

Welsh Affairs Committee

Oral evidence: Impact of population change in Wales, HC 103

Wednesday 24 January 2024

Ordered by the House of Commons to be published on 24 January 2024.

[Watch the meeting](#)

Members present: Stephen Crabb (Chair); Tonia Antoniazzi; Virginia Crosbie; Ben Lake; Robin Millar; Mr Rob Roberts.

Questions 61 – 133

Witnesses

[I](#): Barry Rees MBE, Corporate Director, Ceredigion County Council; Mark Harris, Planning and Policy Adviser for Wales, Home Builders Federation; Ifan Glyn, Wales Director, Federation of Master Builders.

[II](#): Ellie Fry, Corporate Director of Regeneration and Community Services, Blaenau Gwent County Borough Council; Paul Jones, Strategic Director, Environment and Sustainability, Newport City Council; Aaron Hill, Director, Confederation of Passenger Transport Cymru.

Written evidence from witnesses:

– [Ceredigion County Council](#)

Examination of witnesses

Witnesses: Barry Rees, Mark Harris and Ifan Glyn.

Q61 **Chair:** Good morning and welcome to this session of the Welsh Affairs Committee. We are continuing our inquiry into the impact of population change in Wales. I am delighted to welcome two panels of expert witnesses this morning to help us in our discussion about this issue.

For the first panel, I am delighted to welcome Barry Rees MBE, corporate director at Ceredigion County Council. We are also joined by Ifan Glyn, Wales director of the Federation of Master Builders, and by Mark Harris, planning and policy adviser for Wales at the Home Builders Federation.

Could I kick off the discussion by asking the three of you to give us a brief overview of the importance of housing as a driver of population



HOUSE OF COMMONS

change in Wales? To what extent is the lack of affordable housing one of the forces at work in changing the nature of the population in places like Ceredigion and elsewhere in Wales?

Barry Rees: In relation to our assessment of local wellbeing, it was very clear that two of the main worries for our youngsters were the availability of affordable housing and the availability of jobs. That has come from the mouths of babes, as it were. Our data suggests that that is borne out by the fact that we have a reduction particularly in our younger population and through the working-age population. However, at the other end of the spectrum, because we have a high average house price, young people find it really difficult to get on the housing ladder. By definition, they would slot into affordable housing, so it is a particular concern to us in Ceredigion and is one of the drivers for our population change.

Q62 **Chair:** Last weekend, I drove through the village of St Dogmaels, which is just on the border between my constituency in north Pembrokeshire and Ceredigion. There was a sign up in the window in one of the houses that I drove past saying, "Second homes kill communities." Are second homes killing communities in Ceredigion?

Barry Rees: We have a relatively high number of second homes: around 1,700. It depends on the location. New Quay, which is on the coast, is a beautiful village and a destination of choice, but also a destination of choice for people looking for second homes: 27%, more than a quarter, of all homes in New Quay are second homes. They are not always affordable homes—some are quite expensive—but by definition they are off the market for our youngsters to buy. Without being political about it, there is some semblance of truth in what you say about those not being accessible to our people who aspire to buy homes in Ceredigion.

Q63 **Chair:** Mr Harris, what is your perspective on the housing issue, particularly in west and north Wales, which are seeing significant changes in population?

Mark Harris: Representing the Home Builders Federation, the bulk of my members are national or larger private house builders. The bulk of the new housing being built is in south-east and north Wales. We do not build any significant developments within the more rural areas, although one larger house builder is building in west Wales, in Pembrokeshire and Carmarthenshire.

It is hard to comment on the rural impacts, but at the high level, my members would like to provide the private housing that Wales needs. We provide about 30% of affordable homes through section 106 agreements. The Future Wales national plan, which the Welsh Government put in place recently, suggests that Wales needs 7,400 additional homes a year, and we are currently building around 5,500 and have not been near the 7,400 for many years, and so there is clearly an undersupply of new homes in Wales.

Q64 **Chair:** I do not want to disappear down a rabbit hole on this, but what is



the key reason why Wales is not building sufficient homes or anything like it, given the figures that you have just cited?

Mark Harris: We would certainly have to mention the planning system. Wales works within a plan-led system and, for various reasons, we have struggled to keep some of the plans up to date. The importance of those plans being up to date is that they allocate the land for housing, so if not enough land is being allocated and adopted so that it is available, it makes it harder to deliver the sites. Very simply, there just is not enough viable, deliverable land at the moment in Wales.

Q65 **Chair:** Mr Glyn, I know from some of the house builders that I speak to in west Wales that second homes are often the more valuable projects and pieces of work that they get to do. What is your take on the issue of the availability of housing and building new homes, and the issue around second homes and the impact on communities?

Ifan Glyn: In terms of the overall picture, we are failing in this area on all fronts. In terms of affordability, the ability to buy a home is out of reach for a lot of people. They are then driven into renting. In 2023, rents in Wales went up by just over 7%, making them out of reach for a lot of people. The average rent on a property is about £1,000 in Wales. If you are a low earner, that is a big problem. You are then driven to social housing, and social housing waiting lists are longer than they have ever been. It is a massive problem.

Mark touched on some of his members being large-volume house builders. They are interested in certain types of sites. They usually operate across Wales and England and have options in the way in which they develop. They develop predominantly in south-east and north-east Wales, which are more affluent areas, but there is not much interest from those companies to develop in more rural parts of Wales or in the valleys.

There is a gap there that should be filled by SME house builders, but we have seen a massive decline in the number and output of SME house builders. Back in the late 1980s, roughly 40% of new homes were built by SMEs. Today, that figure is down to about 10%, so there has been a real decline. There is a lack of land and land viability, but you do not have the SME builders in those areas speculating, asking questions and pushing for development, so nothing happens.

The main reason for that decline is the increasing complexity, cost and risk involved with the planning process. Planning has become increasingly difficult to navigate, and only companies with massive resources and deep pockets can deal with it. The problem is the layer upon layer of planning obligations that have been added. In and of themselves, you would not necessarily have an issue with them; it is just the accumulative impact of it.

Q66 **Chair:** What about policy levers like the second home council tax premium? Do you see any evidence at all that leveraging higher council



tax on second home owners is providing significant additional revenue to stimulate more house building, or is it an irrelevance?

Ifan Glyn: I have seen no evidence of it. On the point about second homes, it needs to be a lot more targeted than it has been. There are issues with second homes. You asked whether they kill communities. In certain parts of Wales they do, and I can name a few coastal villages where that has been the case. What we do not want is for that to happen elsewhere. We need to give local authorities the ability to target specific towns and villages where that is a particular problem, rather than this zonal approach to it.

Q67 **Chair:** Can I move the discussion on to the impact on the Welsh language? Ceredigion is one of those parts of Wales where the Welsh language is at its strongest. Mr Rees, are you seeing any link between what is going on with the challenges around housing, which you have all talked about, and levels of population speaking Welsh? My reading of the most recent census is that it is not very encouraging when it comes to the number of Welsh speakers in Wales.

Barry Rees: The last census showed a decline of 2% in the number of Welsh speakers in Ceredigion. It is still one of the strongholds of the Welsh language, as you suggested. In relation to the timing of the census during covid, there was some impact there. You had pupils of statutory school age having been home-schooled or taught online for a while, which had some impact on the responses to the census in terms of whether they were confident to say that they were Welsh speakers. That is largely beside the point, but there is a statistical element there that we need to be cautious about.

However, with the educational infrastructure that we have, the throughput of Welsh speakers to communities is really strong, although, given that we have net outward migration of youngsters from Ceredigion, we are probably supplying Welsh speakers to other parts of Wales, particularly due to the huge draw of cities in south Wales. We are seeing that moving into the population. There are people who will come back having been away, but it is a net outward migration.

Furthermore, we have high levels of people who retire to Ceredigion. They are the people who can afford our homes, but, as a consequence, quite large properties have low occupancy, with one or two people of a certain age living in them, and very rarely are they Welsh speakers. This net migration impact is having an effect that we need to work extra hard to mitigate.

