



House of Commons  
Welsh Affairs Committee

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**Cross-border provision  
of public services for  
Wales: follow up -  
Government Response  
to the Committee's  
Tenth Report of  
Session 2009–10**

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**Third Special Report of Session 2010–11**

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## The Welsh Affairs Committee

The Welsh Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Office of the Secretary of State for Wales (including relations with the National Assembly for Wales.)

### Current membership

David TC Davies MP (*Conservative, Monmouth*) (Chair)  
Guto Bebb MP (*Conservative, Aberconwy*)  
Alun Cairns MP (*Conservative, Vale of Glamorgan*),  
Geraint Davies MP (*Labour, Swansea West*)  
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### Powers

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### Publications

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### Committee staff

The current staff of the Committee is Adrian Jenner (Clerk), Alison Groves (Second Clerk), Anwen Rees (Inquiry Manager), Christine Randall (Senior Committee Assistant), Dabinder Rai (Committee Assistant), Mr Tes Stranger (Committee Support Assistant) and Laura Humble (Media Officer).

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## Third Special Report

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The Committee published its Tenth Report of Session 2009-10, *Cross-border provision of public services for Wales: follow-up* (HC 26) on 11 March 2010. The Government response was received in the form of a memorandum on 19 July 2010 and is published as an Appendix to this report.

### Appendix: Government Response

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The House of Commons Welsh Affairs Select Committee published its report 'Cross-border provision of public services for Wales: follow up' on 11 March 2010. This followed individual reports on the areas of health, transport and further and higher education, which were published in the 2008-09 session. The coalition Government welcomes the Committee's follow-up report into these areas. This memorandum sets out the Government's response to the report.

The Government is actively engaging with devolution, and we will continue to work to strengthen the relationship with both the Welsh Assembly Government and the National Assembly for Wales. The public have the right to expect the institutions that represent them to work together in their interests, and the Government will make every effort to do this. The Government is committed to the Respect Agenda, and encourage participation to this end by the National Assembly for Wales and Welsh Assembly Government to ensure we achieve what is best for Wales, and the UK as a whole.

As matters of higher and further education, health and transport are devolved in Wales, it is particularly important that both institutions encourage cooperation to ensure that those living in the border areas, who may use public services in both England and Wales, are not disadvantaged by their geography.

The Secretary of State for Wales and the Wales Office have a key role in encouraging those Departments that are responsible for providing public services in Wales and England to work together in those cross-border areas. One of the tests of devolution must be the effect on the citizen. We will work to try to ensure that none are disadvantaged and the Secretary of State for Wales has committed to seek to ensure that cross-border services work effectively for people on both sides of the border.

The Committee had identified some of these areas in their previous reports, and the Government is pleased to note the progress that the Committee has acknowledged. However, the Government will continue to make efforts to work with the devolved institutions in Wales to ensure that no-one misses out on the high quality services they should expect because they are caught between two different systems.

The Government's response to this report is wide ranging, and includes contributions from the Department for Business, Innovation and Skills (BIS), Department of Health (DH), Department for Transport (DfT) and the Wales Office.

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## Further and Higher Education

**1. The Welsh Assembly Government has assured us that it is fully involved in the Sector Skills Council relicensing process and that it is confident that a smaller number of Councils can fulfil the existing remit. The Department for Business, Innovation and Skills, the Welsh Assembly Government and the UK Commission for Employment and Skills must ensure that the new structures enable Sector Skills Councils to give due regard to territorial differences in skills policies and in the configurations and weightings of different sectors. (Paragraph 17)**

The previous Government announced their intention to substantially reduce the number of Sector Skills Councils (SSCs). John Hayes, as Minister with responsibility for SSCs, believes that the number of SSCs should be determined by employers, taking account of the structure of the economy and the need to use resources effectively. Mr Hayes is hoping to meet with Ministers from Scotland, Wales and Northern Ireland to discuss their views on the reform of SSCs. The SSC Reform and Relicensing Working Group (including officials from BIS, the devolved administrations and the UK Commission) has now been renamed as the SSC Policy and Reform Working Group. This group will work with Ministers to agree the future reform of SSCs and consider proposals from SSCs on their merger, or other such proposals as they are put forward, to ensure adequate coverage across the whole of the United Kingdom.

