 85% of the funding is going on the core network. The core network in Wales has been roughly the same or enhanced. The comprehensive network is equivalent. It is the corridor that we are not on, but my understanding of the corridor is that it is all about co-ordinating road works across different land masses that connect with each other. If you drive across northern Europe, for example, you are going across member state to member state. Therefore, it is less relevant for the UK. However, in discussions with the Commission, and this is what I have written to confirm, it has said that simply because the UK has taken some parts of Wales off that map, it does not mean that we cannot get the benefits of being on that map.

[139] The port thing is a different issue, because the port could be above or below the tonnage threshold for being able to bid for funding. That is a potential issue. However, that occurred in 2011—not during the time that I was in post or the Minister had this portfolio. We are trying to get to the bottom of exactly why that was done, whether it was a conscious decision or not and whether it just happened and no-one saw it. If there is a situation that needs to be recovered, then that is what we intend to do. However, I am aware, having talked to officials who were involved at the time, that there was concern; if the port was in the category that could attract funding, it would have to bring itself up to standard, and that could have required more investment than the funding it could have brought. I cannot say whether that is true, because I have not been able to find any paperwork. However, we are seeking the detail on it now.

[140] **Rhun ap Iorwerth:** We will look forward to finding that out.

[141] **Mick Antoniw:** It is complicated. I read through the transcript of what was said and I am still not completely clear about what is being said. It seems to be saying that it will not affect funding because the purpose of the corridor is to fund the core, but there clearly are some issues. One thing that was said, which is very important, Minister—I would ask for your comments on this—was that an exchange between transport experts and stakeholders in Wales was important and that, for such an exchange, the Commission was ready to come to Wales and to receive us in Brussels and so on. The Commission said that it would be very happy to work with us to see which projects had the best chance of getting part of the EU co-funding. It seems to me that there is a tremendous opportunity there. Is this something that you have identified and that you intend to progress?

[142] **Edwina Hart:** Yes. That is why the director has identified it. He wrote to the head of the trans-European networks unit following the discussions at committee last week, trying to set out what we understood the position to be. We have always understood the position to be that inclusion on a corridor does not define access to funding and that the funding will be defined by the director of the core network. This has been the understanding of the position through successive Ministers. If any decision had been taken differently in 2011—or at any other time, for that matter—I would have expected us, as a Government, to be consulted for our views, and for those views to be carefully considered by the UK Government. We can find no evidence of any consultation with us in the paperwork that we have looked at since last week, when these issues started to get raised. I have an extremely competent official now dealing with these particular issues, and he has regular dialogue with the department. I do not have any doubts that we are now on top of this issue, but I cannot say what has happened historically and why we were not consulted on various things. The important thing from our point of view is that James has matters in hand with the Commission and we will certainly be doing that engagement. I have the benefit now of a north Wales taskforce on transport, which can also come to aid in terms of discussions. I am more than happy, when we straighten out these matters, to do a further report or a note to the committee, if would be helpful, to see where we are. We are going to search to see if there is any more paperwork and conduct a full inquiry across the piece.

[143] **Nick Ramsay:** Minister, you have said that this predates you as Minister and that you were not responsible for this. Who was the Minister at the time? Who was accountable at the time?

[144] **Edwina Hart:** There were several Ministers. I do not think that that is helpful, to be frank with you.

[145] **Nick Ramsay:** We just need to know who we are scrutinising.

[146] **Edwina Hart:** The previous Ministers are Ieuan Wyn Jones and Carl Sargeant, but they had the advice that I have been having. It is only because the Commission came here last week that there was any hint of this. I certainly do not think that it was anybody's intention in terms of Holyhead. This just happened because of the various issues around how much stuff goes out of Holyhead in terms of tonnage. You have to understand that we deal with different officials in DFT. It does not matter what Government is in power and it is not a slant towards any Government; we are constantly dealing with different officials all the way through on some of these issues. We find it on the rail stuff, for example. Once one official goes, somebody has to relearn something and the whole collective memory disappears.

[147] **Alun Ffred Jones:** I have two questions. The first is: when you say that there is no evidence of consultation, are you referring to the Department for Transport in London?

[148] **Edwina Hart:** Yes.

[149] **Alun Ffred Jones:** In more general terms, does it strike you as odd that, when we refer to a core network across Europe, the only link between Ireland and London, Brussels and Paris is the port of Liverpool?

