



**Cynulliad Cenedlaethol Cymru
Y Pwyllgor ar Seilwaith y Rheilffyrdd a Gwella
Gwasanaethau i Deithwyr**

**The National Assembly for Wales
The Committee on Rail Infrastructure and Improved
Passenger Services**

**Dydd Mercher, 15 Chwefror 2006
Wednesday, 15 February 2006**

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 o'r Cynulliad yn bresennol: John Marek (Cadeirydd); Leighton Andrews; Eleanor Burnham; Rosemary Butler; Janet Davies; Lisa Francis; Carl Sargeant.

Swyddogion yn bresennol: Robin Shaw, Prif Weithredwr, Trafnidiaeth Cymru.

Eraill yn bresennol: Bob Brierley, Ysgrifennydd Cynghrair Trafnidiaeth De-ddwyrain Cymru (SEWTA); Graeme Bunker, Rheolwr Gyfarwyddwr, Trenau Arriva Cymru; Robbie Burns, Cyfarwyddwr Llwybrau Teithio, Network Rail; Stephen Clark, Rheolwr Rhanbarthol, Is-adran Polisi Rhanbarthol y Rheilffyrdd a Darparu Gwasanaethau, Adran Drafnidiaeth y DU; Roger Cobbe, Cyfarwyddwr Polisi, Trenau Arriva Cymru; Mike Gallop, Rheolwr Gwella Llwybrau Teithio, Network Rail; Charlie Nelson, Is-gadeirydd, Pwyllgor Gwaith Rheilffyrdd, Cynghrair Trafnidiaeth De-ddwyrain Cymru (SEWTA); Paul Plummer, Cyfarwyddwr Cynllunio a Rheoleiddio, Network Rail; Alison Teague, Pennaeth Masnachfaint a Chyswllt â Budd-ddeiliaid, Trenau Arriva Cymru; y Cynghorydd Tom Williams, Cadeirydd Cynghrair Trafnidiaeth De-ddwyrain Cymru (SEWTA); Stephen Wolstenholme, Is-adran Polisi Rhanbarthol y Rheilffyrdd a Darparu Gwasanaethau (Yr Alban a Chymru), Adran Drafnidiaeth y DU.

Gwasanaeth Pwyllgor: Chris Reading, Clerc; Sarah Bartlett, Dirprwy Glerc.

Assembly Members in attendance: John Marek (Chair); Leighton Andrews; Eleanor Burnham; Rosemary Butler; Janet Davies; Lisa Francis; Carl Sargeant.

Officials in attendance: Robin Shaw, Chief Executive, Transport Wales.

Others in attendance: Bob Brierley, Secretary, South East Wales Transport Alliance (SEWTA); Graeme Bunker, Managing Director, Arriva Trains Wales; Robbie Burns, Route Director, Network Rail; Stephen Clark, Divisional Manager, Rail Regional Policy and Delivery Division, UK Department for Transport; Roger Cobbe, Director of Policy, Arriva Trains Wales; Mike Gallop, Route Enhancement Manager, Network Rail; Charlie Nelson, Deputy Chair, Rail Working Group, South East Wales Transport Alliance (SEWTA); Paul Plummer, Director of Planning and Regulation, Network Rail; Alison Teague, Head of Franchise and Stakeholder Management, Arriva Trains Wales; Councillor Tom Williams, Chair, South East Wales Transport Alliance (SEWTA); Stephen Wolstenholme, Scotland and Wales Rail Regional Policy and Delivery Division, UK Department for Transport.

Committee Service: Chris Reading, Clerc; Sarah Bartlett, Deputy Clerc.

Dechreuodd y cyfarfod am 9.00 a.m.

The meeting began at 9.00 a.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon Introduction, Apologies and Substitutions

[1] **John Marek:** Good morning, everyone. It has just gone 9 a.m., and we need to start on time. I welcome everyone to this meeting. This is the first meeting of this committee to take oral evidence, although we have met before.

[2] There are people here who will present evidence, and I will welcome you all in due course. However, I remind presenters of this committee's remit. This committee is here to collate evidence, primarily. We want a list of desirable and achievable improvements in railway passenger services, and in railway infrastructure in Wales—or at least pertaining to Wales, as not necessarily all of it will be geographically in Wales. The National Assembly in

Plenary has charged us to collate all this evidence and all these suggestions. I am delighted that you are here to help us on this.

[3] Together with this list of evidence, we need to have a costing. The costings need be only a ballpark figure—we do not need detailed costings as, in many ways, they are impossible to give. However, we need a ballpark figure. Finally—and there may be an element of politics with a small ‘p’ in this—we need your assessment of how desirable these improvements are. Should they be improvements in the top category, namely to be undertaken and completed before, say, 2010, or are they improvements to be carried out in the medium term, or are they simply aspirations that we could consider if Santa Claus appeared one Christmas?

[4] That is all that we are here for, really—nothing else. We are not here to decide whether the structure of Network Rail is right, or whether the regulator has the powers, or whether the franchise could have been different. I will be fairly light on this, as Chair, but I want people to realise that the job of this committee is to get a comprehensive list of these desirable improvements in infrastructure and passenger services. That also includes freight, as the paths of freight trains impinge on passenger services. We then need to give a ballpark figure as to how much that would cost. I guess, therefore, that it is the possibility of it being done, because Network Rail cannot do everything at any one time anyway, because of its capacity constraints. Finally, we need an indication of the importance that you, who present these suggestions to us, attach to each suggestion.

[5] Members and presenters can speak in either English or Welsh. To hear the translation, you can use the headsets, which are available from the ushers. Please switch off your mobile phones, BlackBerrys, and so on, as they interfere with the broadcast—and this meeting is being broadcast live. Therefore, please switch them off completely; do not even have them on ‘silent’ mode. I would value your attention to what I have just said. In an emergency, ushers will direct everyone to the nearest safe exit.

[6] I have not received any apologies. Do Members wish to make any further declarations? There is no need for Members to repeat declarations of interest already made at a previous meeting. Are there any other declarations?

[7] **Eleanor Burnham:** I am the chair of a little charity called Making Tracks, which is associated with disaffected youth.

[8] **John Marek:** Is it a declaration of interest? Does it benefit from National Assembly for Wales funds?

[9] **Eleanor Burnham:** Yes, it might do.

[10] **John Marek:** I see. In that case, it is probably advisable to note that. Is that sufficient?

[11] **Eleanor Burnham:** It is declared in the register.

[12] **John Marek:** Thank you. Members have been asked whether they are content to hold an additional meeting in the evening of 7 or 8 March. We need to agree a date, so do Members have any views on that?

[13] **Eleanor Burnham:** I will need to check, as I do not have my diary with me.

[14] **John Marek:** We could decide after the break, if that would be helpful.

- [15] **Lisa Francis:** I would prefer 8 March.
- [16] **John Marek:** Okay, the suggestion is that we meet on 8 March.
- [17] **Janet Davies:** I would have to give my apologies as I cannot make that date.
- [18] **Carl Sargeant:** I think that we should decide after the break.
- [19] **John Marek:** Yes, okay. Remind me after the break, as I will probably forget. We can decide with a show of hands.
- [20] **Eleanor Burnham:** What time would the meeting start?
- [21] **John Marek:** It would start 15 minutes after Plenary finished, but we will decide that after the break.

9.06 a.m.

Cofnodion y Cyfarfod Blaenorol a Materion yn Codi Minutes of the Previous Meeting and Matters Arising

- [22] **John Marek:** We need to agree the minutes. Do Members agree that they are an accurate record? I see that they do.
- [23] I thank Members for their suggestions for organisations and individuals to be added to the consultation list. We have a list of extra bodies, and we have sent consultation letters to all those that were suggested. Should Members have any further additions to make to the consultation list, they should give them to the clerk. It is still open for written submissions. The notes of the informal briefing session held on 24 January have been circulated to Members. Are there any other matters arising? I see not.

*Cadarnhawyd cofnodion y cyfarfod blaenorol.
The minutes of the previous meeting were ratified.*

9.07 a.m.

Trenau Arriva Cymru Arriva Trains Wales

- [24] **John Marek:** It gives me great pleasure to welcome Graeme Bunker, who is the managing director of Arriva Trains Wales, and his team. You may assume that we have read what you have sent us. It is always a waste of time to go through the papers that you have printed. However, please give a five-minute introduction, after which I am sure Members will ask you questions.
- [25] **Mr Bunker:** Good morning, everyone. My name is Graeme Bunker. Some of you may know me already. I am the managing director of Arriva Trains Wales. To my left is Roger Cobbe, who is the policy director for the Arriva Trains division of Arriva Group plc, and to my right is Alison Teague, who is the head of franchise and stakeholder management for Arriva Trains Wales. I hope that the three of us will be able to answer any questions that you might have today.
- [26] We are the national operator for Wales. We also operate in the border counties of England, as far north as Manchester and across to Birmingham and Gloucester. We run

around 950 trains a day, seven days a week, although we run slightly fewer at the weekends, and our network stretches right across Wales.

[27] We won the franchise, which started in December 2003, for a 15-year term, ending in 2018. We needed to deliver a number of key improvements, the main one being the standard pattern timetable, which was introduced in December. It saw an overhaul of all services in Wales and significant improvements to through-journey opportunities. For example, the Manchester to Cardiff route became the Manchester to Cardiff to Carmarthen and Milford Haven route. The new Holyhead to Cardiff service, which is proving popular, was introduced in December, and there has been an increase in the number of trains on suburban routes around Cardiff.

9.10 a.m.

[28] I appreciate that this is a meeting focusing on the future and looking forward, but it would be remiss of me not to mention the current state of play, which is of interest, I am sure, to the committee. What we have seen, under the new timetable, is a steadily improving trend of increasing punctuality, but, at present, we need to ensure that we deliver the capacity to go with that. On its own, punctuality is not enough. I think that there has been some media coverage, which people will have seen. I took the 7.40 a.m. service from Caerphilly this morning, and I was talking to passengers who told me that the key thing for them is consistency. Their general view was either that we are very good, or we were not good at all. They were very disappointed when we got it wrong. That message is taken home, and we are very keen to ensure that we deliver consistently. That, for us, means ensuring that we have the right trains in the right place at the right time and delivering reliability. We are working very hard with colleagues at Network Rail to ensure that that happens. I am sure that they will add their points of view to that.

[29] We have also undertaken a number of items beyond our franchise commitments. We are currently spending £1.5 million on refurbishing a number of our sprinter trains. There are now four of those in service, which are used right across the Valleys line network, particularly on the Taff side at the moment. I am reliably informed that one came in from Aberdare this morning, so some people may have used that. Our customers are giving us very good reports that that is the kind of standard that they want to see. We are aware of the criticism that, when we inherited the units from ScotRail, they were not up to the standard of the rest of the fleet.

[30] In terms of what we are doing around the network, we are investing a seven-figure sum—I will not say exactly what it is because we are still in negotiations—on an expanded depot at Machynlleth, which will see all the Cambrian units that operate up there and also serve the Birmingham to Chester corridor being maintained on the network. So, they will not come back to Cardiff for their maintenance; there will be a dedicated facility for them.

[31] We are also investing across our stations, although not in Wales. At Chester, we are spending around £1.5 million on massive improvements to that station, which is used by many Welsh constituents as a gateway to services to London, the north west and beyond. We are also investing in improving the passenger journey by having a new customer information system in north Wales. I am pleased to report that the final landlord's consent has been obtained and the final part of that phase across north Wales stations will be rolled out very swiftly. We are installing ticket barriers and ticket vending machines across our network. They are already in place in Cardiff's Queen Street station, Bridgend, Swansea and Newport. They are proving very popular with customers, when they get used to them. It is not necessarily what they look for first off, but they are actually much quicker at dealing with queues than a manual system. Our vending machines have been so successful that we are now having to install a second one at Queen Street station because we are going to wear the first one out. There is such a demand and we are going to meet that demand. All these things are

above and beyond what was in the franchise agreement and what was for the start in December 2003. I think that this is evidence of the flexibility of how we can work with the Welsh Assembly Government and partners in England to deliver improvements to the railway as time goes by, because 15 years, the length of our franchise, is a long time.

[32] In terms of what we have brought to this committee, what our aspirations are and where we think investment should be directed, as always in this situation, I think that it is a matter of choice. Nothing on the railway is usually that quick in delivering investment. You cannot decide to spend on something one day and then, a few months later, it is complete. Unfortunately, it usually takes a year or two to deliver investment. We see expanding the railway as a priority. We see strong growth across Wales. Everyone talks about Cardiff, and, yes, we see growth around Cardiff, but we also see growth across our network, and there is an opportunity to grow the railway to accommodate that. We will be operating many more class 175s, which are the newest units in our fleet, on our inter-urban services, and 16 of the 27 that we will have from the end of the year have three cars, so there will be more capacity on north-south services, which is important, I am sure, to our customers and to Members.

[33] For me, our priorities are about seeing how we can expand the use of rail in other areas, to continue the positive trend in and around Cardiff and on the Cambrian line, and to ensure that the good growth that we are now seeing in west Wales continues.

[34] I would be happy to answer questions on specific schemes, or on how to improve the way in which we deliver those. It is fair to say that, across Wales, something is happening everywhere. Network Rail has ambitious plans in Newport, and we are supporting it on what is, effectively, a new station. There is a significant European rail transport management system project on the Cambrian line, which could potentially be the mechanism that unlocks some partnering investment to give an hourly service to Aberystwyth, which we would support. The contracts have been signed for the Ebbw valley railway, and we are working with Network Rail and others to ensure that that is delivered in 2007.