**2. The amount of consultation and communication between the Welsh Assembly Government and the Department for Business, Innovation and Skills has clearly increased, and both bodies appear satisfied that their respective higher education policies take appropriate account of cross-border issues. This level of engagement must continue, particularly in relation to the English review of student fees. We welcome the fact that the Minister is open to discussing the co-ordination of higher education policy at a Joint Ministerial Committee meeting and suggest that now is the time to do this, given the recent publication of the Welsh and the English higher education strategies. (Paragraph 27)**

**3. Communications and consultation between the Welsh Assembly Government and the Department for Business, Innovation and Skills appear to have improved since the assessment we made just over a year ago. We wait to see whether this will result in better co-ordinated policies in the future. We believe that there is a need for a clear framework for routinely assessing and comparing the impact of new policies in each of the four nations. (Paragraph 44)**

**4. Higher education is in a period of change both in Wales and England. Welsh higher education institutions already receive a lower level of funding than those in England**

**and the Department for Business, Innovation and Skills has a responsibility to ensure that Wales does not lose out even more from the changed focus of research priorities described in Higher Ambitions. (Paragraph 45)**

The coalition Government notes the Committee's comments. BIS ministers are still considering these issues in the round and will write to the Committee in due course.

**5. In our previous Report, we concluded that Research Councils should not just follow excellence, but must also foster it, and recommend that funds be made available at a UK level to support the development of research capacity in economically deprived areas of the four nations. The Government rejected this recommendation, but nevertheless included in its strategy Higher Ambitions a proposal to concentrate research funds in centres which could demonstrate a track record of economic impact. This appears to re-introduce a linkage with economic development policy, which is for the most part a devolved policy area. We ask the Department for Business, Innovation and Skills to explain how this criterion will be reconciled with the criterion of academic excellence, and how it will be integrated with the economic development priorities of the devolved administrations. The current systems for awarding funding already favour established institutions with a proven track record rather than ones with future potential, and the proposal to concentrate research funds appears likely further to limit the opportunities for Welsh higher education institutions to maintain and develop their research capabilities. Wales is starting from behind and looks likely to end up with even less. (Paragraph 39)**

**6. Some of the responsibilities of the Department for Business, Innovation and Skills are UK-wide and others relate only to England. The research proposals in Higher Ambitions are clearly written from an English perspective and make no reference to the other nations, even though the research remit of the Department for Business, Innovation and Skills is UK-wide. We do not believe that the Department properly considered devolution issues when developing this strategy. We recommend that the Department for Business, Innovation and Skills provide further details as to how it intends to apply the research funding proposals to the four nations. This information should be provided to the Committee and the matter also needs to be pursued via both ministerial and officials' meetings. (Paragraph 40)**

The Coalition Government welcome the Committee's recommendations as a helpful contribution to the debate about the provision of public services.

Government science policy remains committed to ensuring that public funding of research at a national level, through the Research Councils and funding bodies, is dedicated to supporting excellent research throughout the UK. The 'excellence principle' is fundamental to safeguarding the international standing and scientific credibility of the UK science and research and supporting an excellent, diverse, expanding and dynamic science base, providing value for money for public investment. The Research Councils fund research on a UK-wide basis, based

on excellence as assessed by peer review. Higher Education funding bodies for England, Wales, Scotland and Northern Ireland are responsible for distributing Quality Related research funding to their respective higher education institutions.

Decisions on QR funding for higher education institutions in Wales are the responsibility of the Higher Education Funding Council for Wales, subject to direction from the Welsh Assembly Government (WAG). This would include any approach to research concentration in higher education institutions in Wales. "*For Our Future*", the WAG Higher Education action plan, sets out their proposals to "*Increase the impact of university research, through targeting support on areas of strength and national priority, and promoting collaboration*" and the WAG thinking on a regional dimension to the planning and delivery of higher education.