Q68 **Chair:** What are the levers available to you and your team at the council, or what levers are potentially available to Welsh and UK Government, to address some of those challenges? I mentioned the council tax premium earlier. Are things like that making any difference in terms of the big tidal change that you are describing?



HOUSE OF COMMONS

Barry Rees: A few local authorities moved more quickly than we did on council tax premiums. We have had a modest council tax premium of 20% on second homes. However, that has enabled us to create a fund that is currently at around £1.8 million. That is going to fund a community housing scheme. Hopefully, we can have a shared equity scheme for buyers.

Q69 **Chair:** How many units will be in that scheme?

Barry Rees: There is no limit to it. It is limitless. The more of these shared equity schemes we provide, the more the fund is diminished, but our strategy is to constantly top that up from council tax premiums. If it is a success, it will self-perpetuate.

Q70 **Chair:** If what you say is correct in terms of the dramatic change in some of the coastal villages that you talk about—whether or not you want to use the language around killing communities, with people with more economic means being able to buy the higher-value properties—why are you not going after them with a 200% or 300% council tax premium, which some councils are looking at?

Barry Rees: We have made a political decision to move from 20% to a 100% premium for second homes from April. We also have a stepped approach to long-term empty properties.

Chair: Thank you very much. I hope that that helps to set the scene.

Q71 **Virginia Crosbie:** Croeso and good morning, gentlemen. Ifan, you mentioned the challenges in the sector in terms of planning, complexity and cost. This is getting more complicated. What is your view on councils' ability to deliver on this?

Ifan Glyn: Planning departments in Wales are severely under-resourced. It is also a massive issue for those SME developers that still exist. Delays in planning caused by planning officers not being available and departments not being reactive is a big problem for our house-building members in Wales. The problem there is that often the private sector poaches good public sector planners, so it is a difficult issue to resolve. Welsh Government are looking at delivering planning services at a more regional level. Those moves have started, but the impact of that in terms of an improvement in delivery from planning authorities is yet to be seen.

Q72 **Virginia Crosbie:** Do you see some local authorities outsourcing some of these services to England and using firms in Bristol, Manchester and elsewhere?

Ifan Glyn: I see elements of that, but I am not sure to what extent.

Barry Rees: As a local authority, we are the planning authority, so we recognise some of the difficulties that Ifan has outlined. We outsource some elements to get rid of backlogs, but the one thing that does suffer is enforcement. As the planning authority, we are expected to enforce when people transgress, but the fact that we have a general planning



backlog puts a strain on our ability to enforce. Those are elements that we in Ceredigion have outsourced in order to bring those backlogs down.

Mark Harris: We often hear about the shortage of planning officers, and that is correct. We also need to remember that because of the complexity of planning, if you take a reasonably-sized housing application, there is going to be a highway engineer, a drainage engineer and a landscape engineer involved—I could go on. There are going to be quite a few departments, all of which are suffering from the same lack of resources. Quite often, there is a planning officer who has the file and is ready to determine it, but they are still waiting for internal responses. I should also mention that the statutory consultees—NRW, Welsh Water and others—also have resource issues. It is often blamed on the planners, but it is much wider than that.

Q73 **Mr Roberts:** Ifan and Mark, you are the Wales reps of large UK-wide organisations. You have talked about planning a lot. Is it more challenging in Wales, compared with what your colleagues are saying about the processes in other parts of the UK?

Mark Harris: That is an interesting question. There has been so much change recently in the UK around planning that it has started to become as complex as England, if not more complex. There has been more consistency in Wales, but the Welsh Government and their policies are very focused on the delivery of affordable housing. Although we are not against that, it sometimes feels as though there is not the same support for private housing. The best example of that that I could give is the Welsh national plan, which is the highest-level plan. It has one chapter on housing and covers all tenures of housing, but the title of that chapter is “Affordable housing”.

Ifan Glyn: I would agree with Mark. One thing that is lacking in Wales is a recognition of the contribution that market housing makes in terms of affordable housing. If we are to attract inward investment, which parts of Wales desperately need, we need to give people places to live. The national plan does not recognise market housing as a driver here, which is something that concerns us.

Q74 **Tonia Antoniazzi:** Wales is changing. Communities and the population are changing. Barry, are we building the right type of housing for people and communities?

Barry Rees: Speaking on behalf of Ceredigion, we have talked about some planning restrictions and some of our statutory consultees, but the special areas of conservation and the phosphate issue are massive for us. The Teifi catchment is particularly affected by this, and the Teifi runs down most of Ceredigion’s inland border, so that is an area where we have quite severe restrictions. To answer your question, there is very limited development there. If, as has been suggested, we have marine special areas of conservation as well, we will effectively not be able to build the houses that we need in up to 80% of Ceredigion. In terms of



policy drivers, we are looking at second homes and at long-term empty homes, and trying to incentivise bringing them back into use.

- Q75 **Tonia Antoniazzi:** It is massively challenging. How can house builders respond to the change in population, building homes that are suitable for people's changing needs and desires? Ifan, how are we going to take this on board? You have talked about SMEs and that challenge, but how can they adapt?

Ifan Glyn: What an SME would tell you is that it builds what consumers want it to build. If the demand is there, it will build accordingly. What was interesting in the last census, in 2021, was that the majority of homes in Wales are too big. We have the opposite problem to what we had 100 or 200 years ago.

It is not necessarily about the size of the house, but also about developing the land. It is not necessarily about building smaller homes, since there is still plenty of space in Wales. The problem in certain villages in rural parts is that it blocks people from being able to move. Retired people living in large family homes, where the children have left, want to downsize but stay in the same village. They cannot, because the options are not there.

One of the issues is that the national overarching plan and our planning for future housing is based on previous trends, which locks us into a presumption that future trends will be the same. It lacks ambition. Although we have growth deals and aspirations to grow in certain areas, in some of the most rural parts, where there is depopulation, it just accepts it. There needs to be more flexibility around those types of places, so that SMEs can build the right types of properties that are required for those communities to flourish again.

- Q76 **Tonia Antoniazzi:** That leads nicely into my other question. What innovative funding models or policy could the UK Government, Welsh Government and local government pursue to deliver more suitable homes in Wales? What is out there and what could they be doing?

Ifan Glyn: The Development Bank of Wales offers what is called a property development fund, which is useful. A lot of our existing house-building members make use of it. There is also a stalled sites fund; if there are issues where sites are stalled and there are cash-flow issues during development, they can borrow from the stalled sites fund, which is useful to an extent.

However, the biggest issue in terms of access to finance is that house-building costs are frontloaded. The development bank will only lend once you have planning in place, but the most expensive part of the house-building process is pre-planning and getting through the planning process. In terms of innovative funding models, we would really like to see the UK Government and Welsh Government looking at how they might fund development through the planning process, which is where it



is needed. The funds in place are all well and good for existing SME house builders, but, if the aspiration is to grow the number and output of SME house builders and new entrants into the market, we need to incentivise and provide them with access to finance right at the beginning of the process.

Mark Harris: Ifan has covered most of it, but I will come back on the earlier question. As with any retail business, it is market-led. The house builder will always listen to its customer. One of the difficulties is that customers' demands change. Covid is a good example: people have started working from home and may be looking for bigger homes or homes in different locations.

Alongside that are planning policies that often try to tell developers what they should do, but they take a long time to get adoption and then become quite inflexible. You can have a policy that was right at the time but, four years later when the plan is adopted, and a couple of years on when you start building, that policy is not right, because the market has changed. It is also not a simple process of then going back and saying, "Can we just make this change?" You have to go back through planning again, and so there is an issue there.

My larger members are in most cases lucky enough not to have to borrow money, but there is so much money up front and, as Ifan said, most banks will not lend, because there is so much risk. Even if you have an adopted plan at an allocated site—there are even lots of examples where it is allocated for 100% affordable homes—it will end up at committee and be refused despite the officer's recommendation, and you end up going to appeal, where it is a 50:50 opportunity. You have had to spend all that money up front, and you do not get any of it back if you do not get approval.