[150] **Edwina Hart:** I know; I quite agree. It is odd.

[151] **Alun Ffred Jones:** Even from the Irish point of view, it would seem to be a very peculiar situation.

[152] **Edwina Hart:** Yes, it is. That is why we are going to deal with the issues. I have already indicated that I have a meeting in the diary with a representative of the Irish Government, the ambassador. This is one of the issues that I will be raising for pressure to be put on. In terms of Holyhead, it might not make the ceiling now, but hopefully, with all the good news announcements about energy island and shipping and the fact that this is developing, we have to really look forward in terms of the development in Holyhead. I can only say to Members that we are very sorry that this confusion has occurred, but in some ways it has been good that the Commission raised this last week, because it has allowed us to delve historically into some issues and to try to sort it out. Thank you for that, Chair.

[153] **Nick Ramsay:** Could I ask you about the content of your correspondence with the Secretary of State for Transport? Could you make that available to the committee?

[154] **Edwina Hart:** We will look at what correspondence is available. A lot of this has been done at official level, in phone calls and e-mails. We will have a look. If it would be helpful, in January, I will come back with a list of what has been done all the way through. Would that be helpful—a chronology?

[155] **Nick Ramsay:** Yes. Just to be clear, last week Commission officials extended that offer to the Welsh Government and your officials are liaising—

[156] **Edwina Hart:** Yes. That is in hand. It has already gone.

[157] 11:15

[158] **Nick Ramsay:** I presume that that is direct, rather than the Department for Transport—

[159] **Edwina Hart:** That will be absolutely direct. We have held discussions with Herald—I cannot pronounce his surname—who is the trans-European transport network head of unit. So, we are doing the direct discussions. I can assure you, Members, that we were just as interested in that contribution last week as you were.

[160] **Nick Ramsay:** The committee has that impression. Byron Davies has the next question.

[161] **Byron Davies:** Given that you commissioned and chaired a taskforce on integrated transport, why did you feel the need to commission the metro report?

[162] **Edwina Hart:** It was the South East Wales Transport Alliance that commissioned the work on the metro originally, and, obviously, SEWTA is a body that we utilise. I was very concerned that I should ensure that we looked at economic development potential far more closely in that, and some of the work that Mark has developed in particular has focused on how it stacks up in terms of a strategic vision on economic development for that. I just wanted to put some more flesh on it, really. I do not know whether Mark wants to comment about what he looked at. That might be helpful, because there is general support here for it.

[163] **Mr Barry:** The attitude that we took in starting this report was not to look at the transport problems first, which is perhaps typically what the transport bodies in the area have predominantly done, but to look at the development opportunities in terms of where people work, and where developers want to build and develop things. To do that, we have appraised the market honestly and provided expertise. That has been one of the key drivers for what we determined the priorities to be for the region. So, I think that we added something that did not really exist, in the level of detail that I think that was required, to provide a proper spatial overview of south-east Wales to inform what a metro could be.

[164] **Byron Davies:** Given that we have the report, do you intend to publish a response to the metro report?

[165] **Edwina Hart:** To the one from SEWTA?

[166] **Byron Davies:** Yes.

[167] **Edwina Hart:** No, I do not. I have just taken it in the round, as I have indicated to it, as being there for the collective good in terms of looking at what information that it has. After all, SEWTA has its funding directly via me, so I do not think that I will be responding to it.

[168] **Byron Davies:** I want to ask you about the bus industry. Why were no representatives of the bus industry included on the project team?

[169] **Edwina Hart:** In terms of the bus industry, when we move to the next stages—and Mark will deal with this—the buses will very much have to be integrated as part of this project. I have had discussions with Professor Stuart Cole, as you know, who loves buses and is an expert on them. He has certainly been incredibly helpful. There is also other expertise. However, we do think that it is very important that we look at the bus links and so on.

[170] **Mr Barry:** One of the things that we decided to do at the outset was to look at the

strategic regional corridors, and, predominantly, local bus services do not serve strategic regional corridors. There are some examples of private operators running from Pontypridd to Cardiff, for example, but we wanted to understand what the physical backbone of the metro network would be in terms of heavy rail, light rail, tram-train or bus rapid transit. It was always the intention that, once we established what that framework would look like, we would then have to work with local bus operators and to deliver the best level of integration, perhaps with different operational regimes and single ticketing. The benefits of investing in a regional transport network are maximised by ensuring that, ultimately, the local bus network fully integrates. So, it is absolutely part of the future of the metro, but the key thing is whether we can establish what the priorities are for the regional framework for the metro, which I think we, to a great extent, delivered in this report.