It would not be appropriate, as suggested in paragraph 39 of the Committee's Report, to equate the intention to assess the economic impact arising from excellent research with "economic development policy". This is not the case. The Government recognises that scientific excellence capacity should be and is being translated into economic and social benefits for the UK. The Higher Education Funding Council for England is developing the Research Excellence Framework on behalf of, and in consultation, with all the UK Higher Education Funding Councils including Wales, with the aim that this assessment should take better account of the benefits which excellent research provides for the economy and society. Higher Education Funding Council for Wales and the WAG will be responsible for how the assessment of research in higher education institutions produced by the Research Excellence Framework is used to inform the Quality Related funding allocations in Wales. The funding of research on a UK-wide basis on an excellence criterion based on peer review would not be changed by the inclusion of an explicit economic impact element.

Where there is UK-wide responsibility, there are a range of mechanisms for UK wide involvement and strategic planning. For example, the Research Base Funders Forum, which has representatives from Administrations and Funding Councils in the four countries of the UK, is well established and informs priorities and planning at strategic level. Ministers in the former Department for Innovation, Universities and Skills agreed to establish more formal arrangements for bi-lateral and quadrilateral meetings with Ministers in the Devolved Administrations on this matter, and BIS Ministers are willing to continue these commitments. There is always scope for better sharing of information when producing UK policy and BIS Ministers remain keen to consider how they can work more effectively together with devolved administrations.

## Health

**7. The revised cross-border health protocol and accompanying financial transfer from England to Wales has resolved most of the outstanding disputes with regard to the commissioning and funding of hospital care in England for patients resident in Wales. Monitoring of the protocol's implementation will be a key issue as policy**

**continues to develop and change on both sides of the border. This should be carried out in a way that is transparent to providers and patients. We recommend that our successors return to this matter in the next Parliament. (Paragraph 55)**

The revised cross-border protocol has been in place since April 2009. The protocol, and the financial arrangements put in place at that time, have been well received on both sides of the border and, as the Committee suggests, appear to have resolved many of the significant issues that had been previously identified.

The current protocol is effective from 1 April 2009 to 31 March 2011, when it will be reviewed. This will provide an opportunity to evaluate its impact and make changes where required, as the health systems in England and Wales are continuing to evolve. The Department of Health and the Welsh Assembly Government are monitoring the supporting funding arrangements prior to agreeing future funding.

As the Committee is aware, the cross-border protocol sets out the agreed procedures for the commissioning of NHS services for those residents living in the four English Primary Care Trusts (PCTs) or three Welsh Local Health Boards (LHBs) adjacent to the border. There will be other issues, outside the scope of the protocol, which will continue to require attention at the appropriate level. Many of the cross border issues that emerge are local or regional issues that are resolved locally by the NHS. There will also be issues arising that may require the attention of officials in the Department of Health or the Welsh Assembly Government.

**8. We welcome the commitments from Ministers in both England and Wales to evaluate the effects of their policies across the border and to establish a robust reporting structure so that local problems can be highlighted and resolved more swiftly in future. (Paragraph 58)**

The coalition Government agrees that new processes should help resolve problems in the future. The Department of Health is committed to working with the Welsh Assembly Government and the NHS on both sides of the border to monitor the implications of policy changes and to ensure that funding and services reflect patient flows and needs. This includes issues that may be the result of unique local circumstances or ongoing changes to health policy and service delivery in both countries.

There is considerable contact between officials from the Department of Health and the Welsh Assembly Government on a range of areas during policy development and implementation.

Where issues emerge there are clear channels so that, where necessary, issues can be appropriately escalated within the NHS to PCTs and Strategic Health Authorities (SHAs) and if required to the Department of Health or Welsh Assembly Government.

The NHS on both sides of the border continues to work together. In border areas there are a range of contracts in place between the NHS in England and in Wales to support the large number of patients who cross the border for treatment. For example, in the West Midlands, the Powys LHB is part of the local Cancer Network, in recognition of the reliance on cancer care services in England. In Bristol and Gloucestershire, where there are well-established flows of patients across the border, the NHS has regular communication with the NHS in Wales and formal contracts and reciprocal arrangements in place.

