

ENVIRONMENT, PLANNING AND TRANSPORT COMMITTEE

Date: Wednesday 27 June 2001
Time: 2.00 to 4:30 pm
Venue: Committee Room 2, National Assembly Building

REPORT BY THE MINISTER FOR ENVIRONMENT**GREEN TRANSPORT PLAN**

The Green Transport Plan (GTP) project has been underway since January 2001. Its aim is to produce a draft GTP for Cathays Park and Cardiff Bay for approval by the Cabinet and the Presiding Officer. The Presiding Office is participating in the development of a plan for Crickhowell House. So far, the following work has been completed:

- A travel audit questionnaire has issued to all staff and Assembly Members based at Crown Buildings and Crickhowell House and all 1272 responses have been analysed. The results are available on the Better Government Intranet site;
- Site Assessments have been conducted to identify transport links to sites;
- Examples of best practice have been identified;
- Meetings have been held with other local employers to discuss joint action;
- Meetings have been held with local transport operators to discuss scope for service improvements; and
- Policy reviews on the use of information and communications technology, personnel policies affecting travel choices and car parking have been undertaken.

As part of the plan's development, consideration is being given to whether the Assembly's car parking policy could be changed to help reduce our environmental impact and to ease the pressure on our on-site car parks. Consultation papers identifying a wide range of options that could help us to achieve these aims have issued to around 100 staff at each site and have been made available to all staff on the Intranet.

Following the consultation exercise a seminar will be held at each site to discuss issues about travel to work, on official business and car parking. This work will then be consolidated into a draft plan to

be submitted to the Cabinet and Presiding Office. Following their approval the plan will be circulated to all staff for comment before it is finalised.

Separate consideration is being given to the anticipated loss of the temporary car park behind Crickhowell House, resulting from the terms of the planning consent recently issued to Grosvenor Waterside to establish a commercial park and ride facility in July/August next to the Queensgate roundabout.

SUSTAINABLE DEVELOPMENT

THE WELSH SUSTAINABLE DEVELOPMENT FORUM

The Sustainable Development Scheme commits the Assembly to work "with experts and stakeholders by calling on expertise and experience wherever it is available to us, including through establishment of a Sustainable Development Forum or Panel made up of experts or stakeholders or both".

The Forum would be a major (though not the sole) source or conduit for advice to the Assembly. It could also foster debate on and promote understanding of sustainable development issues within civil society in Wales, and provide an independent perspective on progress.

The Sustainable Development Action Plan commits the Assembly to establish a forum, in conjunction with key sectors by winter 2001 (meaning December). Earlier establishment, if possible, would facilitate the forging of links with other bodies, notably the UK Sustainable Development Commission.

The Cabinet Sub-Committee on Sustainable Development has given initial consideration to the way forward in respect of the Forum, and has concluded that an organic approach would be best.

Rather than design and consult on a proposal for a formal structure, the intention is to work with interested parties to establish in the first instance (and without prejudice to longer-term arrangements) an informal grouping of organisations with appropriate secretariat support arranged by the Assembly. This group could look at the key roles a more permanent structure might play; consider the necessary membership, terms of reference, and ways of working; and seek a consensus on steps to formalise a structure and give the Forum a corporate identity. Pending those steps, the group (and the organisations involved in it) could also make a start on whatever substantive items of work it identified as priorities.

Relationships between this group and other groupings and panels could be fostered informally at first, and be formalised at such time as the group becomes a formally-constituted Forum.

Subject to consideration of comments from the Committee, I shall ask officials to discuss ways of establishing an initial grouping of this sort with interested organisations and representative bodies. Mindful of the need to work with key sectors, we will write to members of the Partnership Councils to seek their comments.

Other 'Live' Sustainable Development Issues

Cabinet Sub-Committee also looked at a possible model for **the internal Sustainable Development Co-ordinating Group** that we see as a way of mainstreaming Sustainable Development. I shall be discussing this with Business Group and party spokespeople.

Now that Ministerial portfolios in Whitehall have been determined, I shall write to Michael Meacher to confirm that it is the Assembly's wish that the First Minister be part of the UK delegation at the **2002 World Summit**. Within Wales, we are planning to stage a stakeholders' conference in October or November, in conjunction with WWF and possible other organisations. We intend to link this with an internet discussion forum.

We are looking into options for developing a **top-level Sustainable Development appraisal tool** that links in with our other cross-cutting themes.

Our **'Innovation Actions' bid** to the European Commission was submitted by the deadline. We await reactions. The partners in the network part of the bid are Gothenburg, Stockholm, Limburg, Aquitaine, Emilia-Romagne and Shannon. In addition, Estonia, Northern Hungary and Silesia wish to be 'shadow' partners. (It turns out that Estonia shares with Wales the distinction of having Sustainable Development written into its constitution, so we can no longer claim uniqueness within Europe.)

I shall be attending the **ENCORE 2001 conference** of regional environment Ministers in Carinthia in September, where the agenda will be primarily about Sustainable Development.

COUNTRYSIDE

Access to the Countryside – Foot and Mouth

The position with regard to access to the countryside is continually improving across Wales, with 17 Local Authorities now having lifted all restrictions outside the infected premises on public rights of way.