[35] **John Marek:** Thank you very much. That is quite useful. Do not worry, as everyone will have a go. Perhaps I should have said this when outlining the purpose of this committee, but I just want to be clear that, once the committee produces its report and its ordered list of suggestions for improvement, the Business Minister has been instructed to put down a debatable, and therefore amendable, motion before Plenary, and Plenary will make its decision on what to do. A certain amount of money—not a lot—is available through the Welsh Assembly Government, though it is made available by the National Assembly, and it was the will of the National Assembly that there should be openness or, hopefully, a consensus at least as to those schemes that ought to be progressed early and those that should be progressed later. So, there is purpose in the list that we are trying to—

[36] **Leighton Andrews:** Hang on a minute.

[37] **John Marek:** Hang on; I will give you a chance, Leighton. There is purpose in what we are trying to do in this committee.

[38] **Leighton Andrews:** That is ridiculous.

[39] **John Marek:** No, it is not ridiculous, Leighton. Please save your comments for later.

[40] There is purpose in your providing a list, and you have a number of things in your submission. Would it be possible for you to perhaps give ballpark costings? Not now, obviously, but could you go away and produce some idea of the ability of Network Rail or you to do it in the short, medium or long term, as I think that that would help us?

[41] **Mr Bunker:** I think that it would be possible for us to give a range of cost and an idea of how long it might take from decision to implementation on certain schemes. We would have to work closely with Network Rail on many of the infrastructure items. If I may make a suggestion, Chair, it would be to put together the items that everyone has suggested, as there would probably be a lot of duplication given that some ideas lend themselves naturally to the debate. Perhaps we need a shortlist first before we go down that track, because it would involve a lot of work and, for time reasons, it would be better to have a priority list that the committee wished Network Rail and us to undertake.

[42] **John Marek:** I will obviously leave that to you, but I do not think that you need to put in things that you are already committed to doing. We are interested in those types of things that might be desirable if you had a little bit of extra finance, which would swing the argument from not doing it until after 2010 perhaps to doing it in the next two or three years.

[43] **Mr Bunker:** I am comfortable for us to take that away and look at it, to see what we can do. There are some things that we will not be able to answer and some that we may.

[44] **John Marek:** Do the ones that you can. Thank you very much for that. You can write to the clerk in due course on that one. Lisa is first, and then Leighton.

[45] **Lisa Francis:** I would like to ask you about your relationship with Network Rail. It would be useful to know how often you meet to discuss progress reports and how you implement plans with Network Rail. Could you give a brief outline of how that works? Why is your performance currently not meeting the targets as set out in the franchise? Why do you think that is? What would be the cost implications of purchasing new trains given long-term agreements with the rolling stock leasing companies?

9.20 a.m.

[46] **Mr Bunker:** I will take the local position in terms of Network Rail, and I will ask Roger to answer on the wider context of the UK debate. In terms of the local level, you will hear later from Robbie Burns from Network Rail. He and I generally speak every day; we have an excellent working relationship and I think that it is fair to say that that was not necessarily the case previously, in terms of the relationship between what was Railtrack, which became Network Rail, and the local rail operators. It was never a bad relationship, but I think that we can now say that we have a very good relationship.

[47] In terms of Network Rail's change to becoming a more customer-focused organisation, it is not unusual for Robbie and me to be travelling on our network together to see first hand what is going on, and it is not unusual for our teams to be out together. It is very hand in glove at the moment in terms of our relationship. As all friends do, one might say, now and again we fall out. Whereas previously in the rail industry, you fell out and did not make up for a year, now you agree to disagree and move on. While some things disappoint us, we do not disagree on that. If there is a particular performance issue, a significant disruption or something around the project, it can be frustrating, but we try to learn the lessons together about how both organisations can operate better. I think that customers will see that in terms of our performance.

[48] I think that we are seeing, across our network, an increase in the punctuality of our services. As I have mentioned, we are working on the difficult issue of capacity in south Wales, but if we look across Wales as a whole, performance is improving. Certainly, for you, in terms of the Cambrian coast, we are regularly running every train on time. I no longer get the school going, 'Hello, what are you doing about this?' We have listened to the concerns and we have been able to deliver on that. However, we know that the main line on the Cambrian is not as reliable as it should be. That has had my personal attention, and that of

Robbie Burns, and we are implementing a number of speed increases that will go through in the next few weeks. We are also changing the way in which we use radio signalling up there—it is not quite unique, but it is the only line in Wales with that system—so that we can see significant improvements in reliability. Also, Network Rail has led some changes to the timetable in the Birmingham area to improve the resilience of the service, so that trains do not have to turn around at Wolverhampton. That is a specific example of how we have worked well together. I will ask Roger to talk about the UK context.

[49] **John Marek:** I need to gently say to you, with all due respect, that we need shorter answers otherwise we will never get through it. We have about 13 minutes and I want to protect Members' time so that they can ask their questions. Please bear that in mind, if you would. However, if you have not finished and you want a quick addendum to that, you should carry on.

[50] **Mr Cobbe:** It is a very quick addendum. I was just going to say that Peter Telford, the managing director of Arriva Trains, and I, as the holding company and the franchisee, meet quarterly with senior representatives of Network Rail's management. That gives us a chance to compare performance and issues in Wales with what is going on in the whole national rail network, to ensure that we are being treated fairly and that any policy issues can be addressed at a senior level.

[51] **Lisa Francis:** Why do you feel that you are not meeting the targets as set out in the original franchise agreement? Why are you currently not meeting those targets? What reasons would you give for not meeting them?

[52] **Mr Bunker:** There are two sets of targets in the franchise agreement: the milestone targets and the threshold targets. We are above the threshold, but we are not quite where we planned to be on the milestone targets. On the reasons for that, I think that, last year, the infrastructure was not as reliable as forecast, but improvements have been made. Also, the fleet has not been as reliable as we would have wished—some of the units that we have inherited have needed work to bring them into line.

[53] We always knew that it would be difficult during the first two years of the franchise to achieve the milestones, until we rewrote the timetable. As time went by, in those two years, the services got busier and punctuality became even harder to achieve. However, I am pleased to be able to say that, right across the network, punctuality is significantly better. It is not where we want it to be, but it is significantly better. In what we call period 1, which is broadly the month of January, we delivered a punctuality rate of 87.4 per cent across Wales. That is a published, audited figure: it is a Network Rail figure; we do not produce it, Network Rail does. It shows that we are now on track, and where we said we would be, in terms of delivering the improved service with the new timetable.

[54] **John Marek:** If Members want to jump in on a particular point, please do, because I think that the committee works best when that can happen. Perhaps I can jump in now before I call Leighton. On that, let me give you a counter example. I think that you have extended the journey time from Wrexham to Cardiff by 25 minutes, with the result that the train now stops for five minutes in Shrewsbury and in Hereford, and arrives in Cardiff early.

[55] **Rosemary Butler:** It is 20 minutes.

[56] **John Marek:** Yes, that is right. I have arrived 10 minutes early. Does that mean that you do not have to pay penalty payments to the Welsh Assembly Government for being late? It certainly bumps up the reliability figures. Is that the reason? I think that it may well be.

[57] **Mr Bunker:** The issue that we have at the moment is that we are using new class 175

trains and the older class 158 trains on north-south services, and they do not go at the same speed. However, because they are used turn and turnabout, you have to work to the lowest common denominator, which means that, as the new trains are faster, you could therefore potentially have wait time.

[58] **John Marek:** I travel on the 158 train at 10.37 a.m., and it always gets in 10 minutes early, and then hangs about.

[59] **Mr Bunker:** In terms of capacity on the network, and this is particularly on northbound journeys, I would challenge the assumption that we plan to have trains waiting at Shrewsbury for 20 minutes. We plan to have that train—which is the Cardiff to Holyhead service—waiting for 10 minutes, as is shown in the timetable. The reason for that is because the train must wait for access onto the single line between Wrexham and Chester, and that is the specific reason why that train has that parking time.

[60] **John Marek:** That is for down journeys. Fine, thank you for that. Lisa, have you finished?

[61] **Lisa Francis:** Yes, I can come back in on another point.

[62] **John Marek:** Then I call Leighton.

[63] **Leighton Andrews:** One thing I am certain that we cannot do in Wales is to run the railways by committee, and I do not think that we should get into competitive auction on routes. I have had the opportunity to meet you, so I will not repeat questions that I have already asked on behalf of my constituents.

[64] However, I will start with an e-mail I received this morning, which I assume was inspired by an article in the *South Wales Echo* on Monday by a traveller between Cardiff and Treforest, who says that since the introduction of the new timetable, the service he experiences has become worse. You may answer that the journey between Cardiff and Treforest has been extended for some, but has been improved for my constituents further up the line in Treherbert. I would like to ask you what your view is on that.

[65] Are your performance statistics for rush-hour peaks different from the overall average? Is there a legal limit on the number of people who can be crammed into a coach on a train? Also, in terms of the quite substantial subsidy that you receive from the Assembly and Department for Transport, presumably there are penalties if you fail to perform on certain services to which you have committed in the franchise. Can you explain what those are?

[66] **Mr Bunker:** In terms of the new timetable in the Valleys, we have always said that we cannot satisfy everyone's aspirations through one timetable, and it is a connecting timetable. The old-style Valleys timetable, which was very unreliable, generally meant that you could do a through journey from virtually anywhere in the Valleys, so in certain cases you could go from Radyr to Caerphilly direct. That was potentially advantageous, and when passenger numbers were lower it was sustainable, but given the sheer volume of passengers now and the number of trains needed to meet that demand, that style of timetable is not feasible to deliver the reliability that passengers demand. Therefore, some people must make a connective change. I am happy to look at that specific case, and perhaps write to you on that in terms of the detail. If there are lessons to be learned and improvements that we can make, we will make them.

[67] In terms of our punctuality, it is on an all-day basis, so it includes the peaks. If we turn around and quote a figure, that includes the peaks. As you would have expected, I checked what it was this morning before I came in, and we delivered 90 per cent punctuality

during this morning's peak. So, we are delivering in line with where the franchise wants us to be. On many days we deliver over the figure, but on some days we deliver under it, and our challenge is to ensure that we minimise those days.

[68] In terms of the wider context of the franchise agreement and the mechanisms, Roger, you were present when the deal was done, so perhaps you could explain the overall context of the penalties and rewards regime.

9.30 a.m.

[69] **Mr Cobbe:** There are two types of control in the franchise agreement that are contractual obligations. If those are not met they form a contractual breach for which the Department for Transport, up until now, and the Assembly Government in future, can impose either unlimited penalties or take other action. There are performance regimes whereby performance is measured and converts into a flow of money, either towards us or against us. Up until now, there have been no breaches of the franchise agreement. We have met all our contractual obligations and the financial regime is driven, essentially, by the public performance measure, which is the one that was discussed earlier. While we are below the trajectory that we forecast, that results in a payment from us to the Department for Transport, and as we reach and get above that trajectory, it would reverse the flow of money. Therefore, there is a financial incentive on us, in addition to our own determination, to get the public performance measure to the level at which we wish it to be.

[70] **Leighton Andrews:** I do not think that you answered the question on the cramming into carriages.

[71] **Mr Bunker:** I will take that; that was the next one to answer. There is no specific number in the way that there is for a bus, for example, where there is a number of seated and standing passengers, but all of our conductors are trained to look at the number of people on a train. We continually re-assess it. To give you an idea, we are currently monitoring Llandaff station every morning during peak hours by means of CCTV to be aware of the situation. Therefore we do keep it under review. As I said, I was on a train this morning. It was a four-car train that was on time, fortunately, as I was on it, and the key thing that we noted was that there were some 30 people standing on it. I cannot run a train that is longer than four-cars on that route. However, in the recent announcement there is investment in six-car platforms. We say in our submission that six-car platforms on the Rhymney valley line, and to Treherbert, are a priority if we wish to keep growing the Cardiff suburban network as we have.

[72] **Leighton Andrews:** The reality is that, despite the timetable, the number of complaints that I get from my constituents has increased rather than decreased. One of the key questions that I get from them is how you define a cancellation. For example, a frequent complaint—and I have raised this with you before—is that many of my constituents are put off at Porth; they are on a train and think that it is going to Treherbert but end up having to be put off at Porth and then have to wait for a subsequent train. Is that a cancellation?

[73] **Mr Bunker:** Yes.

[74] **Leighton Andrews:** Therefore, that is a cancellation.

[75] **Mr Bunker:** To clarify, I would recommend appendix 3 in the Welsh Assembly Government submission, which is very helpful because it explains the public performance measure. Rather than necessarily term what is a cancellation, I will turn it around and ask, 'What is success?', because it is quicker. Success is only when a train completes its timetabled journey, calling at all stations, and arrives within four minutes and 59 seconds at its terminating station in line with the timetable. Therefore, if I turn a train around in Porth,

the train that was going to Treherbert and did not is a cancellation, and the train coming back that starts at Porth is also a cancellation, because it did not start in Treherbert. To pre-empt a point, sometimes we run faster, and recover the service for the benefit of most passengers. I know that that sometimes can cause inconvenience. We have improved the way in which we have done that since we met with you, Leighton, and we are doing it a lot less. That is also a cancellation. The only trains that we ever say ran on time are those that ran on time, within four minutes and 59 seconds, and called at every single station exactly as the timetable says. Everything else is either a part-cancellation, if it does some of the journey, or a full cancellation.