[171] **Byron Davies:** I am sorry to sound a bit vague, perhaps, but would that not be an integrated transport system, by having the buses involved?

[172] **Mr Barry:** It would. Ultimately, when this is delivered, it will not just be about the physicality of the infrastructure; it will be about the operational regime. So, when a customer in Penylan, Pontlottyn or Maesycwmmmer gets on the network, be it a local bus service, heavy rail, tram-train or tram, it will be the same network and the same ticket; you will feel as if you have just effectively joined a cloud network to get everywhere else in the region. So, some of the work is about the physicality of what goes where, and the priorities based upon economic development and demographics. Another aspect of the work that we will have to pick up is looking at how we integrate local bus services into that wider network.

[173] **Byron Davies:** How far off do you think we are from it in terms of timescale?

[174] **Edwina Hart:** In terms of the work?

[175] **Byron Davies:** Yes.

[176] **Mr Barry:** This was a 20-year plan. This is up to 2030. It is a vision, and I do not think that people would argue against the fact that we have never been properly informed by development opportunities, by looking at regeneration and looking at how the region could be. So, I was really keen that we set out a kind of vision for the future that we could try to get behind. Not everyone will agree with everything. I am happy with that, but now we have to work back. We are trying to work out what the key decision points are. There are things coming up over the next 12 months in terms of franchising, electrification and rolling stock. We will have to understand how that will work in relation to this and make sure that we input into that process quickly and effectively. We will obviously then look at the bus environment and how that integrates. So, over the next six months, it will be a matter of working out what we need to do, and in what order, to fully inform transport planning for south-east Wales, so that we do end up, in 2030, somewhere near the vision that we have set out in this report.

[177] **Edwina Hart:** There is a prioritisation of investments within the report that is going to have to be worked through in terms of the detailed implementation, and that will be quite important and significant in the next stage of taking the work forward, because it has to be deliverable and futureproofed in terms of what we are undertaking, and that is quite key. Do you want to say something further about bus services, James, given that you are a bus enthusiast?

[178] **Mr Price:** One of the first things that I want to see done, now that Mark has joined the team, is for there to be a look at each of the corridors in turn and a look at the costs, both the capital costs and the revenue costs, of running a service and also the income streams that could be brought in on a corridor-by-corridor basis, in terms of fee-paying riders and also things like the increased value of land associated with it—planning gain et cetera. We need to

do that with a mode-agnostic view, so it may be that bus rapid transit is a better solution, even for some of the longer stretches. That is what the process will do. It is not saying that it always has to be heavy rail or a tram-train; we will be completely even-handed and look for the best solution for each intervention. You then have to get the integration with the local bus network as well, and we are in discussions with a number of bus companies about that already.

[179] **Edwina Hart:** We have had the first phase of capital funds, as you know, of £62 million, and the delivery of the metro phase 1 project will be managed alongside the implementation group to ensure the synergy between the two sides. We are already looking at issues like rail infrastructure improvements, upgrades to the number of stations for the Valleys lines, bus priority corridors and walking and cycling schemes as the start to that. So, it is all being joined together at official level.

[180] **Byron Davies:** [*Inaudible.*—integrated ticketing, then?

[181] **Edwina Hart:** Yes, we very much hope that that will be the vehicle for bringing in integrated ticketing. We are also looking at the governance arrangements in the long term for this. We are having some work done by Professor Morgan currently, because I think that if there is a city region, I will have to look at what its governance structure is, whether it will take responsibility for the metro or whether I will need to look at alternative ways of dealing with it. Of course, once we start to get the financial things in and we look at the project and how much it is going to be, what type of partners are we going to look for? I think that there is a lot of interest out there, particularly in the private sector, in developing this type of project, where the other projects have been developed, and then we will just have a role in commissioning that work and setting down the contracts. We will then have only to look at how we fund it in terms of fare mechanisms and subsidy. So, there is a lot of work to be done within the next six months, and the committee might benefit from a further look next autumn at the proposals that are emerging, once you have done this first stage report into the metro.