Significant recent developments include moves to re-open a significant number of rights of way in Powys, including in the Brecon Beacons area - with access to Pen-y-fan being restored. Access to the Skirrid and Sugar Loaf Mountains in Monmouthshire has also been recently restored.

I took the opportunity to visit the Brecon Beacons area on the 15th of June to help mark the re-opening of the Central Beacons area within the National Park. This is happening with the support of the wardening service of the National Park with appropriate precautions and information.

Countryside and Rights of Way Act 2001

Having been temporarily delayed by work on the foot and mouth issue, progress is now being made with the first sets of regulations under this Act. The paper on draft mapping regulations for initial consideration by the Committee will be followed by one on local access forums in July.

ENVIRONMENTAL PROTECTION

Launch of North Glamorgan NHS Trust Environmental Vision

North Glamorgan NHS Trust has recently converted its fleet of commercial vehicles from diesel to liquid petroleum gas (LPG) and has entered into a contract with British Gas (LP Gas) to supply and maintain an Autogas LPG installation on the Prince Charles Hospital site.

The Trust has undertaken this as part of its Environmental Vision, which I formally launched at a "Green Day" event at the Prince Charles Hospital site, organised by the Trust, on 18 June 2001.

The aim of the Trust's Environmental Vision is to improve the health of the population it serves through the reduction and prevention of environmental damage and through increased awareness of its surroundings.

In addition, the Trust is also examining ways of building on the initial work done in converting its commercial vehicles. It is investigating the possibility of encouraging its 150 or so staff who lease cars through the Trust, to convert to LPG, when their cars are due for changing.

Enfys Grant Scheme

On 15 June I launched the Enfys Grant Scheme at Cae Pentre Community Garden, Cefn Pennar. The Enfys Scheme, worth £15m over five years, is a New Opportunities Fund grant scheme which aims to increase the quality and quantity of playing fields, green spaces and sustainable development projects in communities throughout Wales. It will be delivered by a partnership made up of the WCVA, The Environment Agency Wales, The Prince's Trust – Cymru, and Environment Wales.

Climate Change Programme - Learning To Live Differently

We will be launching the Assembly's 'Climate Change Programme - Learning To Live Differently' early next month. The programme builds on the draft programme that was published last year. It incorporates many of the issues raised in response to the draft programme, the subsequent debate on Climate Change that we had in plenary, and updates recent developments in our knowledge and understanding on Climate Change.

Glas Cymru/Dwr Cymru

Members of EPT Committee expressed concern at the last meeting following the recent

announcement of job losses by United Utilities. This follows the outsourcing of Dwr Cymru's operations and maintenance activities to United Utilities and the acquisition of Dwr Cymru by Glas Cymru. Members were concerned at these developments in the light of assurances that they considered were given to a joint meeting of EPT and ED Committees by Glas Cymru prior to the acquisition.

An analysis of the evidence given at that meeting (relevant extracts from the verbatim record are attached to this report) indicates that recent developments are broadly consistent with the statements and answers that were given by representatives of Glas Cymru at the joint session last November. They made it clear, for example, that: -

- the acquisition itself would have a neutral impact on jobs;
- the long term employment within the business would depend on the efficient level of costs for the industry (ie there was no guarantee that existing job numbers would be maintained);
- the price limits set by OFWAT implied that costs would be driven down;
- it was intended to outsource the operations and maintenance and customer services operations retaining only the core functions in Glas Cymru;
- the operations and maintenance jobs would have to be carried out/remain 'on the ground'
- the customer service jobs could be seen as more mobile jobs;
- outsourcing was acknowledged to be a means of improving cost efficiency.

In a meeting with the Deputy First Minister, which followed the job loss announcement, representatives from Glas Cymru/Dwr Cymru and United Utilities confirmed that: -

- the acquisition of itself had not resulted in any job losses; in fact it had meant that headquarter jobs based in Nelson were being retained in Wales rather than moved elsewhere which might have been the case had there been a non-Welsh acquisition;
- a key factor in the job loss announcement was the reduced price limits set by OFWAT and the underlying implications for efficiencies/cuts in operating costs;
- there would be no compulsory redundancies; if an adequate level of voluntary redundancies could not be achieved cost reductions would need to be found elsewhere;
- health and safety implications for customers would not be compromised;
- the investment programme would proceed as planned which would have a beneficial impact for employment and for the environment.

The extract from the verbatim record referred to above is at Annex 1.

Flood Defence

The Welsh Assembly-led Group that I established to review flood defence procedures in Wales first met on 16th May. It includes representatives of the range of statutory bodies with a relevant interest. The Group considered a range of issues on which work is under way and has set up a sub-group to examine the way flood defence is financed in Wales. A further meeting of the Group will take place in September.

This consideration within Wales parallels review activity being taken forward by central government with DEFRA in the lead: the Assembly is represented on the steering group for this work. Given the cross-border nature of water catchments it is essential to work closely with central government on flooding issues.

PLANNING

National Spatial Planning Framework

I am pleased to report that a very successful first meeting of the new Spatial Planning Network took place at Cardiff International Arena on 20 June.