**9. We were pleased to hear examples of excellent cross-border co-ordination, including in negotiations on the draft EU Directive on cross-border health care. We consider that the sharing of best practice across the four home nations of the UK can improve the provision of services for the whole population and we would urge further work in this area, including the establishment of a dedicated forum to share experience on the treatment of veterans. The development of a clearer regional focus within England, including Regional Ministers and Regional Select Committees, may well provide a more sophisticated level of comparison on a variety of issues. This would be particularly helpful to all-Wales policy making and scrutiny and we urge the Cabinet Secretary and the Permanent Secretary to the Welsh Assembly Government to ensure that this is built into future developments. (Paragraph 68)**

The coalition Government is committed to devolution and resolving local issues at every level. The Department of Health and the Welsh Assembly Government updated the Devolution Concordat on Health and Social Care in March 2010, re-affirming a commitment to co-operate on matters affecting the NHS, public health, wider health issues and social care. The concordat provides a framework for co-operation between the Department and the Welsh Assembly Government.

The healthcare needs of those who have served in the Armed Forces, including those injured, remains an important priority. The Ministry of Defence/UK Departments of Health Partnership Board was established by Concordat between the MoD and UK DH in 2005 ("Delivering our Armed Forces Healthcare Needs, A Concordat between the UK Departments of Health and Ministry of Defence, 2005"). The key purpose of the Partnership Board is to foster and strengthen the relationship between the defence and civil healthcare services for the benefit of the Armed Forces population, including veterans.

The Partnership Board comprises senior representatives from the MOD and DH/NHS from across the UK, including the Welsh Assembly Government. It is supported by two working groups, which draw upon expertise from across the civilian and military healthcare services to jointly address key issues. As part of its work, the Partnership Board oversees the implementation of the health commitments contained in the Service Personnel Command Paper ("The Nation's Commitment: Cross Government Support to Our Armed Forces, their Families and Veterans, July 2008"), which emphasised

improvement of information and awareness of veterans' healthcare needs, prosthetics provision and the roll-out of community mental health services.

Services for veterans is a key area of the Partnership Board work programme where emerging research and learning are shared. An example is the six veterans' community mental health pilot programmes, including one based in Cardiff, sponsored by the MoD/NHS. These are currently being evaluated, with a report expected in the autumn. These community based mental health services are expected to continue their work beyond the trial period and the findings will provide a national evidence base for the commissioning of services geared towards the mental health needs of veterans. However, we recognise that more work needs to be done.

The Committee's recommendation to establish "a dedicated forum to share experience on the treatment of veterans" is welcomed. It is the coalition Government's view that this recommendation be implemented through strengthening the role of the Partnership Board in this area.

**10. We were pleased to take evidence for the first time as part of this inquiry from the relevant English Regional Ministers and agree that they are well placed to increase awareness of cross-border issues within their regions. We note that the challenges and opportunities are quite different in relation to North Wales and the North West region, Mid-Wales and the West Midlands, and South Wales and the South West region. We are particularly encouraged to hear of local initiatives to improve co-ordination between North Wales and North West England where the flow of patients across the border is significant. (Paragraph 74)**

**11. There is likely to be continuing divergence in the structures of NHS services in England and Wales in the coming years. We were pleased to hear that a co-ordinating group bringing together the North West, South West and West Midlands SHAs with their counterparts in Wales has been established to identify any potential problems at an early stage. This group will need to maintain its initial impetus to ensure any unintended consequences are recognised and dealt with swiftly. It is important for the remit of this group to be clear and that it should be able to look beyond health issues to ensure there is a joined-up approach across policy areas. For example, the violence reduction programme in Cardiff shows benefits for the NHS, which is devolved, and criminal justice, which is not. We request a regular update on the work of the coordinating group. (Paragraph 82)**

As the Committee notes, the NHS is accountable to the patients and public it serves and often must respond to unique local challenges. PCTs and SHAs have established strong relationships with NHS colleagues in Wales and have put arrangements in place to enable patients to access primary, secondary and specialist health services across the border from where they live.

Officials from the Department of Health, the Welsh Assembly Government and representatives from the NHS in England and Wales attend meetings of a cross border forum that also includes representatives from government and regional offices, local authorities and others.

