



**Cynulliad Cenedlaethol Cymru  
The National Assembly for Wales**

**Y Pwyllgor Menter a Dysgu  
The Enterprise and Learning Committee**

**Dydd Iau, 20 Ionawr 2011  
Thursday, 20 January 2011**

**Cynnwys**  
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal, cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.  
In addition, an English translation of Welsh speeches is included.

**Aelodau'r pwyllgor yn bresennol**  
**Committee members in attendance**

Christine Chapman	Llafur Labour
Jeff Cuthbert	Llafur Labour
Andrew Davies	Llafur Labour
Paul Davies	Ceidwadwyr Cymreig Welsh Conservatives
Nerys Evans	Plaid Cymru The Party of Wales
Brian Gibbons	Llafur Labour
Gareth Jones	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Chair of the Committee)
Darren Millar	Ceidwadwyr Cymreig Welsh Conservatives
Jenny Randerson	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats

**Eraill yn bresennol**  
**Others in attendance**

Mike Bagshaw	Cyfarwyddwr Masnachol, Trenau Arriva Cymru Commercial Director, Arriva Trains Wales
Yr Athro/ Professor Stuart Cole	Cadeirydd Grŵp Strategaeth Drafnidiaeth Cymru Chair, Wales Transport Strategy Group
Mike Gallop	Rheolwr Gwella Llwybrau, Network Rail Route Enhancement Manager, Network Rail
Michael Vaughan	Pennaeth Masnachfreintiau a Rheoli Rhanddeiliaid, Trenau Arriva Cymru Head of Franchise and Stakeholder Management, Arriva Trains Wales

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol**  
**National Assembly for Wales officials in attendance**

Dan Collier	Dirprwy Glerc Deputy Clerk
Joanest Jackson	Uwch-gynghorydd Cyfreithiol Senior Legal Adviser
Siân Phipps	Clerc Clerk
Graham Winter	Gwasanaeth Ymchwil yr Aelodau Members' Research Service

*Dechreuodd y cyfarfod am 9.31 a.m.*  
*The meeting began at 9.31 a.m.*

**Cyflwyniad ac Ymddiheuriadau**  
**Introduction and Apologies**

[1] **Gareth Jones:** Bore da i chi i gyd a **Gareth Jones:** Good morning to you all and

chroeso cynnes i'r cyfarfod hwn o'r Pwyllgor Menter a Dysgu.

a warm welcome to this meeting of the Enterprise and Learning Committee.

[2] Mae'r cyhoeddiadau arferol i'w gwneud. Mae'r cyfarfod yn ddwyieithog, ac mae clustffonau ar gael i dderbyn gwasanaeth cyfieithu ar y pryd o'r Gymraeg i'r Saesneg ar sianel 1 ac i chwyddleisio'r sain ar sianel 0. Bydd cofnod o'r cyfan a ddywedir yn gyhoeddus. Atgoffaf bawb i ddiffodd eu ffonau symudol ac unrhyw ddyfais electronig arall. Nid oes angen inni gyffwrdd y meicroffonau yn ystod ein trafodaethau. Nid ydym yn disgwyl ymarfer tân, felly os bydd unrhyw fath o argyfwng, bydd yn rhaid inni adael yr ystafell, ac efallai'r adeilad, o dan gyfarwyddyd y tywysyddion. Nid oes ymddiheuriadau, ac felly nid oes dirprwyo. Dyma'r cyfle i Aelodau ddatgan unrhyw fuddiant. Gan nad oes datganiad felly, trown at yr eitem nesaf.

There are the usual announcements to be made. The meeting is bilingual, and headsets are available to receive the simultaneous translation service from Welsh to English on channel 1, while the sound can be amplified on channel 0. There will be a record of everything that is said publicly. I remind everyone to turn off their mobile phones and any other electronic devices. We do not need to touch the microphones during our discussions. We do not expect a fire drill, so if there is some sort of emergency, we will have to leave the room, and possibly the building, following the guidance of the ushers. We have not received any apologies this morning, and therefore there are no substitutions. This is the opportunity for Members to make any declarations of interest. As there are not any such declarations, we move on to the next item.

9.32 a.m.

### **Rhaglen Rheilffyrdd Newydd Llywodraeth Cynulliad Cymru Welsh Assembly Government's New Rail Programme**

[3] **Gareth Jones:** Rhof ychydig o gefndir i'r eitem hon. Yn wreiddiol, pwrpas y sesiwn heddiw oedd trafod gydag arbenigwyr raglen rheilffordd Llywodraeth Cymru a oedd i'w chyhoeddi cyn y Nadolig. Er nad yw'r rhaglen honno'n gyhoeddus eto, byddai'n defnydd da o'n hamser i glywed barn am y cynnydd a wnaed hyd yn hyn, ers inni gyhoeddi, rhyw flwyddyn yn ôl, ein hadroddiad a'n hargymhellion ar seilwaith rheilffyrdd Cymru yn y dyfodol. Byddwn yn codi unrhyw faterion y clywn heddiw mewn cyfarfod ar 17 Chwefror. Byddwn hefyd yn cofnodi unrhyw faterion nad ydynt wedi eu datrys yn ein hadroddiad etifeddiaeth i'r pedwerydd Cynulliad. Dyna yw'r cefndir. Felly, mae ein trafodaeth o bwys a bydd yn bwydo i mewn i'r adroddiad etifeddiaeth hwnnw. Yr ydym yn mawr obeithio y bydd yn cael ei ystyried, o leiaf, gan y pwyllgor newydd ym mis Mai.

**Gareth Jones:** I will give some background to this item. Originally, the purpose of today's session was to discuss with experts the Welsh Government's rail programme, which was to be published before Christmas. While that programme has not yet been made public, it would be good use of our time to hear views on the progress that has been made since the publication, about a year ago, of our report and our recommendations on the future of the railway infrastructure in Wales. We will raise any issues that we hear today in our meeting on 17 February. We will also record any issues that have not been resolved in our legacy report to the fourth Assembly. That is the background. Therefore, our discussion is important and it will feed into that legacy report. We very much hope that it will be considered, at least, by the new committee in May.

[4] Trown yn gyntaf at y cynrychiolydd o grŵp strategaeth drafnidiaeth Cymru, yr Athro Stuart Cole, sy'n cadeirio'r grŵp ac sydd wedi bod gerbron y pwyllgor o'r blaen.

We will turn first to the representative of the Wales transport strategy group, Professor Stuart Cole, who chairs the group and who has appeared before the committee

Yr ydym yn hynod falch o'ch croesawu chi unwaith yn rhagor. Fel arfer, yr ydym yn dra diolchgar ichi am y dystiolaeth ysgrifenedig yr ydym wedi ei derbyn. Yr ydym wedi cael cyfle i'w darllen. Byddwn yn gwerthfawrogi cyflwyniad byr o ryw bum munud gennych i amlinellu'r pwyntiau sy'n allweddol i'r hyn yr ydym yn ei drafod heddiw. Drosodd i chi, Stuart.

[5] **Yr Athro Cole:** Diolch yn fawr am y gwahoddiad. Mae tipyn o sialens inni oherwydd bod dau cyn-Weinidog yn aelodau o'r pwyllgor hwn. Felly, efallai y byddaf ychydig yn fwy carcus—efallai ddim.

[6] Hoffwn roi drosolwg o'r hyn sydd angen inni ei gael yng Nghymru. Y peth pwysicaf inni ar hyn o bryd yw trydaneiddio'r rheilffordd o Abertawe i Lundain. Nid yw'r Ysgrifennydd Gwladol dros Drafnidiaeth wedi gwneud penderfyniad ar hynny eto. Hyd yn hyn, yr ydym ond yn gwybod y bydd y llinell i Gymru yn cael ei drydaneiddio hyd at Didcot. Felly, mae'n rhaid gweithio ar hynny ac mae'n rhaid i Lywodraeth Cymru weithio gyda'r Adran Drafnidiaeth. Wrth gwrs, nid dyna'r unig ran o'r rhaglen, ond rhaglen Network Rail a'r Adran Drafnidiaeth yn Llundain yw hi—nhw fydd yn talu amdani, neu dyna sut mae'n ymddangos ar hyn o bryd beth bynnag. Mae hefyd penderfyniad i'w wneud nid yn unig ynglŷn â thrydanu'r rheilffordd, ond ar brynu'r trenau ac a fyddant yn drenau trydan neu'n drenau deufodd.

[7] Symudwn ymlaen i edrych ar raglen Llywodraeth Cymru. Rhaid i ni edrych ar rai o'r eitemau oedd yn y rhaglen reilffordd a gyhoeddwyd ryw flwyddyn a hanner yn ôl i weld beth sydd wedi cael ei wneud, neu beth sydd ar y ffordd. Nid oeddwn yn deall yn iawn rhai o sylwadau'r Llywodraeth yn dilyn eich adroddiad diwethaf. Mae rhai o'r pethau hynny yn mynd ymlaen: er enghraifft, mae Tre-Gŵyr i Lanelli yn mynd ymlaen a bydd hynny'n rhoi mwy o gapasiti i redeg trenau yn ne-orllewin Cymru ac ymlaen i sir Benfro. Bydd y llinell o Gaer i Wrecsam yn barod erbyn 2014, a bydd y gwaith o ailosod signalau ar gyfer Caerdydd Canolog yn barod yn 2015. Mae'r rheiny yn mynd ymlaen, a bydd Network Rail yn cadarnhau hynny yn hwyrach y bore yma. Mae materion eraill, fel

previously. We are very pleased to welcome you here once more. As usual, we are very grateful to you for your written evidence, which we have had the opportunity to read. We would be grateful if you could give a short presentation of around five minutes to outline the key points for our discussion today. Over to you, Stuart.

**Professor Cole:** Thank you very much for the invitation. It is quite a challenge for me because two former Ministers are members of this committee. Therefore, perhaps I will be a little more careful—perhaps not.

I would like to give an overview of what we need to have in Wales. The most important thing for us at the moment is the electrification of the railway from Swansea to London. The Secretary of State for Transport has not made a decision on that as yet. So far, we know only that the line to Wales will be electrified as far as Didcot. Therefore, work must be done on that and the Welsh Government must work with the Department for Transport. Of course, that is not the only aspect of the programme, but it is a programme of Network Rail and the Department for Transport in London—they will be paying for it, or that is how it looks at the moment anyway. There is also a decision to be made not just on the electrification of the railway, but on the purchasing of the trains themselves, and whether they will be electric or bimodal.

We will move on to look at the Welsh Government's programme. We must look at some of the items in the railway programme that was published about 18 months ago to see what has been done, or what is in the pipeline. I did not quite understand some of the Government's comments following your previous report. Some of those things are progressing: for example, Gowerton to Llanelli is progressing and that will provide more capacity to run trains in south-west Wales and on to Pembrokeshire. The Chester to Wrexham line will be ready by 2014 and the resignalling at Cardiff Central will be ready in 2015. Those are progressing, and Network Rail will confirm that later this morning. There are other issues, such as improving the north-south service and the

gwella'r gwasanaeth o'r gogledd i'r de a thrydanu rheilffyrdd y Cymoedd, fel y gall fod yn system metro i Gaerdydd—nid dim ond yn y Cymoedd dylai hynny ddigwydd, ond hefyd yn y Fro. Mae rhai pobl yn meddwl mai llawer o bethau bach yw'r rhain, ond mae gwella mynediad i orsafoedd i bobl anabl yn bwysig o ran rhoi opsiynau gwell i bobl i deithio ar drenau.

[8] I orffen, beth yw cyflymdra a chapasiti rhai o'n rheilffyrdd ni? Er enghraifft, mae'r rheilffordd o Aberystwyth i Amwythig wedi gwella ac mae digon o gapasiti yn awr i gael trê bob awr. Yr wyf wedi sôn am Wrecsam i Gaer a Thre-Gŵyr i Llanelli. Mae llawer o waith wedi ei wneud, wrth gwrs, ar brif linell y Great Western yn ne Cymru. Mae'r gwaith signalau yn mynd ymlaen yng ngorllewin Cymru; mae'r gwaith wedi ei orffen yng Nghasnewydd, ac mae gwaith yn cael ei wneud yn ardal Caerdydd, a fydd yn golygu mwy o blatfformau yn Heol y Frenhines, Caerdydd Canolog a Chyffordd Cogan, sy'n bwysig o ran rhedeg trenau i'r Fro.

[9] Dyna'r gwaith sy'n rhaid ei wneud. O ran integreiddio trafnidiaeth, mae parcio a theithio yn bwysig wrth gwrs. Nid oes digon o orsafoedd gennym ar hyn o bryd gyda'r opsiwn i bobl eu cyrraedd drwy yrru, gerdded neu fynd ar eu beiciau. Mae'r rhan fwyaf o bobl yn gyrru, a cham wrth gam bydd hyn yn datblygu. Mae hefyd syniadau i gael gorsafoedd newydd, er enghraifft, yn Llaneirwg, a mwy o barcio ger gorsaf Twnnel Hafren. O ran cael gorsaf newydd, mae Llaneirwg yn yr un grŵp â Llanwern, Meisgyn, a Phorth Cymru ger y maes awyr. Dyna rai o'r syniadau sydd wedi eu cyflwyno ers cyhoeddi'r adroddiad diwethaf.

[10] **Gareth Jones:** Diolch yn fawr iawn i chi am eich trosolwg hynod ddefnyddiol. Trof yn awr at gwestiynau'r Aelodau, a dechreuwn gyda Nerys Evans.

[11] **Nerys Evans:** Diolch yn fawr, a diolch am y dystiolaeth. Ar eich pwynt cyntaf ynglŷn â thrydaneiddio o Lundain i Abertawe, yn amlwg mae hyn yn rhywbeth sy'n bwysig iawn i ni, nid yn unig o ran de Cymru, ond hefyd gorllewin Cymru, o ran gwella amseroedd teithio. Fel y dywedwch

electrification of the Valley lines, so that it can be a metro system for Cardiff—that should happen not just in the Valleys, but also in the Vale. Some people think that these are all minor projects, but improving access to railway stations for disabled people is important in order to provide better options for people to travel on trains.