This Network includes a wide range of partner organisations, invited to work with the Assembly in developing its Spatial Planning Framework. I was especially pleased that those present, including a number of local Councillors, took part enthusiastically in discussions and workshops, to identify issues and ideas the framework could include.

The event also featured presentations by researchers who have advised on possible ways forward to prepare the framework, and by officials detailing how we are taking the work on the framework forward, which will include developing a significant regional element.

The way forward and initial views on the form and content of the framework are now to be set out in a document which will be issued for consultation, including with members of this Committee, hopefully next month.

TRANSPORT

Concessionary Fares Regulations

Following detailed consideration by the Concessionary Travel Implementation Group, draft regulations, *Transport Act (Concessionary Fares) (Reimbursement Arrangements) (Wales) Regulations 2001* and *The Travel Concessions (Extension of Entitlement) Wales Order 2001*, have been prepared to implement the Assembly's policy that from April 2002 pensioners and disabled people should be guaranteed free concessionary travel on buses in Wales. Copies of the draft regulations are at Annexes 2 and 3.

I have arranged for a widespread formal consultation to be undertaken with groups representing pensioners and disabled people, together with bus operators, individual local authorities, and the Welsh Local Government Association. Copies have also been sent to all Members, and are being placed on the Internet and Intranet.

It is intended that the regulations will be put before the Business and Legislation Committees later in the year, following the completion of the consultation, with a target date to plenary of 22 November 2001.

SUE ESSEX AM

Minister for Environment

Annex 1

**Excerpt of Verbatim Record of Joint EPT and ED Committees Meeting on 15 November 2000
Concerning the Acquisition of Dwr Cymru by Glas Cymru**

[7] **Val Feld AM:** I wanted to ask about jobs and what the prospects are for maintaining the very large number of jobs that are dependent on Welsh Water. You say in, I think, your memorandum, that there will be no job losses as a direct consequence of acquisition but you also refer to outsourcing the day-to-day operations. What will be the core staffing, and what services will you outsource? Do you expect to do that to one company or to a number of companies?

Earlier, I think that Nigel Annett referred to the importance of only transferring operations to good employers. How do you think that you will be able to place those kind of requirements on the contractors who run the services for you? Given your commitment to lowering water costs, do you think that will still enable you to retain the same level of employment and to protect a reasonable number of jobs? Basically, what is your judgment about the likely job losses as a result of this? That is a number of different questions.

Mr Chris Jones (Executive Director, Glas Cymru): There are a number of questions there. You are quite right that in terms of Glas Cymru taking ownership of Dwr Cymru, that has, essentially, no implications for jobs, either positively or negatively: there is a change of ownership. Fundamentally, the long-term employment within the industry will depend on what the efficient level of costs for the industry is. That will be the same under any form of ownership. We have already talked about what the pressures on this company to drive down costs will be. A very great pressure is from the two guys sitting in front of us here, that is, from OFWAT. It sets the price limits going forward, based on very rigorous assumptions and targets for us to drive our costs down. That will remain in place for Dwr Cymru under any ownership. Those are the fundamentals that will determine the level of employment within the industry.

It is also important to remember that the direct labour costs of Welsh Water are of the order of about 20 per cent or 25 per cent of the total costs. Cost efficiency is not just about numbers of jobs. In terms of how the outsourcing process will work, what we must do as a company letting contracts under European Union procurement rules, is to set out clear criteria, a level playing field as Nigel called it, and then invite people to bid against those criteria. For us, the criteria will not be just the lowest price, necessarily. We are a service provider, providing an essential service. We also have the liabilities that go with that. We will have to specify contract award criteria that ensure that we will have a high quality service provider with a good record of providing service. In order to do that in any credible way, a company must demonstrate a track record of having a dedicated, successful and committed workforce.

So those are the sorts of organisations that will be able to win through that process. I believe, in the long run, that the best comfort that can be offered to people who work within the industry is that you have an organisation—Glas Cymru—controlling that process that is based in Wales and has the interests of Wales, its consumers and environment, at heart. To deliver that it will need to work with organisations that will be good employers. As an organisation going through a legal process, we cannot show any anti-competitive bias within that but we will set out the criteria that will define the sort of organisation that would be a good service provider and I believe that in the long run it will also be the best employers for staff.

[8] **Val Feld AM:** First, you did not say what jobs you would keep in-house and what jobs would go out. Secondly, is it not likely that the bidders will be water companies? Is it not, therefore, likely that they will already have some of the core service staff and specialists that Welsh Water now employs and therefore, it will not need them?

Mr Jones: There are two points there. What we will retain within Glas Cymru are the policy formulating, contract awarding, contract monitoring and specialist technical jobs as well as finance and other ancillary back-up functions for the company. You may well be right that a water company might come in and win one of these contracts. A question that you asked earlier, Val, was how many companies we would outsource to, and the answer is probably two initially: one for operations and maintenance and one for customer services. That would be my expectation at this point. Those companies will have their own specialists and so on. I know that it has been a concern for the National Assembly before, that if another water company were to come in it would mean that those high quality, strategic jobs would be lost to the other water company. In this case it will not mean that, because Glas Cymru will retain those roles. Those are the roles that we need to play because we are ultimately responsible for the provision of the service, for setting the policies and the plans going forward. We will retain within Wales what you might call potentially mobile strategic jobs. The outsourcing and maintenance jobs, frankly, are extremely important and have to be carried out on the ground. You cannot take the water treatment works operator from west Wales and move him to East Anglia. It is not possible. Those jobs have to remain on the ground. So, there is little concern in that area for the National Assembly.