[182] **Nick Ramsay:** Are you finished, Byron? I see that you are. Julie James?

[183] **Julie James:** I have a short supplementary question. We had some really interesting evidence in the committee from Powell Dobson Urbanists and Capita before you arrived, Minister, and they talked a little about modal shifts and the problem with buses, and a little about the governance that you started to talk about. Although they stopped short of saying that reregulation of the buses would be beneficial, they were clearly heading in that direction and talking about some sort of transport authority—they talked about global cities, integrated transport and so on, so you could look at London, for example, as a place where buses stayed regulated. Would we be looking, as a Government, to see whether that kind of change to the Transport Act would be necessary to integrate it? He said that people will not use buses if they think they will not be there next week. They will not plan their journey based on a service that may disappear next year. They might not buy a certain house. However, with rail, you can see that the tracks are there and that it is likely to still be there five years after you have bought your house. He seemed to think that that was quite a big consideration in whether people would shift to the new mode and that even if you had it there, if it was a bus, that might be a problem, because people would continue to believe that it was not permanent enough to make that shift.

[184] **Edwina Hart:** There is no doubt that the deregulation of buses has not been helpful for a lot of parts of the UK, and I think that we all recognise that. It will be very important that groups like that make their observations known as we go on to discuss the governance arrangements. I already have powers for some transport authority arrangements, which we have already had devolved to us, and joint transport authorities, which involve us and local government. Obviously, I will be holding fire on that until we see the outcome of Paul

Williams's report about how we might be taking things further, because we do not know what is going to emerge from that in terms of future developments and strategy, but I certainly accept the point that was made that it would be good for us to look at how we can deal with some of these issues, particularly in the future. The Government cannot be running something all the time—do we look for an arm's-length arrangement for ourselves with our private sector partners to undertake this type of work? This will very much be open for discussion, all around the Assembly and within Government during the next 12 months. So, I think that we need to have a very open agenda, because we are talking about an awful lot of public money going in if this is to run. We have to have absolute clarity about how it is going to be successfully run and operated, and who is going to be doing what.

[185] **Nick Ramsay:** Just for clarification, Minister, going back to your comments about not responding to the report, do you mean the Cardiff capital regional metro impact study? There are recommendations in there—

[186] **Edwina Hart:** Those are all being picked up in the implementation group, and I would be very happy to report back on them to committee when we take that work forward.

[187] **Nick Ramsay:** I just wanted to clarify that. The next question is from Mike Hedges.

[188] **Mike Hedges:** May I carry on with bus regulation, which I actually strongly believe in? Does the Minister believe that, if we do not have regulation, there is a problem in having ransom routes in existence out there, that is, they are needed to complete the services, but bus companies will say, 'We'll only do this at high cost'.

[189] **Edwina Hart:** James, you are dealing directly with the bus operators, so you might want to take that one.

[190] **Mr Price:** We are looking at all of that now, and there are arguments for regulation as it once was, and there are arguments for hybrid regulation. There are examples in England where you have got pseudo regulation like the London area, which you talked about, but also areas like the south-west, where they have gone into commercial arrangements with operators, which appears to be delivering the same benefits as regulation. It is true that certain services are costing an awful lot of money, yes. What we need to do going forward is to make sure that we get a competitive price for anything that Government is paying for. I think that the Minister will be making announcements in January about how we intend to take that forward in a slightly different way than we have done in the past.

[191] **Edwina Hart:** We have been very impressed by the south-west and what it has done in terms of people running buses for education purposes, and that is all they are ever run for—for children to go to school and come home from school. We all know the issues around social services provision in Wales; buses run to take people to the day centre, and buses run to take them home, but what happens in the middle of the day? They seem to have run that successfully in the south-west and we are looking at that model, and at being able to bring all that together for use in services. One of the strongest issues coming out in the discussions that we are having about bus services is the fact that they are run when people do not need them in some areas, which seems to be the biggest problem. Some people actually only want them in the morning to go to work, perhaps a slightly different bus to go out shopping, and then something early evening to come home, or late afternoon. They actually do not need them at other times, so we are running services, and paying for services, through a whole period when they are not required, particularly in rural communities. So, we are trying to tackle this issue, and we are having discussions over the next few weeks. I hope very much to bring to the attention of Plenary in January, in the first slot that I have available, how I intend to take forward the issues around buses in future. I am very aware that buses are a major issue around this table and within the Assembly and outside with the public, and we need to encourage

more use of buses anyway. It is very important that we have people who pay the full rates on these buses to keep services going.