Q77 **Chair:** Mr Harris, what proportion of housing applications get turned down at planning at first ask?

Mark Harris: I do not honestly know. I would be making up a figure if I gave you one. Even if it is not necessarily refused, it will get to committee and may be deferred for a site visit or for additional information. You can spend four or five years getting your site allocated and doing lots of work. You think, "I have it allocated. It is in the plan. It is going to be easy now," but there is still a lot of work to do.

Q78 **Chair:** I have heard anecdotally—this might just be our experience in west Wales—that home builders feel that there is almost a default presumption that it will be turned down first time. Is that fair, Mr Rees?

Barry Rees: That is highly unfair.

Q79 **Mr Roberts:** Mr Rees, earlier on you mentioned the shared equity scheme that you were doing with money from the council tax premium. Why did you choose a shared equity rather than shared ownership model? Was there any rationale for doing it that way?



HOUSE OF COMMONS

Barry Rees: There was no particular rationale. We modelled something that we thought would be effective. We have to make sure that the interests of the council are protected. We are having really difficult financial settlements at the moment, so we wanted a fund to frontload and to get people on to the property ladder, but through the shared equity scheme, to recoup those at the end of the period, when people's circumstances change later on in the lifetime of a mortgage. We felt that that would be in the best interests of the council in the long term.

Q80 **Mr Roberts:** You mentioned that there is £1.8 million in that pot now, based on the 25% premium. Over what period of time was that £1.8 million accrued? Was it just over the last year of the 25% premium?

Barry Rees: It is around three years.

Q81 **Mr Roberts:** Going from 25% to 100%, which you are going to do shortly, you would expect about £2 million each year.

Barry Rees: No. We are going to top up the fund from the council tax premium, up to a constant sum of around £2 million. The turnover of that shared equity scheme will be within that £2 million. Although we are going from 25% to 100%, the council has not yet decided on the use of that extra 75% of the premium. We are assuming that the 25% that previously made up this fund will be enough just to keep it topped up constantly to a pot of about £2 million.

Q82 **Mr Roberts:** So the shared equity scheme will be a rolling programme over a long period of years as far as you are concerned.

Barry Rees: That's right.

Q83 **Mr Roberts:** That is good news. Apart from that, what other things is the council actively looking at? Why not social housing? How many people are on your housing waiting list currently, and why are you not looking at providing social housing as well as the shared equity model?

Barry Rees: There is, of course, the social housing grant, which is quite helpful. However, we do not hold housing stock in Ceredigion, so the dynamic is slightly different. We work more with SMEs, which will then access social housing grants through us.

Q84 **Mr Roberts:** The council does not own any?

Barry Rees: No.

Q85 **Mr Roberts:** That is interesting. We have heard a lot about planning. Apart from the planning system, what hurdles have you faced when delivering housing programmes?

Barry Rees: The main issue that we have is the general availability and turnover of properties. The number of affordable homes through the social housing grant and through the planning system is restricted to about 50 a year, which does not meet our needs at all. It is the availability and the fact that so many of our properties seem to be locked



HOUSE OF COMMONS

up in terms of low occupancy and second homes. Added to some of the planning restrictions, where we are, effectively, at an impasse, that is a huge issue for us.

There are lots of discussions in terms of phosphate mitigation in order to release some of that capacity for development. Those are quite live discussions at the moment, and we are being particularly proactive in those.

Q86 Mr Roberts: Ifan, you mentioned that 40% of new homes were being built by SMEs in the late 1980s, and that now it is just 10%. You said three words: complexity, cost and risk. Apart from the planning side of those things, in what respect is it more complex, more costly and more risky now?

Ifan Glyn: Do you mean the planning process, or other issues?

Mr Roberts: I mean aside from the planning issues.

Ifan Glyn: Skills and access to skilled labour are major issues. We carry out surveys on our membership. At the most recent state of trade survey, 40% of our members said that they were currently struggling to hire carpenters, 35% were struggling to hire bricklayers, and 35% were struggling to hire general labourers. Half reported delays to jobs because of access to skilled labour, so that is a major issue.

Q87 Mr Roberts: Is that a Wales survey or a UK-wide survey?

Ifan Glyn: It is a UK-wide survey, but the Welsh statistics for the last quarter very much align with the UK ones.

Q88 Mr Roberts: Mark, what do developers and builders need to do to bring the community with them when they are doing building projects? Every time we hear about big building projects, we hear, "But there are not enough school spaces," "But there are not enough doctors' spaces," or "But there are not enough this and there are not enough that." What can we do around infrastructure as well as homes in order to bring communities along with some of these projects?

Mark Harris: It is a difficult one to answer. We did some research last year. Of the 14 local authorities in Wales that returned to us, there is just over £41 million in section 106, which is split between affordable housing, schools and open space.

Q89 Mr Roberts: It does not really work, though, does it? Communities and councils are always coming to me and saying, "Yes, but they do not always have to abide by section 106s, or they just pay a fine instead." It is much more beneficial to the house builder to pay the fine than to put the infrastructure in place.

Mark Harris: I am not aware of any circumstances where you pay a fine instead. At the end of the day, a local authority sets a set of policies that have a headline requirement for section 106. There is always the ability



to negotiate that, because of the overall viability of the site. Ultimately, the house builder wants to deliver homes. There is always pressure to deliver affordable homes. After that, there is a long list of other things that everybody would like, but the developer can pay for only so many of them.

One of the problems that we have, not just in Wales, is that the public do not get involved in the planning process early enough. They should get involved in the local development plan when the sites are being allocated, but they often do not because it is such a complex process. There are literally hundreds and hundreds of documents involved in a local development plan nowadays, so you can understand why it is difficult to engage in it.

The site is allocated for housing. The applicant then puts in their application for housing, and everybody objects to housing. In some cases, they object even if it is 100% affordable. It is about engaging the public much earlier on in the process. We have this pre-planning requirement in Wales to consult, but the way the legislation is written around it is that effectively you present the finished scheme, so the public say, "It's nice to know what you're going to build, but we don't have any say in it." That is the way that piece of legislation is written; it does not really do what it is meant to do.

I live in the Vale of Glamorgan, and I know of one example there. They collect the section 106 pot, and some goes to schools and some to major infrastructure, but they always have a community pot. Once they build that up to a certain level, they put an advert out in the press saying, "Are there any local community projects that would like to bid for some money?" They can then bid into that community pot and use that to put a new roof on the community centre or improve the allotment, or whatever the local project is.

Q90 Mr Roberts: Barry, when I mentioned to Mark that section 106 was a bit of a farce and that people could just pay a fee instead of putting the infrastructure in place, you gave a wry smile. What does Ceredigion do in that respect, and how flexible is it?

Barry Rees: It is not entirely flexible. There is an element of inevitability in terms of people opposing local housing development. That is pretty well established: it is the "Not in my back yard" sentiment. However, just talking about SMEs against the larger developers, there is a difficult scenario in Ceredigion. The large developers would be less likely to come to Ceredigion, because our LDP would not allow very large-scale developments, so the economies of scale that these large developers would want are not really available to them. We are looking at SMEs. Our corporate strategy wants to support local businesses, SME builders and so on to build, because they would probably be better suited to smaller developments dotted around, as our LDP has been set up.

Q91 Ben Lake: Diolch yn fawr iawn i chi am ddod yma y bore yma—thank



HOUSE OF COMMONS

you very much. Mr Rees, you have explained some of the difficulties and challenges that face some of our communities when there is a high prevalence of second homes in the area. Some of the demographic changes that Ceredigion has witnessed have also been discussed today, especially as noted in the last census, in terms of a declining population overall and an ageing population within that. I would be interested if you could expand on the consequences of those changes for you as a council in trying to deliver services.

Barry Rees: One of the key challenges is our ageing population and the impact that that has on the social care system. We have seen that the recruitment of social workers and people into social care is a huge challenge for us. It is not really highly paid. People choose to do other jobs than the very important one of being a care worker. That is particularly difficult and means that, being unable to recruit, we rely on agencies, which come with a premium, and of course we are facing difficult financial settlements, so you are creating a difficult dynamic there.