Officials also attend a health and social care task group where operational and policy issues are reviewed. The task group promotes closer cross border working and collaboration. It considers health and social care policy developments across the border and their potential impact. The health group's terms of reference are currently being reviewed to ensure that emerging issues continue to be scrutinized and resolved quickly.

The Wales Office has a role to play in ensuring that in circumstances where action taken by either Government has an effect on the policies of the other, that they work together to mitigate any problems, while learning from each others successes.

**12. More needs to be done to raise public awareness of the differences in services they can expect to receive in England and Wales, as recommended in our earlier Report. The improvements in co-ordination at governmental level should be matched by transparency for patients and citizens. (Paragraph 93)**

We agree that patients should have access to the information they need to make choices about their care and it is important that they understand the implications of their choice of GP. This is particularly the case for patients who live near the England-Wales border and who choose to register with a GP across the border from where they live.

The NHS is best placed to provide specific local information to patients about registering with a GP. PCTs are required to publish information about the range of services available to patients. Best practice guidance issued by the Department in 2008 included recommendations about what should be included in each PCT's guide to local health services. This stated that PCTs should publish information about GP practices and other available services. PCT's should also explain what patients should do if they are experiencing difficulties accessing primary care services.

The provision of information to patients registering with a GP across the border is a matter that the cross-border health group is continuing to explore.

To improve transparency the coalition Government intends to make available more information about all aspects of health care. Patients will be able to rate hospitals and clinicians according to the quality of care they receive and in future it will be easier for the public to see where unacceptable services are being provided and to exert local pressure for them to be improved.

**13. Foundation Trusts should be bound by the same dispute resolution procedure as other providers. The Department of Health should ensure that Welsh patients treated in English hospitals have the same rights to raise a dispute as those resident**

**in England and vice versa. The criteria should relate to fairness to the citizen and not the convenience of the respective bureaucracies. (Paragraph 96)**

The cross-border protocol sets out the agreed procedures for commissioning NHS healthcare for residents in England who are registered with a GP in Wales and residents in Wales registered with a GP in England. The dispute resolution process in the protocol is available so that PCTs and LHBs can resolve a dispute should one arise. The dispute resolution process within the protocol was not intended to be the mechanism through which all cross-border disputes would be resolved.

In England, FTs and NHS trusts are bound by the dispute resolution procedures in the standard NHS acute contract. There are some differences in the escalation process – FTs may escalate disputes to Monitor and the Centre for Effective Dispute Resolution (CEDR) and other NHS trusts may escalate disputes to the SHA.

The contracts English foundation trusts or NHS trusts enter into with Welsh LHBs are local contracts and should include dispute resolution provisions as standard. It is the responsibility of the contracting parties to agree the terms of the agreement, including the dispute resolution procedures.

In England, legislation<sup>1</sup> governs the NHS complaints procedure, setting out various obligations on NHS bodies, GPs and other primary care providers, and independent providers of NHS care in relation to the handling of complaints. Patients have the right to have any complaint about NHS services dealt with efficiently and to have their complaint properly investigated. The complaints processes operating in the NHS in England are open to patients regardless of their place of residence. English patients may also lodge a complaint with their PCT and Welsh patients with their LHB. In England, if a complaint is not resolved with the provider then a complaint can be referred to the Parliamentary and Health Service Ombudsman.

**14. There is a serious and persistent lack of comparative data on which to build any solid research comparing the performance of the NHS in the devolved nations. Ministers expressed little enthusiasm to tackle this situation, and we consider this to be a serious mistake given the acknowledged benefits of learning from different practice in each of the home nations of the UK. We strongly recommend that they reconsider their approach and find ways of working together to that end. (Paragraph 104)**

Although an inevitable consequence of devolution has been some divergence in health policy between England and Wales, the core principles of the NHS continue to apply across the UK.

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<sup>1</sup> Local Authority Social Services and National Health Service Complaints (England) Regulations 2009).

It is for the Welsh Assembly Government to determine its own health policies and priorities to meet the needs of people in Wales. Similarly, it is for the Government and the NHS in England to establish its own policies and priorities.