In terms of back office customer service jobs, that would be the second contract. Those are seen as mobile jobs. Equally, we have a very good workforce in that area here. Recent announcements—Lloyds TSB has been in the news during the last couple of days—have demonstrated that that is an area of relative competitive advantage for Wales. In a competitive market place, which is what we are moving into, it is difficult to offer guarantees for the very long term. What I can say is that in those areas to which I have just referred—customer service, for example—Wales has every reason to feel confident that companies coming in either from within Wales or coming in to take on the staff who would move across to that new company, would want to use that as a base for expansion rather than for contraction. I think that we should feel positive about that.

[15] **Phil Williams AM:** I would like to follow up on your relationship with the companies that will perform the services for you. You used the word 'expansion' but, of course, that means expansion of a company but not expansion of employment, because if you outsource to other companies, their main incentive to acquire the work is to rationalise their workforce. That must be one of the incentives. Am I correct in stating, in simple terms, that the workforce on the ground is necessary and, therefore, relatively secure. We discussed that in terms of the man digging the hole in Newcastle Emlyn. Top management will become part of Glas Cymru. Is it not realistic to assume that there will be job losses in middle management? That is my first question.

The second question is on outsourcing. If you are outsourcing, there has been the experience in recent years, when outsourcing has become a very common practice, that you have to allocate sufficient monitoring staff in your organisation to ensure that standards are maintained. It is not adequate simply to go to the lowest bidder; you have to make provision for quite significant monitoring.

Mr Jones: On the first question about the implications for middle management, I think that, in this particular industry, which is geographically diverse, middle management needs to be on the ground with the people. Therefore, I do not think, in this particular case, that I have undue concern that there would be a removal of a tier of management to somewhere else and another service provider. Those jobs have to be on the ground with the frontline people. Therefore, I am not particularly concerned about that area.

In terms of the second question, which is around outsourcing and the motivations for it and so on, clearly, I agree that, whatever corporate structure you are working for, you want to be able to improve cost efficiency. We need to be able to do that if we are going to achieve what we all want, which is to improve standards and to improve environmental standards without customer bills shooting up. Therefore, we all have to find ways to improve cost efficiency. Outsourcing will be one way of delivering that. Any other form of corporate control would have exactly the same objective, I think. So it is about ensuring, I think, as you rightly said, that we are not looking for the lowest bid, necessarily. We are not looking for a second rate service provider with low costs. We, Glas Cymru, retain the responsibility for delivery of service. We retain criminal responsibility and criminal liability for the quality of drinking water. We will have exactly the same incentives as our customers, as yourselves and as the regulators do, to ensure that. You are absolutely right that Glas Cymru must have the incentive and the capability to monitor and control this provision of service very carefully. At the end of the day, nobody is more incentivised than us to make sure that service delivery is not put at risk through outsourcing.

Annex 2

DRAFT

STATUTORY INSTRUMENTS

2001 No. (W. No.)

TRANSPORT, WALES

**The Mandatory Travel Concessions (Extension of Entitlement) (Wales) Order
2001**

Made ---

Coming into force --- 1 April 2002

The National Assembly for Wales ("the National Assembly"), in exercise of the powers conferred by sections

147 and 160 of the Transport Act 2000, hereby makes the following Order:

Citation commencement and application

1. - (1) This Order may be cited as the Mandatory Travel Concessions (Extension of Entitlement) (Wales) Order 2001 and shall come into force on 1 April 2002.

(2) In this Order "the Act" means the Transport Act 2000.

(3) This Order applies to Wales.

Amendments to sections 145 and 146 of the Transport Act 2000

2. The Act, in its application to Wales, is amended in accordance with Articles 3,4,5 and 6.

3. For sub-section (1) of Section 145 of the Act there shall be substituted:

"(1) Any person to whom a current statutory travel concession permit has been issued by a travel concession authority, and a specified companion travelling with such a person, who travels on an eligible service on a journey-

(a) between places in the authority's area, or

(b) between a place in the authority's area and a place in the vicinity of that area, or

(c) between places both of which are in the vicinity of the authority's area

is entitled, on production of the permit, to be provided with a full-price travel concession by the operator of the service.".

4. There shall be inserted in Section 145 of the Act, after sub-section (1):

"(1A) For the purposes of subsection (1) a place shall be regarded as being in the vicinity of a travel concession authority's area if and only if:

(a) it lies within the area of another travel concession authority which has a common boundary with that area, or

(b) it lies within the area of another travel concession authority which has a boundary which at its nearest point is within 10 miles of the boundary of that area.".

5. There shall be inserted in Section 145 of the Act, after sub-section (2):

"(2A) A permit issued pursuant to subsection (2) to a person who appears to a travel concession authority to be a disabled person must, if it appears to the authority that the disabled person is so severely disabled as to require the assistance of a companion in order to be able to travel on public transport, and the disabled person so requests, record that fact and shall be in such form as shall readily enable any person to whom the permit is produced to ascertain that fact."