If you are looking at the number of youngsters and families dwindling as well, there is then a strain on things like supporting our current educational infrastructure. Rationalisation, very sadly, equals small school closures, which is, of course, a difficult path that no local authority wants to go down, but we are being compelled by the circumstances to do that. Looking at the two ends of that demographic, those are particular challenges for local authorities.

Q92 **Ben Lake:** Those demographic shifts are here to stay for at least the foreseeable future. Do the current funding arrangements from Welsh Government, for example, adequately reflect those different circumstances and the specific challenges that might face local authorities?

Barry Rees: There are a few things that we would want Welsh Government, or Governments, to engage with. There is a bit of a marketplace around social care in terms of carers and social workers. Because there is a general shortage, we are in competition across our borders with Powys, Gwynedd, Carmarthenshire and Pembrokeshire, and whoever pays most is more likely to be able to recruit. Of course, that is a constant battle. We are looking at incentivising, but we cannot have a battleground for that recruitment. We simply cannot afford it, so a national pay structure for the care sector would be something we would really be keen on. It is one little thing that just evens the playing field somewhat, so that people are paid what they deserve and we know, in terms of our forward planning, what those costs are likely to be.

Q93 **Virginia Crosbie:** You mentioned this fund with £1.8 million in it, going up to £2 million. Are there examples of other councils doing that? There is a lot of pressure on council budgets at the moment, so it seems an eminently sensible thing to do.



HOUSE OF COMMONS

Barry Rees: I am not aware of any others. I am sure that there are shared equity schemes. There have been over a long time, but I cannot reel them off for you, I am afraid.

Q94 **Virginia Crosbie:** Ifan mentioned the Future Wales plan and the need for 7,400 homes a year. Currently, we are looking at 5,500 a year. If we look at the census for 2021, it said that there were 120,450 unoccupied dwellings in Wales in 2021, of which 85.4% were truly vacant and 14.6% were second homes. Surely the issue that we should be talking about here is getting those empty homes back into circulation, which is something that you touched on, Barry.

Barry Rees: It certainly is an issue. In Ceredigion, we are reliant on council tax records here, so they are estimates, but we have around 1,700 second homes, of which about 60% or 70% are long-term empties. They have been empty for five or more years, so they are redundant to us in terms of our housing stock. That is why we are trying to incentivise our shared equity scheme. The maximum element of shared equity is 40%, which acknowledges the extra cost of bringing empty homes back into occupation. That is the most generous that our scheme goes, and that is in relation to empty properties, in order to incentivise.

There are some long-term empties, as an example, above shops. There are strange examples where shops will have expanded. They will be owned not necessarily by local people but by large national companies. In order to maximise the revenue, they will possibly have got rid of access to the upstairs. It seems highly ironic, but those empty properties will need significant work to bring them back into use. That includes things as significant as basic access from the shop floor to the upper floors, which seems crazy.

Q95 **Virginia Crosbie:** What tools should be available so that we can get these empty homes back into circulation?

Ifan Glyn: The issue with empty homes is that it is a very complex area, and there is no silver bullet. The reasons for homes being empty long-term are wide and varied. Because of that, coming up with the right sticks and carrots is very challenging. We need to empower local authorities and communities, et cetera, to come up with their own bespoke solutions rather than the blanket approach at the moment.

Q96 **Virginia Crosbie:** It does seem that there is a lot of talk, quite rightly, about second homes—we can see the front page of *The Daily Telegraph* today about second home owners—but it does seem that the low-hanging fruit should be the empty dwellings.

Ifan Glyn: Often, the reason why these homes are empty is that people do not want to live in them. They are in areas where it is not particularly appealing to live. The cost of bringing some of those homes back to life is very prohibitive and not at all appealing to the owners of those properties, and they cannot shift them. Some owners of these empty properties are stuck in a situation where they cannot renovate them,



HOUSE OF COMMONS

because it is not worth doing—or they can, but it is not in their interests to do so—and they cannot shift them. It is a very complex and challenging problem.

Q97 Virginia Crosbie: We are talking about 100,000 empty homes. This is huge. You are looking for another 2,500 a year. I am just trying to put that into context. Mark, do you have a view?

Mark Harris: It is not something that my members get involved with directly. You mentioned the fund that has been created. Something that is linked to that is that when local authorities require affordable housing on a site from a large builder, they can choose to take an off-site payment instead of providing them on site—for example, of 100 houses, they have to provide 30. They will provide just 15, and the other 15 will have off-site money. They can then use that money to deliver affordable homes.

Over the years, I have worked in local government and various jobs. I have heard of empty home funds being available in local authorities for the last 20 or 30 years, so there has always been money there. It is just about whether the resources are there, because it is very complex. Interestingly, it is going to get potentially more complex to bring these empty homes into use, because of the higher standards to which we are requiring our homes to be built. It is much easier to build a new home to modern standards—carbon-neutral and so on—than to try to retrofit an older one.

Coming back to a question that was partly touched on earlier, I was at a meeting recently at which Minister Julie James mentioned that in the current Welsh Government requirements for affordable housing, which are fairly high—there is no gas allowed and it has to be energy-efficient, et cetera—for every £1 million of grant that they are spending, they are delivering four homes. When you hear £1.8 million, you think that that is a lot of money and a lot of homes.

Chair: Could you say that again?

Mark Harris: My understanding from what the Minister said at the meeting is that the current requirement for affordable housing standards means that, for every £1 million of grant, they deliver four homes, on average.

Q98 Chair: There is no way that the need is ever going to be met on those figures.

Mark Harris: No, and that is because of the higher requirements for the way modern homes are being built.

Q99 Virginia Crosbie: Mr Rees, I want to talk about this dependency ratio. In Wales, there are 64 dependent persons for every 100 of working age. In Anglesey, we have 77 dependent persons for every 100 of working age. That puts pressure on the community and on the budget. The average



HOUSE OF COMMONS

salary in Anglesey is £27,000, yet the average home costs £250,000. What pressure does that put on you as a council? How important is it that we bring good-quality employment to Wales, so that we can get those salaries up and change that dependency ratio?

Barry Rees: It is absolutely crucial. It is the golden ticket. Developing the economy is our No. 1 priority in our corporate strategy. What you mentioned for Anglesey is the same for us. Our average house price in Ceredigion is fourth in Wales, behind Cardiff, the Vale and Monmouthshire, where you would expect really high house prices, for different reasons. Nevertheless, it is a huge challenge for us.

We have the mid-Wales growth deal, where we have projects going through the five-case business plan model. It is a slow burn, and we would like that to be quicker in terms of accessing the funds. We have had the first tranche of that funding through to help projects develop through the system to FBC stage, hopefully, in the near future. That is going to help.

In terms of infrastructure, there are some things that we would dearly love Governments to engage with around things like broadband coverage, so that people could work in more rural areas, as well as grid capacity. If SMEs have any drain on energy, they need to have the infrastructure to sustain that. We are slightly on the back foot. However, we are engaging as much as we can with these elements in order to put the building blocks in place for growth in our economy.

Ifan Glyn: Economic development is absolutely crucial, but housing has a big part to play in that. Coming back to what I said earlier, in order to attract the inward investment that is crucial in the parts of Wales that need economic growth the most, we need good-quality housing for people to live in and to attract them in the first instance.

Mark Harris: That is exactly what I was going to say. It is about understanding that link between the economy and housing. A larger employer, maybe not in the rural areas but coming into an urban area, will look at what housing is available, because they will be bringing senior people in with the new organisation and want the right housing close to where the building is going to be.

Q100 **Ben Lake:** Mr Rees, I appreciate that long-term empties, as you detailed, are not really relevant to this question. For those that perhaps have been empty for a shorter period of time—a year or so, say—have you encountered any issues or people reporting concerns about the probate office? Is that a significant issue that we should be looking at?

Barry Rees: We have some exemptions in our policy that cover empties, for that very reason.

Ben Lake: Perhaps it is something that we should look at.