Given this, we do not believe it would be appropriate for the health departments to undertake assessment of the comparative performance of the health service in the four UK countries. In each country, the health service serves the public according to local priorities. It is important that the health service learn from good practice wherever that is found and we believe that mechanisms exist to enable this to happen. It is also important that where care for individual patients "crosses borders" patients know their rights and receive the service that they are entitled to. The mechanisms we have put in place are achieving this objective and the cross border group will continue to monitor this.

**15. Many of the acute problems we identified in our earlier Report on cross-border access to health services appear to have been resolved. In particular, the revised protocol for cross-border healthcare commissioning should ensure that Welsh patients continue to receive treatment across the border where this is the most convenient solution. However, it is likely that health policy in Wales and England will continue to diverge in future. The Department of Health and Welsh Assembly Government will need to ensure that the cross-border liaison structures they have established in response to recent difficulties are sustained in order to have an enduring effect. Long term monitoring must be carried out in a way that is transparent and accountable to providers and patients. (Paragraph 105)**

As a result of devolution, many decisions made by health Ministers in the UK Government now only apply in England and the Welsh Assembly Government make their own health policy.

The coalition Government has made a commitment to increase health spending in real terms in each year of the Parliament and to creating an NHS that is accountable to the patients and public it serves.

The successful delivery of NHS services should not be about structures and processes, but about setting priorities that will improve health for all. The Government is committed to working with the Welsh Assembly Government and the NHS to ensure that high-quality health services are available to all patients, including those living near the England-Wales border and patients from Wales using the NHS in England.

The Committee's reports have made a valuable contribution to the debate on the provision of cross-border health services.

## TRANSPORT

**16. The development of the proposal for electrification of the Great Western Main Line is an example of good communication between Wales and Whitehall. We particularly welcome the planned use of bi-modal electric/diesel trains, which should reduce disruption for passengers, and that electrification work will take place as a rolling programme along the length of the line. We urge our successors in the next Parliament to continue to monitor progress on this work, which promises significant economic benefit to South Wales. (Paragraph 115)**

We support further electrification of the rail network. The coalition Government believes that a modern transport infrastructure is essential for a dynamic and entrepreneurial economy, as well as to improve well-being and quality of life.

However the deficit reduction programme must take precedence and plans for rail infrastructure will depend on decisions to be made in the Comprehensive Spending Review. This caveat also applies to recommendations 24, 25, 26, and 34.

**17. We urge all parties to continue to work towards improvements in the Wrexham-Bidston service, with electrification as the ultimate aim to provide a service fully integrated into the Merseyrail commuter system. Any other solution will mean passengers between Liverpool and Wrexham still have to change trains. (Paragraph 118)**

The Welsh Assembly Government is responsible for the specification, funding and management of Arriva Trains Wales' services between Wrexham and Bidston. The Department for Transport will continue to keep in close touch with the Welsh Assembly Government and Merseytravel about options for the Wrexham-Bidston line, and about its plans for rail infrastructure in England and Wales.

**18. Our joint evidence session with the National Assembly for Wales Enterprise and Learning Committee was extremely productive and we look forward to continuing links between scrutiny committees in Parliament and the Assembly in order to explore our complementary interests. We support the view of that Committee that the Swindon–Gloucester–Severn Tunnel Junction diversionary line between South Wales and London is strategic to Wales and should be considered for electrification. (Paragraph 123)**

For reasons of affordability, the coalition Government's priorities for electrification in England and Wales do not, at present, include the Swindon-Gloucester-Severn Tunnel diversionary route.

**19. £45 million has now been promised to redouble the Swindon–Kemble line. The Regional Minister for the South West had a key role in securing this funding and we congratulate him on his engagement and commitment to this issue. The importance of this line as a diversionary route when the Severn Tunnel is closed will be**

**heightened during electrification of the Great Western Main Line. We urge the Government to ensure that final costs are agreed as soon as possible so that work can begin. (Paragraph 129)**

The Department for Transport continues to have detailed discussions with Network Rail to determine if an acceptable cost can be agreed for the redoubling of this section of the Great Western route.