To conclude, what is the speed and capacity of some of our railways? For example, the railway between Aberystwyth and Shrewsbury has been improved and there is now enough capacity to run a train an hour. I have mentioned Wrexham to Chester and Gowerton to Llanelli. A great deal of work has been done, of course, on the Great Western main line in south Wales. Signalling work is progressing in west Wales; the work has been completed in Newport, and it is being undertaken in the Cardiff area, which will mean more platforms in Queen Street, Cardiff Central and Cogan Junction, which is important in order to run trains to the Vale.

That is the work that must be done. In terms of transport integration, park-and-ride facilities are very important. We do not currently have enough stations that provide an option for people to access them by driving, walking or riding their bikes. Most people drive, so this will develop step by step. There are also plans to have new stations, for example, in St Mellons, and more parking at the Severn Tunnel station. On new stations, St Mellons is in the same group as Llanwern, Miskin and Gateway Wales near the airport. Those are just some of the ideas that have been brought forward since the previous report was published.

**Gareth Jones:** Thank you very much for that very useful overview. I now turn to questions from Members, and we will start with Nerys Evans.

**Nerys Evans:** Thank you, and thank you for your evidence. On your first point about the electrification from London to Swansea, this is obviously very important to us, not just in terms of south Wales, but also west Wales, with regard to improving journey times. As you say in your paper, there are implications

yn eich papur, mae goblygiadau i weddill y rhwydwaith o drydaneiddio'r llinell honno. Beth yw'ch dealltwriaeth chi o'r sefyllfa ar hyn o bryd? Clywsom gan y Gweinidog trafnidiaeth ddoe. Yr ydych newydd ddweud dylai Llywodraeth Cymru gydweithio ar hyn gyda'r Llywodraeth yn Llundain.

9.40 a.m.

[12] O'r hyn a ddeallais gan y Dirprwy Brif Weinidog ddoe, mae'r trafodaethau yn parhau, ond mae'r Gweinidog yn Llundain wrthi'n ailasesu'r achos busnes. Yr wyf yn credu i mi gofio i chi ddweud y tro diwethaf yr oeddech yma ei bod yn gwneud mwy o synnwyr busnes i drydaneiddio'r holl linell yn hytrach na rhannau ohoni. Beth yw eich dealltwriaeth o'r sefyllfa ar hyn o bryd?

[13] **Yr Athro Cole:** Yr ydych yn iawn i ddweud bod trafodaethau'n parhau rhwng y gweision sifil yng Nghaerdydd a Llundain. Fodd bynnag, nid yw mor hawdd â hynny. Mae'n rhaid cael achos busnes ar gyfer y datblygiad. Fel hyn yr ydwyf yn gweld pethau ar hyn o bryd: mae'r Llywodraeth yn Llundain wedi penderfynu trydaneiddio hyd at Didcot, Newbury a Rhydychen. Mae hynny wedi ei benderfynu a bydd hynny'n digwydd a byddant yn cael eu trenau o stoc Thameslink. Mae gan Network Rail broses fewnol o edrych ar gynlluniau fel hyn. GRIP yw enw'r broses honno, ac mae'n siŵr y bydd Network Rail yn sôn amdani'n hwyrach. Mae wedi cyrraedd diwedd honno hyd at Didcot.

[14] Tua dwy flynedd yn ôl, cyhoeddodd ATOC, sef cymdeithas y cwmnïau tren, adroddiad yr oedd wedi ei gomisiynu ar yr achos busnes o drydaneiddio hyd at Gaerdydd, ond nid hyd at Abertawe. Yn ôl yr achos busnes, yr oedd y gymhareb cost a budd i Rydychen, Newbury a Chaerdydd yn 2.6. Mae hynny'n llawer uwch na'r gymhareb cost a budd ar gyfer Crossrail, sef 1.9. Mae Crossrail wedi dechrau ac yn cael ei adeiladu ar gost o dros £15 biliwn. Felly, mae'r Llywodraeth wedi symud ymlaen â hynny ac wedi penderfynu trydaneiddio hyd at Didcot ar y llinell i dde Cymru. Yn sicr, yn fy marn i, byddant yn mynd i Fryste. Mae'r gymhareb cost a budd i Fryste yn dda, oherwydd dyna lle mae pobl yn dechrau defnyddio trenau a

for the rest of the network from the electrification of that line. What is your understanding of the current situation? We heard from the Minister for transport yesterday. You have just said that the Welsh Government should be working on this with the Government in London.

From what I understood the Deputy First Minister to say yesterday, discussions are ongoing, but the Minister in London is currently reassessing the business case. I think that I remember you saying the last time that you were here that it makes more business sense to electrify all of the line rather than parts of it. What is your understanding of the situation at the moment?

**Professor Cole:** You are right to say that discussions are ongoing between civil servants in Cardiff and London. However, it is not as easy as that. There must be a business case for the development. This is how I see things at the moment: the UK Government has decided on electrification as far as Didcot, Newbury and Oxford. That has been decided and will happen. They will be getting their trains from Thameslink's stock. Network Rail has its own internal process of looking at projects such as this. GRIP is the name of the process, and I am sure that Network Rail will be talking about it later. It has reached the end of that process up to Didcot.

About two years ago, ATOC, the Association of Train Operating Companies, published a report that it had commissioned on the business case for electrification to Cardiff, but not to Swansea. According to the business case, the cost-benefit ratio to Oxford, Newbury and Cardiff was 2.6. That is much higher than the cost-benefit ratio for Crossrail, which is 1.9. Crossrail has begun and is being built at a cost of over £15 billion. Therefore, the Government has moved forward with that and decided on electrification up to Didcot on the south Wales line. Certainly, in my opinion, it will go to Bristol. The cost-benefit ratio to Bristol is good, because that is where people start using trains and that is where there is an

dyna lle mae'r cyfle i dorri ar yr amseroedd teithio o Fryste i Lundain. Mae'r trac yn gymharol syth rhwng Bristol Parkway a Swindon, ac yna ymlaen i Lundain, ac yn sythach na'r trac rhwng Bristol Parkway a Chaerdydd ac yna ymlaen i Abertawe.

[15] Felly, nid yw cael achos busnes syml o ran yr ochr ariannol i Abertawe yn mynd i fod yn hawdd. Fel y dywedoch yn eich adroddiad diwethaf, mae'n rhaid edrych ar yr effeithiau economaidd a'r effeithiau ariannol. Felly, mae'n rhaid asesu'r achos ariannol yn ogystal â'r hyn a elwir yn fuddion economaidd ehangach. Yn achos de Cymru, bydd mwy o fuddion economaidd ehangach nag o effeithiau ariannol fel sicrhau rhagor o refeniw neu gyfleoedd i gwtogi ar yr amseroedd teithio.

[16] Dyna ble yr ydym ar hyn o bryd. Fel y deallaf, mae'r gweision sifil yn cael y drafodaeth ynghylch y ffordd ymlaen, ond nid wyf yn gwybod a yw'r ffigurau wedi dod o'r Adran Drafnidiaeth eto.

[17] **Gareth Jones:** Nerys, oes gen ti gwestiwn arall ar y pwnc hwn?

[18] **Nerys Evans:** Oes. Beth yw eich barn o ran cyllido? Mae sibrydion y bydd Llywodraeth Llundain efallai'n gofyn i Lywodraeth Cymru ariannu'r rhan o'r llinell a fydd yng Nghymru. Yn amlwg, yr ydym yn cael ein hariannu gan y grant bloc ar gyfer y materion y mae gennym bwerau drosynt. Nid yw'r rheilffyrdd wedi'u datganoli. Felly, yr wyf yn credu bod hyn yn beryglus. Beth fyddai eich barn chi pe bai Llywodraeth y DU yn dilyn y trywydd hwnnw?

[19] **Yr Athro Cole:** I ddechrau, ni fyddai'n deg. Mae prif linell rheilffordd y Great Western yn rhan o rwydwaith rheilffyrdd Prydain. Felly, ni welaf reswm i Llywodraeth Cymru dalu am ryw beth sy'n rhan o rwydwaith rheilffyrdd Prydain. Yr ydym yn talu trethi yma, mae'r arian yn mynd i Lundain, a dylem gael peth o'r arian yn ôl. Pan ystyriwn faint sy'n cael ei wario yn Lloegr, ac yn Llundain yn fwy nag unrhyw le arall, gwelwn fod dros £15 biliwn yn cael ei wario ar Crossrail ac £800 miliwn ar orsaf Reading. Dechreuodd y gwaith yno dros y Nadolig a bydd yn mynd ymlaen am

opportunity to cut journey times from Bristol to London. The track is relatively straight between Bristol Parkway and Swindon, and then on to London, and straighter than the track between Bristol Parkway and Cardiff and then on to Swansea.

Therefore, making a straightforward financial business case for Swansea is not going to be easy. As you said in your last report, the economic and financial impacts must be considered. Therefore, we must assess the financial case as well as the so-called wider economic benefits. In the case of south Wales, there will be a greater number of wider economic benefits than financial impacts such as ensuring more revenue or opportunities to cut journey times.

That is where we are now. As I understand it, the civil servants are having discussions on the way forward, but I do not know whether the Department for Transport has issued the figures yet.

**Gareth Jones:** Nerys, do you have another question on this issue?

**Nerys Evans:** Yes. What are your views on funding? There are rumours that the Westminster Government may ask the Welsh Government to fund the part of the line that will be in Wales. Obviously, we are funded by the block grant for the matters over which we have powers. The railways have not been devolved. Therefore, I think that this is dangerous. What would your view be were the UK Government to go down that road?

**Professor Cole:** To start with, that would not be fair. The Great Western main line is part of the British railway network. Therefore, I do not see any reason for the Welsh Government to pay for something that is part of the British railway network. We pay taxes here, the money goes to London, and we should have some of that money back. When we consider how much is being spent in England, and in London more than anywhere, we see that over £15 billion is being spent on Crossrail and £800 million on Reading station. That work began over Christmas and will go on for about a year and a half.



ryw flwyddyn a hanner. Felly, mae llwyth o arian wedi cael ei wario. Therefore, a lot of money has been spent.

[20] Gwariwyd peth arian yng Nghymru hefyd. Gwariwyd arian ar y signalau yng Nghasnewydd ac mae bron i £300 miliwn yn cael ei wario yng Nghaerdydd. Felly, nid yw'n wir nad ydym yn cael dim arian o gwbl, ond yr ydym yn sôn am tua £300 miliwn—nid yw Network Rail wedi cyfrifo'r rhifau yn iawn eto. Byddai trydanu'r lein o Fryste i Abertawe—i fod yn fanwl gywir, o Pilning, sydd yr ochr arall i'r twnnel—yn costio rhwng £250 miliwn a £300 miliwn. Nid wyf yn gweld rheswm pam y dylai hynny fod yn wahanol i unrhyw ran arall o brif reilffordd y Great Western, gan ei fod yn rhan o'r un gwasanaeth. Yn y pendraw, mae'r Adran Drafnidiaeth yn bwriadu trydanu'r lein i Plymouth, Cheltenham a Chaerwrangon, a bydd yr arian ar gyfer hynny yn dod o'r Trysorlys yn Llundain. Nid wyf yn gweld bod y llinell o'r twnnel i Abertawe yn wahanol. Some money has also been spent in Wales. Money has been spent on signalling in Newport and almost £300 million is being spent in Cardiff. So, it is not true that we do not get any money, but we are talking about £300 million—Network Rail has not calculated the exact figures yet. The electrification of the line from Bristol to Swansea—from Pilning, at the other side of the tunnel, to be precise—would cost between £250 million and £300 million. I do not see any reason why that should be different from any other part of the Great Western main line, as it is part of the same service. Eventually, the Department for Transport intends to electrify the line to Plymouth, Cheltenham and Worcester, and the money for that will come from the Treasury in London. I do not see that the line from the tunnel to Swansea is any different.

[21] **Brian Gibbons:** Could you clarify something for me? When you say that the cost-benefit ratio is 1.9 and 2.6, can you give a bit more information as to what that actually means and what goes into that calculation? We know that the previous Labour Government prepared a business case for electrification to south Wales, which was positive. You would have thought that once you stick the figures or assumptions into the computer and you get your result that would be it. Presumably, the new coalition Government, when it looked at it again, put in new assumptions. So that we can understand it better, what is changing? I do not want to know the detailed process, but I would like to know about the judgments that have been put into it come to a conclusion.

[22] **Professor Cole:** It is possible that they changed the assumptions on demand or line speeds, for example, as those would all be part of the calculation. However, it is difficult to see how it would change that 2.6 figure that I quoted. That figure was produced in a report for the Association of Train Operating Companies, which the DFT appeared to accept at the time. The report also showed that there would be big benefits to electrification to Newbury and Oxford as it would involve big flows of people and a significant reduction in journey time as a result of new trains. The same thing goes for Bristol, which had a cost-benefit ratio of 6:1. That is the highest that you can get within the system. It does not go any higher than that, which means that you have to build it. You have to find the money because the rate of return is so good. You can compare that to 1.9 for Crossrail, which included these wider economic benefits. That may speak to the second part of your question on the criteria. The primary criteria are cost reductions and revenue increases. Those are the financial elements. Then, on top of that, there are journey time reductions, which are more difficult in south Wales because of the nature of the track. Those of you, like Andrew, who travel regularly on the train back and forth to Swansea, know how that track winds along. The key to this approach to investment in the railway, taking journey time into account, is that the speeds that have to be achieved are between 125 mph and 140 mph.

9.50 a.m.