[76] **John Marek:** We need to speed up if possible. Leighton, do you wish to carry on?

[77] **Leighton Andrews:** I am fine.

[78] **John Marek:** Janet is next.

[79] **Janet Davies:** I had understood that the purpose of this committee was to look at what the Assembly Government would prioritise for spending in the future, and the relatively small amount of money that the Assembly Government has compared to—

[80] **John Marek:** That must be right, to put it roughly.

[81] **Janet Davies:** Yes, I think it was that, rather than criticism of the present running of the franchise.

[82] **John Marek:** That is right; the witnesses are not here on trial for anything. We want their help.

[83] **Janet Davies:** We can all bring up issues and compare the overcrowding on the Valleys lines south of Pontypridd with the fact that there is only a rail bus from Haverfordwest to Fishguard with what is happening on the north-south line. However, what I would like to ask is whether the list that you have at the back is all about Assembly Government spending. I think that we need a clear distinction between what Arriva or Network Rail, in its case, would see to be spending, and what the Assembly Government would want to spend. Each item should have some sort of comparison, as in Jacobs Consultancy's study for SEWTA, which showed how much an objective related to environmental, economic and accessibility reasons. We need to do all that as well as being able to get into line the fact that there is no point doing some things because you can do others. For example, I do not think that there is any point in building extra car parks until you have enough room on the trains for people in the Valleys area. It would just make that situation worse. So, I would like to know whether you can make this clear distinction, and whether you can say how they relate to Assembly Government objectives.

[84] **John Marek:** That is presumably when you write back to us with your ordered list.

[85] **Mr Bunker:** I am comfortable about doing that. On the list of aspirations, they are all non-committed ones. So they are not by us, Network Rail or the Welsh Assembly Government at this time. However, I am happy to clarify where we would seek to be involved.

[86] **John Marek:** Lisa, did you want to come in on this point?

[87] **Lisa Francis:** Yes. I wanted to know if they were all non-committed because, in terms of appendix 1, I wondered on which ones no work had been done to date. Are they all in that situation? How many of them have business plans?

[88] **Mr Bunker:** I think some of them are within the SEWTA programme, which we are a part of and work very closely with. We are very supportive of the aspirations within that programme. I think that others are at various levels of development. It would be fair to say that none are, at this stage, certainly to my knowledge, committed, although we will double-check that no recent announcements have been made that may have overtaken the submission. However, generally, they are not committed aspirations, although Network Rail may have them in its longer-term plans because of its renewals work and the infrastructure maintenance that it does.

[89] **Lisa Francis:** Could we have that in writing? Could we know which ones fall into which categories, because that would be very helpful?

[90] **John Marek:** Can that be done?

[91] **Mr Bunker:** I think that we can do that.

[92] **John Marek:** That is very helpful.

[93] **Carl Sargeant:** It is great to have the opportunity to have Arriva in this committee. Like Janet said, this is about future proposals because we all have experiences and, as you said, they are either very good or very bad. I think that a very bad experience with Arriva Trains is bad. We experience that regularly, as do 13 per cent of the people to whom you refer in your equation. I imagine that that is a great deal of people.

[94] I have two points. People will judge you on their good experiences and one of the issues is station improvements. You touched on the north Wales stations and, in terms of tapping into this pot of money, securing improvements in north Wales stations is important. As a Member from north Wales, I know that it is a long journey to the south, whether you travel by car or train. It takes four hours, or thereabouts, of your day, so the customer needs to have that good experience and the station is where it starts. That is an important point.

[95] Secondly, recognising bad points is always key, because you can then do something about it. Perhaps money should not be invested purely in the infrastructure, but also in the backroom side of it, for example, taking complaints—I do not want to say ‘seriously’ because I am sure that you do take complaints seriously—and acting on them by not just giving an answer as to why a train is late, but resolving the problem so that it is not late again.

[96] We have a great deal of anecdotal evidence from people writing and telephoning us, saying that they were late again—they never say that the train was on time. It is like being a politician—we do not get many pats on the back, but many complaints. However, I tested the Arriva Trains complaints system three weeks ago and I have a paper for you to take away. I have still not received a response. You allow a 10-day window in which to respond to complaints, but I did not receive a response. I am just one of the 13 per cent who has received a poor service. How many times does that happen and what are you doing to address the problems in order to improve that service?

9.40 a.m.

[97] **Mr Bunker:** I will answer the part on stations and I will ask Alison to respond on the customer complaints in terms of the customer relations department, which she heads. I am pleased to be able to say that, of all our mainline routes in north Wales, it is our most reliable. Over 91 per cent of services were on time in period 1, which will hopefully start coming through to you guys, in terms of constituency feedback, and to our passengers. We see good growth there. We know that a reliable railway is a strong railway that grows.

[98] We are repainting all of our stations; Llandudno and Bangor, in time for the Eisteddfod, were first. Unfortunately, the winter turned up and it is not good to paint stations in the winter, but we will be back out there with our paint brushes and hanging baskets will be placed and even palm trees will be planted. We take it very seriously and we are delivering, particularly in north Wales. I think that this is an opportunity to look elsewhere, and we have suggested in our submission improvements in closed circuit television and customer information systems along the north Wales coast. Other areas could benefit from that, and there is no doubt that the Maesteg line is an early candidate.

[99] In terms of other initiatives, we are putting ticket barriers in. They do two things; yes, they ensure that those travelling have bought a ticket, but they also improve security on stations, which we know is a particular issue for customers. There will be an announcement shortly regarding some initiatives jointly with the Welsh Assembly Government and the British Transport Police, but we have employed a security manager, who is an ex-police inspector, to look primarily at this issue. While we have taken all our cleaning in-house, improved the quality of our stations, trained our staff and invested considerably in the systems, with ticket vending machines and so on, one of the key issues for us is that we want to make stations a welcoming environment and ensure that people do not feel threatened when they are on a station.

[100] **John Marek:** As an aside to that, you can have all the security you like in Cardiff Central station, but all the rouges who do not want to pay use the lifts. Do not reply to that; it is just an aside.

[101] **Mr Bunker:** You will be pleased to note that we are putting barriers in the lifts.

[102] **John Marek:** Please reply to Carl.

[103] **Ms Teagne:** In relation to customer correspondence, Carl, you are, regrettably, quite right. At the moment, we have had an upsurge in customer contact. We have brought some temporary staff in to try to help with the sheer volume and to meet our timescales for responding. In fact, it is fair to say that, in the last couple of weeks, complaints have gone down, or customer contact has gone down a bit, but we need to get on top of it. I fully acknowledge that we are not as up to speed on this issue as we would like to be.

[104] **Carl Sargeant:** I accept that it is about the peaks and troughs of service delivery, but my point was that if the future is about improving services, should we not identify what the problems are? If we are struggling to identify the long-term problems, are we ever going to get it right?

[105] **Mr Teagne:** From our customer correspondence, we see that what happens is that, every month, a report is generated for the executive team in ATW and that feeds into the key areas of customer contact during a particular month, the issues and so on. Clearly, we know what some of those issues are; it is all about performance and capacity, and that is what informs our decisions about planning for the future. They are analysed every month and they are split down into categories such as special needs, assistance and so on.

[106] **Rosemary Butler:** Janet is right that we are looking at the future, but what we do not want is more poor service in the future. Customer comfort is incredibly important. Obviously, you need to ensure that the train is going to come and that it is on time, but something that concerns me is that penalties are incurred if a train is not on time, but what about the cleanliness of trains? I have travelled on a few trains up and down to north Wales and cleanliness issues are not just about stuff that people have recently left behind—it is days' old dirt. We travelled on a brand new train a fortnight ago and it was filthy; it obviously had not

been cleaned for a few days. That is the issue. Thankfully, there was a 20-minute stop at Shrewsbury, even though you say that there was not, because we all had to get off to go to the toilet. That is not just one train—that is ongoing. How are you seriously going to address that? If we are to have increased numbers of trains on the system, people are just going to get more and more disgruntled; once trains are on time, then people can concentrate on how dirty they are. That is my concern. I will not go on about the stations at the moment, as that is obviously something that is being addressed, but I would be interested in an answer on that.

[107] **Mr Bunker:** In terms of the quality of our trains, many have been refurbished recently. There are two fleets that have not; four of the 19 of our sprinter fleet, which are predominantly on the Valleys network, have been done. We continue shelling them out at a rate of one every two weeks, so we should have them all done by June. We also have a number of class 158 units that we use on longer-distance services, and you will be pleased to know that they are leaving the franchise at the end of the year, or sooner, if we can do it. Our problem—and it has led to a hiatus in investment—is that we have to give 11 of our class 175 units, which are our new trains, to the TransPennine Express in north-west England every day to operate its services. That is something that we inherited. From the end of this year, all of those trains, which are nominally four years old, will be with us, so that will make a difference to the core.

[108] However, I take your point on the need to ensure that they are clean. We have just let a new contract for on-board cleaning, and we have also introduced new cleaners at Shrewsbury to deal with trains that are stabled there overnight. There are new cleaners at Crewe and we have just revitalised what we do at Cardiff. If there are any specific cases like this—Eleanor has kindly pointed one out to me already—let me know, because that is not good enough. We realise that it is not good enough, and when we know that it is occurring, we can do something about it.

[109] **Rosemary Butler:** I will take this outside committee; it is a major issue, but, obviously, it will take more time than we have.

[110] **John Marek:** That would be helpful, because we are slowly running up to our limit.

[111] **Janet Davies:** As you know, I wrote to you in July about a complaint on the north-south line, and I have not had a reply as yet.

[112] **Mr Bunker:** I would like to say that that is an exception, but we will investigate that thoroughly.

[113] **John Marek:** Yes, out of committee, I think, but it is an important point. I call Eleanor—last, but not least.

[114] **Eleanor Burnham:** If only we had all day.

[115] **John Marek:** You have five minutes.

[116] **Eleanor Burnham:** Where does one start? There is a yawning gap between your perception and the reality for passengers, who include me. I have already discussed issues with you this morning, which I know we do not have time to discuss here, but I will point to them. Let us be honest, the quality of rolling stock is appalling. I know that you say that the future looks bright, but in the meantime, last week, on the very late train back up to north Wales, two loos were not working.

[117] There are more issues than that. What are you going to do, in the future, about your staff's motivation, morale and general attitude and aptitude towards customers who are

hostages to fortune on a train? Customers cannot just nip off to use the loo if the two loos on the train are not working, because they do not know how long they are going to be at the station and they might miss the train. These are basics of business performance.

[118] I am horrified by how constrained the franchise is, because, basically, you can do what you want; you can cock a snook at all of us. The franchise does not tell you to hurry up the train and not to give it a two-hour lag here, there and everywhere, which is what it feels like when you are on the train. What exactly can we in this committee do to ensure a better future? How can we kick you in the wherever-you-need-to-be-kicked? I am, as you can appreciate, very emotional and impassioned about all these things, because, quite frankly, these are basic issues of customer satisfaction or dissatisfaction, customer care and comfort. It is about time that you got your act together, because the present situation is absolutely appalling.

[119] You can sit there looking really satisfied with yourself, but there is an enormous gap between your perception and reality. It is about time that you got out there, talked to your staff and did something. I was in charge of quite a considerable number of staff at an early age in social services, and I can assure you that I was kicked daily by MPs and so on, so I know what it is like. But, it is about time that you did something, and not just come here feeling that you are doing really well.

[120] The future, if we cannot do something, is quite bleak for us politicians. We are facing the electorate next year. How do I face my electorate in north Wales when they face such enormous difficulties? Getting down from north Wales is a considerable miracle, but to have to put up with the discomfort that you cause them is appalling. You are making huge profits, but you have not even told us what percentage of that you are investing. Are you really serious about this? The fact that you have the franchise until 2018 fills me with horror, quite frankly. What is the future for us, because I feel pretty miserable about it?

[121] You talk about doubling the track from Chester to Wrexham. Are you discussing that with Network Rail, or is this fanciful?

[122] **John Marek:** A business case is being prepared on that, Eleanor.

[123] **Eleanor Burnham:** Okay. What about better stations and safe stations? I notice that you only have two stations that comply as being secure stations in Wales. Does that include any stations in north Wales? We do not have time to discuss every aspect of secure stations, but it is not just about CCTV. I used to be a magistrate, and once CCTV came in— This is to do with staffing.

9.50 a.m.

[124] **John Marek:** Eleanor, go gently, and within five minutes.

[125] **Eleanor Burnham:** Gently?

[126] **John Marek:** Let me tell you. If you want an answer, you will need to—

[127] **Eleanor Burnham:** Fine. Excuse me for a minute, Chair; if I can just finish, that will be it.

[128] **John Marek:** You are running out of time.

[129] **Eleanor Burnham:** Okay. I have not really had any say until now, and you know how passionate I am about improving matters for my constituents.

[130] It is not just a matter of CCTV; this is about expanded staff hours. If you have a disability, you cannot possibly use the trains properly, because if the staff are not there, the lifts are not available. How often does that happen? People are left stranded. On the train the other night, not only were the loos not working, but an elderly lady would have been stranded if it had not been for Karen Sinclair and me, because, for some reason, she could not get off the train. She may not have been used to the train. However, all these issues must be addressed if we are to have a brighter future, for goodness' sake.