[192] **Mike Hedges:** The regulator regime is different in London, is it not, to the rest of Britain?

[193] **Edwina Hart:** Yes.

[194] **Mike Hedges:** Does the Minister agree with the priority intervention identified in the metro report?

[195] **Edwina Hart:** Yes, I do.

[196] **Mike Hedges:** Will the metro report influence the preparation of the next Wales and borders franchise?

[197] **Edwina Hart:** It will certainly have a role and function in those discussions. The Wales and borders franchise is a very difficult area for it, with an agreement that we entered into that is not one that I would necessarily have entered into.

[198] **Mick Antoniw:** I would like to ask about the metro and interconnection with the consultation over the M4. I appreciate that there may be areas that you cannot go into. The starting point is that, in earlier engagements, a series of potential plans to deal with the congestion issues at Brynglas were come up with, and, in the current consultation, the draft plan for the M4 corridor—I am looking at section 5 of it now—proposes a new section of three-lane motorway et cetera, and then suggests that there are two reasonable alternatives: a dual-lane, all-purpose road, or red route, and then a purple route. In earlier engagement, there was quite a lot of attention given to a further option, one that I think Professor Cole was particularly in favour of, involving the steelworks route. That is no longer part of the consultation. I was just wondering why that is. Why has that disappeared completely?

[199] **Edwina Hart:** I will begin with an apology: I cannot say anything about the M4 consultation. I have two lawyers on my shoulders as opposed to one today. I regret that I cannot go into detail in public, but I do not want to prejudice anything that I might have to say following the consultation. My apologies.

11:30

[200] **Mick Antoniw:** Okay, Minister. In respect of that, I will pursue this on a further occasion when there is a better opportunity to do so.

[201] **Keith Davies:** Minister, in the report, wider economic benefits are difficult to quantify using transport appraisal techniques, so how can we ensure that the economic benefits that are in the report really do come to fruition, and what is the Government doing about it?

[202] **Mr Barry:** It is a tough one. I am not an expert transport economist, so we took advice and we used experts on this. We did a very high-level strategic overview of the art of the possible. It did not involve the level of detail into which HS2 is going, and perhaps it has made a rod for its own back, in some respects. We looked at the strategic sites—I believe that six were identified—and we assessed what would be the contingent impact of the metro. In some cases, it is very small, maybe 10%. It looked at the jobs capacity of those sites and how many of those jobs you could say would be enabled or enhanced by metro connectivity. We then drew some standard metrics in terms of the value of jobs, the number of jobs, and the apportionment of the metro impact.

[203] We kept it on the low side. That was an intuitive feel. There were sites that people might argue should have been included, such as the St Mellons Business Park, that were not included. I wanted to be in a situation where people were asking whether it is big enough, whether it is right, and whether there is more that we can get out, rather than people saying, 'We don't believe that, that is not true, and you will never deliver that'. So, I believe that I have been cautious. It was a very high-level strategic assessment and, if we do have the resource and we need to do that, I would like to go into more detail in future on that.

[204] **Edwina Hart:** The city region will be focusing on economic development in terms of the board. When it discusses the metro, it will be looking at the reality of what land will be opened up by the metro, at how that will be taken forward to development and at the knock-on effect, whether in relation to housing or bringing shops or other things into the local economy. So, there is a lot more work to be done and it has underestimated the benefits that it will bring to south-east Wales.

[205] **Keith Davies:** What about investment from the private sector? What discussions have been held?

[206] **Edwina Hart:** With regard to the private sector, we have had interest expressed at quite a high level by a couple of companies that are interested in developing the project with us. Once we have the implementation plan in hand and once we know the full cost and what the business looks like, we can then go and have those particular discussions. We have had interest both domestically and internationally.