[23] Those are not currently possible on the south Wales main line. They are possible on the line that runs from the tunnel to Swindon, as it was designed that way. It was a classic Brunel design—he went for straight pieces of railway, because straight and flat was his approach. That means that you can achieve much higher speeds, so there are benefits of journey time reduction, potential increases in revenue and increased capacity. The trains that Mr Hammond, the Secretary of State for Transport, is currently talking about will either have five or 10 cars of the same size as the ones that we currently have, which are effectively seven standard cars and two first-class carriages. They will have more capacity on them, and they will be faster, because the acceleration will be faster. Those are the time benefits. If you travel from Swansea to London on First Great Western, you will notice that the business is reasonable in Swansea, but it is not very big. It grows a bit in Bridgend and grows a lot in Cardiff—

[24] **Brian Gibbons:** It grows in Port Talbot, first of all.

[25] **Professor Cole:** Yes; absolutely. It grows enormously in Port Talbot, Dr Gibbons. Did I forget to say Port Talbot? I suppose that I should also mention Neath.

[26] **Brian Gibbons:** No. You can forget about Neath. [*Laughter.*]

[27] **Andrew Davies:** That is relatively speaking.

[28] **Professor Cole:** Yes; relatively speaking. Thank you, Andrew.

[29] Relatively speaking, the growth is then large in Cardiff. There is some growth in Newport, but the next big growth is in Bristol Parkway. So, Cardiff and Bristol Parkway become attractive propositions for electrification. Those are the key elements.

[30] **Brian Gibbons:** If people are going to change those assumptions, how settled is the methodology among the professionals, like you, or whoever does this? Is this an uncontested methodology? If it is uncontested methodology, it is hard to see how you can play around with it. If it is contested, where are the areas of dispute among the professionals, and where is the political input into this? Hypothetically, as I have no evidence, could a Minister say, ‘The economy to the west of Bristol is not that important, so let us reduce the weighting of that’?

[31] **Professor Cole:** The methodology has been around for a long time. It is an accepted methodology. There are two parts to it, namely the financial element that I mentioned, which is pushing up the revenue and pushing down the costs, and the economic benefits, which are, in the main, journey-time savings. There are also benefits to do with the environment, employment and decentralisation in some cases. However, it is to do with connectivity, which is the second part of the analysis. Again, it is an acceptable part of the analysis. To date, the Department for Transport and Network Rail have concentrated on the financial element, but even that gives a good rate of return and it is an accepted methodology, which has been used not only in Britain but in other countries—the French approach is even better than our approach, as they take into account much more the decentralisation of the economy to make connectivity easy between the primary city, which is Paris, in France’s case, and other parts of the country. They take a wider view again, which is accepted in France. Therefore, the methodology has been there.

[32] It is possible that the assumptions have changed, but I have not heard that that is the case. Therefore, I do not see why there is any discussion from the Department for Transport about the analysis that was done by the Association of Train Operating Companies and passed on to the Department for Transport two years ago, which was done by a respected economist called Chris Stokes, which gave the result of £2.6 million for Cardiff, Oxford and Newbury. I cannot see why it is not being built as far as Cardiff, at least. To go back to Nerys’s point

about a continuous approach to investment, if you are going to build it to Cardiff, the marginal cost of continuing to build is relatively small. We are talking about perhaps £2.5 million or £2.6 million per kilometre. Therefore, it is a comparison with the total costs, and compared with the costs of resetting up a project.

[33] What is great about Crossrail—if there is anything great about it—from our point of view, is that it will be easier for us to get across London and the set-up costs, which will be 20 per cent of the total capital cost, have been built in to Crossrail. So, we will get a marginal cost as a result of that. Those set-up costs include things like putting the team together—once you have disbanded a team, getting it back together is an expensive process—and setting up the supply chain. Once you have an order in—the bigger the order, the lower the unit cost is likely to be—you are likely to get a reduction in costs, and the process keeps going. I think that that is what Nerys was suggesting earlier.

[34] **Gareth Jones:** I understand that this is a key project for us in Wales. I think that Andrew and Jenny want to come in on this specifically, and then we can move on to another aspect of the programme.

[35] **Andrew Davies:** Thank you for your evidence, Stuart. To follow up on the issue of the electrification of the south Wales line, I do not think that the modelling has changed. The only thing that has changed is that DFT has probably taken one of the biggest hits in the comprehensive spending review and the austerity programme, and the Secretary of State is making judgments. Cultural issues are involved, in that DFT does not regard infrastructure or, indeed, services in Wales as a priority—I do not know whether this is formally the case. It sees the services west of Cardiff as commuter services. You will remember the famous row that we had some years ago over the 5.15 p.m. Paddington-Swansea service. I know from discussions with the Secretary of State that it was felt that, if we wanted to make up for that deficiency, it was up to us to do it. I made the point that this was part of the UK franchise and, therefore, it should be funded by the UK Government. So, there are those cultural issues.

[36] On Crossrail, I understand two things: first, it is new money, so there will be a Barnett consequential for the Assembly Government; and, secondly, its construction will lead to massive disruption for the south Wales services. I want to go on to ask about infrastructure generally. When we were negotiating the Railways Act 2005 and the Wales and border franchise coming to Wales, we specifically did not include the functions of Network Rail, or Railtrack as it was then, primarily on the basis of cost. Unlike the Scots, we felt that, unless we got security of funding, it would be a huge drain on resources; in fact, not long after the transfer, we had flooding on the Conwy valley line that seemed to prove our point. I do not know what you feel about taking on those Network Rail infrastructure functions.

[37] **Professor Cole:** There are three issues there. One is that the comprehensive spending review has had an impact on what has been bought, although that was probably happening before the British general election. The so-called Intercity express programme trains were very expensive. They would have looked like the current InterCity 125s—a power unit at both ends and carriages in between. As I understand it, the DFT is now going for—I do not want to bore you with this—a diesel electrical multiple unit. [*Laughter.*] I knew that would raise a laugh. In simple terms, the engine is underneath, and, however hard you try to keep the sound down, they are still noisier than trains with power units that are completely separated from the traveller. It has had to go for those. Almost inevitably, it has had to go for bimodal trains, because, whoever operates those trains—at the moment it is First Great Western—it will be looking for a single fleet for complete interworking in different places. As it has to serve Cheltenham, Worcester, Hereford and Plymouth as well as the south Wales main line and Bristol, it will be looking for one type of train to do the lot. Consequently, I understand that there was nothing like enough money to pay for the much more expensive IEP trains, or agility trains, as they are also known in this context. In fact, Hitachi Ltd was asked to find a

substantially cheaper kind of unit, and this is what it has come up with—those are the current reports, anyway. So, yes, the cuts had an impact, but that may have been coming anyway.

10.00 a.m.

[38] **Andrew Davies:** That is a political point.

[39] **Professor Cole:** It is, yes; I will leave you to argue about that with the Minister.

[40] On your second point, about the culture of DFT, you are absolutely right, I am afraid. I have dealt with it for 30 years and I have not seen much of a change. It concerns itself with the highest flows, because it sees the railway as a means of moving large numbers of people over long distances. That is, effectively, Bristol to London and maybe Cardiff to London. The department does not see the south-west of England, and it does not see east Anglia; it sees Manchester and Birmingham, and, because it is pushed, it sees the north-east of England and Scotland. It has been pushed a lot harder by the northern England authorities and Scottish authorities—on high speed 2, for example. Although a lot of work is being done by the Great Western Partnership, which is a group of local authorities, it was late to the game, and consequently is having to catch up. The philosophy at DFT is that it is not necessarily against Wales, but that it is just interested in large movements of people. That is what trains do, as they see it.

[41] Your third point was about the relationship between Network Rail and the Welsh Government. If, as has been suggested, there is a move towards the Welsh Government running all aspects of the railway, or at least directing it, if not owning it—there is a big difference—the funding mechanism has to transfer with the responsibility. There is no point giving the Welsh Government responsibility for Network Rail without a substantial transfer of the appropriate amount of funding. There is always a concern with the Barnett formula; for example, there is the question of whether certain routes in London are English routes or British routes. Crossrail is at present being taken as a British route, so does not come into the calculation for the amount of money that we should have in Wales. If there was a Network Rail Wales and Borders—which is probably what it would be, simply because of the geography of our rail system—it would be necessary to have appropriate amounts of money transferred over for that investment.

[42] **Jenny Randerson:** On the type of train—I cannot remember what you called them, but I got the principle—I remember reading in the railway press, going back well over a year, that there was serious doubt about the type of train that the Government was looking at at that time, for technical and cost reasons. In layman's terms, it said that these trains were not used elsewhere, and for good reason. An audit report was published almost immediately after the general election that demolished the case for those trains. You have said that the type of train that the Government has gone for now is noisy; is there a third alternative, or would the only alternative be a fully electrified line? That is the first question.

[43] The second question is this: you said that not many people get on in Swansea, but is that not true of the end of every line? Is it the case that most of the electrified lines in Britain go from one big centre of population to another? I am not being rude about the size of Swansea—I am being very careful in what I say here—but in terms of British cities, Swansea is relatively small. Is there a problem in the way the figures, as Brian said, are put in?

[44] Finally, on your issue about whether or not it is fair that Wales should pay for it, if we had bid for the additional powers that were potentially available in the Transport Act 2006, would we have received the Barnett share—however it is done on the railways—of the money so that we could make the decision for ourselves?

[45] **Professor Cole:** Over the years, the decision to electrify has been made to link London to other major cities. This excludes the southern region of British Rail as was, namely the area to the south of London, which was electrified in the 1930s. That is a separate issue. However, in terms of the post-Beeching period from the 1960s onwards, the decision to electrify has largely been based on London commuters and long distance routes to big cities, so you are absolutely right. The Manchester and Birmingham lines and the east coast main line were electrified, and there are a number of large towns and cities along the route to Newcastle. You might ask whether electrification of the line between Newcastle and Edinburgh was justified, because the nature of the line is the same as west Wales—Northumbria and the southern parts of Scotland are rural areas. Consequently, there are not very many big towns, so one might question the justification for electrifying the line to Edinburgh. That has been done, but there is no plan for electrification further north. So, it is an associated issue to that which Andrew raised.

[46] In terms of the types of locomotive, there were three choices. The first one was the Intercity express programme with motor units at either end. That was set aside about two years ago, because even Lord Adonis had asked for a review of the cost. Hitachi was asked again by Philip Hammond to come back with a cheaper option, so we are now faced with two options. The only reasonable option is the underfloor engine unit, which works on diesel and electric trains. The other option was to build electric trains only, which are cheaper by about 30 per cent, and have a diesel locomotive tow them from the end of the wires to wherever they were going. If the wires finished at Bristol, they would be towed to Swansea. If anything looks like something from a third world country, that does. It is not a sensible way for a developed member of the European Union to operate. Those of you who spend time in north Wales will remember the days when electric trains were run to Crewe, where a diesel locomotive would be put on the front—Gareth will remember these—and they were towed to Holyhead. We are not going back to those days, because that is old technology. You might ask me what I think at the time if they do go for that option.

[47] The bimodal option—that is, two modes of fuel—means that there will be through trains, which Philip Hammond has already commented on. Consequently, that is the most likely option, because it is the cheaper version of a through train, but it is still carrying diesel underneath the wires for 100 miles to 120 miles, which does not make an awful lot of sense when the additional cost of electrification or putting up the wires through the tunnel and beyond is likely to be less than the difference in cost between a bimodal and an electric-only train. However, as I said at the beginning, the operator does not have much of an option in terms of bimodal operation, because it has to serve places such as Plymouth and Worcester as well as the electrified sections. On your point about what the options are, electrification all the way is one, electrification to Bristol is another, and electrification to Didcot is also clearly a possibility—although it is not one that I would recommend on the basis of the evaluation that Bristol has a very good rate of return.

10.10 a.m.

[48] With regard to your final question, the Transport (Wales) Act 2006 gives powers to the Welsh Government to procure any form of public transport that it feels is of benefit to Wales and would require a subsidy. Those are the two primary criteria negotiated in that Act. There is no statutory relationship between the Welsh Government and Network Rail. There is a working relationship, of course, in terms of finance and so on, which is going on, for example, in the Cardiff resignalling work. However, with regard to whether it is fair to ask the Welsh Government to pay for something that was never included in the original deal, as it were, in that piece of legislation, clearly, to go back to Andrew's point, it is not. There has to be a second discussion on the allocation of funding.

[49] **Jenny Randerson:** Sorry, I obviously was not making myself clear. I remember that

we had a debate at the time as to whether we would benefit if we got powers over railway infrastructure, similar to those in Scotland. We asked this question when we did our initial review of the railways. The argument was that, because the railways in Wales are so dependent on and interlaced with those in England, that was not practical. All I was really asking was whether, if we had gone for those extra powers, albeit with the complication of the link with England, we would have had the funding to enable us to sort of purchase the electrification to Swansea.

[50] **Professor Cole:** I am sorry, I misunderstood your question. Sorry, Jenny, that was my fault. If the Welsh Government had a regulatory control in the same way as the Department for Transport has over Network Rail, yes, the decisions could be made in Cardiff as to exactly what improvements were required. However, I say that with the proviso that a fair amount of funding would also have to be transferred with it. It is not cheap to rebuild the railway. As I said, £280 million is what the Cardiff resignalling work is costing. The Port Talbot resignalling cost £400 million. It is an expensive business. So, if we had acquired the powers over Network Rail, we would have needed commensurate funding.

[51] On the issue of interlinking with England, there is now an opportunity, if there is a decision made to have a Wales and borders Network Rail funded and directed by the Welsh Government in the same way as the Wales and borders franchise, but there would need to be some kind of integrating body to ensure that we did not have the problems that we have had, for example, with the road network, where we see the A483 in north Wales as a trunk road while, in England, it is seen as a local county road in Shropshire and Cheshire. We do not want that sort of issue to arise, so there would need to be an integrating body that would link the various regional and national facilities. Scotland already has that power and that relationship with Network Rail, because the ScotRail network, other than the two links to England, which are Intercity routes, is discrete; it is separate from everything else. Our network is dependent on the reversed 'E' shape, with one line up the east side and three lines going in—one to Aberystwyth, one to Holyhead and one to Pembrokeshire. We do not have the benefit, if you like, of the Scottish position.

[52] **Gareth Jones:** Thank you. I am very aware of the time. I have four other Members who want to come in. Paul is next.

