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Y Gweinidog Llywodraeth Leol a Chymunedau  
Minister for Local Government and Communities



Llywodraeth Cymru  
Welsh Government

Eich cyf/Your ref  
Ein cyf/Our ref SF/CS/0447/13

Nick Ramsay AM  
Enterprise and Business  
Committee  
National Assembly for Wales  
Cardiff Bay  
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5<sup>h</sup> February 2013

On Thursday 24 January I was pleased to attend the meeting of the Enterprise and Business Committee as part of your Inquiry into Integrated Public Transport.

You will remember that I undertook to write providing additional information in response to questions that were put to me towards the end of the session, but which I could not fully address in the time available. I hope that the following, additional information is helpful, and will further assist the Committee's work on this important issue.

### **Go Cymru**

I explained during the meeting that we are continuing to discuss with Arriva Trains Wales how we can include train travel along with bus journeys as part of our Go Cymru integrated Smartcard scheme. I am expecting to be able to announce in the next few months significant progress for having a firm timetable for the Go-Cymru card to be accepted by train companies significantly ahead of the new franchise. This will include the consideration of forward looking approaches such as paperless and mobile phone technologies.

### **Community Transport Concessionary Fares Initiative (CTCFI)**

During 2012 my officials undertook detailed, face-to-face meetings with each of the 15 CTCFI projects that we have been supporting financially since 2005. The aim was to provide further assistance to them in identifying potential new sources of funding, should their CTCFI funding cease. In the event, you will recall that I announced on 17 January that Welsh Government funding of these CTCFI projects will end after Friday 12 April 2013.

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*Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)*

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A majority of the 15 projects reported that they expected to continue to operate services without CTCFI funding, although passengers were likely to have to contribute financially by paying a fare. Others were actively exploring alternative funding sources, including the introduction of Section 22 public services which would be eligible for reimbursement under our concessionary bus travel scheme. The meetings were undertaken at least four months ago, so some time has passed since that information was obtained.

My officials are in the process of writing to each of the 15 CTCFI projects to remind them that they need to discuss with their Regional Transport Consortium how to bid for funding under the new Regional Transport Services Grant (RTSG) scheme that will be introduced on 1 April 2013.

### Community transport eligibility under RTSG

My officials are preparing detailed Notes for Guidance for the Regional Transport Consortia to assist them in administering the new RTSG scheme. As part of that process, the Consortia and the Community Transport Association in Wales have been asked to propose specific categories of service that should be designated “community transport” for the purposes of being funded from the ring-fenced £2.5m for community transport under the RTSG scheme in 2013-14.

I would not wish to pre-empt the work of the Bus Funding Review Implementation Group in considering those proposals, but the Committee may be assured that – consistent with my decision to protect the future of community transport by ring-fencing funding – I would hope that as wide a range as possible will be included.

### Investment in the bus and rail network

The following details underline the importance that I attach to supporting an effective, efficient and integrated public transport system in Wales.

Budget Expenditure Line	2013-14 Revenue budget £000s	2013-14 Capital budget £000s	2014-15 Revenue budget £000s	2014-15 Capital budget £000s
Bus support and local transport	26,134	1,000	26,128	1,000
Rail franchise	171,579		171,577	
Rail investment		37,083		20,971
Concessionary fares	53,453	9,433	55,057	9,716
	<b>251,166</b>	<b>47,516</b>	<b>252,762</b>	<b>31,687</b>
Sustainable Travel Towns and Smartcards (1)	2,000	7,500	2,000	7,500
Regional Transport Plans	500	15,557	500	15,557
	<b>2,500</b>	<b>23,057</b>	<b>2,500</b>	<b>23,057</b>

Note (1) This partially funds investment in rail and bus networks where relevant projects are approved as part of overall plans.

## **Additional rail-related legislation**

The Welsh Government is reviewing the role of the Welsh Ministers in the decision-making process for rail, which includes the level of accountability of the various bodies involved in delivering rail services and infrastructure. Our present role is defined through legislation, and we are able to influence decisions on certain issues (such as on the specification of the next Wales and Borders franchise) as both a consultee (and as a co-signatory in the case of the franchise). Before any decisions are made on the future arrangements, we must consider the implications of a change to the balance of risk and funding responsibility that currently sit with the UK Government

I have established a productive working relationship with the Secretary of State for Transport and his Ministerial team. This worked well as we made the case for electrification in south Wales, where we could recognise our statutory roles for decision making and at the same time build common ground and deliver my priorities.

With certainty on electrification secured I accelerated the process of shaping the future of rail in Wales by hosting a "call for evidence" conference in October 2012. This conference is part of our external engagement, with industry experts and leaders invited to share their views with each other and the Welsh Government on what should be up for consideration, the type of benefits that exist and the scale of the risks of which we should be aware.

Later this year, I will consult on the policies that should underpin our approach to the future of rail. Again, I will be seeking industry and user views on how the future rail needs of Wales should be delivered. Alongside this, my officials will be working closely with the Office of Rail Regulation, Network Rail, train operating companies, the Unions and the Department for Transport to complete the picture of what might need to change to meet our aspirations for rail in Wales. Once this information has been collated and analysed I will be in a position to make an informed decision on what needs to happen to better align decision making with delivering my priorities.



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