Dear Assembly Member

I wanted to share my letter to Cardiff City Council with you, following a meeting with them last week about their future transport strategy. A copy is attached.

Yours sincerely

Ken Skates AM
Minister for Economy and Transport
Dear Huw,

Further to our meeting last week, I would like to thank you and your Chief Executive for the opportunity to discuss Cardiff’s developing transport agenda.

As we both agree, action is required now across Wales to decarbonise our transport network, improve air quality for our citizens and reduce congestion. We have to address the environmental, societal and economic harm that these threats pose as well as improve public transport provision in a fair and equitable way. Initiatives such as Metro, bus reform and Active Travel investment are vital supply side measures to incentivise the shift of journey choices from private car to public transport and cycling/walking. However, as the Authority has now publicly recognised, these measures may need to be accompanied in due course by demand side measures, to ensure overall reductions in private car use in our cities and towns.

As I stated at the time, the Authority is bringing forward a bold and exciting vision that, alongside the Welsh Government’s plans for the Metro, our ambitious bus reform agenda and our record investment in Active Travel, has the potential to deliver the required step change in mobility in the capital city and the wider region. Indeed, the package of projects which you have outlined demonstrate the scale of the ambition needed if Wales is to lead the way in tackling the climate emergency, addressing inequality and promoting inclusive economic growth.

The Welsh Government does need to consider, in further detail, the proposed introduction of any new demand management mechanism by the Council and its impact on the wider region around Cardiff which includes some of the most deprived communities in Wales. To this end, I can confirm that we will commission a detailed study into the benefits and challenges of demand management approaches. This will inform national and regional policy positions on this issue, and will be complete in the autumn of this year. I will share the Terms of Reference of this work with you and the WLGA in due course.
In developing new funding mechanisms to support investment in transport infrastructure and services, I note your point that additional funds generated by Local Authorities through any such scheme should be over and above the normal levels of financial support given by Welsh Government.

I accept in principle that there should be no disincentive for Local Authorities to pursue innovative and that potentially complex, revenue raising schemes can unlock earmarked capital investment programmes. The issue of additional revenue raising is a significant one with important regional as well as national dimensions, which will be explored in full in the policy work described above. It is clear from the debate on the proposals that you have tabled that issues of fairness and equity will be crucial, both to achieving the policy ambitions we all share and to maintaining broad support for the use of revenue raised by any road user charging proposal.

Following on from our meeting, I have asked my officials to involve Cardiff Council with this policy work, which if we are to proceed together will be the foundation of the required business case on delivery options and the investment plan to help support your vision.

Welsh Government is keen to support your vision. We both share the same objectives. I am keen to work with you to achieve the outcomes described above in a fair and equal way that is most beneficial for society, the environment and our economy.

Yours sincerely

Ken Skates AC/AM
Gweinidog yr Economi a Thrafnidiaeth
Minister for Economy and Transport