[53] **Paul Davies:** Yr ydych wedi ei gwneud yn glir pe bai pwerau'n cael eu datganoli dros y rheilffyrdd, byddai'n rhaid i'r arian ddilyn. A gredwch y dylai'r pwerau hynny gael eu datganoli? Nid yw'n glir beth yw eich barn chi ar hynny, felly fe fyddem yn ddiolchgar petaech yn gallu dweud wrthym.

**Paul Davies:** You have made it clear that, if powers over the railways were to be devolved, the funding would have to follow. Do you believe that those powers should be devolved? It is not clear what your view is on that, therefore we would be grateful if you could tell us.

[54] Yn dilyn yr hyn y gofynnodd Andrew i chi'n gynharach, beth yw eich barn chi am effeithiolrwydd y berthynas waith bresennol rhwng Llywodraeth Cynulliad Cymru a Network Rail? Un o argymhellion y pwyllgor oedd y dylid sefydlu cytundeb ffurfiol rhwng y Llywodraeth a Network Rail, ond, fel y gwyddoch, gwrthodwyd yr argymhelliad hwnnw gan y Gweinidog. A gredwch y byddai hynny'n help i sicrhau bod prosiectau yn mynd yn eu blaen?

Following on from what Andrew asked you earlier, how effective, in your opinion, is the current working relationship between the Welsh Assembly Government and Network Rail? One of the committee's recommendations was that a formal agreement should be established between the Government and Network Rail, but, as you are aware, the Minister rejected that recommendation. Do you believe that that would help to ensure that projects go forward?

[55] Yn eich papur, soniasoch am ailddyblu'r llinell rhwng Tre-gŵyr a Llanelli, a fyddai'n helpu'r gwasanaethau yn y gorllewin. A allwch chi gadarnhau nad oes rhaid gwneud hynny er mwyn cynyddu'r gwasanaethau i'r gorllewin? Hynny yw, nid yw cynyddu'r gwasanaethau i Abergwaun a manau eraill yn y gorllewin yn dibynnu ar ailddyblu'r llinell.

[56] **Yr Athro Cole:** Yn fy marn i, os yw'r Llywodraeth yn mynd i fod yn gyfrifol am wasanaethau'r rheilffordd, drwy Drenau Arriva Cymru, rhaid wrth y pwerau i benderfynu ymhle y bydd gwelliannau ar y cledrau yn digwydd. Byddai'r Llywodraeth yn gallu dweud wrth Arriva, 'Yr ydym ni eisiau i chi redeg trê'n bob hanner awr i Gaerfyrddin, a bob awr i Ddoc Penfro, Aberdaugleddau ac Abergwaun', ond nid oes llawer o bwynt cael y pŵer i redeg y trenau os nad oes gennych y pŵer dros y cledrau hefyd i benderfynu lle y dylid rhoi'r flaenoriaeth.

[57] Fel mae'n digwydd, mae'r Llywodraeth a Network Rail, yn eu sgysiau drwy'r amser, yn trafod lle y mae rhai o'r prosiectau arni, megis yr un yng Nghaerdydd a'r un rhwng Tre-gŵyr a Llanelli. Fodd bynnag, petai'r arian gan Lywodraeth Cymru, yn lle'r Adran Drafnidiaeth yn Llundain, byddai gwell cyfle o lawer inni integreiddio'r ddau beth, sef rhedeg y trenau a gwella'r cledrau. Felly, credaf mai dyna oedd un o'r bylchau pan ddaeth Deddf Trafnidiaeth (Cymru) i mewn yn 2006.

[58] O ran eich ail gwestiwn ynghylch sicrhau bod prosiectau yn mynd yn eu blaen a dyblu'r trac o Dre-gŵyr i Lanelli, mae'n bosibl ar hyn o bryd redeg trenau gwennol o Gaerfyrddin i dri lle yn sir Benfro. Mae'n bosibl gwneud hynny yn awr. Mae trac dwbl i Hendy-gwyn ar Daf, sy'n bwysig yn y datblygiad hwn, oherwydd os yw'r gwasanaeth trenau i wella, ac yr ydym am gael trê'n bob awr i Ddoc Penfro ac Aberdaugleddau a phob dwy awr i Abergwaun, mae cyfle wedyn i gael trê'n bob awr, neu'n amlach, o Hendy-gwyn ar Daf, a fyddai'n ganolbwynt i wasanaethau cyhoeddus—bysys, trenau, a pharcio a theithio. Mae hynny'n bwysig i gynyddu

In your paper, you talk about redoubling the line between Gowerton and Llanelli, which would help the services in west Wales. Can you confirm that that would be unnecessary in order to increase services to west Wales? That is, increasing services to Fishguard and other places in the west would not depend on redoubling the line.

**Professor Cole:** In my opinion, if the Government is to be responsible for rail services, through Arriva Trains Wales, then it would need the powers to decide where improvements will be made on the lines. The Government would be able to tell Arriva, 'We want you to run a train every half an hour to Carmarthen, and every hour to Pembroke Dock, Milford Haven and Fishguard', but there is not much point in having the power to direct the trains if you do not also have the power over the railway lines to decide what should take priority.

As it happens, the Government and Network Rail, in their regular conversations, discuss where they are at with some of the projects, such as the one in Cardiff and the one between Gowerton and Llanelli. However, if the Welsh Government held the funding, rather than the Department for Transport in London, there would be a far greater opportunity for us to integrate these two things, namely to run the trains and improve the lines. I believe that that was one of the gaps in the Transport (Wales) Act when it came into force in 2006.

Turning to your second question regarding ensuring that projects go ahead and doubling the track from Gowerton to Llanelli, it is possible at present to run shuttle trains from Carmarthen to three places in Pembrokeshire. There is a dual track to Whitland, which is important to this development, because if the train service is to be improved and we are to have a train every hour to Pembroke Dock and Milford Haven and one every two hours to Fishguard, there is then an opportunity to have an hourly train, or more frequently, from Whitland, which would act as a hub for public transport—buses, trains, and park and ride. That is important in increasing the number of people using the service. Both of

nifer y bobl sy'n defnyddio'r gwasanaeth. Mae'r ddau beth yn dod gyda'i gilydd, oherwydd nid oes llawer o bwynt gwella'r rheilffyrdd os nad oes galw am y gwasanaeth; yr wyf wedi clywed y Gweinidog yn dweud hynny. Mae'n rhaid tyfu'r ddau beth. Gallwch gynnig y gwasanaeth yn gyntaf ac wedyn tyfu'r galw a chynyddu nifer y bobl sy'n defnyddio'r gwasanaeth, ond rhaid ichi wybod bod y farchnad yn bodoli ar ei gyfer.

those things sit together, because there is not much point in improving the railways if there is no demand for the service; I have heard the Minister say that. Both must be grown. You can offer the service first and then grow the demand and increase the number of people using the service, but you must know that the market exists for it.

10.20 a.m.

[59] Byddai dyblu'r trac o Dre-gŵyr i Lanelli'n golygu ei fod yn bosibl rhedeg mwy o drenau i Gaerfyrddin, lle gall pobl newid trenau, ond mae opsiwn hefyd i redeg mwy o drenau'n syth i Sir Benfro o Abertawe neu o Gaerdydd. Ar hyn o bryd, mae'r bont Llŵchwr a hefyd y trac sengl yn stopio hynny rhag digwydd. Felly, i ateb eich cwestiwn, mae'n bosibl rhedeg mwy o drenau'n awr, ond nid yw'n bosibl rhedeg trenau sy'n mynd yn syth—*through trains*—o Gaerdydd ac Abertawe i Sir Benfro, er enghraifft.

Doubling the track from Gowerton to Llanelli would mean that it would be possible to run additional trains to Carmarthen, where people can change trains, but there is also an option to run additional through trains to Pembrokeshire from Swansea or Cardiff. At present, the Loughor bridge and the single track prevent this from happening. Therefore, to answer your question, it is possible to run additional trains now, but it is not possible to run through trains from Cardiff and Swansea to Pembrokeshire, for example.

[60] **Jeff Cuthbert:** Thank you for your written evidence and for what you have said so far. I want to be a bit more parochial and talk about the Valleys lines. In your paper, you refer to the issue of rolling stock. For some years there has been an issue with Arriva Trains Wales in relation to the provision of longer trains on the south Wales Valleys lines, typically trains with six cars, at least during peak times. As you will know, the Welsh Assembly Government and Network Rail have spent many millions upgrading signalling and lengthening platforms in order for this to happen, but it has not. What is your understanding of the relationship or agreements between Arriva Trains Wales, as the train operating company, and the Welsh Assembly Government on the provision of longer trains, which would reduce overcrowding? We want people to get on the trains to commute to Cardiff on a daily basis, but overcrowding is a powerful disincentive.

[61] Linked to that is the issue of park-and-ride schemes, which you mentioned. Both things go together; clearly, if we are to encourage people to get out of their cars and use commuter trains, there has to be somewhere for them to park their cars. It is not that easy in many parts of the south Wales Valleys to find large enough areas to develop convenient car parks, but a lot of good work has been done. As a policy, I maintain that park-and-ride car parks should be free, but there are moves to start charging; they already do so in some places, but there seems to be a move to expand that as a means of raising revenue. I would suggest that that is a disincentive for people from getting on public transport, and you may have a view on that.

[62] Finally, the pinch point for all of the Valleys lines is the bridge over Queen Street at the approach to Queen Street Station. An awful lot of work has been done on signalling, and more will be done, but my understanding is that there are still no plans to increase the number of tracks going over the bridge. At the moment, there are just two tracks going over it. Should there be any difficulties, such as breakdowns in signalling or rolling stock, it seems to me that having only two tracks would cause a problem. I understand that the matter is being kept under review, but, from your point of view, do you think that there is a strong case for



widening the bridge to allow for at least three tracks to pass over it, so that the Valleys lines trains can run as effectively as possible?

[63] **Professor Cole:** There are trains at peak time that need to be longer than they are at the moment. A number of appropriate peak-time trains to and from Cardiff—inbound in the morning, outbound in the evening—have four cars, including the 7.40 a.m. train from Rhymney that I travelled on this morning. We are no longer at a point where passengers are being left behind, as they were 10 years ago. As I understand them, the plans are that there should be four-car sets on all peak trains. There should be some trains available. There is a shortage of rolling stock throughout Great Britain. There are five two-car sets on a sub-lease at the moment from Arriva Trains Wales to, I think, First Great Western, which are being used in the south of England. Those are retrievable with three months' notice. So, there are five sets available to extend trains. As you say quite rightly, Jeff, the length of the platforms has been extended to six cars throughout the Valleys lines and the Vale. Also, Rhymney is to get a half-hourly service and a new station—at Energlyn, is it not?

[64] **Jeff Cuthbert:** Yes.

[65] **Professor Cole:** So, some trains are available. One of the issues is that there are only certain types of trains. I am not going to bore you once again with titles and so on, but there are only certain types of trains that will connect with one another at the couplings. Consequently, there is a limit to what can be done. However, we also have to recognise that the Pacer trains, that is, the trains with the concertina doors, are 40 years old and they were never built for the kind of work that they are doing now. They are the old Leyland national buses. That is the body work, which was then put on a four-wheel base rather than an eight-wheel base, hence the screech as you come into Cardiff Central. They are old trains. They were designed for rural lines, but they are now being used for intensive use on Valleys lines. I can only compliment the engineers at Arriva Trains Wales on achieving that. However, we need more trains on that line.

[66] There is also the issue of cost in terms of the agreement between Arriva Trains Wales and the Welsh Government. There was an initial franchise that had no growth and no extra trains and, for some reason, which almost goes back to the points that Jenny and Andrew were making earlier, the philosophy of the Department for Transport—if you are looking for some proof for it, that might be a bit of proof—was that, for 15 years, there would be no growth. At the moment, we have growth of between 8 and 10 per cent on Valleys lines per annum, which means that the number of passengers is doubling every seven or eight years. If the Welsh Government had not stepped in to add to that franchise when it did, then we would have a serious issue on Valleys lines now.

[67] There will always be some overcrowding at peak times, because that is the nature of the railway. However, you try to minimise it and reduce it to as short a distance as possible. I understand that there are plans to have express trains running from Treforest to Cardiff Central along the city line. So, the same number of trains would be maintained between Pontypridd and Cardiff—six trains an hour—and two trains per hour on the city line would be non-stop services, because there is capacity on that line at the moment. They would turn off at Radyr and go to Cardiff Central from there.

[68] The development of the new platform—the old platform 5 at Cardiff—would enable some facility to be produced there. In terms of capacity, which touches on your question about Queen Street station, as I understand it, the Cardiff signalling scheme—you might get confirmation of this from Mike Gallop and Network Rail in a moment—will mean that, at Queen Street station, the empty platform that now sits next to the roadway would be reopened, so that there would be two northbound platforms and two southbound platforms, namely the current platforms 2 and 3. Platform 3 is currently used mainly for the bay, but

there is also a bay platform—appropriately named, I suppose—which has always been there. If you go to the end of platform 3, you will see that there is additional space for the bay train. So, the Cardiff bay trains will go into that platform. Therefore, they will not interfere with the rest of the operation and you will have two south-bound and two north-bound platforms. That, certainly in the medium term, and probably in the long term also—we are talking about 20 to 25 years here—would avoid the need to build a very expensive bridge. It would be a very expensive bridge, because the bridge itself is only used for maybe 20 seconds as the trains go over; they then go up on the Rhymney line or up on the Taff Vale line, and then similarly to the south.

10.30 a.m.

[69] **Jeff Cuthbert:** It is just those two tracks, that is right.

[70] **Professor Cole:** It is two tracks, but the amount of time the trains spend on those tracks is relatively small, because what you have is a train coming in from Rhymney or Caerphilly, and a train coming in from Pontypridd or Treherbert, and they will all be timed so that they can get through that slot. It looks like a bottleneck, but I do not think it is as serious as people make out, so long as these other platforms are open at Queen Street station.