[207] **Keith Davies:** In terms of wider policy, it is the city region area—

[208] **Edwina Hart:** Yes, exactly. However, the fact that we are doing the metro in south-east Wales does not preclude the city region in the west from looking at its priorities in terms of transport, or what is going on in north Wales. The metro has simply been looked at within that area because that is where the big populations are. However, I have said to the Swansea city region that it has to look at what opportunities exist in the Swansea city region for the integration of transport and look at what you can run better. The same also applies with the group that is chaired by Lesley Griffiths, which, initially, obviously, will concentrate on the electrification of the north Wales line, which is absolutely essential in order to have those east-west links. So, what we have done with the metro is to kick-start people's thinking, really, about the way in which you have to look at the management of transport and get people back and forth to work and get people out enjoying themselves.

[209] There are also the economic benefits of having this system. I believe that city region representatives are going to Stuttgart to look at some examples of how it has been dealt with. The officials in Stuttgart have been particularly helpful with regard to the steps that we have been taken through. In terms of how far things have advanced, Manchester is obviously very advanced, but other discussions in England are almost behind us. So, it is important that we take advantage of everybody's experience, but, in Wales, we do not just look at it as being a Cardiff region issue; it is a much wider issue for us.

[210] **Nick Ramsay:** Before I bring Members in with supplementary questions, Julie James, do you want to pick up on wider policy issues?

[211] **Julie James:** Yes, if you think that it fits in here.

[212] We also had a discussion with the people we spoke to earlier today about which Government policies need to shift, if any, in order to facilitate this. They told us that that is the next stage of looking at it. So, I suppose, Minister, that the question is: how will you

integrate that policy need with the Government's current raft of legislation and make sure that it is taken into account?

[213] **Edwina Hart:** I will be able to do it relatively easily when it is in my own portfolio, but not when it goes into other portfolios. Some of the issues that have been raised with us already have been about planning in the context of the city region and the way in which the metro will develop. Obviously, we are very pleased with the arrangements that we have for planning currently and with the Minister, because the economy is much higher up on that agenda in terms of what we need to do on the planning agenda, and there is an understanding there. I think, Mark, that that is one of the issues that is starting to emerge.

[214] **Mr Barry:** One of the key issues for us in producing the report was to look at it not just as a transport project, otherwise, you miss the picture and the opportunity to do that. The big opportunity for south-east Wales is about how we integrate strategic land use planning around transport planning and investment, so that, ultimately, in 20 or 30 years' time, we have more people living on a transport corridor, near a metro station, or whatever mode it is, and they can choose to use public transport. Most major European cities have that; in Stuttgart, 60% of the population is 1 km away from some sort of station. It is only about 30% in south-east Wales. That requires us to build more densely in the right places, but, typically, perhaps we have been guilty of building too many smaller developments, quite sparsely developed, in all the wrong places. A big change is required there. We have set a marker of what we can do, and I think that there is a positive attitude from all parties to try to move us in that direction.

[215] **Edwina Hart:** On the other hand, I have to be very conscious that I do not concentrate on urban areas in this discussion when I look at the development of policy. I have to look at those vast tracts of Wales where rural issues in terms of transport are exceptionally difficult to manage. So, even though it is all very exciting with the metro and how the policy can help across departments with the development of the metro, and what might happen in the Swansea city region, I am very conscious that I must have a policy that fits the purpose for everywhere in Wales in terms of how we get the policy agendas.

[216] **Nick Ramsay:** Mike Hedges has a supplementary question.

[217] **Mike Hedges:** I think that we all know that the dualling of the M4 has taken place around the junctions of the M4 along virtually—or perhaps I should take out the word 'virtually'—the whole of its length. We also know that when the Bedford to St Pancras line in the south-east of England—the so-called Bedpan line—was speeded up dramatically, the value of land around Bedford increased dramatically. What expectations do you have of increased land value around the nodal points?

[218] **Mr Barry:** There is plenty of evidence there—and not just from what we are saying, but from experienced experts—that if you put transport connectivity in and provide services, there is an uplift in land value. Typically in the UK, the people building the thing do not secure the value, and it is picked up by developers. You need that in order to get them in there, but we need to come up with a regime that means that we can extract some of the value to pay for the capital that we provide.

[219] **Edwina Hart:** Some of the property developers who own land around some of the areas that we are looking at are smiling.

[220] **Mick Antoniw:** Minister, these are visionary, transformational proposals over a long period of time. At what stage do you think there may be some engagement with local communities to buy into the vision, perhaps not the specific details, although all communities will have their own view? The Cardiff bay to Pontyclun line is an issue, as is the linking up of Llantrisant, et cetera. We all know that there are issues, but in terms of buying into that

broader vision, it seems that there is a need for engagement with people and communities.