[131] **John Marek:** Thank you, Eleanor. I need to protect you a little, because you had lots of exposure in the *South Wales Echo* last week, and you must feel that you are in the same position here. The serious point about it—and I do not disagree, Eleanor—is that many people have the same view as that which Eleanor has just expressed. There are many people who put it in different ways, and Eleanor makes a valuable point in her own way. Is there anything that you can say to us to demonstrate that you realise that there is this view? What hope is there of being able to tackle the matter?

[132] **Mr Bunker:** I will take it in two parts. First, let us take the staffing issue that you raised, Eleanor. In terms of our staff, we have made some changes. We now have a week-long induction for every member of staff joining the business, no matter what grade, whether they are customer-facing or not. There is a full induction, which—

[133] **Eleanor Burnham:** Okay, but can you take those two guys on the 7.20 p.m. from Shrewsbury or wherever, and discuss that?

[134] **Mr Bunker:** I have already said that I will identify and investigate that situation. In terms of what we are doing in the wider context, though, every member of staff, instead of getting a one-day induction, now gets a week-long induction that covers many things, including diversity and disability issues. We are, this year, embarking on a customer training package for every member of customer-facing staff, and then we will do every member of non-customer-facing staff. So, all the management and the behind-the-scenes people will be taken right through a full package of customer-service training. What we have is inconsistent. I am sure that you can give me an example of a really good member of staff, who is great and looks after you and you are really pleased when he or she is on the train. We have to deliver consistency, and that is what we are investing in customer-service training to deliver.

[135] In terms of not being out on the trains, I have been on trains with you, and I spend a lot of time on trains. I know that the *South Wales Echo* has decided various things. As I said, I was on a train this morning, and I am always out and about. If you want, I will come on the 7.20 p.m. with you, and we will go for a trip to Wrexham. I am quite happy to do that whenever anyone wants. I might not go with a journalist, because that is the nature of it, but I will certainly go with any Member who wants to go anywhere on any train with me—no problem at all. I am sure that Leighton will take me up on that.

[136] **John Marek:** You do know that this meeting is being broadcast live and will be heard all over Wales?

[137] **Mr Bunker:** I have already made that commitment to every AM that I have met. I am always on the trains, so I am quite happy to join you.

[138] In terms of the franchise agreement and the issues there, it may well be useful that we give a written brief at some point to colleagues—

[139] **Eleanor Burnham:** The point was about the constraints.

[140] **Mr Bunker:** I do not think that we necessarily feel that it is a constraint, but we need to explain why. I will ask Roger to respond on that point as to why it is actually quite a flexible document.

[141] **Mr Cobbe:** We believe that the franchise agreement offers a lot of opportunity for constructive work with the client body, which is now to become the Welsh Assembly Government, and, because it runs to 2018, for us to look for investment opportunities where we can do things over and above the franchise. We have to recognise that this is the sort of railway that does require a public subsidy. There is no getting away from that. The cost structure of a rail industry of the level of demand and the level of fares is such that almost every single train that we operate requires a subsidy. In general terms, the more trains that we operate, or the higher the capacity of those trains, the greater the subsidy.

[142] At the time that the franchise was let, we are aware that the Strategic Rail Authority had a very significant funding problem. Therefore, the form of the franchise did not involve any material investment whatsoever. That was a shame, but it was a fact of life. But the structure of a franchise agreement is such that investment can be bolted on to it. It can be bolted on if the client body requires it, and because we have the franchise until 2018, we have, as Graham indicated earlier, looked for situations where things that are not required by the franchise agreement can make a commercial return.

[143] **Eleanor Burnham:** Can you give an example of that?

[144] **Mr Cobbe:** I will give you two quick examples.

[145] **John Marek:** One will do.

[146] **Mr Cobbe:** There was no requirement to refurbish the sprinter trains, but we have decided that, if we spend that money and the trains are of a higher standard, more people will travel on them, paying more fares. Over several years, that will repay the investment that Arriva is making at its own risk. If those extra people do not travel, it is Arriva's money that has been spent refurbishing those trains; it is not the SRA's money.

[147] **John Marek:** We are already five minutes over time; I do not want to be more than 10 minutes over time and, hopefully, it will be less than that. We will have a quick mopping up. Lisa, you may ask a very quick question.

[148] **Lisa Francis:** On your generic aspirations, I wanted to know about platform heights and services for the visually impaired in the future. Do you have any outline plans for that? Do you have anything on paper that we could see on where you would intend to roll those services out?

[149] **Mr Bunker:** In terms of platform heights, we would like to see standardisation across the network. It is Network Rail's responsibility, as they are its platforms, as it were, but we are challenging it across some of those areas where there are particular platform height issues. Realistically, the Department for Transport has set a national target on compliance, on which Network Rail will be able to update you.

[150] On what we are doing for the visually impaired and those with disabilities, be they physical or otherwise, Alison, do you want to add something about our plans that are already in place?

[151] **Ms Teague:** We have fed into the DfT's global pot of money for accessibility. We have been quite strong in saying what we would like to see across our network and we have given it a list of the top stations, which is largely based on footfall, inter-connectability and

that sort of thing, on which we would like to spend money if it is available. We are also working on engaging with the wider community. We are working with Disability Wales to try to set some focus groups up—there will probably be one in north Wales and one in south Wales. We want to get some people in and to say to them, ‘If you had £500, £1 million or whatever, what would you like to see at our stations?’. That will help us form a list of what people who use the stations want and, from that, we can seek funding with third parties, we can talk to the Welsh Assembly Government about funding, and use some of our own funding to try to do some schemes at stations to help improve accessibility.

[152] **John Marek:** Would it be possible to send us that list?

[153] **Ms Teague:** At the moment, we do not have that list. We have the list that we have submitted to the SRA in terms of the requests that it has made but we have yet to run focus groups.

[154] **John Marek:** This is an avenue that I am sure that the committee would want to consider: putting that expenditure—

[155] **Ms Teague:** When we have run those focus groups, we will be happy to share the outcome with you.

[156] **John Marek:** Remember our timetable; it is quite tight. If it is to be included in our list, it has to be done quickly.

[157] **Eleanor Burnham:** My question has not been answered.

[158] **John Marek:** It will have to be a very short one.

[159] **Eleanor Burnham:** Excuse me, but—

[160] **John Marek:** It is not a question of ‘excuse me’; we have run out of time. It will have to be a very short one.

[161] **Eleanor Burnham:** On stations, you did not answer my question. That is not just to do with what Lisa has been discussing; it is also to do with expanded staff hours. If you do not have staff there, you cannot use the lifts. There will be people with children, pushchairs, prams—

[162] **John Marek:** The point was well made. That is a point, is it not?

[163] **Mr Bunker:** Part and parcel of this is developing an overall package. CCTV is only a part of it; it is also about staff and looking at the design of stations and so on. We are looking at where we can obtain the secure station mark. Eighteen car parks have already been identified for the park mark qualification, which includes security as well as other aspects. I would suggest that we write to you specifically, Eleanor, on where we are looking at taking that forward, with the focus on north Wales. We do have plans in place.

[164] **John Marek:** I will just wind up quickly. To support Eleanor on this, Wrexham—and I know that this is qualitative—has quite a low rate of pay for staff. You cannot hire the staff there and, therefore, they go off at 5 p.m., which means that you cannot use the lift in Wrexham, and people who are disabled or in wheelchairs, or have heavy luggage, do not get off there. I know of one passenger who had to go to Chester and wait for 40 minutes to come back again to get to platform 1 instead of getting off at platform 2. That was Eleanor’s point and it needs addressing.

[165] I have a final question. You have not mentioned Maindy junction improvements. Will that be taken care of in the resignalling of the western main line? As you know, there is a 10-mile-an-hour section for quite a long way once you come off Maindy junction, on the way to Cwmbrân.

[166] **Mr Bunker:** Absolutely.

[167] **John Marek:** It will; it is part of the resignalling, is it?

10.00 a.m.

[168] **Mr Bunker:** No, sorry. I am aware of it, and I assume that it will be done. In terms of the renewal that is done there, working with Network Rail, we will look at the high speed that we can get on the geometry. However, it is a sharp curve, so it will never be that fast, but there might be some room for improvements above 10 miles per hour.

[169] **John Marek:** It is more than the sharp curve, you see. It goes as far as the bridge.

[170] **Mr Bunker:** We will look at that, and Network Rail has it on its radar when it gets to the renewal.

[171] **John Marek:** If you have it, let us have that costing on your list, as that would be useful.

[172] I do not think that there are any more questions. It remains for me to thank you very much. I hope that you do not think that you were on trial. We are trying to work together here.

[173] **Mr Bunker:** Not at all. We are very happy to come here.

[174] **John Marek:** We all have our different ways of putting these things, so I am grateful to you. A verbatim record will be available in due course. You have given us some commitments as to what you will do, and we look forward to receiving that information as and when you can provide it. Thank you very much.

[175] **Mr Bunker:** Thank you very much.

10.01 a.m.

Network Rail

[176] **John Marek:** We are running just 10 minutes late, but we have just received an important set of evidence. We now move on to Network Rail, and another set of important evidence.

[177] Mr Plummer is in charge. Welcome to you and your team. We also have Mr Burns—we have met, have we not? The same rules apply: you have about five minutes for your presentation, and then shorter answers, if possible. I was rather lax on Arriva. We will try to get a few more questions in. Over to you.

[178] **Mr Plummer:** We will try to be brief, Chairman.

[179] By way of introduction, my name is Paul Plummer, and I am director of planning and regulation at Network Rail. On my right is Robbie Burns, the route director, and the single point of contact on issues around Wales with the Welsh Assembly Government. Mike Gallop, on my left, is the newly appointed route enhancement manager, which I will refer to again in

a moment.

[180] I will briefly say a few things about some of the changes that we have made, particularly following the rail review, and how we are dealing with that. Some of the fundamental issues coming out of that review are that we are now seeking to work far more closely and jointly with train operators across the country, focusing jointly on the final users of the railways—passengers and freight users. As well as that, given the other changes following the review, we are trying to focus and work with all of our funders, which include the Department for Transport, the Welsh Assembly Government, and others more locally, to help in the specification of the outputs that they wish to buy from the railway. That is a major area of work that we have to help to facilitate and deal with.

[181] There are three areas that those changes impact on particularly: performance, planning and projects. On performance, we are trying to work closely with train operators in what we refer to as joint performance improvement plans to identify and better understand what can be done between the parties, rather than us separately from the operators, to improve performance. That process is working well. Performance is improving. There are still some parts of the railway that are clearly inadequate in terms of performance, and we are focused on trying to improve those particular areas. However, we are seeing some good progress, and we need to keep pushing that hard.

[182] On planning, we are working with a wide range of funders and our train operators on the planning assessments that are being done at a regional level, including for Wales. Moving on from that, we will be developing our route utilisation strategies, which go into more detail about how we best use the existing capacity, and identifying how we can improve that with the funds that we have available to us. The Welsh route utilisation strategy will start next year, but we are doing a lot to try to lead into that, so that we are running fast by the time that we start that formally. We are also drawing up a freight utilisation strategy, which includes consideration of, and lots of discussion on, freight issues in Wales.

[183] Those areas of work feed into the process with Government around the high-level output specifications—the things that it wishes to buy at the next review. We are talking extensively with a lot of people in the industry about how to build up our plans for that and how we understand everyone's requirements so that we can develop our business plans as an input into that process. However, ultimately, it will be the Government that decides on the basis of those plans what it wants to buy from 2009.

[184] The third area was projects, and we are very conscious of the fact that doing business with Network Rail has been hard in the past, and we are determined to put that right. We have already made a number of changes to address that, such as the establishment of route enhancement managers, and Mike is one of those. They manage small teams, at a route level, that focus on trying to facilitate and help people who want to invest in the railway, rather than making that difficult, which has been the perception, if not the intention, in the past. That is very important.

[185] We have also changed fundamentally the way in which we contract, and we now have much more balanced template contracts that enable anyone to invest in the railway. They are proportionate to the scale and risk involved, which is a big step forward. Those contracts are on the verge of being approved by the regulator, so we will then be able to use them across the whole railway.

[186] Another important point is that, although our funding relates primarily to the core operation, maintenance and renewal of the network, we are trying, particularly in discussion with train operators at a local level, to do more economically efficient enhancements on the back of renewals projects. In many cases, that provides the best opportunity to get best value

for money and the least disruption to existing services. If that can be done as part of a clear strategy for the route over a period of years, it offers real opportunity for improvement. All of the work on the route utilisation strategies and so on should feed into smaller scale incremental improvements on the back of the renewals. I am sure that we will come back to that.

[187] Finally, and this is linked to your earlier discussions, we are putting an enormous amount of investment and energy into training people and improving the customer focus of the organisation, by which I mean the relationship with our direct customers, such as our train operator, and the focus on the final users of the railway: passengers, freight users and other funders. That concludes my brief introduction, Chairman.

[188] **John Marek:** Thank you. You heard the discussion with Arriva Trains Wales, so I will not repeat it all. Are you able to give us the same type of information, which the committee is looking for on improvements? We need some ballpark costs and the possibilities of implementation. Are you able to provide us with a list for Wales in the same way as Arriva has promised?

[189] **Mr Plummer:** I would like to work with Arriva and come back to you with some ideas.