[71] **Jeff Cuthbert:** My other point was about park and ride.

[72] **Professor Cole:** The last time that I said that Caerphilly County Borough Council was wrong in proposing to introduce parking charges at Caerphilly station, I received a whole series of e-mails from people telling me that people should go by bicycle or walk. It is a step-by-step process. A large number of people who use the trains have cars and, if we can get them on to the train for most of their journey, that would be a major step forward. So, we will go for that first, and then try to persuade them to walk or do other more healthy things than drive cars subsequently. From a congestion viewpoint, park and ride is essential; it is also essential for the development of the railway. If we can push up the demand among people who currently use, not just the A470, but the roads coming in from the Vale, and the M4, where improvements to the numbers of stations occur on the M4 parallel section of the line, we are talking about a major set of park-and-ride facilities. You are absolutely right; it is essential and it has to be free. People do not then have to think about paying for car parking as well as paying for the train. The car park at Cardiff Central is charged. I see no particular reason for that other than raising revenue. That may be a good reason, but, from the point of view of integrating transport and persuading people to use their cars for less time or a shorter length of their journey, then park and ride not has to be only free, but adequate and secure, so that when people come back to their car at the end of the day, they know it will be there, intact.

[73] Personal security is another issue with park-and-ride car parks. They must be well-lit. Just to put a parallel on to this, although it was a bus park and ride, when park and ride was introduced in Oxford, the local authority intended to landscape with trees and bushes and so on, but the advice from the police was, ‘Don’t; just leave it open so that when our cars are going past on the main road, we can see in all the time and we don’t have to drive in. We can’t drive in as often as we drive past.’ So, where you are looking for secure premises, keep them open so that passers-by and people going past in their cars, the police and so on, can look after them, as well as the staff who are at the car park.

[74] **Gareth Jones:** The rail jargon and the terms we use are quite fascinating, but we are running late, which is more jargon, I think. I would wish to hear from Darren and Christine, but please keep your questions short if you can.

[75] **Darren Millar:** Thank you for your paper, Stuart. I was particularly interested in the

section on north-south rail links. We had an announcement this week from the Assembly Government on this. You refer in your paper to your second option, if you like, in terms of improving north-south rail links. You talk about a potential route investment of £120 million in order to reduce the journey times between Bangor and Cardiff, for example, to three hours and 15 minutes, which is very respectable compared to the journey times that people currently have to put up with. Does that £120 million take into account the £47 million that is already being proposed to be spent on rail between Chester and Wrexham, or is it in addition to that £47 million?

[76] **Professor Cole:** That includes the £47 million.

[77] **Darren Millar:** So, it is just an additional £73 million investment. That strikes me as pretty cheap.

[78] **Professor Cole:** It is very cheap. Increasing the track speeds—which is what we are talking about—means that there are some signalling changes to be made. They do not have to be made everywhere, but that will enable the trains to run at 90 mph instead of 40 mph in some cases, and 75 mph in many cases. Those are estimates that I made about two years ago, but I have not done any work on them since then. They will have gone up a little by now, but not enormously. The new-ish kinds of trains that are available, such as the 175s that run on the north-south service, are capable of doing 100 mph. That is the contribution to the journey time.

[79] At the moment, 20 minutes is wasted between Shrewsbury and Chester, simply because of the regime of financial penalties that the companies face if they do not match up to the timetable. There is an allowance for padding in the timetable, to make sure that they do not run late. Once that scheme has been completed—as I understand from Network Rail, that will be in 2013 or 2014, but Mike Gallop might confirm this later—it will give a full run-through between Wrexham and Chester. There is one short section that goes underneath the Chester southerly by-pass that is single track and the bridge over was a single track. Going back to Andrew's point again, you must ask the DfT what it was thinking when it put a single track bridge over a single track railway without considering that it might be doubled at some point in the future, although it had been a double track in the past. I have no idea what it was trying to achieve—a marginal reduction in cost, I suspect. However, it has given us a problem in terms of doubling that track.

[80] It does not all have to be done at once. There are ways of providing loops on that railway, as with the line between Aberystwyth and Shrewsbury, where loops have been put in to allow the hourly service to run and for the service to be more reliable. There will be much longer loops on the Chester to Wrexham section of the line, but that is a key part of the development and is part of the £120 million.

[81] **Darren Millar:** You also talked about the integration of the transport system so that rail can be complemented by coach-type services along the old lines that are now closed. We also have an issue in terms of the north-south air link, in that it is pretty disconnected to the rest of the transport system at the Valley end. What are your thoughts on that?

[82] **Professor Cole:** There are two points here. One is what is currently called the TrawsCambria bus service. I should declare an interest, Chair, as I am working on the new Traws Cymru operation. Its working title is Traws Cymru, but it may have another name eventually. That will be a completely new kind of operation compared to what is now a collection of services. It goes back almost to the original concept of TrawsCambria with fast, limited-stop services and vehicles designed for the job. The first one that we are looking at is between Aberystwyth and Carmarthen. They are likely to be buses rather than coaches, because they need to be low-floored and there are no low-floor coaches available. However,

the specification inside will be a coach specification with room for wheelchairs, luggage and bicycles. That is the objective that the Minister has asked to be achieved. It will be a fast service—faster than it is now. There is also the possibility, if we can make a business case for a Traws Cymru express, that there will be an express service between Aberystwyth and Carmarthen. The intention will be to meet the trains. Our prime objective will be to meet the Carmarthen train connections, but we will try to get as near as we can to the Aberystwyth end. The buses will run from the bus station in Aberystwyth, which is next door to the railway station, to the railway station in Carmarthen, and call at the bus station. The plan is to integrate it with local bus services and train services.

10.40 a.m.

[83] I will also mention the Bwcabus project, which you will have heard of. The project, in north Carmarthenshire, is now in its final stages of preparation and is—touch wood—just waiting for the funding. It will be extended to Lampeter and beyond and will link to the new Traws Cymru service on its route. Therefore, it will be part of the core route of the new Bwcabus extension service.

[84] **Darren Millar:** I have two questions, which I am sure that you can answer briefly. First, to what extent do the unregulated fare increases impact on passenger numbers? Some unregulated fares have gone up by 17 per cent or more in some parts of Wales. To what extent are we able to determine the impact of that on passenger numbers? Secondly, when you were referring to the cost-benefit ratios by which the UK Government makes its decisions on rail infrastructure investment, you did not refer to the sustainability part of those formulas. Is sustainability and environmental impact taken into account when it determines these things or is it purely financial?

[85] **Professor Cole:** Sorry, but I did not answer your question on RAF Valley and Maes Awyr Môn. There is an opportunity to provide some kind of link. There may be some security issue there in relation to the RAF, but I am not sure about that. However, the station and the airport terminal building are quite near to one another, therefore, I do not think that it would be that difficult, physically, to build some kind of link between them so that people can get onto the train easily from the airport. There is an airport bus service, but I seem to remember that, on the few occasions that I have used it, people are either met or have a hire car when they go from the airport. That is not the kind of integration that we would look for. There are only two services per day and, therefore, there may be an opportunity for the Isle of Anglesey County Council to look at what agreement it has with Arriva, or whichever bus company might run the service in that area, to tender a service to run to Holyhead or Bangor.

[86] On your other question on the increase in unregulated fares, there is no apparent reduction in demand so far—there has certainly not been a reduction on the Valley lines. It has not had an effect. It depends on how much the fare went up. Certainly there were some fare increases—to Bridgend, for example—that were in the middle teens, around 15 per cent. Costs have gone up by about 4 to 5 per cent and fuel costs have also gone up. All the trains in Wales are diesel operated and, although they get some degree of rebate, there is still an increase in cost. So, fares are almost bound to go up as costs go up. However, there does not seem to have been a significant reduction in demand, particularly during peak times. During off-peak times, more and more people are now using advance-purchase tickets. In the old days, you would just turn up and go. I now notice that the cheapest saver ticket to London is £77 from Cardiff, but you can buy a ticket for £25 if you plan your journey in advance. Many leisure journeys, one might argue, are planned in advance, as is done for travelling by air. You can fly to New York for £3,000 or for £300, on the same aircraft, if you book in advance. There are no changes and the same kinds of rules apply. That is what has come into the railway. It came in with Virgin Trains, when it took over the West Coast main line and brought people in from Virgin Atlantic Airways Ltd to determine its fares policy. That is

where it started. First Great Western and Arriva were probably the last train companies to go for anything as sophisticated as that. Some people might say that it is not sophisticated—it depends on how you look at it—but, from an economist's point of view, it is quite sophisticated.

[87] On sustainability and the environment, I mentioned earlier that I would include the environmental benefits in the wider economic benefits category. The financial benefits are cost and revenue related—how costs have come down as a result of electrification, for example, and how revenue has gone up—and the wider economic/environmental benefits would be employment, regeneration and environmental benefits.

[88] **Gareth Jones:** We are definitely keeping Arriva waiting now.

[89] **Darren Millar:** It makes a change. [*Laughter.*]

[90] **Gareth Jones:** That should not be done. Christine is next.

[91] **Christine Chapman:** I have a brief question. Thank you for the presentation, Stuart; you must be a world expert on transport. We have obviously had improvements with park-and-ride schemes. Following on from what Jeff said, I was pleased to see the First Minister and Deputy First Minister open a new park-and-ride facility in Abercynon; that was good news. We have heard from Passenger Focus that people in Wales are still more dissatisfied with our stations than in other parts of Great Britain. Could you comment on that? My concern is that, if we are to get people onto trains, we need to make it as easy as possible. The area that I serve needs better links with bus services, which has always been a challenge, but I wonder what more we need to do. It is a chicken-and-egg situation, really; we need to get more people on the buses, but they need to have confidence in the service. During the recent problems with the snow, a lot more people used the train, but what struck me was that some of them had either never been on a train or had not been on a train for many years. I was listening to conversations where people were asking which platform to use, and so on—you could see that they were totally unused to the railway. Those are the people that we need to attract, I think. It is a case of getting those people out of their cars.

[92] **Professor Cole:** I agree entirely with the issue about getting people out of their cars. The Wales transport strategy group prepared a report about three or four years ago, where the key issue was changing from predict-and-provide to provide-and-promote. For the last 30 or 40 years, we had been predicting traffic flows and building roads to accommodate them; the new idea was to provide a really good public transport network, and then promote it. Let us get a good marketing campaign out there. An incredible amount of money is spent on cars. I do not know what the current figures are, but five or six years ago, a comparison was made between car advertising and public transport advertising and about £500 million was spent on car advertising in the UK. You can imagine that, because whenever you open any magazine, you find advertisements for cars. Land Rover even tried to advertise in *Private Eye*, which tells you something about the current readership of *Private Eye*—it is different to what it was 40 years ago.

[93] **Jeff Cuthbert:** That also shows what you read. [*Laughter.*]

[94] **Professor Cole:** Yes, indeed; I get all my news from it.

[95] That kind of advertising expenditure, compared with something like the £30 million that is spent on advertising public transport, which includes posters on trains and in stations, gives you some kind of idea as to where the push is to persuade people that they ought to have cars—new cars, better cars, and so on. A lot more money needs to be spent on promoting the railway. It gets a lot of adverse publicity. The newspapers believe that bad news is good for

sales, presumably, and, from a cynical point of view, that is what they seem to pursue—they go for stories about things that go wrong rather than things that work.

[96] The railway did a good job in the snow. I used the railway in the snow—I use the railway a lot—to get from Gowerton to Cardiff. The buses were taken off, but the railway was running. It did a good job in that respect, and I wrote to Tim Bell, the managing director of Arriva Trains Wales, to tell him so. When I saw him a few days ago, he said that he rarely gets letters saying, ‘Well done’. I thought that they deserved it. Sensible things were being done by the train manager. At Gowerton station, he told everyone not to stand there in the snow, but to go west to Llanelli, even if they wanted to travel east, and to wait there for the eastbound train, because Llanelli has a nice, warm waiting room. The railway is a positive operation. You would expect me to say that, because I am very keen on it.

10.50 a.m.

[97] However, people are dissatisfied with the condition of station and with waiting areas. They are dissatisfied with people who seem to hang around railway stations and are not moved on. There is probably nothing wrong with those people; they are not muggers. They are just there, and they do not look as though they ought to be there, because they are not train travellers. Those sorts of things put a perception in people’s minds of dirty railway stations. We are talking about any traveller from all parts of society, who probably lives in a nice home, who gets to a railway station that is often not quite what you would expect, and they think, ‘Oh, I don’t like the looks of this very much’. It is as simple as that. Many things can be done. It is not high-tech; it is a matter of spending a bit more money on improving the travelling experience, as it is now called. So, having read the Passenger Focus report, I can see exactly where it is coming from.

[98] There is the issue of the staffing of stations. Transport for London, Birmingham and West Yorkshire passenger transport executives have staffed stations for the whole of the time they are open. A security person or another member of staff is there, so if there is anything that he or she does not like the look of, the police are called and they turn up to deal with it. In some stations, there are far more staff, so things are easier to deal with. So, there are a lot of issues to do with people’s perceptions of travelling by train. In general, once they get on a train, they are quite happy. It is the waiting area that we have to concentrate and spend money on.