[221] **Edwina Hart:** Very much so, and once we look at the detail of the implementation plan, we then have to look at a community engagement plan, which we will have to stage. We will have to sell the wider vision, and then take it in bite-sized pieces with a first stage and a second stage, and have engagement with the property community around that. I would envisage that, when we finish the implementation plan—I think that we have around six months' work on it—we can look at the communication plan that we will require for selling the purpose of it, what it is there for and how it is going to improve. I do not want people just to think, 'It's them having it; how is it going to impact on me?' That is why it is so important that we look at other developments that are likely to come with it, whether it is housing or economic development, so that people can see it is meaningful in terms of their ordinary lives. I do not know if you want to add anything, Mark.

[222] **Mr Barry:** It is absolutely fundamental that we formally engage at the right points in the development of the project with as many stakeholders and community groups as possible, because this is not for the transport experts—this is for the people of south-east Wales, and everyone needs to contribute. In delivering this, not everyone is going to get everything, but if people have been asked and engaged, it makes it a lot easier to gain and secure the support that we are going to need for this project. It is a 20-year vision, so it is going to take a lot of effort, and we need to engage as many people as we can. So, I am dead keen on doing that at the right point.

[223] **Nick Ramsay:** Minister, just to go back to the land use planning issue in general, are you confident that that change can be achieved easily? I am just trying to work out the mechanics of how the—

[224] **Edwina Hart:** I am confident that there is greater understanding by the Minister and the Minister's officials, but it will be up to us to do some work in this particular area on the implementation report. That is at an official level, and we can extend it to include planning colleagues if these issues arise. I know already, from initial discussions with members of the city region board, that this is one of the areas that they want to look at.

[225] **Nick Ramsay:** The next question is from Will Powell.

[226] **William Powell:** Thank you, Chair. Good morning, Minister. There is no doubt at all about the transformative potential of the metro project, but there are naturally some concerns regarding the price tag of some £2 billion. How can you reassure the sceptics out there that this is actually going to be deliverable?

[227] **Edwina Hart:** We will do detailed implementation work and look at the costs all the way through. Effectively, we will be looking at the spending plans over a generation. I think that we will be able to reassure them at that stage. The point is that sometimes you have to make decisions where, at the outset, people ask why you are doing that. Otherwise, we will not change. Look at our forefathers: who would ever have thought about the rail network we have? When they went into that, it was absolutely inspirational. We have to do the same.

[228] **William Powell:** Mr Barry referred earlier to mechanisms for capturing some of the benefits. Can you flesh out possible mechanisms that would make that possible?

[229] **Edwina Hart:** Do you want to answer, James?

[230] **Mr Price:** I am happy for Mark to contribute as well. We have to do that, but it is too early to specify exactly what that will be. Different parts of the world do it in different ways. Simply put, there will be a benefit to the wider community and there will be a financial

benefit to developers and other landowners if we do this work. If we cannot capture some of that benefit, we will not be able to afford to do the work and no-one will get the benefit. Therefore, there has to be a mechanism whereby we can share that benefit. That could be a planning-gain type of mechanism, it could be a developer-share type of mechanism, or it could simply be that the project itself procures some of that land in advance of development and then takes the upside when that land comes back in. My view is that it will be a mix of all of those things in addition to getting greater ridership on the system, which will bring more fee-paying revenue into the service. To break it down, £100 million a year over 20 years is a big sum of money, but, it is not that big if you compare it with historic transport budgets over the last 20 years.

[231] **William Powell:** To what extent do you think that compulsory purchase will play a role in the project?

[232] **Edwina Hart:** It is bound to. Let us be absolutely clear: every time I develop a road, we try to negotiate, but compulsory purchase powers always come into play. That is the reality of any development, together with the protests on developments.

[233] **William Powell:** Finally, Minister, it was encouraging to hear you emphasise earlier the importance of an all-Wales approach to policy making. To what extent is there a danger that the concentration on the metro project will limit the capacity to take forward projects elsewhere in Wales?

[234] **Edwina Hart:** I have worried long and hard about the budget available for transport. I am concerned that there is equity in Wales in those terms. I am reassured, because of the lifespan of the project and because we can look to raise other resources to do it, that it will be possible, because we have to fulfil our transport obligations elsewhere in Wales.