6. In Section 146 of the Act:

1. there shall be inserted after the definition of "eligible service":

"a full-price travel concession", in relation to a journey, means the waiver of the fare for that journey,".

(3) there shall be inserted after the definition of "relevant time":

"specified companion" means a person travelling on a particular journey on an eligible service with a disabled person to whom a statutory travel concession permit recording the fact specified in section 145(2A) has been issued and who has been identified by that disabled person as that person's specified companion for the purpose of enabling the disabled person to make that journey, and only one person may be so identified in relation to each such journey made by the disabled person."

Signed

Annex 3

DRAFT

STATUTORY INSTRUMENTS

2001 No. (W. No.)

TRANSPORT, WALES

The Mandatory Travel Concessions (Reimbursement

Arrangements) (Wales) Regulations 2001

Made ---

Coming into force ---

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33. Application of regulations 39 to 46 to nominee of the National Assembly

The National Assembly for Wales ("the National Assembly"), in exercise of the powers conferred by sections 149(3) and 150 (a) and (c) of the Transport Act 2000 and of all other enabling powers, hereby makes the following regulations:

Part I

GENERAL

Citation commencement and application

1. - (1) These Regulations may be cited as the Mandatory Travel Concessions (Reimbursement Arrangements) (Wales) Regulations 2001 and shall come into force on xxxx 2001.

(2) These Regulations apply to Wales.

Interpretation

2.- (1) In these Regulations—

"applicant" means a person making an application to which regulations 22 to 33 apply;

"authority" means a travel concession authority as construed in accordance with section 146 of the Act;

"basic operating costs" means the costs which the operator would incur in providing a service if the concessions were not provided on that service;

"eligible services" shall be construed in accordance with section 146 of the Act;

"fares value", in relation to journeys, means the aggregate amount of the fares which would have been paid if concessions had not been provided;

"mandatory travel concessions" means travel concessions provided or to be provided under section 145(1) of the Act;

"operator" means an operator who provides mandatory travel concessions and includes any person who is prospectively such an operator;

"payment day" means any day on which a reimbursement payment is due to be made;

"payment period" means the period to which a reimbursement payment relates;

"reimbursement arrangements" includes the conditions of entitlement of operators to, and the method of determination and manner of payment of, reimbursement under section 149(1) of the Act in respect of mandatory travel concessions ;

"reimbursement payment" means any payment falling to be made in accordance with section 149(1) of the Act;

"standard method" means the method for calculating the amount of reimbursement payments due to operators providing mandatory travel concessions adopted by an authority in accordance with regulation 6(1);

(2) References in these Regulations to the date on which a notice is given are, in relation to notices sent by post, references to the date on which the notice is, in accordance with regulation 33(2), deemed to be received at the address to which it is sent.

(3) Any reference in these Regulations to a numbered regulation or Schedule is a reference to the regulation or Schedule bearing that number in these Regulations except where otherwise expressly provided.

(4) Any reference in these Regulations to estimates or calculations made by an authority in relation to reimbursement payments is a reference to estimates or calculations made by the best practical method available to the authority.

Part II

ARRANGEMENTS BETWEEN OPERATORS AND AUTHORITIES

Reimbursement arrangements: general

3. It shall be an objective (but not a duty) of an authority when formulating reimbursement arrangements to provide that operators both individually and in the aggregate are financially no better and no worse off as a result of their provision of mandatory travel concessions.

4.- (1) Subject to regulations 3 and 9, and to paragraph (2) of this regulation, reimbursement arrangements adopted by an authority shall be so formulated that the costs to operators of providing mandatory travel concessions are met by the payments made by the authority to operators pursuant to section 149(1) of the Act.

(2) In paragraph (1) of this regulation, the reference to the costs to operators of providing mandatory travel concessions is a reference to the aggregate of—

- (a) the revenue by way of fares which the authority calculate that the operator has foregone or estimate that he will forego in consequence of the provision of the mandatory travel concessions in question, less any additional revenue from fares which they estimate he has received or will receive by reason of the availability of those concessions; and
- (b) any costs additional to basic operating costs which the authority calculate that the operator has necessarily incurred or estimate that he will necessarily incur in connection with providing mandatory travel concessions, less any reduction in basic operating costs which they estimate that he has achieved or will achieve by reason of the availability of those concessions.

5.- (1) The payment periods and payment days shall be specified in the reimbursement arrangements and—

- (a) payment periods shall not be longer than 3 months; and
- (b) in relation to each payment period, the payment day shall not be later than the day which is half way between the first and last days of the payment period (and, in ascertaining the payment day, no account shall be taken of half days).

(2) Each reimbursement payment shall not be less than 85% of the amount estimated by the authority to be due to the operator in respect of the relevant payment period.

(3) The balance of each reimbursement payment shall be paid, subject to any adjustments shown to be necessary in the light of information available to the authority pursuant to arrangements giving effect to these Regulations, not later than 3 months after the end of the relevant payment period.