[99] **Gareth Jones:** Yr wyf innau’n disgwyl bod ar y trêrn am 1.15 p.m.. Yr ydym yn dra diolchgar i chi am y cyflwyniad ac am drafodaeth eang ond hollbwysig. Fel y dywedais ar y cychwyn, o’r pwyntiau yr ydym wedi eu trafod, mae’n amlwg bod diddordeb arbennig yn hyn, ac i’r dyfodol, dyma’r math o bwyntiau y byddwn yn cael cyfle i’w trafod gyda’r Dirprwy Brif Weinidog cyn diwedd ein tymor. Bydd yr adroddiad y byddwn yn ei gyflwyno ar gyfer pa bwyllgor bynnag a fydd yn y Cynulliad nesaf yn cynnwys rhai o’r prif bwyntiau yr ydym wedi eu trafod y bore yma. Mae eich cyfraniad wedi bod yn hynod ddefnyddiol ac yr ydym i gyd yn gwerthfawrogi’r gwaith yr ydych yn ei wneud ar gludiant drwyddi draw yng Nghymru. Estynnwn ein dymuniadau gorau i chi a diolch am eich cefnogaeth a’ch

**Gareth Jones:** I expect to be on a train at 1.15 p.m. We are most grateful to you for your presentation and for what has been a wide-ranging but vital discussion. As I said at the beginning, from the points that we have discussed, it is clear that there is particular interest in this issue, and for future reference, these are the type of points that we will have an opportunity to discuss with the Deputy First Minister before the end of our term. The report that we will produce for whichever committee will exist in the next Assembly will include some of the main points that we have discussed this morning. Your contribution has been extremely useful and we all appreciate the work that you undertake on the subject of transport throughout Wales. We wish you all the best and thank you for your support for and your attendance at the

presenoldeb yn y pwyllgor ar hyd y blynyddoedd. Yr ydym yn gwerthfawrogi eich cyfraniad.

committee over the years. We appreciate your contribution.

[100] **Yr Athro Cole:** Diolch yn fawr i chi, Gadeirydd ac Aelodau. Mae wedi bod yn hollol ddiddorol ac yr wyf wedi mwynhau cael cwestiynau da yr ydych wedi meddwl amdanynt. Mae wedi bod yn bleser i roi atebion. Felly, diolch yn fawr am y gwahoddiad.

**Professor Cole:** Thank you very much, Chair and Members. It has been absorbing and I have enjoyed facing good questions to which you have given thought. It has been a pleasure to give you answers. So, thank you very much for the invitation.

[101] **Gareth Jones:** Trown yn awr at ail ran yr eitem, sydd yn ymwneud â rhaglen rheilffyrdd newydd Llywodraeth Cynulliad Cymru. Yr ydym yn estyn croeso cynnes i chi, ac yr wyf yn ymddiheuro ein bod wedi eich cadw'n aros. Ar ran Network Rail, yn gyntaf, mae Mike Gallop, y rheolwr gwella llwybrau, ac ar ran Trenau Arriva Cymru, mae Mike Bagshaw, sydd yn gyfarwyddwr masnachol, a Michael Vaughan, pennaeth masnachfreintiau a rheoli rhanddeiliaid. Diolch am eich tystiolaeth ysgrifenedig; yr ydym wedi cael cyfle i'w darllen. Yn unol â'n harferiad, gofynnaf i Arriva a Network Rail wneud cyflwyniad byr o ryw dri munud. Yna, cawn droi at yr Aelodau am gwestiynau. A allwn gychwyn gyda chi, Mike?

**Gareth Jones:** We will now turn to the second part of this item, which deals with the Welsh Assembly Government's new rail programme. We extend a warm welcome to you, and I apologise that we have kept you waiting. Representing Network Rail, first of all, we have Mike Gallop, who is the route enhancement manager, and, representing Arriva Trains Wales, we have Mike Bagshaw, who is the commercial director, and Michael Vaughan, the head of franchise and stakeholder management. Thank you for your written evidence; we have had an opportunity to read it. In line with our normal practice, I will ask Arriva and Network Rail to make a brief presentation of around three minutes. We will then turn to Members for questions. Could we start with you, Mike?

[102] **Mr Gallop:** Indeed. Thank you for the opportunity of presenting to the committee this morning. You find the railway in Wales in 2010 in good shape. You find a high-performing railway with a good standard of punctuality, and you find a railway infrastructure in a condition and performance that it has not been in for many generations. The challenge for Network Rail and the rail industry as a whole in CP4—this control period, which finishes in 2014—is accounting for growth. The spectacular growth of passenger numbers on the railways has been phenomenal. The last time the UK railways carried as many passengers as they did last year was in 1946, when car ownership was of minuscule amount and the rail industry was exactly double in size. We have a growing railway industry. The challenge is to account for growth.

[103] Network Rail and industry partners, such as the Welsh Assembly Government, have an ambitious programme of capital investment, which will account for and deliver substantial growth for passengers and freight on the railways in Wales. We are nearly half way through our control period, and we are delivering substantial investment projects in Wales, for Wales, through Network Rail, and working in partnership with Arriva Trains Wales and the Welsh Assembly Government.

[104] In terms of the future agenda for the railway in Wales, CP5 will be around journey time reductions: how to get to places quicker and more efficiently. It is a challenge that we are currently looking at and working with the Assembly and the Assembly team to see how and what can be done in Wales to reduce journey times.

[105] So, it is a story of current growth and of looking forward at how the railway will need

to change and how our substantial investment in the railways in Wales will need to be targeted to deliver something different in the next control period.

[106] **Mr Bagshaw:** To follow on from the points that Mike Gallop has made, it is a very positive picture for the rail services in Wales at present. We are seeing very strong passenger growth, which has continued despite the difficult economic conditions. To give you a brief background on the Arriva Trains Wales franchise, it was let in 2003 by the then Strategic Rail Authority. As Professor Stuart Cole mentioned, it was let on the basis of no investment and based on very little passenger growth. Therefore, it was a very unpromising start in 2003. However, the reality has been much more positive; there has been investment by the Welsh Assembly Government in new lines, station improvements, and many other infrastructure improvements. There has been investment by Arriva in improvements to facilities at stations; additional services, particularly more services on Sundays; better maintenance facilities; and new depots. It has enabled us to grow our passenger numbers and become one of the most reliable rail services in the UK. However, the passenger growth that we have seen does present its challenges. Overcrowding is now a reality on many of our services. We are obviously monitoring this and working closely with the Assembly on how we tackle that in the longer term.

[107] Another key challenge for us going forward is that we have a fleet that is ageing. We need to think, with the Welsh Assembly Government, about long-term fleet replacement, certainly for the current franchise and beyond, because many of our trains will be quite elderly by 2018 when this franchise expires.

[108] It is a positive picture; there has been considerable investment going into the Arriva Trains Wales franchise, particularly in more frequent services. There has been extra capacity to make trains longer, but in some cases, the passenger growth has been even faster. There has also been a lot of investment in stations through the national station improvement programme. Therefore, it is a positive story, but our challenges, going forward, are looking at the passenger growth that we are seeing, finding how we can accommodate that, and looking at the long-term position regarding our fleet of trains and how we look to improve on those and ensure that we have a modern and fit-for-purpose fleet in the years to come.

11.00 a.m.

[109] **Gareth Jones:** Thank you both for that very open set of comments. I tend to agree with regard to the positive messages about what is happening out there. There are challenges, obviously, but it is this growth that is very challenging indeed and that needs to be accommodated somehow. However, things are improving, and I say that as a regular user of the Llandudno Junction to Cardiff railway line. There is an opportunity now for Members to ask questions, turning first to Dr Brian Gibbons.

[110] **Brian Gibbons:** Thank you very much for your positive report. I think that we are very much in agreement with the headline message that you are giving us. I would agree that 2003 seems to have been a watershed date although, as you said, it was an inauspicious start with low expectations. In reality, it is has turned out to be a watershed. Could you both say what the process is by which you work with the Assembly Government to bring extra investment in the infrastructure and the passenger service? How does that actually take place?

[111] **Mr Gallop:** Do you mean the actual mechanics of the process?

[112] **Brian Gibbons:** Well, I am not talking about a guy banging a spike into the ground, but about how you get the money together and so forth. In other words, if the Assembly Government decided that it wanted to prioritise certain services or infrastructure, what is the process by which that happens? How willing are both of you as partners to bring money to the



table to facilitate that happening?

[113] My second question is to Arriva. How are things going with regard to integrated ticketing across the service and out of it across the rest of the UK, if, for example, you buy your tickets at a station or online or whatever? Lastly, can you give a brief update on where you think we are with the national station improvement programme? There was certainly a very big blast of publicity in the spring, but things seem to have gone very quiet since.

[114] **Mr Gallop:** With regard to working with the Assembly Government to bring forward the programmes of infrastructure investment it wants, my team in Cardiff has a very close working relationship with Assembly Government officials. We meet them daily at a working level, on a monthly basis to review at managerial level, and on a quarterly basis at board level to review progress and address any issues. With regard to schemes that are brought forward, the Assembly Government has a national transport plan, within which there is a series of works—a series of projects that comprise a programme. We work with Assembly Government officials to identify the priorities for that programme, and we then work with officials to secure investment funding, which then comes to Network Rail to deliver an agreed scope and an agreed output, be that line speed improvements, additional passing loops or a new station. We provide regular feedback to Assembly Government officials on progress, cost, outcome, and all of the relevant project management requirements of a major piece of investment.

[115] **Brian Gibbons:** Do you bring money to the table?

[116] **Mr Gallop:** Yes; depending on the circumstances, we may.

[117] **Brian Gibbons:** On what basis would you decide to do that?

[118] **Mr Gallop:** Many of the infrastructure enhancements are stand-alone Welsh Assembly Government aspirations, such as the new Llanharan station, for example. We brought money to the table for Newport station, for example, where we were the principal investor in the new station, and for the Cardiff area signalling renewal scheme, where £250 million of a £280 million investment is Network Rail-financed to renew our existing asset. However, what we have done there is to use the efficiency of renewing an asset to deliver a whole series of enhancements at a marginal cost. Because we are a big ugly investor in that scheme, we can command extremely efficient prices from the supply chain and, in terms of getting access to the track and doing the works, we can do it all in one. So, the Assembly Government is contributing to the Cardiff scheme, and we are the principal investor, but together, the whole is significantly greater than the sum of doing these things individually. That is the model that we are looking at to go forward into control period 5, in terms of big slugs of major infrastructure renewal on which we can graft, for a marginal cost, some pretty substantial enhancements.

[119] **Brian Gibbons:** Do you share the cost of the enhancement, or does the Assembly Government pick up the marginal cost?

[120] **Mr Gallop:** The Assembly Government picks up the marginal cost of doing the work.

[121] **Brian Gibbons:** Do you share the cost of the enhancement?

[122] **Mr Gallop:** Not in that case. We do fund our own enhancements, through what is called the Network Rail discretionary fund; for example, we are investing in signalling in Shrewsbury and between Abergavenny and Hereford. We are funding those schemes in their entirety and we will gain the benefits of them. In some examples, it is the Assembly

Government that provides the funding, and in others, it is a kind of partnership funding approach where we both put money into a scheme that delivers an enhancement.

[123] **Brian Gibbons:** Just to finish with this point, is it fair to say that outside your main UK infrastructure commitments, both yourselves and the Assembly Government put in shared funding for activities that would otherwise not have occurred? Is it possible to quantify that, or is it a commercial secret?

[124] **Mr Gallop:** It is not a commercial secret. As I say, the example that I would use is the signalling work in the Cardiff area, for which £250 million came from Network Rail cash.

[125] **Brian Gibbons:** That work would have been done in any event, would it not? It is not being done simply because the Assembly Government likes it; you would have done that work as part of your core business.

[126] **Mr Gallop:** Yes.

[127] **Brian Gibbons:** I am trying to work out the additionality and how costs are shared in that.

[128] **Mr Gallop:** The additionality would be an additional £26 million of enhancement funding from Network Rail and £7 million in enhancement funding from the Welsh Assembly Government to deliver a large investment in the railway in Cardiff, on top of our renewal commitment.

[129] **Brian Gibbons:** Chair, would it be possible to request information about that shared funding?

[130] **Mr Gallop:** We can provide that information.

[131] **Brian Gibbons:** To follow on from that, Arriva and the other train operating companies and, I am sure, the bus companies benefit from that investment. How are you involved in that shared investment?

[132] **Mr Bagshaw:** In the same way as Network Rail, we work closely with the Welsh Assembly Government in delivering the national transport plan. We also help the WAG in determining which schemes to proceed with and we advise on how they can be delivered best for passengers and in the most cost-effective way. In terms of our investment, because our franchise runs until 2018, if there is a return that can be made before that date, Arriva Trains Wales will invest. We have invested considerably in the franchise, in many things that we were not committed to in 2003, to improve performance and capacity and to grow passenger numbers. As we come to the end of the franchise, finding justifications for the big investments becomes more difficult, and that is why we need to work in partnership with the Welsh Assembly Government and Network Rail on investments that go beyond the end of our franchise.

[133] **Brian Gibbons:** Would it be possible to quantify that investment over the franchise period?

[134] **Mr Bagshaw:** We can quantify some of the investment that we have put in.

[135] **Brian Gibbons:** What about the additionality element?

[136] **Mr Bagshaw:** We have invested over £20 million in a number of schemes over and above any commitments in our franchise agreement, and we would be happy to provide a

breakdown of that investment.

[137] **Mr Vaughan:** In addition, we run extra train services that we are not obliged to—on Sundays, for example, we run many more services than we did in 2003. We fund those services directly, so we operate well above the passenger service requirement in the franchise agreement.

[138] **Brian Gibbons:** Can you comment on integrated ticketing and station improvement?

[139] **Mr Bagshaw:** On integrated ticketing, we have a number of schemes that integrate with free buses. The Plusbus scheme, for example, operates throughout the UK, and for a small extra fee, usually £1, you can travel anywhere within the city centre at that location. We are very much part of that scheme and there are also other, local and more specific schemes where we have through-ticketing arrangements.

11.10 a.m.

[140] **Mr Vaughan:** We have launched the Cymru ticket on the Cambrian line in the north, which you can use on buses and trains. We have an additional 19 locations where that is available. We work very closely with the TrawsCambria project, so we can hopefully introduce more through-ticketing opportunities, as Professor Stuart Cole described earlier.

[141] **Brian Gibbons:** How far away do you think we are from an Oyster card-type situation in Wales, in which you could use an electronic card? That is, one where you buy your ticket once and away you go, or you can buy your ticket for a specific journey and be fairly certain that you can pay for the journey from start to finish in one go? How close are we to that?