Q101 **Robin Millar:** Bore da. Diolch yn fawr am heddiw. A couple of years ago



on the Committee, we did an inquiry into the impact of policy on Welsh family farms, which are key holders of Welsh culture and language. This is perhaps a question, in the time that we have, just for Mr Rees: are there particular policies that we could look at that would unlock more sustainable housing to help those communities? It might not even be a village or a hamlet, but a collection of farms within some of these very rural locations because of their importance to our culture. Is there something at a national level that needs unlocking? Is it just at a local decision-making level? What are your thoughts?

Barry Rees: At a local decision-making level, there is an element of tension in terms of the planning policy, which sometimes militates against homes for sons, daughters or families of farmers and so on. Our development control committee considers lots of these, and have done over the time.

There is a slight tension with planning policy. Ironically, one of the elements of national planning policy is around access to bus routes. With rural bus routes being cut severely, that limits this, so there are constant tensions in the system. To unlock those would be wonderful, as well as looking at things—as we generally have to in Ceredigion—on a case-by-case basis.

Q102 **Robin Millar:** Is it national guidance that is needed, or is it something that can be dealt with only at the local level?

Barry Rees: It is something at the local level, because I do not think that you will ever get a one-size-fits-all that is going to cover planning policy for urban and rural areas.

Q103 **Chair:** I have a final couple of quick questions. Does such a thing exist as an all-Wales register of empty properties that details numbers of empty properties and who owns these units? Should there be one?

Barry Rees: Ideally, yes. We are heavily reliant on things like council tax records. We do not have the manpower to physically see whether empties are genuine or how long they have been empty. I am sure that that could be collated, but there would be an element not exactly of guesswork, but right at the edges of that, in terms of whether they are genuine empties. It would take a lot of work, and capacity to do so is very limited, as we have explained.

Q104 **Chair:** Mr Glyn and Mr Harris, so much of the discussion in this part of the session has been a fairly downbeat one around areas that are seeing depopulation. There are parts of Wales that are seeing population growth, such as Cardiff and Newport. Is the picture in terms of house building a rosier one in those parts of Wales? Is it the inverse of what you have just been talking about for places such as Pembrokeshire, Ceredigion and north Wales, or is it that there are a similar set of challenges and we are not getting enough houses built even in those areas where the demand is increasing?



Ifan Glyn: They are very similar. Our members predominantly have more of an opportunity in some of those rural and valleys communities. The PLCs tend to operate a lot more in the south-east.

Mark Harris: The national plan for Wales identifies the growth areas, so it tells us where the most homes should be built. They are the most sustainable locations, where the most existing services and businesses are. It is still not necessarily any easier in those areas, and many of the issues that we have talked about are the same. One of the issues is that in the larger cities, you tend to see local development plans allocating very large sites for 1,000, 2,000 or 3,000 homes. That is great for my national members, but if you are an SME trying to find land in that area, it is very difficult, because they tend not to allocate smaller 10, 20 or 30-unit sites.

Chair: We have gone over the allotted time for this part of the session, but it has been a really fascinating discussion, with lots of really helpful and interesting insights. Thank you very much.

Examination of witnesses

Witnesses: Ellie Fry, Paul Jones and Aaron Hill.

Q105 **Chair:** Bore da—good morning. For the second panel of our hearing, I am delighted that we are joined by Ellie Fry, corporate director of regeneration and community services at Blaenau Gwent County Borough Council, Paul Jones, strategic director for environment and sustainability at Newport City Council, and Aaron Hill from the Confederation of Passenger Transport Cymru. Thanks for your patience. I am sorry that the first part of the session went on slightly long, but you have had a flavour of the discussion and the issues that we are grappling with as a Committee.

In this session we are focusing in particular on transport and connectivity and community services, so perhaps I can start this part of the discussion by asking how important transport issues and connectivity are to addressing some of the big-picture population change issues that we have been talking about.

Paul Jones: Newport is probably the outlier in the Welsh picture of seeing somewhat rapid growth. Much as that has to do with Newport being a wonderful place—I could wax lyrical about all the great tourist attractions and why everyone wants to come to Newport—location is a key point. Our connectivity with Cardiff and with Bristol in particular has certainly driven some of that growth, so that has been a key factor, but it is not without its challenges. Many people know that there are significant transport challenges in Newport, as anyone who has driven through the Brynglas tunnels can attest to. It is a key factor.



HOUSE OF COMMONS

Despite some of the challenges with transport, connectivity with Cardiff and Bristol is key. It has also been driven by significant availability of brownfield sites, in particular. We talked earlier about the challenges of getting planning and “not in my back yard”; brownfield sites are not without challenges, but there can be less local opposition to that. Newport has a significant amount of available land as a former industrial area, and the location is useful.

Even before covid, we were seeing a change in working behaviour. People would work from home more. Even if you have perfect links and you can be in Bristol three days a week, you will be looking at the relative house prices compared to Newport. People are making those economic decisions and offsetting them. The reduction in the tolls, again, made that economic argument a little bit stronger for people.

Q106 Chair: It was a decision by UK Government to get rid of the tolls on the bridge. What has been the effect of that? Is it more people from the Newport area going to work across the bridge in Bristol and the west of England? Is it people from that part of England moving into places like Newport? Is there a discernible effect that you can put your finger on?

Paul Jones: It is probably a mix. I am not aware of the latest figures, and they were somewhat skewed during covid. However, anecdotally, a significant number of families in particular have been priced out of Bristol. People may be living in the nice, trendy, urban areas of Bristol, thinking, “I am going to have two kids. Look at how much I can afford. I can get a house £250,000 cheaper in Newport, and I can still get to the office as and when I want.” I suspect that the figures will point to a significant move in population. In south-east Wales in particular, that is the story of the last 200 years. My family came from Somerset to go and work in the mines in Ebbw Vale, and eventually came down to Newport. You constantly have these push-pull factors.

Q107 Chair: Ms Fry, Blaenau Gwent is in the similar geographical region of south-east Wales, but has a different set of issues. What are you seeing?

Ellie Fry: Yes, it is a very different set of issues in Blaenau Gwent. We have seen the population decline over a number of years. However, we see differences in some of our figures. Despite the census saying that we are at about 68,500, we have over 72,000 people registered for health, and so we are between a number of figures here and trying to work out what that means for us.

Q108 Chair: Am I right in thinking that the ONS figures might not be correct and that there might be an overstating of the population change?

Ellie Fry: There may be an overstating. We are unsure, to be honest; we have had some conversations, but we are unsure about it. We do seem to have more people on our health books than we had counted for the census, but we know that there is quite a lot of grey economy in Blaenau Gwent, and quite a lot of people are in transition. There are lots of people



HOUSE OF COMMONS

who are homeless or who may be sofa-surfing, so there may be a subtext to those figures.

For us, transport is key. It is massive. We have just finished, with Transport for Wales and the Welsh Government, a second train per hour to Ebbw Vale, which now goes to Newport as well as Cardiff. That is massive for Blaenau Gwent, because in terms of eastern valleys, Blaenau Gwent has always been more connected with Newport than Cardiff. The first train was the connection to Cardiff, so a lot of local people are very pleased that the second train will now go to Newport, which makes it easier for that onward travel to Bristol and London.

We have also found, anecdotally, that we have had families moving in from Bristol to Ebbw Vale and Blaenau Gwent. It is not just that movement into Newport; they are moving up into the valleys. I also know that we have a lot of people from Blaenau Gwent who work in Bristol, so there is a great deal of movement around that whole south-west area.

Q109 Chair: Notwithstanding the uncertainty over the population change figures, if we assume that there is some decline in Blaenau Gwent, what is your take on what would be driving that? As we have been hearing from Mr Jones, there is so much growth and development in the south-east Wales area. Why is Blaenau Gwent losing population?

Ellie Fry: We are not a university town. We know from our college that slightly more than 50% of our students go on to university within Wales, but they often then stay in those university towns and do not necessarily come back to Blaenau Gwent. We are also finding that our manufacturing industries do not necessarily look for graduates. For those who attain that educational level, where they will move away, there probably are not very many of the types of job that they would be looking for anyway.