**20. A new high speed rail link running between London and Scotland can have benefits for North Wales if connections are managed properly. We urge the UK and Welsh Assembly Governments to work with Network Rail to ensure that these plans are factored in at an early stage. (Paragraph 132)**

The coalition Government will work to establish a high speed rail network. This will contribute to its ambition of creating a low carbon economy and will help to secure the long-term economic prosperity of the country. Our vision is of a truly national high speed rail network for the whole of Britain, including Wales, to be achieved in phases.

Ministers are therefore reviewing the options for taking forward such a national network with a view to providing the maximum benefits for the country and making rapid progress towards construction.

**21. Forecasts of rail passenger numbers have historically underestimated the growth in demand, leading to overcrowding on many services. While forecasts have been adjusted upwards more recently, they should be comprehensively reviewed to ensure that planned infrastructure meets demand. We expect that our successors in the next Parliament will ensure that the Secretary of State for Transport keeps them informed of changes in the forecasting techniques. (Paragraph 135)**

The Department for Transport monitors actual growth rates to ensure that the infrastructure outputs that it has specified for Wales are likely to meet demand. In addition the rail industry's Passenger Demand Forecasting Handbook is regularly updated, to ensure all research is both relevant and based on the latest available evidence. The latest edition was published in August 2009 following consultation with a wide range of industry experts and revisions to the guidance to reflect recent research findings.

**22. Although not all design options would be suitable for transport use, the Government must not miss the opportunity of considering new transport links as part of any Severn Tidal project. Given the size of the project, it would be very short sighted to limit the planning horizon for such links to only 20 years. (Paragraph 139)**

The existing Severn transport links have the capacity to meet the forecast increase in demand over the next two decades. If new transport links are needed beyond 2025-30 further assessments would need to be undertaken nearer that time.

**23. While we understand the need for regional ownership of regional planning, there are strategic issues that go beyond the region, just as there are strategic issues that go beyond Wales. Some strategic routes are too important to leave to regional authorities. The A483 is the clearest example of a road which is not important to the English region in which it is located, but is vital to those travelling between North and South Wales. We request an update on the outcome of the meeting between the Department for Transport Minister and the Regional Minister to discuss the A483, so that we can consider this issue further. (Paragraph 144)**

**24. The Department for Transport appears to have washed its hands of any strategic responsibility for cross-border roads, such as the A483, which are not receiving the funding they need through the existing system of regional prioritisation. Given the lack of any interest in resolving this issue on the part of the Department for Transport, we urge regional ministers to take the lead by emphasising the benefits of cross-border engagement to their regions and the Secretary of State for Transport to take ownership of strategic issues. This is a glaring case where the Secretary of State for Wales should seek to broker a common strategic approach between the Department for Transport and the Welsh Assembly Government. (Paragraph 145)**

Ministers will be considering local funding arrangements for transport in the context of their longer-term spending plans and the coalition Government's localism agenda. The Department for Transport will encourage a dialogue with the Welsh Assembly Government on cross-border issues.

One of the key roles of the Secretary of State for Wales and of the Wales Office is to promote dialogue between UK Government departments and the Welsh Assembly Government wherever possible. The Secretary of State has regular discussions with Ministers from both the Welsh Assembly Government and the UK Government and has committed to seek to ensure cross-border services and projects dovetail sufficiently.

**25. We note that proposals for a change to the legislation governing the Second Severn Crossing have recently been raised in order to allow motorists to pay by credit card and we urge the Government to consider any changes to the toll structure as part of this proposal. (Paragraph 147)**

The tolls are in place to recover the costs associated with the construction of the new crossing and to finance the costs associated with the operation and maintenance of both crossings. The toll amounts are set by legislation, The Severn Bridges Act 1992. Under this legislation an annual Order is required to be made in December each year fixing the toll amounts to rise in line with RPI for the following year.

The Secretary of State for Transport does not have the authority to set the annual tolls below the level of RPI increase without the Concessionaire's agreement. The Concessionaire would not be able to agree to anything which would affect their net revenue without compensation and agreement from their shareholders and lenders.