(4) Subject to paragraph (5) of this regulation, if any such balance as is mentioned in paragraph (3) of this regulation is not paid in accordance with that paragraph, provision shall be made for the authority to pay interest (at a rate not less than the lowest rate at which the authority are able to borrow at the time) on the amount for the time being unpaid for the period beginning with the last date on which the balance should have been paid in accordance with paragraph (3) and ending with the date of actual payment.

(5) Interest shall not be payable until the entitlement to mandatory travel concessions under section 145(1) of the Act has been in force for 6 months nor in respect of any period falling wholly or partly within the first 6 months after that entitlement comes into force.

(6) If the amount of any reimbursement payment made in accordance with paragraph (2) of this regulation in respect of any payment period exceeds the total amount of the payment found to be payable in respect of that period, provision shall be made for the authority to notify the operator in writing accordingly and the authority may thereafter deduct the amount of the excess from the reimbursement payments due to that operator in respect of any subsequent payment period.

(7) If the circumstances described in paragraph (6) of this regulation arise in relation to a person who is no longer an operator, the authority shall notify that person accordingly and, unless that person disputes the existence or amount of the excess, that person shall pay the amount of the excess to the authority within 30 days of the date of receipt of the notification.

(8) Provision may be made for any reimbursement payment due in accordance with paragraphs (2) and (3) of this regulation to be made otherwise than in accordance with this regulation in any case where an operator fails to supply information in accordance with reimbursement arrangements giving effect to these Regulations—

- (a) in the case of a payment due in accordance with paragraph (2), in sufficient time to allow the authority to form a reasonable estimate of the amount of the payment; or
- (b) in the case of a payment due in accordance with paragraph (3), in sufficient time to allow the authority to calculate the amount of the payment.

(9) Subject to paragraph (8) of this regulation, provision shall be made for any reimbursement payment or any part of such a payment due to an operator in respect of mandatory concessions provided during any period of 12 months commencing on a date specified in the arrangements but not paid to be paid not later than 3 months after the expiry of that period.

6. (1) Subject to paragraph (6) of this regulation, in relation to each scheme, the authority shall adopt a standard method to be used, subject to regulation 4, in determining—

- (a) the total number of the journeys made by persons entitled to be provided with mandatory travel concessions on the services of operators; and
- (b) the fares value to be attributed to those journeys.

(2) The standard method shall provide for the authority to take into account any data supplied by an operator who shows that the method by which such data was derived is more accurate than the standard method.

(3) Where the standard method does not provide for the recording of all such journeys as are mentioned in paragraph (1) of this regulation, that method may provide for—

- (a) the calculation of figures for the total number and fares value of those journeys by any means or combination of means which appears to the authority to be reasonable; and
- (b) if necessary, the apportionment of that number and fares value between all operators to whom reimbursement payments fall to be made by the authority under section 149(1) of the Act.

(4) Where the amounts of reimbursement payments are estimated or calculated otherwise than by reference to a standard method which provides for the recording of all the journeys mentioned in paragraph (1)(a) of this regulation, the estimates or calculations shall be adjusted if the information upon which they were based is shown to be inaccurate in any material respect.

(5) An authority who have reason to believe that the standard method used by them is inappropriate in relation

to any particular operator may, at their own cost and expense, make provision for a more accurate calculation of the total number and fares value of journeys in respect of that operator.

(6) Reimbursement arrangements need not comply with this regulation in any case where the authority and the operator so agree and any one of the following conditions are satisfied—

- (a) the vehicles normally used by him in providing services on which mandatory travel concessions are provided have 8 or fewer seats available for fare-paying passengers;
- (b) the mileage run by such vehicles is less than 150,000 miles per annum within the area of the authority during the times at which concessions are provided;

7. Provision shall be made for an authority to review the calculations made in accordance with the standard method not less than once in each financial year.

8. - (1) For any purposes relating to the calculation of reimbursement payments an authority may divide the area for which it is the travel concession authority into such number of parts as it considers to be appropriate.

(2) When calculating such payments an authority may take into account the carrying capacity provided for passengers in different vehicles or in different classes of vehicle.

(3) Except in any case where paragraph (2) of regulation 6 has effect, calculations of fares value in relation to a particular operator may be based on—

- (a) the fares normally paid by passengers on a service or services provided by that operator;
- (b) the average of all such fares; or
- (c) the average of all the fares normally paid to all operators of eligible services within the travel concession authority's area.

9.-(1) Provision shall be made for additional reimbursement payments pursuant to regulation 4 in any case where the operator demonstrates to the authority—

- (a) that it has necessarily incurred costs additional to basic operating costs and attributable to an increase in the number or the capacity of the vehicles used in providing services on which mandatory travel concessions are available in order to meet the extra demand created by the availability of those concessions; and
- (b) that those costs are such that they will not be met by reimbursement payments made in accordance with the standard method during the year in which the costs are incurred or during the 3 months immediately following the end of that year.

(2) A similar provision shall be made in any case where the operator demonstrates to the authority—

- (a) that it has supplied any information required in accordance with reimbursement arrangements; and
- (b) that in doing so it has incurred expenditure which it would not otherwise have incurred.

Reimbursement arrangements: further provisions

10. Regulations 11 to 18 apply to the provisions that are to be or (as the case may be) may or may not be included in reimbursement arrangements with respect to operators.