Our manufacturing businesses, as you know, are looking for far more operational skills, so we are looking at a lot of apprenticeships. We already have, as a local authority, our own shared apprenticeship scheme, where we take on the apprentices and field them out to SMEs, because we find that the paperwork and the mentoring is too much for SMEs to deal with and afford. We do all that, but the students go on to work in local companies, which works very well, and we are always looking to extend that.

We are also trying to work with our students to look at entrepreneurship, rather than going on to university or into more practical subjects, because that is what the local community requires. To keep students working in Blaenau Gwent, it is really important for us, as a regeneration team, to work with education, with social services and with our partners to bring all of that together, so that we have that view from primary school, where we are doing STEM subjects and making sure that STEM is brought into that curriculum as far as possible. We have a co-ordinator who takes information to schools to help them with STEM, and that goes



HOUSE OF COMMONS

all the way through to college. We are really trying to promote that with students and to get them to think about opportunities locally.

Q110 Chair: There are lots of good things there, which colleagues might follow up on. Mr Hill, as part of the scene-setting for this part of the discussion, you look Wales-wide and see the issues in the round. How important are the transport issues that you see among your members across Wales in terms of addressing, mitigating or even driving some of the population change?

Aaron Hill: We represent bus and coach operators across Wales. The bus industry in particular finds itself at a really critical juncture in its history and development in Wales right now. The effect of covid on public transport across Wales has been pretty profound. Unlike other parts of the UK, bus services in Wales have not really recovered in the same way.

There are a few things behind that. Wales has traditionally been more reliant in terms of bus services on concessionary pass holders—those over the age of 60 or with disabilities—and that group in particular are still a bit less confident about getting on public transport. There have been significant economic changes during that period in terms of how people access services. I think about the older members of my own family, who might have gone to the doctor on the bus but are now accessing their GP via a phone call or via Zoom, so some of the journeys that were required previously are not required now. When you look at that ageing population, that is going to become a more critical issue in terms of who is getting on buses.

Fundamentally, though, Wales cannot tackle its climate change targets or economic challenges without a strong public transport sector. Population change is important. We find ourselves in a position today where, if you look at the 10 years to covid, population increase drove about 4 million extra journeys, which were entirely wiped out by increased car ownership, which we lost about 1.5 million journeys to, and by slow bus speeds, which we lost about 2 million journeys to.

Although population change is important, there is a whole gamut of other policy issues that drive those challenges in the bus industry. Today, we are sat here with uncertainty over future funding, and Welsh Government about to make a decision over the re-regulation of bus services in Wales. The industry is sat nervously awaiting those proposals from Welsh Government, because they are not quite clear on what that means. Ultimately, in that interim period, we are seeing bus services changed and withdrawn, because that funding does not stack up. Population change drives a little bit of that, but as I say, there is a whole toolbox of policy issues that we need to be solving.

Q111 Robin Millar: You say that we have lost 2 million journeys to slower bus speeds. Is that because of congestion or because of changes in speed limits?



HOUSE OF COMMONS

Aaron Hill: Those figures are for 2019, so that would be due to congestion, but clearly the changes in speed limits in Wales have had an impact on bus speeds. It is clearly an issue that inspires lots of debate, and the impact varies in different parts of Wales.

You will have seen the headlines around the changes that Arriva has made to services in north Wales, for example. Arriva has had particular challenges around the north Wales authorities, and there are a few things going on there. In the first month or so, it had up to 54% punctuality changes in some of its services across north Wales, and when that happens people stop catching the bus. What that did for Arriva was stymie some of the growth that it was seeing coming out of the pandemic, but it appears to be a particularly acute issue in north Wales.

If you look at what local authorities have done with the 20 mph policy and some of the exemptions, in the south, areas like Bridgend and Swansea have made up to 10% of their roads exempt. Four of the north Wales authorities have made only 1% of their roads exempt. For those inter-urban routes that Arriva runs—I am using it as an example, but all operators are affected—where you are dipping on and off the A55 into smaller villages, it has a much greater effect than if you are in Cardiff, Swansea or Newport, where there were already 20 mph zones and you already had slow speeds due to congestion.

Q112 **Robin Millar:** That is really helpful information. I have a meeting with a constituent this weekend who has complained that the bus has passed the end of his road and is no longer stopping there because of the introduction of the 20 mph limit. That is in an urban area, not a rural area. Do you have any information on the relative impact on urban versus rural areas?

Aaron Hill: There are some impacts in urban areas. Particularly in cities, what we have seen is not necessarily the 20 mph roads making a huge impact in themselves, but some changed behaviours. We have heard Newport mentioned already, but where people might use the motorway to get between different parts of the city, we are seeing more congestion building up on some of the roads that do not have a 20 mph limit, because people are just deciding not to travel on those roads.

There is an impact in urban areas. Urban operators would generally say that they were more used to that speed limit and have seen less of an impact, but that does not mean that there has not been, and some of our urban operators have had to make changes as a result. Where we see the greatest impact is in some of those rural areas, where speed limits on trunk roads might change quite quickly, or on inter-urban routes, where you are dropping on and off main roads, into smaller villages and towns on a regular basis.

Q113 **Mr Roberts:** Not to set aside the other two, I am going to carry on with buses for a little while, if that is okay, Mr Hill. Bus services have been in decline for many years, as you know. Is it a chicken-and-egg situation?



HOUSE OF COMMONS

Was it the situation that bus services were so bad that people stopped going on them, or was it that people were not using them and therefore they were required less?

Aaron Hill: There are many factors behind the decline in bus services. As you say, this has happened over decades. You could probably trace it right the way back to the 1950s. The biggest contributing factors to that, generally, are increased car ownership and the increased affordability of cars. If we want to drive people towards public transport, we need to think very openly and honestly about how we incentivise car use.

If we take the example of Bridgend Council in south Wales, this is one that will be representative of the choices that many councils face at the moment. In its budget papers, Bridgend Council has recently said that it is considering closing the bus station in the town centre. That would save around £100,000 a year. That same council also offers free parking in Bridgend, Porthcawl and Maesteg. We need to look at the choices that Governments at all levels are making that drive car ownership as opposed to public transport, and incentivise that. Car ownership is a big part of that.

When we look at why people catch the bus, the biggest factors, generally, are affordability, reliability and punctuality. Reliability and punctuality have been affected hugely by increased car ownership, by increased congestion and by poor management of roads in some places, but equally by affordability. When bus services were deregulated in the 1980s, the vision was that bus operators would provide a raft of commercial services and there would be what at the time were called socially necessary services paid for by the Government. The reality is that that funding was supposed to increase over time for those socially necessary services, but it has gone down.

Pre-covid, between 2009 and 2019, commercial operators in Wales increased their commercial mileage by 5%. Over the same time, Government-supported mileage dropped by nearly 50%, because the funding did not match that. The answer to that is that, ultimately, if funding drops, fares go up. We know that buses often support the most vulnerable and some of the poorest in society.

There are many factors there, but those are some of the predominant ones that we see in Wales.

Q114 **Mr Roberts:** In my constituency in north-east Wales, everything has stopped and we are not allowed to do any development at all unless it involves "active travel". Those two words are the bane of my existence. You said earlier that we are not going to hit our climate change targets. The UK is responsible for 1.7% of global emissions. Wales is 5% of the UK population and has wide open swathes of countryside, so it must be responsible for about 0.08% of global emissions. Are we sacrificing too much at the altar of climate change, and are we going too far? This is the question that my constituents ask me all the time when they ask why we



HOUSE OF COMMONS

cannot build new roads and do all of these things. They say we are going too far. Are we?

Aaron Hill: The transition in tackling climate change has to be a just one. There are huge opportunities in greening our public transport infrastructure. For example, at the moment, we do not produce many electric buses in this country. That is an industry that we could look to expand into and meet the demands that bus operators are going to have over the coming years.