[142] **Mr Bagshaw:** A lot of investment is required to put in a scheme like that. We have had discussions with the Welsh Assembly Government about that kind of scheme, but the infrastructure and back-office element of setting up such a scheme is quite considerable. It would be a major investment that could be worthwhile in the longer term, and it is something on which we would happily work with the Assembly Government to develop further.

[143] **Brian Gibbons:** Would it be fair to say that we are still a fair bit away?

[144] **Mr Bagshaw:** I would say that we are a still fair way from having such a scheme because of the significant investment in infrastructure, back-office processes and so on required to make a system like that work.

[145] **Brian Gibbons:** Okay. I also asked about station improvement.

[146] **Mr Bagshaw:** The national station improvement programme—NSIP—has been hugely successful, and we have managed to make the funding go much further than was originally envisaged, thanks to partnership working with Arriva Trains Wales, the Welsh Assembly Government, Network Rail, local authorities and the transport consortia. It has been an excellent example of partnership working, and we are all confident that we can extend the schemes further to include more locations, because it has been a worthwhile and effective scheme.

[147] **Mr Gallop:** To add to that, what it demonstrates is the alignment of three organisations' objectives—the Assembly, Network Rail and Arriva—to deliver real passenger benefit. Putting together funding that would otherwise be aligned in discrete silos and bringing in match funding from elsewhere has delivered a substantial benefit. The original funding for NSIP in tranche 1 for the Arriva Trains Wales area was about £4.5 million; it is

now up to about £40 million, which will deliver huge benefits for the travelling public in Wales. Network Rail has put in money for renewals of the roofs of Pontypridd and Swansea stations, and we are working with Arriva to specify what is required. As Mike said, other transport organisations such as the local transport consortia have worked together with the railway industry to deliver a big success.

[148] **Gareth Jones:** Mae Llandudno **Gareth Jones:** There is Llandudno, too. hefyd.

[149] **Mr Gallop:** It is soon to be there.

[150] **Brian Gibbons:** While we are at it, we are still waiting for Port Talbot.

[151] **Mr Vaughan:** We will have to find out why that has not been carried out and deliver that, because you raise the point with us on a regular basis.

[152] **Brian Gibbons:** We have already taken a photograph for us. [*Laughter.*]

[153] **Andrew Davies:** My questions follow neatly from Brian's questions. It would be useful for the committee to have an idea of the total additional investment that has been made by Network Rail, Arriva Trains Wales and the Assembly Government. Speaking as a former Minister for transport, there was no Wales and border franchise until devolution, because the trains were not operated in a single franchise prior to then. As Professor Cole said, we had a basic bog standard franchise—perhaps I should not use those words—that we inherited from the Strategic Rail Authority and the Department for Transport. Nevertheless, there has been considerable enhancement, such as the Vale of Glamorgan line and services along the Ebbw Vale line, with which I was involved. The investment in railway stations includes Valleys line extensions, Llanharan station and a range of others, as well as new stations on the Valleys line and the Vale of Glamorgan line. Chair, I think that it would be very useful if we were able to get some quantification of those. Also, in terms of security, the Assembly Government, with Arriva, has installed CCTV on all trains and made considerable enhancements through investment with the British Transport Police, including a new BTP station at Pontypridd. So, I think that there has been a very considerable investment. What we are now dealing with are the problems of success, as Mike said, rather than the problems of underinvestment. Clearly, there are some big challenges.

[154] I have two specific questions. One of the problems that I had as Minister for transport was that most of the civil servants in the transport department were road engineers with no understanding of or expertise in railways. Has that issue largely been addressed? Secondly, I have a question specifically for Arriva: you are now owned by a German company, so in what way has that changed your operation in Wales?

[155] **Mr Gallop:** With regard to the Assembly Government rail team, it is of significance that the newly appointed head of rail is a former operations director of First Great Western who is obviously a highly experienced railway operator. The recent strengthening of the rail team by some significant programme and project management experience from major projects and roads, ironically, will provide some great assistance to enable us to work together better. That is probably all that I would like to comment on.

[156] **Mr Bagshaw:** I agree with the points that Mike made about the rail team. Historically, it was perhaps a little weak on the rail side, but I think that the team has been gradually built up and is now a lot stronger. Since the DB purchase of Arriva, which was completed in August, for us, it has really been business as usual. There have been no real changes to day-to-day business. The franchise operates in exactly the same way as before. Clearly, we are now part of a very big global transport company—one of the largest transport

companies in the world. We have the benefit now, certainly from a rail perspective, of being under the same ownership as several other UK train operating companies, including the Wrexham, Shropshire and Marylebone Railway Company, Chiltern Railways, London Overground and the Tyne and Wear Metro. So, we are part of a bigger group, and there are opportunities for sharing best practice and better ideas, and there is also a stronger platform from which to bid for new franchises going forward. So, with regard to day-to-day business, there has been no real change, but being part of a bigger group with a bigger rail portfolio is quite a positive thing.

[157] **Jeff Cuthbert:** I have a very positive view of the railways. I believe that rail is the best form of land transport we have, particularly for travelling some distance, and I would like to praise the work of the railways during the recent snow. I use the Rhymney valley line quite a lot. There were some cancellations, which was to be expected, but, by and large, the railways provided a good service and kept going, so you should be congratulated on that. My experience of Arriva, by and large, has been that there is a good Valleys service. I have particular experience of the Rhymney valley line, but I am talking quite generally, not just about that line but the Valleys lines across south-east Wales.

[158] I was going to refer to Mike, but you are all Mikes. [*Laughter.*] Mike Bagshaw raised the issue of partnership working. You might not be surprised to hear me put this to you again, as it is a matter that I have raised on several occasions, but I think that I am right in saying that it is now coming up for three years since the last station on the Rhymney valley line was lengthened to take longer trains of up to six cars. That was a considerable investment by Network Rail and WAG, and the signalling has been improved as well. However, at peak times, we still have trains with only four cars, which causes overcrowding. You mentioned that you want to avoid overcrowding.

11.20 a.m.

[159] Constituents contact me on a regular basis to tell me about overcrowding; one constituent who works in this building told me that yesterday's 7.37 a.m. train from Aber halt, which, by anyone's standards, is a peak-time train, had only two cars. Consequently, overcrowding was severe and made for an uncomfortable journey. That is the message that I hear on a not-infrequent basis, and not always from the same person. Today's train at the same time had four cars but was 20 minutes late, meaning that services were backed up along the line, which also made for an uncomfortable journey. There are difficulties from time to time, but where is the joined-up thinking? The reason for lengthening the platforms some three years ago was to allow for trains of up to six cars. People are, understandably, asking me and others where the longer trains are. What stage are we at? I understand the issue of rolling stock in general. I also understand that you have five two-car sets on loan to First Great Western that can be recalled; we certainly need them. What are your plans in that regard?

[160] **Mr Bagshaw:** We welcome the fact that platforms have been lengthened, because it enables the capability to run six-car trains, which operate on major event days. Having the capability to run those long trains to move the crowds that come out of the Millennium Stadium is extremely helpful, so it is not a completely unutilised investment. The franchise was based a set amount of rolling stock; any further rolling stock has to be funded by the Welsh Assembly Government. We collate all the information on passenger counts and we have regular discussions about how future strengthening may be applied to the network and what the priorities are, and the Rhymney valley line has featured in those discussions. However, the nature of the franchise means that we have a low average fare. Running longer, six-car, trains requires additional public funding and involves identifying that rolling stock, so we are in discussion with the Welsh Assembly Government on that. Some rolling stock is potentially available in the short term, subject to First Great Western's needs. However, there

is also a longer-term need for more rolling stock if we are to cater for the growth that we are seeing throughout our franchise area, such as on the Valley lines and many other routes. We are seeing very strong growth in passenger numbers in north Wales, for example, and there are some crowding issues there. We are monitoring the whole situation and are having discussions with the Assembly. Where additional resources are deployed will come down to priorities.

[161] **Jeff Cuthbert:** Thank you for that. I understand what you say about match-day trains; that is fine, but they are not regular peak-time services for commuters and others. My concern is about joined-up thinking in how we run a railway system. Investment has gone in, and I am glad that the platforms have been lengthened and are ready so that we do not have to spend that money again. However, when that investment was planned, the work done and the money spent, was there not a further plan to say, 'Now that the platforms are there, this is when we can introduce the longer trains'? Are you saying that you have no choice but to wait for the Assembly Government to cough up the cash for more rolling stock? If that is the case, was that not understood at the time?

[162] **Mr Bagshaw:** It was the Assembly Government's decision to invest in the platforms, and it will be its decision when the six-car trains run. There are two stages to the project; first, there was capital expenditure on building the platforms, which has now happened, then there is operational expenditure on running the longer trains. There are two elements to the projects; the six-car platforms are there and we now have that capability, but a decision needs to be made regarding the timing of available funding.

[163] **Jeff Cuthbert:** This is the final point from me, Chair. I promise that I will then shut up. I am not happy with the answer, but I accept that it is your answer. However, why are there, from time to time, at peak times, just two-car trains, which is so inconvenient and uncomfortable for passengers? We want to encourage people out of private cars onto the trains.

[164] **Mr Bagshaw:** Twelve of our trains on the Valleys network are strengthened to four cars. We monitor the position every day as to how many of those 12 services are strengthened. If there is an unforeseen difficulty, which does happen occasionally, although it is not a regular occurrence—we might have a technical fault on the train, and there may be an infrastructure problem that has required us to step trains up—our priority will always be to run a two-car train rather than cancel it. Therefore, if we have a problem, we will run two cars rather than four. There are occasions when we do not deliver all 12 services. Thankfully, that is rare now; we have improved our maintenance and so it is a rare occurrence. There have been some problems on the Valleys lines recently: we have had some cable theft, which has disrupted services. Sometimes, when trains are running late, we will split them in half so that we can keep the service going, if there has been a blockage somewhere on the system, to keep the timetable going. Although we will be able to provide a train, that will mean that it might, unfortunately, have less capacity than it would do otherwise. Our control office will respond to those kinds of incidents as they arise. However, the Valleys lines network is one of the most reliable networks in the UK. You will probably find that it is the most reliable, if you look at punctuality on the Valleys lines. The amount of contracted capacity that we provide is usually very close to what it is supposed to be.

[165] **Gareth Jones:** I want to hear from Jenny and Darren, but there is a brief follow-up point from Brian.

[166] **Brian Gibbons:** I think that Michael Vaughan touched on this earlier. Is there ever a free-market case for the train operating companies to put on extra services? Everything that you said in response to Jeff is that the Assembly Government does this and does that. Could you briefly talk about the free market and give examples?

[167] **Mr Bagshaw:** In this franchise it is difficult to make a business case to run extra trains because we have a very low average fare. We have some of the lowest fares anywhere in the UK. However, we have been able to identify a case to run extra trains on Sundays. We have increased quite significantly the services on some of our routes. For example, there used to be four trains a day from Cardiff to Manchester on Sundays. We now run an hourly service, and most of those trains are fairly full. North Wales is only obliged to run around four trains on Sundays, but we run nearly an hourly service. We have also put extra trains on the Cambrian line. The rolling stock, essentially, is funded, so then the case is about how you justify using that rolling stock, and the cost of track access, the cost of providing train crews, and the cost of providing fuel, against the additional passengers that you can generate. In some cases we have been able to develop good business cases to provide more services. For example, extending Gloucester services through to Cheltenham to provide better connections on the Maesteg line is something that we have also been able to do. Therefore, there are cases where we have been able to improve services and run above the contract, and there are some other examples in places such as west Wales where we have improved above the level of the contract.

[168] **Mr Vaughan:** The Birmingham International extension has also been very successful and, again, has sustained our costs.

[169] **Mr Bagshaw:** Yes, it provides a direct link from mid Wales to the regional airport.

[170] **Brian Gibbons:** It would be interesting, Chair, if we could have some documentation on that.

[171] **Gareth Jones:** Yes. That would be helpful to us. As I explained at the beginning, all of these are major and important issues. They will be put into our legacy report for the next Assembly and for whoever will be on the committee and serving in that way. Darren has the next question.

[172] **Darren Millar:** Thank you very much for your written papers. They were very interesting. I was interested in the investment going forward in the railways in order to reduce journey times, particularly between north and south Wales. We had a very interesting paper from Professor Stuart Cole, who is peeping over your shoulder at the back of the room.

[173] **Mr Gallop:** He usually does.

[174] **Darren Millar:** I am sure that he does. [*Laughter.*] He suggested that, for an investment of around £120 million, £73 million of which would be additional investment in the north-south route, we could reduce journey times significantly to around three and a quarter hours from Bangor to Cardiff. What is your assessment of the figure that Professor Cole has provided?

11.30 a.m.

[175] **Mr Gallop:** It is an interesting thesis. I do not know whether the numbers are correct. However, I do know that we are developing a £45 million project, which is currently at the outline design stage, to reduce the capacity constraint between Chester and Wrexham by reinstating most of the double track between those two towns, to improve signalling in Anglesey to improve capacity, and to look at line-speed improvements between Wrexham and Shrewsbury, in order to deliver a 10 to 15-minute decrease in journey times along that line. That is £45 million; I can look you in the eye and tell you that today. I do not know what the additional expenditure would deliver in terms of a marginal reduction in journey time. Infrastructure is difficult to price. I suspect that, if you take a unit rate and extrapolate from it,

you may get that kind of number, but I would caution against it. I prefer to stick with the numbers that I have and the output that I am delivering against. I like to work in absolute certainty.

[176] **Darren Millar:** What is the timescale for the delivery of the improvements that have already been planned?

[177] **Mr Gallop:** We are looking at around 2012 or 2013.

[178] **Darren Millar:** That is not—

[179] **Mr Gallop:** We are engaged in carrying out detailed surveys and drawing up outline designs on all of the elements that I have described.

[180] **Darren Millar:** On the journey times, even if there are some improvements—which I very much hope to see, given that I travel on that route regularly—the rolling stock is designed for short, commuter-type journeys rather than for the longer journeys that people who want to travel from north to south undertake. The only service that I as a passenger find to be comfortable for that sort of long journey is the Gerallt Gymro service. What do you intend to do on the line in order to make the journey more comfortable? I know that we have talked about rolling stock and about the new north-south express service—so-called; it does not knock many minutes off my journey. What are you going to do to make sure that it is comfortable for passengers?