[235] **Byron Davies:** This is a serious question. I want to pick up on a comment you made earlier. Do you see yourself as a new Victorian then?

[236] **Edwina Hart:** No, I do not think so. Although, I do love all those programmes about the railways. I am particularly enjoying Michael Portillo in Europe. It is a fascinating series, and I love his jackets—very vibrant colours, very stylish. [*Laughter.*]

[237] **Byron Davies:** It is an interesting point about the Michael Portillo programmes. When you see places like Ronda in Spain, where they have built the rail right down to the coast, it makes you think why we are struggling in Wales to get spokes.

[238] **Keith Davies:** It is because of a man called Beeching.

[239] **Byron Davies:** You can say that, but we still have to move forward.

[240] **Edwina Hart:** We are struggling in the UK because we are a nation that consults a lot and values people's opinions. Sometimes, on the continent, I understand that they just go ahead with certain projects for the general public good. People always ask me if I am going to do a north-to-south motorway in Wales, but even after 30 years of public inquiries I probably would not get there. We have to be mindful of the balance on this as well.

[241] **Nick Ramsay:** That would require some epic tunnels, would it not?

[242] **Edwina Hart:** It would, but there are plenty of engineers who would love to do them.

[243] **Nick Ramsay:** Okay; back to the script. Alun Ffred Jones, do you have any further questions?

11:45

[244] **Alun Ffred Jones:** Oes, mae gennyf ddau. Yn gyntaf, beth fydd y cam nesaf o ran datblygiad y metro a beth yw'r amserlen?

Alun Ffred Jones: Yes, I have two. First, what is the next step in terms of the development of the metro and what is the timetable for that?

[245] **Edwina Hart:** The implementation group is starting to meet and we hope that it will have something substantial in six months that we will be able to share.

[246] **Alun Ffred Jones:** Mae argymhelliad yn y fan hon i greu bwrdd metro ac wedyn awdurdod cyflawni'r metro. Wedyn, mae gennych chi ddatblygiad y ddinas-ranbarth ochr yn ochr â hynny, ac mae'r ddau yn perthyn i'w gilydd. A ydych chi'n rhagweld y byddwch chi'n creu awdurdod neu gorff i edrych ar ôl y prosiect hwn yn unig, neu a fydd yn rhan o rywbeth ehangach sy'n ymwneud â'r ddinas-ranbarth? A ydych chi'n dal i feddwl?

Alun Ffred Jones: There is a recommendation here to create a metro board and then a metro delivery authority. Then, you have the development of the city region alongside that, and both are interrelated. Do you predict that you will be creating an authority or a body to look after this project solely, or will it be part of something wider relating to the city region? Are you still considering that?

[247] **Edwina Hart:** I am mulling this over currently. I have asked Professor Morgan to do some initial work on the governance of the city region and how that links in to the metro. The jury is out in my own mind currently, but I am more than happy to share my thoughts as they develop, as well as Professor Morgan's work in this area. I think that it would, in many ways, be absurd for the city region, if I can get the governance right for it, not to be running with the metro project, but it might not at the first stage. It might be running in the second stage, when it is sufficiently enhanced. These are very complicated issues. I am going to look at systems that are run elsewhere, at how the local authorities have worked around the Manchester situation, and at other things that are developing. I think that we can do that more at our leisure. I would be more than happy, when we have looked at this, to provide a further report on the metro to the committee next year, looking at some of these wider issues. I have quite an open mind on this.

[248] **Nick Ramsay:** Minister, do you intend to clarify your approach to regional transport planning and delivery, given your previous comment that consortia—

[249] **Edwina Hart:** Yes, I do. We are almost at the final stages. It will be early January when I will confirm all of it to Plenary.

[250] **Nick Ramsay:** Great. Are there any further questions? No? Everyone is happy. Thank you, Minister for economic development, Edwina Hart, for being with us today. I also thank your officials, James Price and Mark Barry. It has been very helpful.

[251] **Edwina Hart:** Thank you very much indeed, Chair and committee.

[252] **Nick Ramsay:** Thank you for the clarification on the initial part, on corridors, as well.

[253] **Edwina Hart:** We will certainly keep you updated on that.

[254] **Nick Ramsay:** Okay. I now close the public meeting.

Daeth y cyfarfod i ben am 14:47.
The meeting ended at 14:47.