[190] **John Marek:** I would be very grateful for that, because it would help the committee; we are charged with constructing such a list. Importantly, it would be useful to know about the improvements that you plan to do yourselves, because there is no need for any extra funding for those—and be honest about that. There are also improvements that you would probably not do unless you found 100 per cent of the cost from elsewhere. Then there are the projects for which a bit of pump-priming money might help, and the committee would be interested in such improvements. If you could come back to us in due course on that, we would be grateful.

10.10 a.m.

[191] **Mr Burns:** We could generate a long list; there are many things that we could do. However, we would need a bit of guidance from you, because we need to understand how you want to see the railways develop in Wales. We could concentrate on the best bang for your buck and on specific areas, whereas your own focus might actually be elsewhere. It would be helpful to have some clear guidelines about your own priorities, and then we could match schemes to them. What we will produce is a pretty endless list of good ideas.

[192] **John Marek:** I think that we should probably return to that question at the end of the half hour that we have. On the other hand, we have to produce an ordered list, and any help from you on the order would be helpful. There is no value for money in spending tens of millions of pounds on something that would have a minimal impact on improving passenger services or punctuality. It is a value-added judgment. The only thing that I would say at this stage is that you are the experts, not us. We are passengers, of course, but it is all qualitative or subjective to us, whereas you have an overview. That is why I am very glad that you are here to give us the benefit of that experience.

[193] **Janet Davies:** Following up on that, that is why I was asking Arriva whether it could relate the list that it puts forward to the Assembly Government's environmental, accessibility and economic aims. From our point of view, I think that we have to sort out what importance we give to various things. Clearly, different parts of the rail network have different levels of importance in those different criteria, so some are more important than others. Do you have any problems in actually carrying out the work that the Assembly Government may add? Would you have any problems with capacity in implementing extra spending in Wales? I

suspect that, as the west coast main line improvements are coming to an end, there may be some spare capacity there, or will it all move to the east coast main line or to the London area? Would you actually be able to carry out the work? You would have the lead on doing the work itself.

[194] On the ERTMS project for the Cambrian coast line, I think that we are all very pleased that the spending is going there. We realise the importance of this new signalling system. However, I have some concerns about whether there might be any particular challenges and pitfalls in terms of the existing service while the system is going in and when it is first implemented. Do you have any contingency plans to deal with any problems that may arise?

[195] **John Marek:** Before you answer, I have a housekeeping announcement to make. Someone has a mobile phone on and it is interfering with the transmission. I do not want you to identify yourself, but please just reach into your pocket and turn it off completely.

[196] **Mr Plummer:** I will say something briefly, and possibly Robbie will add some more. In terms of capacity to do the work, an enormous amount of work is being carried out on the railway across the UK as a whole. Although the west coast work is ramping down now, there is still some very major work planned on the west coast over the next few years. Other really big projects are also coming on, such as Thameslink, potentially.

[197] One of the other things that I would say is that we have been focusing very much on trying to deliver work efficiently. It is important that we scope things properly and are able to procure that efficiently. Sometimes that has meant that things take a while to get well developed. That is another constraint, as well as the pure deliverability and management of the supply chain, and obtaining access to the network in order to do the work with minimum disruption.

[198] **Mr Burns:** Specifically in Wales, I think that, principally, across the network, capacity issues focus on signalling resources, which tend to be a constraint. In Wales, because we are moving forward with the south Wales resignalling scheme and we are looking to dovetail additional enhancements into it, quite a lot of our signalling resources will be tied up in that scheme locally. I see that more as an opportunity than a threat in terms of capacity. So, that is good news in one sense because we are going to have a lot of contractors in south Wales from now through until 2011-12.

[199] In terms of ERTMS, as you know, the project is moving forward to commissioning in 2008. This year, we are moving forward to let a three-stage contract with suppliers, and we are currently in negotiations to do that. The contractual framework will certainly ensure minimal risk to passengers in terms of running services during the construction of this piece of work. It is new technology, so there are risks associated with it. It will be the first time that we have had an ERTMS system on the network, but we will do our best to mitigate those risks.

[200] **Janet Davies:** It is a bit worrying about scoping in the most efficient way. We feel that we are rather out on the edge of Network Rail's thinking when it comes to work being done here. I have never been able to find out any figures, and you may not have them, but I suspect that the percentage spend on the rail infrastructure in Wales is certainly less than the 5 per cent of the population, because we have less than 5 per cent of the railways.

[201] **Mr Burns:** In my view, this is an exciting time for enhancement for Wales. My patch includes Paddington station and the south west, and I can tell you that all the big schemes and interesting schemes are in south Wales. That is why I managed to attract Mike Gallop here to be my route enhancement manager. He is growing a big team to manage those schemes. If

you look at the schemes that we have delivered in the past year in the Vale of Glamorgan, Aberdare and we have just commissioned Caerphilly, and the schemes that are in development—the Newport incremental development scheme, Newport station regeneration, Rhymney valley platform extensions, Rhondda valley platform extensions, Merthyr frequency enhancements, and Maesteg line platform extensions—you will see that they are not happening in other parts of my patch. In other parts of my patch, I have two principal schemes. One is to improve the line speed of a goods loop at Swindon, and the second is to put a third platform at Bristol Parkway. So, the majority of the schemes on my patch are actually in south Wales. That is because you people are bringing the money and the focus to exactly the right places, so I am really excited about it.

[202] **John Marek:** I will just make the observation that this is the National Assembly for everyone from Barry to Holyhead. I will say no more. Rosemary, is your question on the same point?

[203] **Rosemary Butler:** Yes, it is on this issue. You talk about being efficient, but I hope that you are effective as well, because you can be efficient without being effective. I was interested in Janet's point about the Cambrian line, and you went on to say that you have all this capacity, and to tell us what is happening in south Wales. I got the inference that you would take people off that scheme to do the other scheme.

[204] **Mr Burns:** Far from it. It is a separate contract.

[205] **Rosemary Butler:** Yes, but you did actually say, 'Well, we have all this capacity here, which could perhaps help with that'.

[206] **Mr Burns:** What I meant was that we have the capability to do a renewal in south Wales with the signalling team that is in south Wales. If there were a need to place an enhancement on top of that renewal, because we are principally doing like-for-like modern equivalent replacement in the renewals, and if there were a view that we would like to spend more money to enhance the piece of the network that we are renewing, we have the contractors on site and the skills and the capability to absorb that work.

[207] **John Marek:** Thank you. Janet, have you finished for the time being?

[208] **Janet Davies:** Yes.

[209] **Eleanor Burnham:** I understand that *The Sunday Times* reckoned that you were reprivatising. Is that true? I also understand that the House of Commons Public Accounts Committee has been highly critical in its report on railway stations, suggesting that you act as a barrier to station improvements through unduly complex procedures. In view of our previous discussion with Arriva—particularly in relation to secure stations—which you may or may not have heard, I am particularly concerned that we can all access rail services, regardless of whether we have lots of luggage or are disabled or have children in buggies and so on.

[210] On the rail infrastructure, I think that it is really exciting, particularly for me, because my first short debate here—it was blue-sky thinking and completely off the wall—was about reopening the Ruabon to Barmouth railway line. We will park that for the time being. Are you serious about dualling the Wrexham to Chester line in future? What is your future involvement in the Conwy valley, possibly the Dyfi loop and the Heart of Wales line? Are these all issues beyond Cardiff—and which are very exciting—that you will look at? Do you also see a bright future for freight?

[211] **John Marek:** Before you answer those important questions at the end, I just refer

you to the last diagram that you have. You will see that Wrexham has been written out of that diagram completely. Is it a bus link that you are planning to Saltney? There is a dotted line on the plan and that usually represents bus links on railway timetables. Eleanor has made a good point and any comments would be welcome.

10.20 a.m.

[212] **Mr Plummer:** I will deal with the first two and ask Robbie or Mike to deal with the latter ones in a moment. In terms of reprivatizing, we are a private sector company, independent of Government, and the Government's role is to specify the outputs that we produce. We have a very arm's-length relationship regarding how we, as a business, deliver that. The articles in *The Sunday Times* are more about the way in which we raise finance on the back of the Government commitment to the railway, and I think that that is a slightly different point.

[213] In terms of barriers to improvement, as I said in the introduction, we certainly recognise that doing business has been hard in the past and we think that a lot of the concerns are being addressed—many of them have been addressed in the changes that we have already made—and a lot of it will be about making a real cultural change in the business, to follow through on the changes that we have put in place. I think that a lot of that is working better. We do not have money to do many of the things that you are talking about, but we do have a much better mechanism now, better processes, and better people in place, who can work more constructively with the people who are in a position to make that investment and to facilitate it, in a way that has not been there in the past. I hope that that answers your first couple of questions.

[214] **Mr Burns:** On stations, the Arriva Trains stations are leased to the company and it is responsible for their maintenance and upkeep. We are responsible for major renewals. We own a dozen or so major stations, including Paddington, and we run them from top to bottom. In terms of significant improvements, we are delighted to be involved in them. One of the biggest pieces of work that we will do in the next two years is at Newport, where we are going to reconfigure the station, working closely with the local authorities and the Welsh Assembly, in time for the great golf competition, the Ryder Cup, which is taking place in 2010.

[215] In terms of the Wrexham to Chester line and the Dyfi valley, I think that—

[216] **Eleanor Burnham:** The Conwy valley.

[217] **Mr Burns:** Sorry, I beg your pardon.

[218] **John Marek:** There were two—Conwy and Wrexham.

[219] **Mr Burns:** The first point is that we are taking part in a route utilisation strategy for Wales. This is a big piece of work that our planning and regulation department is doing. It is consulting widely to produce a plan, which will be the view on where we should invest and where we should develop. This would be part of that plan. It is a long and detailed exercise, which needs a lot of consultation and we are about to kick that process off. I think that that process will be completed in 2008.

[220] **Mr Plummer:** It will.

[221] **Mr Burns:** Any individual scheme needs to be taken in the context of the entire plan and where we think that you are going to get best value for money.

[222] **John Marek:** We do not have that amount of time, because we have to produce our report by the end of March, and 2008 is a bit further down the line. It would be helpful to have some sort of ordered list from you, which you have already promised to provide. There are two other points that Eleanor made and, rather than discussing them now, perhaps you could take them on board and give us your considered views at your leisure.

[223] **Mr Gallop:** I will just make a comment regarding the freight issue that Eleanor raised, if I may. First, last week, we met the Rail Freight Group in Cardiff at its quarterly meeting and discussed in great detail its aspirations for freight in Wales. Secondly, last week, the volume of steel hauled from Port Talbot to Llanwern broke all records, using our infrastructure, so freight is an extremely important part of the infrastructure of south and north Wales and we fully recognise that.

[224] **John Marek:** Rosemary, are you coming in or are you okay for the time being?

[225] **Rosemary Butler:** I think that Leighton was indicating.

[226] **John Marek:** Are you okay for the moment? You can come in later if you like; it is up to you.

[227] **Rosemary Butler:** Yes, okay.

[228] **John Marek:** Lisa is next.

[229] **Lisa Francis:** Mr Burns, I am looking at point 18 in the letter that you sent to us, which sets out—if I have read it correctly, as it is a rather long and complicated paragraph—what difficulties and constraints third parties could expect if they entered into any scheme with Network Rail for improvements. Is it possible to say what timescales we are looking at? Obviously, there are improvements under way at the moment that the Welsh Assembly Government has funded and is involved in, but if the Assembly was to give further funding, can you tell us what the rate of progress could be on additional improvements? You mentioned 2008 a little while ago, and as the Chair correctly said, we do not have that sort of time. I know that it is a very difficult question because you do not know what constraints and barriers we will come up against, but, roughly, can you give us an idea about that?

[230] On the European rail traffic management system scheme, which you say is scheduled to start operating in 2008, that would facilitate the ability to install two passing loops on the Cambrian line, and to increase capacity. Do you anticipate that that work will be undertaken at the same time as the ERTMS? Are we looking at 2008 as the date for installing passing loops on the Cambrian line?

[231] **Mr Burns:** On the first part of your question, if I could take you back to Railtrack days—I joined just as Railtrack was in its demise—I was the major projects director. We had 12 major projects, and they were all over budget and they were all running over in terms of time and schedule. So, the company was not delivering on its major projects. I was involved in writing the guide to rail investment projects process, which pins down stage gates so you do not move forward with the project until you have nailed the scope properly, and you understand how you will move it to contract. That formal process was essential to bring us back into a position of being able to deliver and honour our customers' requirements. It depends on the size of scheme, but if you are talking about a relatively modest scheme, there is probably a year's worth of development in it, and probably a year's worth of delivery. So, if money was available now, you might expect to commission a relatively small scheme at the end of 2007. That might be reasonable. Even then, you are having to book possessions well in advance, and the possession regime is a protracted one. For bigger schemes, you are talking about perhaps four years for delivery, and even that might be tight.

[232] In terms of the ERTMS, we are working very closely with Robin Shaw and the Assembly's team to see how we can fold-in the enhancements that you are talking about into the ERTMS project. It is not a simple matter, and it is not necessarily clear where the loops might be, or where the money will best be spent, but we are working very closely with Robin—I spoke to him yesterday morning on that subject.

[233] **John Marek:** That should be on your list when you send it back to us, because I am sure that there will be great interest in that.

[234] **Mr Burns:** We are very conscious that the need for an hourly service on the Cambrian line is a key requirement for you.