The regulations to allow card payments came into force on 19 March and the Highways Agency are working with the Concessionaire to introduce a card payment system as a matter of urgency.

**26. We repeat our view, shared by the Welsh Assembly Government, that there should be a dedicated Traffic Commissioner for Wales. We do not accept the Department for Transport's argument that the location of a Commissioner should be determined solely by the annual caseload (which might mean that Scotland had no Commissioner). Wales has developed distinct transport policies which means that it is not appropriate to treat the country as simply another region of England. (Paragraph 151)**

Department for Transport officials are involved in ongoing discussions with colleagues in the Welsh Assembly Government on this issue. However, at present, there is no operational justification for a dedicated Welsh traffic commissioner or office, as the overall volume of 'local' work does not support such a case. For example, in 2008-9, the traffic commissioner and deputy commissioner held 109 public inquiries involving Welsh licence holders. This compares to 308 in the North East, 240 inquiries held in the Western traffic area and 205 in Scotland. In the West Midlands, there were 188 inquiries, the reason why the joint traffic area is based in Birmingham, not Wales.

Although traffic commissioners are independently appointed by the Secretary of State, they are funded from fees levied against the bus and haulage industry by the Vehicle Operator & Services Agency (VOSA). VOSA also provide the staff support to traffic commissioners, again through industry fees. Any proposals for a dedicated traffic commissioner and office in Wales would need to be on the basis of a sound business case, as funding would also need to be provided from fees income. We have discussed this situation with the Welsh Assembly Government.

**27. Since our earlier inquiry there has been some improvement to the cross-border rail services between Manchester and Birmingham airports and Wales. There remains, however, a significant need for more frequent and convenient services as well as better integration of bus and rail services. We look forward to further updates on the progress of the Department for Transport's work in this area. (Paragraph 156)**

In February 2010 Network Rail published a future strategy for improving rail services across the North of England through increasing capacity and tackling bottle-necks around Manchester and key routes across the Pennines ("the Northern Hub"). Network Rail is carrying out further development work which forms part of its planning process for the period 2014-2019.

Any decision on investment in the period after 2014 and the level of train services to be specified would be confirmed in the coalition Government's second High Level Output Specification expected to be published in July 2012.

**28. We are disappointed that the Department for Transport is unwilling to accept our recommendation that it should collaborate with the Welsh Assembly Government to develop a distinctive ports policy for Wales. Our inquiry found clear evidence that the needs of Welsh ports differ significantly from those in England. (Paragraph 163)**

The Department for Transport is keen to continue to engage and collaborate with the Welsh Assembly Government over issues concerning Welsh ports. Officials have visited the port of Holyhead to discuss the matter of potential cruise operations with officials of the Welsh Assembly Government, Cruise Wales, Stena Ports and Anglesey Aluminium.

The UK ports policy was reviewed in 2006 and the Welsh Assembly Government was fully consulted. The fundamental policy of a national market-oriented approach was reflected in the draft National Policy Statement on Ports for England and Wales which was published for consultation in November 2009.

Wales Office Ministers are planning to visit key Welsh Ports to assess their needs first hand.

**29. Since our earlier inquiry, there has been good progress in some areas of co-ordination between the Welsh Assembly Government and the Department for Transport, particularly in rail where we warmly welcome work on electrification of the Great Western Main Line. We consider that the role of the regional minister can be an important driver of increased communication and co-operation, for example in the case of the Swindon-Kemble rail redoubling. However, this is in contrast to the situation with ports, where the distinct needs of the Welsh economy have not yet been recognised, and with roads, where the Department seems to have washed its hands of any strategic responsibility. This suggests that parts of the Department, at an operational level, are inflexible in their approach to policy development and unwilling to engage positively with their Assembly colleagues. (Paragraph 164)**

The Department for Transport is pleased to note that the Committee recognises good progress has been made on some transport issues. The Department seeks to ensure good, collaborative relations between all policy areas and the devolved administrations. In response to the recent consideration of relations between Whitehall and the Devolved Administrations, the Department is seeking to improve awareness and understanding of devolution and to encourage open and co-operative relations.