[181] **Mr Bagshaw:** Predominantly we use the class 175s on the north-south route, which are part of our newest fleet.

[182] **Darren Millar:** They were not particularly designed for a four-hour slog for bums.

[183] **Mr Bagshaw:** They were designed for those long journeys.

[184] **Darren Millar:** They are not particularly comfortable over a four-hour journey, though, are they?

[185] **Mr Bagshaw:** Well, the fleet that we have is the fleet that we have, and we are committed to those trains. We are working with the Assembly Government on the Gerallt Gymro services and on having a second service in order to improve the journey time and the quality of the service between north and south Wales. We will also look at some other timetabling issues before May to see whether we can squeeze out every minute of journey time that we can before Network Rail spends lots of money on infrastructure. We are also seeing what can be done with the timetable, and how we can improve pathing, which is very complicated, as all trains have a lot of interaction with others. From May, we will be able to deliver small improvements to journey times between north and south Wales, ranging from between five and 10 minutes. That is in addition to the premier services that we will be running. So, that is about getting as much as we can out of the current infrastructure, and being as clever as we can with the timetabling, before we move on to the next stage, which is to look at infrastructure enhancement that will deliver bigger improvements.

[186] **Darren Millar:** You were talking earlier about rail fares. Your unregulated fares, in some cases, went up quite significantly at the new year. For example, I was surprised that the ticket that I usually buy, which is a Freedom of Wales ticket, which gives flexibility, had gone up by almost 17 per cent. How do you justify such massive increases?

[187] **Mr Bagshaw:** We have some of the cheapest rail fares in the UK, and many—



[188] **Darren Millar:** How do you justify a 17 per cent increase in a single—

[189] **Mr Bagshaw:** The cost of running an operation is going up all the time. Fuel is a key cost, and staff costs are going up, as are many others. Clearly, we are a commercial business, and we want to get more people travelling. So, for us it is about striking a balance between having competitive fares, that is, fares that compete well with travelling by car and other modes of transport, and our desire to keep passenger growth going. We have been outperforming the rest of the UK in terms of passenger growth because of some of our marketing and pricing initiatives. Some of our advance purchase fares, which you can buy up to 6 p.m. on the day before travel, are very cheap, and we have generous availability on those tickets. We do need to review our prices. It is about getting a balance between covering the rising costs of running a franchise and growing passenger numbers. On the crowding issues that we have, we are very keen to encourage growth on those trains that have spare seats rather than to encourage more people onto trains that are already very busy. That is a big issue for us. Some people are flexible with their travel times, and we want to encourage those people to travel at quieter times, so that they do not contribute to the overcrowding problem. Some people are not flexible and have to travel on certain trains.

[190] **Darren Millar:** With regard to integrated transport, I think that it was Michael Vaughan who referred to the PlusBus service earlier. It is not promoted that well, is it, really? We received evidence earlier about general advertising with regard to public transport across the UK. Not that many people are aware of the fact that they can buy these integrated tickets. What will you be doing on promotion over the next few years to promote that agenda and to get it right?

[191] **Mr Vaughan:** We try very hard to promote PlusBus. We gave ATOC a guarantee that we will try to promote it as best we can. There are two ways of looking at it: there is the incoming person, who is coming into Cardiff, for example, or the outgoing person who is going into London. Our staff are encouraged to try to sell the add-on to people who are going to principal towns. However, we are relying on staff at, say, Paddington station to sell that ticket to the customer when they are leaving London. It is a difficult one to sell, to be honest, because, if you get to Swansea, for example, you are not spoilt for choice in terms of how you get to the bus station. It is the connectivity issue that is probably more of a problem here than it would be anywhere else.

[192] **Gareth Jones:** Before I invite Jenny to ask a question, I wish to say, while we are in a complimentary mood, how impressed I am with the £13 Club 55 return from Llandudno Junction to Cardiff. I do not know how you manage that. It is marvellous.

[193] **Mr Bagshaw:** It has been very successful.

[194] **Jenny Randerson:** I have several questions, so I will ask them all at once in order to speed things up. The first, to Mike Gallop, is on Cardiff Central station, which now looks very tired in comparison with Swansea and Newport stations. I understand that, because of the signalling and track work, you do not want to do anything there for a couple of years at least—not until 2014. However, I understand that there are smaller works that can be done on the ticket office at Cardiff Central and on reconfiguring Queen Street station, which has real problems with traffic flow at peak times—there are real safety issues there. I also understand that you believe that there was money in the Assembly Government's budget at one point—£4 million is what I remember—to reconfigure those two areas and that that money has now disappeared. It has been taken out of the budget or allocated to something else. I have tried to ask the Deputy First Minister about it, but I cannot pin him down on what has happened to that money. I would like an update on that issue from your perspective, please.

[195] I am sorry, but I am afraid that I cannot remember which Mike from Arriva said that

you were doing what you could to squeeze more out of the timetable and that there would be changes in May. I have heard—and I would like to know whether this information is reliable—that you are speeding up some of the Manchester to Cardiff services, but that, in order to compensate for that speeding up, which means missing out a couple of stations, some of the trains on the regular north Wales service through Wrexham—not the fast one, which I will come to in a minute—will now stop at Church Stretton and Craven Arms, although they did not stop there in the past. That will add to the journey time rather than cut it. Is that an accurate summary of the situation or does it need correcting?

11.40 a.m.

[196] Finally, on the new second express service from north Wales, there has been much controversy this week about the fact that it will not stop at Wrexham, or that it is not planned that it will stop at Wrexham. However, when I talked to the Deputy First Minister about it yesterday, he said that that was not decided yet. Where are you in the discussions on that and with the registration of that route, and when is that decision likely to be made? From Arriva Trains' point of view, because many people get on the train as it passes through Denbighshire, Flintshire and Wrexham, you are missing out on an awful lot of customers. Are you content that the business case stacks up for a train service that misses out a large chunk of north-east Wales?

[197] **Mr Gallop:** The Cardiff area signalling scheme and the associated enhancements will create an additional platform at Cardiff Central, namely platform 8, and will re-open the currently disused platform 1 at Cardiff Queen Street. Both those pieces of railway infrastructure will require modifications and works to the station entrance. We freely admit that the southern entrance to Cardiff Central station is not worthy of a capital city and is a left-over from a bygone age. We understood that some money was available from the Assembly Government to contribute to those entrances. However, we understand that, in the current financial circumstances, that money is no longer available. We are working, as a project, to ensure that both stations have enhanced entrances. We are still working on the basis that the station entrances to Cardiff Central and Cardiff Queen Street will be enhanced and will be fit-for-purpose, modern entrances. However, they will be of minimal size only, but not de minimis; they will not be architectural wonders. However, I stress that it will be a significant improvement on the facilities that are there today.

[198] **Mr Bagshaw:** The next question was about changes to the timetable in May and stops. The background to this is that we have decided with Network Rail to review what we call the sectional running times on the line between Cardiff and Wrexham, and Cardiff and Manchester, to see how the trains perform. When we did this exercise, we found that there was slack in the timetable in some cases. That is because we now have more powerful trains than the class 175s that we had originally, the infrastructure is in better shape and we have had some line speed improvements that had not been accounted for in the timetable. So, we looked at how we can improve journey times, but one of the key constraints in doing that is that we operate in some areas where there are limited infrastructure opportunities, and through some congested parts of the network. For example, we are very fixed in the times that we can travel through Newport because it is a busy junction. The same goes for Crewe on the trains that go to Manchester. We are also constrained in the Wrexham area by the single track. As you know, some of our trains at the moment sit for up to 10 minutes at stations. That has nothing to do with performance allowance, which was mentioned earlier; it is because there are, physically, no train paths available at the right times.

[199] We try to put all that in the mix to see whether we can improve journey times. If a train is going to be sitting around and waiting, we might as well put an extra stop in because it is not going to affect the overall journey. The overall objective has been to reduce the journey times. So, the calling patterns will change, and some trains might stop at places where they do

not currently stop, while other trains might not stop at those stations, but the overall result will be that journeys on the north to south Wales and the Manchester to Cardiff lines will be faster on average. So, while you might say that a train has extra stops, the journey time will either be unchanged or it will be quicker. That is the same on both routes. We try to get the most out of the current infrastructure, so that everyone benefits. Clearly, it is a long-term aim to improve the journey time between north and south Wales even further.

[200] There are two issues about the premier service from north to south Wales and how it serves Wrexham. First, there is a single track between Wrexham and Chester and that is a bottleneck. Everyone knows that, and that is why we cannot run services that way. Also, if we run a locomotive and coaches and go via Wrexham, we have to be able to reverse at Chester. The current locomotive and coaches that we use would not be able to do that, because there is only one locomotive. By the time the locomotive ran around to the other end, which could take up to 20 minutes, you would have lost all the benefit of having a fast train. So, there are two issues: the train path and the type of traction that is used. We have had lengthy discussions with the Welsh Assembly Government about these options. It has always been a desire to serve Wrexham, but there have been some practical difficulties. There may be a way that we could serve Wrexham before the track doubling is put in place, on one service per day, if there is a vacant path. We would, however, have to have the appropriate rolling stock that enables a reversal at Chester. Those two issues are being worked on in detail at the moment. We want the services to run and, ideally, they would run via Wrexham. However, we have to be realistic; there is a single track, unfortunately, and it involves a reversal at Chester. We are having those discussions now with the Assembly Government and the Deputy First Minister.

[201] **Jenny Randerson:** How long do you think it will be before those discussions are concluded?

[202] **Mr Bagshaw:** Those discussions are happening currently.

[203] **Jenny Randerson:** That does not give me great confidence. I did not take it up, but earlier in the day you replied to Jeff that you are having ongoing discussions about the six-car trains. Someone said exactly the same thing to him a year ago.

[204] **Mr Bagshaw:** By May, there will certainly be a second fast service between north and south Wales—we can say that. We are looking again at the Wrexham issue.

[205] **Jenny Randerson:** Excuse my ignorance, but would an alternative be to stop at Wrexham, but not at Chester? I understand the problem that you are emphasising. Are they not comparable places?

[206] **Mr Bagshaw:** The bottleneck is between Wrexham and Chester, so if the service went as far as Wrexham, that is as far as it would go. If that were the case, we would not be able to serve the north Wales coast.

[207] **Jenny Randerson:** Okay, thank you.

[208] **Gareth Jones:** We are seriously beyond our appointed time. I look to Andrew for a brief question.

[209] **Andrew Davies:** I will be brief. As I said earlier, I think that we are dealing with the problems of success. About three or four years ago, more passengers were being carried on the rail system than at any time since 1959. I pay tribute to Network Rail and Arriva on their performance. However, the terms of the franchise strike me as a bit iniquitous. Arriva was not one of the best train companies initially—I think that the company would accept that—and

the Minister got the blame; then, Arriva performed very well, so the Minister had to shell out more money to Arriva as a performance bonus. It is a 'heads you lose, tails they win' situation.

[210] I have a question for Network Rail on the specific issue about signalling cable theft, which Mike Bagshaw referred to. I have a season ticket and I commute virtually every day between Swansea and Cardiff. On many occasions, passengers have been told anecdotally that delays are due to cable being nicked. I am told that organised gangs are doing this. Can you quantify the level of theft? Has it increased significantly? What measures are being put in place by the system to mitigate that?

[211] **Mr Gallop:** It is a chronic problem, driven by the world price of copper, which is astronomical, and there are organised gangs in south Wales and the UK that steal copper from the railways and from BT, or any piece of equipment that contains copper. It is unfortunately an endemic problem in south Wales; we suffer hugely from it as, by implication, do our train operators. It can be quantified, and I can provide information to you on the number of delay minutes to the railway that copper-wire theft causes and the ongoing costs associated with it.

11.50 a.m.

[212] We are trialling a range of measures to try to deal with copper theft. We are working with the scrap metal industry and with the British Transport Police. There are other line-side protection measures that are in force, which I do not want to mention in public, because it would perhaps give the game away. A number of surveillance techniques are employed, such as covert observation. However, it is still a problem, and on a dark, windy night between Bridgend and Port Talbot, it is difficult to prevent someone if they want to get onto the railway line and, with evil intent, take 800 yd of copper cable—and subsequently melt it down and cash it in—which, of course, destroys the train service for the next 24 hours. It is a real problem nationwide, not just in south Wales.

[213] **Gareth Jones:** I thank you very much indeed. This will be the last time that the committee meets this term, and the important points that have been highlighted in our discussion and scrutiny this morning will be incorporated into our legacy report for the future and for the next committee to consider as well. Let us hope that we can maintain the positive aspects that you referred to.

[214] As with Professor Cole earlier, I would like to thank you, Network Rail and Arriva, on behalf of this committee, for your willingness to come before us to give evidence—both in written form and in our scrutiny sessions. I understand that there are still pressure points that need to be considered, but I thank you, on behalf of this committee, for your co-operation and your willingness to come along to be scrutinised, which can, at times, be quite challenging. We appreciate your time and we wish you all the best in the important work that you are doing in improving transport in Wales. Diolch yn fawr iawn i chi.

[215] Mae un papur i'w nodi, sef There is one paper to note, namely the cofnodion y cyfarfod blaenorol. minutes of the previous meeting.

11.53 a.m.

### **Cynnig Trefniadol Procedural Motion**

[216] **Gareth Jones:** Galwaf ar Aelod i **Gareth Jones:** I call on a Member to move gynnig ein bod yn mynd i sesiwn breifat. that we go into private session.

[217] **Jeff Cuthbert:** I move that

*the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 10.37(vi).*

[218] **Gareth Jones:** Gwelaf fod y **Gareth Jones:** I see that the committee is in agreement.  
pwyllgor yn gytûn.

*Derbyniwyd y cynnig.  
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 11.53 a.m.  
The public part of the meeting ended at 11.53 a.m.*