[235] **Carl Sargeant:** You talked about specific schemes in your paper, but you talked about modest schemes in general to Lisa. On your paper, I am being very parochial but I think that it is a north Wales issue, and you mentioned—

[236] **John Marek:** I do not want to break things up, and you will get your own shout later.

[237] **Carl Sargeant:** Yes, but this is about third party involvement. You talk about modest programmes. The Flint and Shotton station enhancements, which are small to modest in size, have been ongoing for 12 months or so. How soon can we be confident that these schemes are taking place?

[238] **Robbie Burns:** It is a fair question. Flint station was managed by London North Western Railways, another part of Network Rail, until we became the single focus. That will now be managed by Mike, and we know that Flint station is an issue that we need to get to grips with. We will come back to you off-line to tell you exactly how we will deliver.

[239] **Carl Sargeant:** More so Shotton station, which is extremely important.

[240] **Mr Burns:** We will come back to you in writing to tell you where we taking it.

[241] **Leighton Andrews:** I have a relatively simple question. You spoke of your previous experience at Railtrack, when projects were delayed and were not necessarily on budget or on time, if I understood what you said. You have all these enhancement schemes in development, starting from mid-2007 to spring 2009, including the Rhondda Valley platform extensions, which is the one that concerns me the most. How confident are you that these will be delivered on time?

10.30 a.m.

[242] **Mr Burns:** I think that the first issue is to decide whether they will be delivered by the third party and we are going to support them, or whether we will deliver them ourselves on your behalf. In a number of instances, that has not been decided yet. Clearly, it is within the gift of the person who will fund it whether he wants to deliver the scheme himself and have a contractual relation directly with the contractors, with us in support, or whether he wants he wants us to deliver them on his behalf. If we are going to deliver on his behalf I will first want to be absolutely sure about the schedule and about the requirement before I confirm exactly what the date is. Once we have confirmed the date, we will deliver on that date.

[243] **Leighton Andrews:** Okay, but that means that these dates are not fixed but are notional dates.

[244] **Mr Burns:** These are dates that have been produced by the Welsh Assembly

Government and we are working with the Government to deliver these schemes. However, the schemes are in various stages of development and contractual commitment.

[245] **Leighton Andrews:** Are there clear cut-off dates as to by which time those kinds of decisions need to have been taken in order to ensure the delivery of the dates set down here?

[246] **Mr Burns:** Yes, there are. That is correct.

[247] **Leighton Andrews:** Are we approaching any of those?

[248] **Mr Burns:** No, we are okay.

[249] **John Marek:** I call now on Carl in his own right.

[250] **Carl Sargeant:** I have just one point, as I covered one of my points earlier. I am interested in the Wrexham to Bidston line. There has, for future programmes, been consideration of the electrification of the line, which I certainly support, because it would link into the north-west economy of Liverpool and Merseyside. I think that that has its advantages. Do you have any comments on that, and how would that feature in a projected future programme of funding, potentially from the Assembly?

[251] **Mr Burns:** This is the third line, is it not?

[252] **John Marek:** It would be the third line.

[253] **Mr Burns:** That would also be very much an issue for Mersey Rail, in terms of the commitment to that kind of scheme. We currently have no plans to do it within Network Rail, but, if a third party wanted to do it, we would be supportive.

[254] **John Marek:** I think that it would be useful in your list to give us a ballpark idea, if Mersey Rail did it as far as Neston, or wherever the English border is, how much would it cost us in Wales to continue the third railway line all the way to Wrexham central station.

[255] **Mr Burns:** The figures that we would use would be very much ballpark ones.

[256] **John Marek:** Yes, absolutely.

[257] **Mr Burns:** You would need to do a detailed study to understand the figure.

[258] **John Marek:** We want to avoid that. This is not that type of committee. Carl, did you want to carry on?

[259] **Carl Sargeant:** I am fine.

[260] **John Marek:** I call Eleanor, and then Rosemary.

[261] **Eleanor Burnham:** You did not actually answer about the Heart of Wales upgrade or whatever. However, I was also concerned that there is quite a move in the area to re-open Rossett station. In fact, Wrexham council is talking about park and ride, which would then serve as a park and ride into Chester.

[262] **John Marek:** I am sorry to interrupt, but is this not this question more for Arriva than Network Rail?

[263] **Eleanor Burnham:** No. Well, I would imagine that it is an infrastructure issue, is it

not? You can tell me whether it is or not. Is the re-opening of stations partly to do with you?

[264] **Mr Burns:** Yes. I do not know about the detail of that particular issue, I have to be honest with you, Eleanor. I will have to take it off-line, I am sorry.

[265] **Eleanor Burnham:** I understood that Network Rail, as a body, seemed to be quite positive towards the idea. I just wanted to know what future there is, because a lot of the local people are very keen to re-open it. Could you just give us some thoughts in your submission about where you might go in the future on that?

[266] **Mr Burns:** Yes.

[267] **John Marek:** You might also need to ask Arriva, because it involves passengers.

[268] **Rosemary Butler:** To go back to the earlier question from Janet, I think, about the ability of Network Rail to deliver on additional investment, and then to refer to some things in your presentation, Mr Burns, I think, talked earlier about the reconfiguration—which is a wonderful word—of Newport station specifically for the Ryder Cup in 2010. We also have the re-signalling scheme in 2008-09 and phase 2 in 2011-12. If any of that slips, what effect will it have on the very important re-opening of the Ebbw Vale rail link into Newport?

[269] **Mr Burns:** The re-signalling is in four phases, as you know. It will be in Port Talbot first, which is ongoing now until 2007, and is pretty much set in concrete. We then move to Newport and the first phase of Newport, which is 2008-09. That is quite a complicated piece of work. It starts in 2008, and some of the major commissioning work is in Christmas 2008. The subsequent commissioning work is around the spring bank holiday 2009. That is split into various stages to reduce the risk of each stage impacting dramatically on passengers. It is a complicated package and we are in negotiation with the train operating companies on it, so it would be inappropriate to give you the detail of that until we have confirmed it and they were happy with what we proposed in terms of the commissioning plan.

[270] Most of the works are done, either in already booked possessions, which will not affect passengers, or without possessions. The difficult periods are the commissioning periods, where you need a wheels-free period to test the signalling and ensure that it will work. That is the Newport part. We then move to Cardiff and we split that up into four stages. That will be the next stage. We then return to Newport and go north of Newport to do the final stage of the work, so that is broken into four stages. Certainly, if we overrun, there will be issues. There is no doubt about that. We are very focused on the Ryder Cup and on Newport and the condition in which it needs to be for that event, so we are planning not to overrun.

[271] **John Marek:** You no doubt heard me mention Maindy Junction to Arriva Trains Wales, and, of course, you can go fast if you want to go off to the Severn Tunnel Junction, but you go very slowly backwards and forwards from Newport station if you want to go northwards to Abergavenny. That has ramifications for not just the north Wales and south Wales services, but commuter services to Cwmbran and Abergavenny. Will the re-signalling improve the very slow stretch of 10-mph line from the junction right up to the bridge? You do not need to answer now, but when you come back to us, that is an improvement that I would like this committee to, at least, consider at some stage.

[272] **Mr Burns:** I can answer that. It is part of the works. The commissioning in Christmas 2008 does not take that into account, but between the commissioning in 2008 and the spring of 2009, that junction will be remodelled.

[273] **John Marek:** That is good.

[274] **Rosemary Butler:** I do not know why you would want to rush through that lovely part of the countryside, Chair—it is just below my house, so I do not think that you should rush past it.

[275] On this issue of people's expectations, I would like to go back to the Cardiff-Ebbw Vale-Newport line and the effect that this work will have on that. It strikes me that if it does have a relationship, then that line is slipping back by a considerable number of years.

[276] **Mr Burns:** No, it is not. There are two phases, as you know, to the Ebbw Vale project. Phase 1 will bring services into Cardiff and phase 2, into Newport. I know that that has been a very sensitive issue, but that is how it was constructed and agreed with the Assembly Government, and there should be no impact.

[277] **Rosemary Butler:** So, what are we talking about in terms of finishing that Ebbw Vale to Newport line?

[278] **Mr Burns:** Do you mean phase 2?

[279] **Rosemary Butler:** Yes.

[280] **Mr Burns:** I think that phase 2 is scheduled for 2009 to 2011.

[281] **Rosemary Butler:** Is that a start or finish date?

[282] **Mr Burns:** It starts in 2009 and finishes in 2011. I think that those are the dates.

[283] **John Marek:** You are doing your best to finish the immediate phase this year.

[284] **Mr Burns:** Actually, it is not being delivered by us this year.

[285] **John Marek:** No, it is not.

[286] **Mr Burns:** It is being delivered by you, with Amey, and we are in support. The delivery is between you and Amey.

[287] **John Marek:** Yes, I understand that. I do not want to prolong this issue. We have two minutes left. Does anyone have any quick wind-ups?

[288] **Lisa Francis:** It might be a wind-up, Chair; I do not know. I wanted to know if you could say how you assess your working relationship with the Welsh Assembly Government. Could you tell us what type of communication you have, how many round-table meetings, how often those occur and how often you have progress reports?

[289] **Mr Burns:** I will speak to what happens at my level and then ask Mike to say a few words. Mike has only been in post for a month, but he is already establishing, hopefully, a good relationship with the Welsh Assembly Government. I have met Andrew Davies two or three times. I have had a separate session with him in terms of briefing about what we are trying to achieve here, and getting an understanding from him about what he is trying to achieve. I have met with Robin Shaw twice, but we regularly talk on the phone. I think that the relationship is good and I would be disappointed if the Welsh Assembly Government felt that it was not.

[290] **Eleanor Burnham:** Just to wind-up next—

[291] **John Marek:** No. There is an answer from Mr Gallop first, and I think that we will then be out of time, but we will see.

10.40 a.m.

[292] **Mr Gallop:** I will be brief, Chair. As Robbie says, I am new to the post. I am establishing and helping to reinforce the already good working relationship that Network Rail enjoys with the Welsh Assembly Government. I have met Robin Shaw and several of his team recently to discuss progress issues arising and so on. We also meet the South East Wales Transport Alliance regularly—that is a well-established contact point, and going forward, we recognise its importance. Personally, I am due to meet representatives of Taith on 8 March to discuss its aspirations for north Wales, and, later in March, I am also due to meet with SWITCH to discuss its aspirations for west Wales.

[293] **Mr Plummer:** We also meet very regularly with people from the Welsh Assembly Government in relation to industry framework issues. There has also been a very good relationship there.

[294] **Eleanor Burnham:** I was going to ask about Taith, but is there a very good relationship developing with Arriva as well?

[295] **Mr Burns:** Yes. Graham used to work for me, in a former life, when I first joined Railtrack, so Graham and I work very well together.

[296] **John Marek:** Thank you very much. We are coming up to the break. I thank you and your team for coming along. I repeat that we have a verbatim record, which you will receive. I am very pleased that you will be able to give us an ordered list of ballpark figures of costs and implementability, if such a word exists. Please send that to the clerk. Thank you very much—we appreciate it. The committee will now adjourn for 15 minutes.

*Gohiriwyd y cyfarfod rhwng 10.41 a.m. a 10.58 a.m.
The meeting adjourned between 10.41 a.m. and 10.58 a.m.*

Trafnidiaeth Cymru ac Adran Drafndiaeth y DU Transport Wales and UK Department for Transport

[297] **John Marek:** It gives me great pleasure to welcome Transport Wales, which is the transport arm of the Welsh Assembly Government. If it is convenient for you, we could take two groups together—the next item was the UK Department for Transport, of which there are two representatives, with Robin Shaw.

[298] **Rosemary Butler:** Could we close the door?

[299] **John Marek:** Yes. Do we have an usher to shut the door for us? Alison, can you shut the door so that we can get on with the committee? Members must know that these committees start on time.

[300] We have Stephen Clark, divisional manager, rail regional policy and delivery division, together with Stephen Wolstenholme, Scotland and Wales rail regional manager for policy. I welcome both of you. I also welcome Robin Shaw, who heads up the Welsh Assembly Government side of rail policy.

11.00 a.m.

[301] Can we take both together? Robin has given the committee a briefing before, so we do not want a repeat of these things. Obviously, if you want to say something, Robin, please do. There is a correction in something that you want to bring to our attention, is there not, Robin? I will call on you to do that first, then you have five minutes or so for a presentation, and then we will get on with questions. Robin, over to you

[302] **Mr Shaw:** As you say, Chair, I have already given the committee an informal brief, explaining where we are and the various initiatives that are running. So, I suggest that, as far as I am concerned, this session be predominantly a question and answer session for any issues have been raised from that briefing or from the discussions that you have just had with Network Rail and Arriva.

[303] There is one point to correct. In paragraph 4.6 of our paper, the final sentence should read:

[304] ‘Stakeholders, including the Assembly Government, will be consulted on the HLOSs, but this is not a joint document.’

[305] I have provided that amendment to the clerk of the committee, and that will be put in the formal minutes. It is a minor typing adjustment; it does not change anything of any significance.

[306] **Eleanor Burnham:** Can I clarify that? Is that on page 13 of this particular document?

[307] **Mr Shaw:** I do not have a page number, I must admit. It is paragraph 4.6 of the paper from Transport Wales, if that is the one that you have.

[308] **Eleanor Burnham:** So that is paper 3, Chair, is it?

[309] **John Marek:** Yes.