It is really important that we look at Wales tackling its own contribution to climate change. When you look at what we need to do in terms of modal shift, we are miles behind that. We published a report this time last year, which said that the level of modal shift that is required to hit just the Welsh Government's target by 2030 requires bus patronage to increase by 138% during that time.

Chair: Let's get back to population change.

Virginia Crosbie: This is fascinating.

Q115 **Mr Roberts:** Are those targets harming bus services, meaning that there will be fewer?

Aaron Hill: No, I don't think they are. There is a huge opportunity for public transport, if we get that funding and that transition right.

Q116 **Mr Roberts:** Mr Jones, you are our strategic director of environment and sustainability. This is your wheelhouse. What can the UK Government, Welsh Government and local government do to support the transport network in and around Wales?

Paul Jones: I concur with my colleague here. I am sure that this Committee gets lots of people rocking up and saying, "We just need more funding," but it does become a self-defeating, self-fulfilling prophecy. There is not enough money in the buses, so you reduce the frequency. The frequencies then are not convenient enough, so people think, "I need to get a car." They get a car, so why would they use the bus?

We ran a trial a year or so back in Newport, where we made the buses free for a short period of time. We got quite a good uptick in patronage, but when we surveyed people, we found that although the relative cost is a barrier, they said, "It is still not as convenient as my car." If you look at the transport infrastructure in London, you can hop on a tube and get anywhere really quickly. You are not thinking, "Is it coming in another hour's time?" That really plays on people. Unless you get to a critical mass, you reduce a bus route, fewer people use it, and you end up in that vicious cycle.

Unfortunately, it is about funding. The concessionary fare drop is something that we have seen as well. How much that effectively covers the costs of buses cannot be understated, because the concessionary fare pass was significant income—in most cases, more than the fare box. With



fewer of those people using the buses, it has put the bus industry under considerable stress.

Q117 Tonia Antoniazzi: I would like to pick up on something that Ellie said about a shared apprenticeship scheme. I know that there are other ones in construction, particularly in south-east and south-west Wales, as well as your own, which are considered very successful. How are the Welsh Government cuts going to impact you in Blaenau Gwent and the shared apprenticeship schemes going into the future, or are you sustainable enough?

Ellie Fry: It is a really good question, because we tend to almost live hand to mouth with the shared apprenticeship scheme. At the moment, we are funding it through the shared prosperity fund, which is great. Having the money come straight to local authorities has been a real bonus, because we have been able to choose what we want to spend it on and why. We have strategies in place and we know what we want. However, it is really short-term.

To turn some of these issues around, to try to retain youngsters in our area and stop population decline, we have to have a long-term plan. We are not sure where the funding will come from following the shared prosperity fund, and we just live in hope that there will be another form of funding that we will be able to channel into things that we really want, like the shared apprenticeship fund.

Q118 Tonia Antoniazzi: What is the state of local transport in your area, Ellie?

Ellie Fry: It is pretty dreadful overall. They are hanging on by a thread. We are waiting for Welsh Government to announce where we will be, probably in the next month or so. We just about have our key transport routes covered with bus. However, if you look at our Marmot figures, we have a lot of deprivation, and there are a lot of people who do not have cars, but the buses just do not go to the right places at the right time.

We were really fortunate to work with Transport for Wales on a pilot fflecsi scheme, and I know that there was one in Pembrokeshire and one in north Wales too. That has been really successful, because we have managed to get buses up to the Rassau industrial estate, which is on the other side of the Heads of the Valleys Road, at 6 and 6.30 in the morning, for people to be able to book the bus to work. That is so key, because you cannot do active travel to Rassau at 6 in the morning. I really would like Welsh Government to come up and try doing active travel to Rassau at 6 in the morning. It is just not feasible. Working a manufacturing job is generally quite physically difficult, so cycling or walking to work as well is a bit of an ask. We are going back to when people would walk to the coalmines. We do not want to go back there. We would like to take things forward.

The fflecsi pilot has been excellent. In the day, it stays on schedule. In the mornings and evenings, it goes to a fflecsi booking system, which has



HOUSE OF COMMONS

been really beneficial. We have also found that younger people like it, because they can book it on their phones, so it is something that they are used to. We are looking at what appeals to generation Y and generation Z, because they are the ones we want to keep and to influence in terms of what they like doing, what areas they like working in and how they like to move around the place. Those sorts of things are very much in our thinking.

Q119 Tonia Antoniazzi: Has the pilot proven that it will be financially sustainable?

Ellie Fry: It is more expensive than running normal buses, so we are still looking at how we would take that forward, but it is something that we would really like to continue with.

Q120 Tonia Antoniazzi: Paul, what is the state of play in Newport?

Paul Jones: It is not all rosy just because we have population growth. We have the same stresses and pressures. The more houses are built, the more car ownership there is and the more congested it gets. We are lucky in that the local authority owns its own bus company. Although it has to operate in a commercial fashion, it is slightly less driven, to some extent, by the need to maximise its profits. We live in a dense urban area. Buses are still running to a reasonable extent. If you asked local people, they would say, "Why are there no buses late on a Sunday?"

It has come from its peak when I was younger, or perhaps even earlier than that, to a level that has gone down the least across Wales. Newport and Cardiff have probably benefited from that, but we are still not in a place where there is a reliable and consistent alternative. We are fortunate enough that a lot of work has been done through the Burns commission, which I am sure the Committee is aware of, and trying to implement that. Newport has a clearer understanding of how it could have a much more public-transport-driven transport infrastructure, but that is still a significant cost, and we are still some way from achieving that.

Q121 Tonia Antoniazzi: What impact is it is having on your council's broader objectives such as economic regeneration?

Paul Jones: It is mixed. Going back to what we said earlier, job growth has changed, so it is not necessarily so much about getting from A to B. There are still large manufacturing areas, and transport links are important for that. Again, we are luckier than Ellie, for example, in that you can get around Newport pretty quickly. Blaenau Gwent is only a small council, but there are some challenges getting up and down those hills, are there not?

The big challenge that we face is peak demand. When everyone goes out at the same time, because it is very car-driven, then you get gridlock at those peak times. It is fine in the middle, and then you get more gridlock again. That is a challenge. Clearly, it is not putting off house developers



HOUSE OF COMMONS

and people wanting to move to Newport, but it is something that needs to be addressed more. We talked earlier about section 106 and contributions from that, which does help with some of the transport infrastructure, but some of the stuff that we are looking at in Newport is much larger than that. We need more train stations. We need more designated bus lanes to make it joined up and—although I do not want it to feel like London—as easy to move around in as a big city. We are a long way from that.

Q122 Tonia Antoniazzi: Ellie, you have talked about the impact that it has had on getting people to work. Do you have anything to add about economic regeneration and its impact?

Ellie Fry: It just makes it really difficult for people in an area who already have difficulties. Some people who are surviving, almost, in Blaenau Gwent have chaotic lives. Taking buses is something that you have to be quite organised to try to do. What we are aiming to do is to hang on to fflecsi if we can, to try to assist with that economic development, especially for the larger manufacturing companies in Rassau and Tafarnaubach industrial estates.

We are hoping that the Turkish glass company Ciner will come. It is very community-based. We are potentially going to work with it to look at how we transport people to its site. That will be really interesting, because if we can work with one big company, it may well encourage others to do the same. We are not averse to working with different partners to ensure that people have the opportunity to get to work if they do not have cars. For me, it is all about being able to get people into work. Getting the train to Cardiff or Newport is now relatively easy, but, within Blaenau Gwent, getting to work is probably the biggest difficulty, and that is because the buses just do not do the job that they once did.

Q123 Tonia Antoniazzi: You have spoken about the services delivering for everyone in the community, and especially workers, but what about your vulnerable groups? Are those services delivering for vulnerable groups in Blaenau Gwent?

Ellie Fry: No, they are not. For vulnerable groups, we have, where possible, moved council services to smaller towns. We have council hubs within smaller towns, so that instead of having to travel to one office, they can go into their town centre. If they cannot even get the bus into the town centre, that makes it difficult.