11. Any information supplied by an operator to an authority pursuant to arrangements giving effect to this regulation and regulations 12 to 18 may only be used for and in connection with the calculation of reimbursement payments and such information shall not be disclosed by the authority except—

- (a) with the consent in writing of the operator; or
- (b) to the extent to which the information in question has become public knowledge otherwise than by the act or omission of the authority.

12. Information may not be required on any of the following subjects—

- (a) the cost to the operator of providing any service or services on which concessions are available;
- (b) the total turnover of the business, or of any part of the business, of an operator; and
- (c) the annual rate or amount of the profit or loss of that business, or of any part of it.

13. (1) This regulation applies to information on or concerning the following subjects—

- (a) the total number of passengers of all descriptions carried by an operator on services on which mandatory travel concessions are at any time provided; and
- (b) the amount of the fares received by the operator from such passengers.

(2) Subject to paragraph (3) of this regulation, an operator may only be required to supply information to which this regulation applies in relation to all the services which he provides and on which mandatory travel concessions are provided.

(3) Where in pursuance of regulation 8(1) arrangements provide for the division of the area of a travel concession authority into different parts, an operator may be required to supply information to which this regulation applies in relation to each part, but not if this will require him to disclose the numbers of passengers carried on any particular service or group of services provided by him or (as the case may be) the amount of the fares received by him from those passengers.

(4) Provision may be made, in any case where information to which this regulation applies is supplied in accordance with arrangements giving effect to this regulation, for the information to be accompanied by a certificate of its accuracy and completeness given by a responsible person.

(5) In paragraph (4) of this regulation "responsible person" means a person who is a member of one or more of the following bodies—

- (a) the Institute of Chartered Accountants in England and Wales;
- (b) the Institute of Chartered Accountants of Scotland;
- (c) the Chartered Association of Certified Accountants.

14.-(1) This regulation applies to operators in respect of whom any one of the following conditions are satisfied —

- (a) the vehicles normally used by the operator in providing services on which mandatory travel concessions are provided have 8 or fewer seats available for fare-paying passengers;
- (b) the mileage run by such vehicles is less than 150,000 miles per annum within the area of the travel concession authority during

times at
which
concessions
are
provided;

(2) Without prejudice to regulation 6(6), an operator to whom this regulation applies may not be required to supply any information to which regulation 13 applies.

15. - (1) Subject to paragraph (2) of this regulation, information on any subject except that mentioned in regulation 13(1)(b) may not be required to be supplied more frequently than once in every 28 days nor in respect of periods of less than 28 days.

(2) Information on the subject mentioned in regulation 13(1)(b) may not be required to be supplied more frequently than once in every 3 months nor in respect of periods of less than 3 months.

16. A travel concession authority may require an operator to allow officers, servants or agents of that authority to have access with reasonable frequency to (including the right to travel free of charge on) the vehicles of the operator on which mandatory travel concessions are provided for the purpose of—

- (a) surveying or counting or estimating the number of passengers (whether generally or of any particular description) and the fares paid by those passengers; and
- (b) obtaining information on other matters relating to the journeys made by passengers who are entitled to be provided with mandatory travel concessions and necessary to the calculation by the authority of reimbursement payments.

Installation and use of equipment

17. - (1) Subject to paragraph (2) of this regulation, an operator may be required to have in his vehicles, and to use, equipment provided by the authority for the purpose of issuing and cancelling tickets or otherwise recording the numbers and descriptions of passengers on those vehicles.

(2) The costs and expense of providing, installing, using and maintaining any such equipment are to be borne by the authority.

(3) Without prejudice to regulation 13, an operator may not be required to supply to the authority information derived from the use of any such equipment and relating to journeys by passengers not entitled to be provided with mandatory travel concessions.

Changes in services and fares

18. Provision may be made for an operator to inform the authority of any changes in the services operated by that operator on which mandatory travel concessions are provided, and of any changes in the fares payable by passengers on those services, in either case when the change takes effect or not later than 7 days thereafter.

Employment of administering agents

19.- (1) An authority may not employ as its agent for the purposes of the administration of reimbursement arrangements any person who is a holder of a PSV operator's licence.

(2) Where the authority are a Passenger Transport Executive, or are both a local authority and a Passenger Transport Executive, the consent of the Passenger Transport Authority for the Executive's area shall be obtained to the employment of any such agent.

General restriction on interference with the manner of providing services

20. Except where done to give effect to this Part of these Regulations, arrangements may not include provisions compliance with which would require the operator to alter the manner in which he provides the services on which concessions are provided.

Part III

APPLICATIONS TO THE NATIONAL ASSEMBLY

Application

21. Regulations 22 to 33 apply to applications to the National Assembly under section 150(3) of the Act (modification of proposed reimbursement arrangements or proposed variations to reimbursement arrangements).

Content of notices

22. Notices served or given under section 150(4) or (5) of the Act shall contain the following particulars:

- i) the name and address of the operator of the service or services to which the notice relates.
- ii) the name and address of the authority.
- iii) the route number or name (if any) and the registration number allocated by the traffic commissioner of each service to which the notice relates.
- iv) the provision of the Act under which the notice is given.