[310] **Mr Shaw:** If you find paragraph 4.6, which is just down from the top of that page, it is the back end of that. It currently reads, ‘the Assembly is a statutory consultee’, but it should read ‘stakeholders including the Assembly Government will be consulted on the HLOSs, but this is not a joint document’. Okay?

[311] **John Marek:** Thank you, Robin. Are Members up with that now? I see that you are. Is that all you want to say at this stage, Robin?

[312] **Mr Shaw:** I think so, unless there is anything else, in which case we can take it as a question.

[313] **John Marek:** Let us turn to the Department for Transport. I invite you give us—

[314] **Eleanor Burnham:** Are we not allowed to ask Robin questions?

[315] **John Marek:** We will take both at once, do you see? The answer is ‘yes, you are’, but not now. So, if we can, let us have the DfT presentation, and then we will—

[316] **Eleanor Burnham:** But they are different questions.

[317] **John Marek:** You will be entitled to ask both of them.

[318] **Eleanor Burnham:** All right.

[319] **John Marek:** So, please, Mr Clark, go ahead.

[320] **Mr Clarke:** Thank you for your invitation to appear. We are glad to be here. It is an interesting time for railways in Wales. As you will be aware, the rail White Paper of 2004 set out the UK Government's intention to devolve a lot of decision-making powers affecting the railways. In particular, a number of powers have been devolved to the Assembly. We are very glad to be working well with the Assembly in actually implementing those aspects of the rail White Paper.

[321] Two or three years ago, the Strategic Rail Authority set up the new franchise that has become the Arriva Trains Wales franchise, and that franchise was reconfigured to serve, principally, the needs of Wales and the border counties. One of the things that that franchise has introduced, as you know, is the standard-pattern timetable. We see that as a good thing, and as an innovation. I realise, from this morning's discussions, that a lot of issues need to be sorted out to improve that. However, we see that standard-pattern timetable as an improvement, on the whole. We also see the work of Network Rail to be very important for Wales, and, in particular, some of the projects that colleagues from Network Rail have mentioned this morning in their evidence.

[322] The devolution is very exciting. It is already the case that the franchise for ATW is managed jointly between ourselves and the Welsh Assembly Government, and, from 1 April, we will transfer the bulk of the resources that go with managing that franchise to the Welsh Assembly Government and put in place arrangements for that franchise to be managed directly from Wales. We are looking forward to that taking place.

[323] Finally, I have some very good working relationships with Robin and the Assembly in general, and with that, I close my remarks.

[324] **John Marek:** Thank you. That is very useful. I think that Robin will agree that the document, 'Future Rail Projects for Wales', which we as members of the committee received, should properly be before the committee. We have all had a copy of it. To my mind, it is a very good compendium of the Welsh Assembly Government's view on what ought to be done. You may wish to revise it at some stage over the next month. If you do, Robin, please let us know.

[325] **Mr Shaw:** The only comment on that is that, in that document, we have included schemes that we are taking forward and, in that sense, are committed to, but also a range of aspirations that we have been made aware of and on which, in many cases, we are carrying out joint studies and feasibility assessments. I have not included that in the formal paper to committee because, obviously, many of those schemes are not yet committed Welsh Assembly Government policy to take forward, so, I do not think that it should be part of our formal evidence to the committee. However, the information is for your benefit.

[326] **John Marek:** It is all public information, is it not?

[327] **Mr Shaw:** Yes.

[328] **John Marek:** In that respect, I do not see anything wrong in that. We accept that.

[329] **Janet Davies:** I have a question for Robin and then a question for the two Stephens. I do not know whether you are able at this point to give any priority to the aspirations in this document, but how would you see yourselves driving forward the ones that do get priority?

[330] **Mr Shaw:** Apart from anything else, that is one of the purposes of this committee: for you to give your views and thoughts on that. As far as we are concerned, the focus has

been on the one or two key commitments, such as the opening of the Vale of Glamorgan and Ebbw Vale lines and the enhancements necessary on the Valley lines in order to deal with the spectacular growth of, and the success story that is, the Valley lines. That is where our prime focus is. That does not mean that we are not addressing issues elsewhere in Wales but those have been the key priorities.

[331] On going forward, we have several challenges in terms of the decision-making process. It is clear that, in terms of the commuter traffic in any part of Wales, but predominantly in south-east Wales, there seems to be a huge latent demand and we could provide additional capacity at peak times on the rail network in south-east Wales and find that it was virtually full the day that we put that capacity on. Given that peak capacity inevitably requires public subsidy because of the operational issues around it, that is a big challenge for us and that is where the difficult decisions will be focused. Having said that, we wish to maintain and improve accessibility to rail services for all of Wales.

[332] The other challenge that we have is the rural services, which, again, will never be commercially viable. The competing challenge of whether we should invest and put additional resource into additional capacity on the Valley lines compared with, say, increasing the frequency on a rural line into west or mid Wales is a very difficult decision. Those are some of the future challenges that we will face. We have asked the transport consortia—and you will see some of this later in the submissions from SEWTA—to assist and facilitate us in providing an evidence base in order to make those forward decisions.

[333] So, those are the issues and challenges that we face, as far as I am concerned. We will have some very interesting debates, I suspect, going forward, as to what the relative priorities are and balancing the geographical and travel-demand issues that are very different for different parts of Wales.

[334] **John Marek:** I will just interrupt you Janet, if I may, but I will come back to you. On that point, it would be useful if you could give us some sort of list. It would not be fair to ask the Department for Transport, but we could certainly ask you, Robin, for your ideas about prioritisation. The committee will have to consider that because we have been charged with providing an ordered list, so we will have to make the type of judgment to which you have just referred. Would it, therefore, be possible for you send us something in written form?

11.10 a.m.

[335] **Mr Shaw:** That would be quite difficult for us at this point in time, Chair. As an example, we asked the South East Wales Transport Alliance to prepare the document on its longer term future proposals, but I read it for the first time last night. The timing of this committee has probably facilitated the publication of that document. Therefore, it has not been possible for us to consider that in any detail. It certainly has not been possible to give advice to Ministers on that basis, and therefore I do not think that it would be appropriate for me to set down, if you like, a set of priorities going forward in that respect.

[336] In the paper that we submitted to you, we have given you the schemes that we are currently working on, and the schemes that we currently consider we are committed to. However, beyond that, it would be a problem.

[337] **John Marek:** In that case, if I may suggest, perhaps you could have a word with your Minister on this, because the committee will have to produce an ordered list, and it wants to produce the best ordered list possible. That will be debated by the Assembly in Plenary, and it may well be that priorities and decisions are made—though I am not prejudging anything—and we would not want not to have an input from the ministerial side, if one is available.

[338] **Mr Shaw:** Okay. I will put that to Andrew Davies.

[339] **John Marek:** Sorry, Janet, I interrupted you.

[340] **Janet Davies:** That is okay.

[341] Robin, you are right about preserving a balance, and there are different factors in different parts of Wales. I must mention south-west Wales, because it has hardly been mentioned today, but that is another factor there. So, the fact that I want to talk about the Valleys lines into Cardiff does not mean that I am not thinking about other parts of Wales. Am I right in thinking that the more passengers you have, the bigger the subsidy the Assembly must make? I was told in a recent Economic Development and Transport Committee meeting that increasing the number of passengers would not help to reduce the subsidy. Therefore, would it actually increase if there were more passengers?

[342] **Mr Shaw:** It would if those passengers were, as I would expect them to be, largely commuter flows over a short period of the day. The expensive part of providing a rail service is the fact that the asset is underutilised for the rest of the day. However, that is one of the relative challenges, because it may well be that by improving services to other parts of Wales we can get a better return in increasing patronage levels across the whole of the day. However, in simple terms, if we put additional rolling stock onto the Valleys lines to provide for those peak-hour flows, it will cost increased levels of public subsidy, unless we significantly increase the fare box.

[343] **Janet Davies:** You will need to balance that against increasing congestion on the roads in a very urban area.

[344] **Mr Shaw:** Yes.

[345] **Janet Davies:** Therefore, are you working on the road/rail balance as well?

[346] **Mr Shaw:** Yes. However, again, we must recognise how limited the contribution of rail is in percentage terms to overall traffic movements. The exception is to the centre of Cardiff, where rail services already provide about 30 per cent of the commuter flows into the city centre. However, outside that, the rail contribution would be probably less than 10 per cent in most areas. Therefore, we have to recognise that balance.

[347] The challenge is how we deal with the increasing demand for travel. You are right that that challenge exists across any mode. We are not likely to provide road capacity going forward for an ever-increasing capacity for peak-time travel with one person in a car; it is not sustainable. In fact, in many parts of Wales, it is not even physically possible. The challenge then is whether you try to compensate by increasing public transport—the answer to that must be ‘yes’. However, should we provide all the capacity to satisfy demand, or do we acknowledge and recognise that there are techniques to manage that demand, including regenerating some areas to reduce the need to travel?

[348] **Janet Davies:** May I ask a question to the Department for Transport representative?

[349] **John Marek:** Yes, of course.

[350] **Janet Davies:** Since the demise of the Strategic Rail Authority, you have handled many of its powers. Many of those powers will transfer to the Assembly Government shortly. What plans have you put in place for the future that you can hand over to the Assembly Government?

[351] **Mr Clark:** First, the franchise agreement itself is jointly signed by the Assembly Government and us, so all of the plans that that contains are jointly owned, if you like. The management of those plans and of the franchise transfers to the Assembly Government on 1 April, hopefully. So, the package of plans in the franchise comes under the management of the Assembly Government.

[352] With regard to other plans, in the run-up to the 2007 spending review, we are working to produce something called a 'high-level output specification'—HLOS is the lingo for it—which will set out the outputs that the UK Government wishes to buy from Network Rail over the five years from 2009 to 2014. That is quite a lengthy process, but it is timed to coincide with the Chancellor's spending review in 2007. So, we are working on plans that will go into that high-level output specification.

[353] One of the key inputs to that is the work that we are doing with the National Assembly on the Welsh planning assessment, which is a daughter document, if you like, to the Wales transport strategy. That work is ongoing; it started in the past few months. The other key input, as Network Rail colleagues mentioned this morning, is the work that it is about to initiate on the short to medium-term route utilisation strategy.

[354] **Eleanor Burnham:** I have some questions for Robin. The document is very interesting, but you have almost disowned it, because, to paraphrase your words, it is virtually meaningless. I am sure that you can put me right on that, but that is the impression that I got from your initial presentation. We have these wonderful people sitting behind us who are as keen as I am, and everyone on the committee is, to improve the railways. However, I am concerned that we do not raise expectations unduly and create another reality gap between what is possible and what we, as passengers, would like.

[355] I am going to be parochial, obviously, and you spoke about the doubling of the track from Gobowen to Chester. My understanding was that it was to be done from Wrexham to Chester. That is possibly a mistake, which could have an impact on your not-known timescale and not-known cost. I find that quite frightening. In that area, many people, and Wrexham council, are very keen to have a park-and-ride scheme, for example. If you were to reopen Rossett station, which I mentioned earlier, you could provide park-and-ride schemes to Wrexham and north to Chester and beyond.

[356] It does not seem that there is much comfort for people in north Wales given the figures that I noted on Flintshire commuting when I substituted for a member of the Economic Development and Transport Committee last week. Forgive me if I am paraphrasing incorrectly, but you said something quite fascinating: that rail is not so cost-effective. Commuting out of Flintshire is horrendous. Surely we should be doing everything that we can to ensure that we use rail in every capacity—park-and-ride schemes included—to take a holistic approach. The only exception to that approach is with regard to what you said about preventing people from having to commute so much, with which I wholly agree.

[357] **Mr Shaw:** I do not think that I discounted the document. I think that you are referring to the document that I gave you at the informal briefing. What I said was that we had included, for your information, the schedule of schemes that were considered as aspirations for enhancements to the rail network in Wales. We have promoted some of those aspirations, and some have been promoted by others. Therefore, we were providing a comprehensive list. A number of them are actively being worked on, including the doubling proposal.

11.20 a.m.

[358] You are quite right; it is from Wrexham to Chester. That is an active project, which is at the feasibility stage. In fact, consultants have been appointed in the last few days to take

that forward. Obviously, whether we would then consider it a priority for future investment from the budget that we have at our disposal will depend on the outcome of that report. Until we see the report, the costs and the cost benefit analysis, which will be done as part of that assessment, I do not see how I can give you definitive evidence-based advice on where that would sit in relative terms as far as the future is concerned.

[359] You also have to recognise that the budget that I have at my disposal is only for the next two/three years at any one time. So, in terms of absolute commitments, we are working on a rolling programme. Yes, we seek to prioritise, and the point of asking for studies such as that one and the work that you have seen by SEWTA, which was produced by Jacobs Consultancy UK, is to help us to facilitate the decision-making process and to arrive at a forward programme. You have heard from Network Rail this morning that it has some quite long planning timescales to deal with the resignalling and the renewals. We need to be ensuring that no opportunities are lost as it is taking forward and designing those works, which we would regret subsequently if an aspiration were no longer deliverable. So, we have to maintain the real world, in terms of what the programmes and budgets are and what we know we can deliver, as well as an aspirational one, to help in the long-term planning process.

[360] **John Marek:** I would be grateful if you could, when you send us information, differentiate between those two. This committee may decide to do nothing, but when it comes to us before Plenary, we may decide to set the priorities for you. We may not, but you need to be mindful of these possibilities.

[361] **Mr Shaw:** I am sure that we will be very interested in your recommendations.