One of the projects that we have been looking at for next year with the shared prosperity fund is trying to work with very local groups for minibuses that could potentially just work for that community, but maybe for sports groups and older people, as well as for some social services. We are trying to look at how we could get a minibus that did some of that work where you cannot get a bus there, because we cannot afford to pay it and it is not commercial.



HOUSE OF COMMONS

Those are the types of projects that could come to fruition if we had the money and time to look at them, but they are not being served very well.

Q124 **Tonia Antoniazzi:** Would moving to a franchise model help that?

Ellie Fry: I am not an expert in buses. I have heard a number of opinions, but mostly it is, "We don't really think so."

Paul Jones: There are pros and cons to the franchise model, but it causes us some significant concerns. We have a municipal bus company. If a municipal or a small bus company does not win a tender, where does it go? A lot of those run a lot of the socially necessary routes, but also things like the home-to-school transport. You mentioned vulnerable people. We have seen a huge increase not only in home-to-school, but in complex needs transport. The concern around the franchising model is those smaller companies going out of business and there then being nowhere to turn.

Q125 **Virginia Crosbie:** We have talked quite a lot about transport. In terms of the council's provision and services, is that influencing people's decisions as to whether they leave Wales?

Paul Jones: If you live in a rural community where fewer services are available, it is bound to be a factor to some extent, is it not? In terms of what councils can provide, people think that councils are there to provide everything, but the overall state of funding in local government means that it is now social care, education and then whatever else you can squeeze in, really. That is the picture. Reductions in those services are happening across the board, but it will be a factor. We talk about young people wanting to go where there are other opportunities and more things happening.

Q126 **Virginia Crosbie:** We have talked about this dependency ratio of 64 dependants per 100 of working age. In places like Anglesey, that differential is quite high. Are you seeing that that has an impact?

Paul Jones: It certainly does. We have noted that we have a higher growth rate of younger people, but we are still getting a significant number of young people with complex needs. They are very expensive to deal with, but they have to be dealt with first. We have to look after the most vulnerable first, which then influences everything else. It is different across different councils. Some will be older people and some will be younger people, but those costs are really significant and drive everything that local authorities are deciding on.

Ellie Fry: Our experience is very similar to Paul's. There are areas that we spend quite a lot of money on and the service is very good, but a large proportion of our population really do not expect very much. So long as their bins are emptied, they really do not expect very much more. You have that weighing up of those vulnerable people and then the other population who see the council very little.



HOUSE OF COMMONS

Q127 **Virginia Crosbie:** Is this leading to particularly young people leaving Wales?

Ellie Fry: It is mostly around job opportunities and pay. It is more economic than council services, although our services could always improve.

Aaron Hill: I would agree with that. It boils down to economic opportunity. From a transport perspective, I don't think we are seeing anybody leave Wales because they cannot access a bus or a train, but we see lots of migration within Wales. If you are in a valley or a rural area that is no longer served as well by a bus, where a service has been cut, you may move to the nearest big town or city to access work.

Q128 **Robin Millar:** Is it too simplistic to say that there is a straight line between population, funding and services? Is it that simple? Is there then a challenge that you see not just immediately but, with population numbers changing, over 10 years, let us say?

Paul Jones: It is not a straight line. Where we have rapid housing growth, there are two challenges that that presents us with for funding. One is Welsh Government funding. Most other pots are devised by certain formulae that should address those, but there is almost always a lag in that data. Certainly for the last few years, there has also been a conscious decision to implement slowly those changes.

I will give a really quick example. In terms of the 2021 census data, the Welsh Government do not get that for a period of time. However, when they did get it, they were like, "We need to pull more from there to give Newport a slice of the pie," so they phased it in and we got only a proportionate amount for 2024-25. There are pros and cons to that. If you have a decreasing population, it is challenging to deal with that. From our perspective, we have a couple of years where we are not getting the money that we need for the services.

We talked earlier about section 106. When you have rapid housing growth, lots of money needs to be invested through that, but, over that period of time, what you have agreed at the section 106 may not be suitable for what you need, say, 10 years down the line when it comes to fruition.

Q129 **Robin Millar:** My authority is seeing a declining population but a rising age, so the costs are getting higher as the numbers are lower. Does the funding formula in Wales need to be addressed?

Ellie Fry: Yes, I agree with you. We have very complex needs within Blaenau Gwent—a large older population, and some youngsters with complex needs as well—and yet, because our population is declining, we are getting less money, which means that it is even more difficult just to deal with the day-to-day things. We have a duty to deal with the complex needs that are costing us more, so the funding is not delivered in the right way to those areas that need it the most.



Paul Jones: It is a balance. There is an attempt to make it fair. However, it is incredibly difficult to do that. We recognise the challenges of Governments in terms of dishing out funding. As I said, there is an inherent lag. We talk about huge pressures from homelessness, young persons' out-of-county placements and older people. These things are really very expensive. By the time you write the policy and work out the distribution of money, things have changed and moved on, and there are other pressures, so we recognise that it is really challenging.

Q130 **Robin Millar:** You have spoken to a changeable landscape and a formula that might need changing to address that better and faster. Ellie, you hinted in an earlier answer at the use of the shared prosperity fund to look at different ways of providing transport services. I am really interested in this, because when the squeeze on local authorities happened in England, it meant that, first of all, everybody bought paperclips better. They looked at the procurement. Then they looked at restructuring. The really difficult stuff comes to rethinking the role of local government. Is that something that you have started to think about in terms of how we preserve vibrant communities into the future?

Ellie Fry: We have to. We have to look at what role local authorities can play as facilitators, whether that is with other partners, with the private sector or by bringing in more money through commercial means, but with a risk-averse look. Things change so much, and we constantly live in change, and that is why local authorities also have to change. They still need to be there for the service. There are people who still really need those services, but there is an element of regeneration and of the local authority really needing to change.

Paul Jones: I would concur. Local authorities are already doing that. The challenge that we face in terms of the services that the public see day to day is that a high proportion of local government spend is now on social care and education. The things that people think that we spend the council tax on—the bins, the highways and all those other bits—are now a very small percentage of that. Efficiency savings and better ways of working are a small piece of the pie.

Q131 **Chair:** We are drawing to an end, but I have a couple of quick questions. Mr Jones, you have talked about the increase in population in Newport. We have talked about the Bristol effect and that kind of thing. It was very evident to me when I visited Newport how ethnically diverse it is. To what extent is migration from overseas—whether that is asylum seekers, refugees or people coming to work from overseas—a factor in what is driving population growth in Newport?

Paul Jones: It is to some extent, but it has been a slower burner over a longer period of time. Newport is an asylum dispersal area. It is very open to people fleeing from other areas with challenges. You also have the general pull of cities. If you do a mapping of where there is greater ethnic variance, you tend to see that with cities.



Q132 **Chair:** Does the Home Office help with funding? You mentioned migration dispersal areas. Do you get any significant additional resource from the Home Office?

Paul Jones: To some extent, yes. There is a big challenge we face currently. The Home Office will fund people while they are an asylum seeker. However, we have had this streamlined asylum process recently, whereby effectively they are pushing people through the books so they are no longer classed as asylum seekers. Reducing the costs of putting people in hotels is largely the driver in that. They go through the process, and then they are the local authority's responsibility, so you can end up with the Home Office no longer paying for the cost of that and the council now having to deal with it. It has a housing backlog and a homelessness problem. We are then picking up the bills for that, which is putting a lot of pressure on local authorities like us.

Q133 **Chair:** Are the asylum seekers who come to Newport generally being put up in empty houses, or are you using your hotels?

Paul Jones: It is a mix. The Home Office will oversee a lot of those arrangements, and they will be helped and supported by the council and by community groups. There has been an awareness of hotel usage in the last few years, and a push to decrease that, but that has effectively pushed the cost on to local authorities where we just do not have the capacity to deal with it.

Chair: We have gone significantly over our allotted time this morning, but can I say a huge thank you? It is a really interesting set of issues, and I really appreciate the insights that you have given us. I am sure that we could carry on much longer, and we might choose to follow up with some written questions to plug some of the gaps that we have not been able to cover today. Thank you very much.