Service of notices

23. - (1) Notices required to be served or given under section 150(4) or (5) of the Act may be delivered by hand

or sent by prepaid registered or recorded delivery post.

(2) Any notice sent by post in accordance with paragraph (1) of this regulation shall be deemed to be received when it ought in due course of post to be delivered at the address to which it is sent.

Written statements

24. - (1) The applicant shall, with the notice required to be given under section 150(4) of the Act, submit to the National Assembly a written statement of—

- (a) the grounds for the application; and
- (b) any reasons or other matters which that person considers to be relevant to the application.

(2) The applicant shall, at the same time as it submits the above-mentioned notice and statement to the National Assembly, send a copy of that notice and of that statement to the authority.

25. - (1) Subject to regulation 31, the authority shall submit to the National Assembly a written statement of any matters which it considers to be relevant to the application.

(2) At the same time as it submits the statement to the National Assembly, the authority shall send a copy of it to the applicant.

(3) Unless otherwise allowed by the National Assembly, any such statement shall be submitted to the National Assembly and sent to the applicant within 28 days of the date of the notice given to the National Assembly by the applicant.

(4) The National Assembly shall inform the applicant forthwith if it allows the authority a longer period for the submission of its statement.

26. - (1) Subject to regulation 31, the National Assembly may, after the authority have submitted their statement, request the applicant or the authority, or both of them, to submit to it such further written statements and documents as it may direct.

(2) Any such further statements and documents shall be submitted within such time as the National Assembly may direct, but such time shall not, unless the applicant and the authority otherwise agree, be less than 14 days commencing with the date of the National Assembly's request.

(3) The applicant or the authority (as the case may be) submitting any further statement or document to the National Assembly shall at the same time send a copy of it to (as appropriate) the authority or the applicant.

Hearings and procedure

27. - (1) The National Assembly may, after the submission of the last written statement or document required under regulations 24 to 26, invite the applicant and the authority to appear before a person appointed by it.

(2) Where the National Assembly has in accordance with Regulation 33 appointed a person to determine the application on its behalf, that person shall be the person before whom the applicant and the authority shall be invited to appear.

(3) The hearing pursuant to an invitation from the National Assembly under this regulation shall take place not less than 14 days after the date of that invitation (or, if invitations were given on separate dates, the date of the second or last of those invitations).

(4) The applicant may appear in person or be represented by counsel, solicitor or any other person.

(5) The authority may appear by any officer or other person appointed for that purpose, or by counsel, or by solicitor.

28. If the applicant or the authority fails—

(a) to deliver any statement or documents within the time specified in these Regulations or directed by the National Assembly; or

(b) to appear before a person appointed by the National Assembly in response to an invitation from the National Assembly;

the National Assembly may nevertheless proceed with the determination of the application.

29. (1) Subject to regulation 28, at any hearing the person appointed by the National Assembly shall give to the applicant and the authority an opportunity—

(a) to address him or her and to amplify the written statement submitted under this Part of these Regulations, to give evidence, to call witnesses, and to put questions to any person giving evidence before him or her; and

(b) to make representations on the evidence (if any) and on the subject matter of the application generally but, where evidence is taken, such opportunity shall not be given before the completion of the taking of the evidence.

(2) The National Assembly or any person appointed by it for to conduct a hearing under this Regulation may receive in evidence any document or information notwithstanding that such document or information would be inadmissible in a court of law.

(3) Except as otherwise provided in this Part of these Regulations, the procedure at any hearing shall be such as the person appointed by the National Assembly shall in his or her discretion determine.

30. (1) The National Assembly, having considered the report of the person, if any, appointed by it pursuant to Regulation 27(1) shall determine the application and its decision shall be recorded in a document signed on behalf of the National Assembly and dated when so signed.

(2) Such document shall contain a summary of the reasons for the decision of the National Assembly.

(3) A copy of the document recording the decision of the National Assembly shall be sent to the applicant and the authority.

(4) Except where a decision has been announced at the conclusion of a hearing, the decision shall be treated as having been made on the date on which the copy of the above-mentioned document is sent to the applicant.

31.-(1) This regulation applies to information relating to the reimbursement of a relevant operator and received by an authority from that operator pursuant to reimbursement arrangements.

(2) In this regulation "relevant operator" means an operator of public transport services on which there is an entitlement to mandatory travel concessions.

(3) Notwithstanding any provision of regulations 25 to 29, any statement or document submitted or sent by an authority, and any statement made on behalf of an authority appearing before a person appointed by the National Assembly, shall not contain any information to which this regulation applies unless the relevant operator has given its consent in writing to such inclusion.

32. When an application has been determined, the National Assembly may, after giving them an opportunity to make representations, require the applicant or the authority, or both of them, to pay such a sum as it may determine towards the expenses incurred by it in connection with the determination of the application.

33. - (1) If the National Assembly appoints a person in accordance with section 150(6)(b) of the Act to determine an application on its behalf, it shall give notice in writing of the appointment to the applicant and the authority.

(2) If the National Assembly appoints a person to determine an application on its behalf, references in regulations 24 to 26 and regulations 28 to 30 to the National Assembly shall be read, with effect from the date of the appointment, as references to the person so appointed.

Signed on behalf of the National Assembly for Wales.