[362] **John Marek:** They will not be recommendations, but they may well be motions carried by Plenary, and that is a little bit stronger than recommendations.

[363] **Mr Shaw:** To respond to the other point that you raised, what I was saying in terms of commuter traffic is that, yes, it is expensive to provide commuter capacity by heavy rail if there is very little demand for those services outside the peak period. It means either that the trains have to be parked up for a good part of the day doing nothing and earning no resources or, alternatively, that you are running empty trains for the rest of the day.

[364] **Eleanor Burnham:** Is it possible to use light railway to do this? Have you thought about that? There is a company in Stourbridge called Parry Associates, which keeps telling me how wonderful its system is.

[365] **Mr Shaw:** Light rail has been looked at as an option in a number of locations, particularly in Cardiff and down to the bay. Sadly, I think that the evidence to date is that light rail and tram systems are very expensive to implement, and not many of them are actually making a return on the investment. So, I do not think that that is necessarily the solution, but, clearly, in terms of any particular problem or issue, we should be considering all the options.

[366] **Eleanor Burnham:** I have a question for the Department for Transport.

[367] **John Marek:** Yes, of course, but we need to speed it up a bit.

[368] **Eleanor Burnham:** I will be as quick as I can be. I am really interested in your take on the 'improvement' to the standard pattern timetable. As a regular user, and as Dr Marek will confirm, I think that it is disputable whether the standard pattern timetable, as applied by Arriva, from Holyhead to Cardiff is improved. There is so much time lag in it. From my knowledge, the franchise seems to be quite strict, and has parameters to do with quantity and monitoring regularity rather than quality. Can anything be done to improve what you believe

to be an improved standard pattern timetable? How can we have quality, which is just as important, as part of the franchise agreement?

[369] **Mr Clark:** Can I take quality first?

[370] **Eleanor Burnham:** Please do, as it is very important.

[371] **Mr Clark:** In terms of quality, the franchise agreement is now signed. The franchise agreement covers a range of different things that Arriva Trains Wales has to do for us, for the Department for Transport and for the National Assembly. Those things can be changed if we are not satisfied with them. Depending on what that change was, we may have to agree between the two of us, but there are some changes that could be made at your behest. It is possible to change the quality that comes out of the franchise agreement, which is stipulated on Arriva Trains Wales. However, many things can probably be done before you need to do that. The way in which the franchise is managed is particularly important in seeking and delivering improvements in the outputs that you see. The lever of franchise management and the transfer of the franchise management to Wales will give you greater control over the way in which that franchise is managed in future.

[372] **Lisa Francis:** My first question is to the Department for Transport. In your paper, if I have understood it correctly, you say that local authorities together with the National Assembly for Wales will inform Network Rail of things called 'route utilisation strategies'. Their purpose is to appraise changes that need to be made across the board and, in turn, they develop things called 'high-level output specifications'—I know that this is complicated. What confuses me is that you say in your paper that the high-level output specifications that you develop seem to be different from those that Network Rail develops, or that they work on a different basis. Could you explain that?

[373] **Mr Clark:** It is complicated, and I wish that it was not. The UK Government spends around £3 billion a year with Network Rail, so we want to take a lot of care in figuring out exactly what that money should be spent on. The money is effectively defined in five-year chunks. There is a five-year chunk that runs from 2009 to 2014. The high-level output specification that we are currently developing will set out what we want to buy for that period of time. It will be a lot of money, and it is a complicated process, but it needs to be to discharge our public responsibility to spend taxpayers' money wisely on the railways. So, yes, it is a complicated process. It is a high-level process, as it is a national task. The route utilisation strategies sit beneath it. They are more detailed pieces of work that look at around 20 parts of the English and Welsh railway network. They look at the plans in a lot more detail and ask 'What sorts of things could be done on this part of the network?'. Some of that is about what you might call 'schemes', that is, physical works, but a lot of it is asking how we can use the railway network more smartly. For example, can we re-timetable the railway network to get more capacity out of what is already there? So, they are much more detailed.

[374] **Lisa Francis:** It is very useful to have that explained. Thank you for that. My next question is what sort of level of involvement will the Welsh Assembly Government have, or expect to have, in preparing those high-level output strategies, which will be developed after June 2007?

[375] **Mr Clark:** The high-level output specification will be developed around June 2007. We will work closely with the Welsh Assembly Government in developing that high-level output statement. As statute is written at the moment, the responsibility for that rests with the UK Government, so the formal responsibility rests with us.

[376] **John Marek:** Not Network Rail?

[377] **Mr Clark:** No. Shall I explain that?

[378] **John Marek:** Yes, of course.

[379] **Mr Clark:** We write the specification, and Network Rail then comes back to us and says, 'We think that it will cost this much to deliver what is in that specification'. To complicate things slightly further, the Office of Rail Regulation then sits back from that and says, 'Network Rail, you have quoted a fair price', or 'You have not quoted a fair price'. The rail regulator will look at the efficiency with which Network Rail is delivering that which the Government wants. We, effectively, figure out how much we want to spend and write a specification and Network Rail tells us how much that will cost to deliver.

11.30 a.m.

[380] **John Marek:** For Members' information, the rail regulator will be before us at our March meeting. If the committee comes up with an ordered list, you ought to be able to see that list at some stage in order to be able to say, 'Yes, all these things are achievable', or 'No, they are not achievable'.

[381] **Mr Clark:** Absolutely. That will be a very important input to a number of key rail industry planning decisions.

[382] **John Marek:** Lisa, have you finished?

[383] **Lisa Francis:** I have some more questions, if I may. In the paper you mentioned that the UK Government has enabled Network Rail to create a discretionary GB-wide fund of £50 million per annum that can be used to part-fund enhancements costing less than £5 million each. Can you give any examples of what sort of schemes might be eligible for that funding? I would like an example from Wales, if you have one.

[384] **Mr Clark:** It could be a new station proposal, it could be speeding up a section of track to make the journey times faster, or it could be the doubling of a section of track and so on. I should say that the £5 million limit is exclusive of any part funding that might come to Network Rail from other parties.

[385] **Eleanor Burnham:** On the back of that, Chair—

[386] **John Marek:** It must be on the same point.

[387] **Eleanor Burnham:** I am absolutely determined to dual the track between Chester and Wrexham and to reopen Rossett station. How would I go about doing that and who should I lobby most strongly?

[388] **John Marek:** You go about it by playing your part in this committee, Eleanor. *[Laughter.]*

[389] **Eleanor Burnham:** Well, apart from the committee, which will be wound up quite soon, how would I go about it? I am serious about this. There are so many people in this equation that it becomes like swimming in custard.

[390] **John Marek:** You could just have a chat with these gentlemen out of committee.

[391] **Eleanor Burnham:** No, I think that I would like it recorded what procedures an Assembly Member, or someone else, following the demise of this committee, would have at their disposal to try to move a project forward.

[392] **John Marek:** Go on.

[393] **Mr Clark:** Network Rail has taken responsibility since the Railways Act 2005 for leading rail industry planning. So, simply put, it is your first port of call.

[394] **Eleanor Burnham:** So, it is Network Rail—

[395] **John Marek:** It is Lisa's shout at the moment.

[396] **Lisa Francis:** Thank you for that. My other questions are to Mr Shaw. What other discussions you are having with the Department for Transport on lines that may be designated as community rail lines? Can you tell us which lines they are, in Wales? We have had hints about some, but it would be useful to know if anything has been laid in stone on that.

[397] On the other comment that you made, when you said that rural services will never be completely commercially viable, I wondered where you would put the Cambrian line in that equation? That line is a star performer in terms of year-on-year passenger growth, with a steady growth recorded since 1995 at 7 per cent per annum—in full figures, in excess of 0.5 million per annum. We had a conversation during the break about the growth of Aberystwyth and how that was affecting matters, and the fact that transport services are not commensurate with that growth. I think that there is potential for that line. Would you class that as a rural service that will never be completely commercially viable?

[398] **Mr Shaw:** To answer that last point first, I am fairly convinced that the Cambrian will never be commercially viable. In terms of its classification, I would suggest that it provides both functions: it is predominantly a rural railway, but it also provides commuter services at both ends, into Aberystwyth and into places such as Newtown and Shrewsbury. So it performs both functions and is clearly an important part of the transport infrastructure in Wales.

[399] There are no tablets of stone as yet on community rail networks and, in fact, discussions are ongoing and a particular team in the Department for Transport is looking at this issue across the whole of the UK. It is meeting various groups, including those representing lines such as the Heart of Wales line, to consider whether converting that line to a community rail network would be the best way forward for that line and its long-term preservation. No definitive decisions have been taken on any of the lines in Wales at the moment. Conwy is another one.

[400] **Leighton Andrews:** It has been clear to me from previous discussions that if you look at the Welsh franchise as a whole, some parts are obviously more subsidised than others. There is probably more subsidy per passenger mile in some of the rural areas than in some of the more urban areas. When I tried to pursue this recently with Mr Shaw in another committee, it appeared that there was no breakdown by line, for example, as to the level of that subsidy. Since the Transport for Department negotiated the original franchise with Arriva, you must have looked at the cost of the franchise, the subsidy and all the other issues that you have just talked about, and you must have some methodology for calculating cost per passenger mile, surely? Otherwise, how do you determine ultimately what is going to be a cost-effective route, or, in terms of the example which Mr Shaw just gave, the Cambrian line, one that will be very expensive? It may be socially worthwhile to have those routes—I am not saying it is not—but you must have some financial measurements, yet I found it very difficult to extract any from the previous discussions on this subject.

[401] **Mr Clark:** From a technical point of view, it is sometimes quite difficult to extract a subsidy per line, because, from an operational point of view, quite a lot of the resources that

are used to operate a rail service are used across a network. So, technically, it is quite difficult to do. Let me try to come at it in another way. When we re-let a franchise, we are not starting with a blank sheet of paper. Typically, we will start with what is already there. We are generally looking at making changes on the margin to what is in that franchise. When we draw up a specification for the franchise, it goes out to the market. So, we are normally looking at changes that are just a little bit up or down on what was previously there. For appraising those changes, we use a standard technique that is used across Government for transport appraisals, which looks at the costs and revenues, and it also looks at wider issues such as the impact of any change on the environment, safety, integration and accessibility. So, we look at all those factors in formally appraising any change from what you might call the baseline franchise. That process is technically quite complex, but it is laid down in writing in various places.

[402] **Leighton Andrews:** Okay. If you cannot do it on a line basis—I understand the difficulty of that—could you work out the levels of subsidy per station in relation to footfall and that sort of thing?

[403] **Mr Clark:** It would be very difficult to do it in a meaningful way, because the subsidy for any individual station would depend on the rail services that serve that station. However, one could do it. In fact, if one looks at the business case for a new station, that is what one has to do. One has to figure out what new revenue that new station will attract, what the costs of running it will be, what benefit or disbenefit it will have for people who are perhaps travelling through the line where that new station is, and whose journey is a bit longer. So, you have to look at all those factors, and through that sort of work, you come up with a business case for the station that goes into the appraisal process and that gives you a way of prioritising that station versus other things in the railway network on which one could spend money.

[404] **Leighton Andrews:** So, it would be technically possible to take, to use examples from outside my constituency, stations like Pontypridd and Newtown, for the sake of argument, and work out the different level of subsidy going into support those in practice, in terms of services and passenger footfall?

[405] **Mr Clark:** It would be technically possible to do it.

[406] **Leighton Andrews:** Okay, that is helpful. My final question is to Mr Shaw. In answer to questions about the enhancement schemes that it has in development, Network Rail said that these were your timescales for desired delivery of these schemes. Presumably, they remain fixed at the moment. You have made public commitments to them. Are you confident that they will be delivered on the timescales here?

11.40 a.m.

[407] **Mr Shaw:** The timescales, if I am being absolutely pedantic, to which you referred earlier, are probably from SEWTA, and it will be talking to you about that after this session. However, we are also signed up to them, and those are what we are planning for, based on the expected profile length of time to generate and design the scheme and on the level of available resource that we anticipate having to be able to fund them. In that context, yes, I think that we have some realistic timescales now. We did not have some realistic timescales three or four years ago; people were very optimistic about what could be delivered. The demise of Railtrack and the creation of Network Rail, without doubt, caused something of a hiatus in the development of enhancements and we, in Wales, have suffered from that. I think that we would have had some of our schemes delivered earlier had that not been the case. There is now a robust planning system. I think that Robbie Burns talked about the guide to rail investment projects process, which he was largely instrumental in implementing, and that

really does give a very firm project management control to the development of schemes. For those that are only at feasibility study stage, the dates are not committed; they are simply the dates that are being worked to as the scheme is being taken forward. There will be a series of decisions on the way as to whether that is delivered in that way. I think that he also touched on how the scheme is procured. We will have to make a decision as to whether we go to the market directly or whether we procure through Network Rail. We have done both. The Vale of Glamorgan was delivered by Network Rail on our behalf; for Ebbw Vale we are doing it through the group of local authorities there, and it is being procured directly from the market with Network Rail only acting in its asset protection role. That is an option that we have and one which I would wish to maintain, because it also gives me a measure of the efficiency of Network Rail and the value for money compared to going directly to the market for that enhancement.

[408] **Eleanor Burnham:** Chair, may I come in?

[409] **John Marek:** Is it on this point?

[410] **Eleanor Burnham:** Yes. It was a political decision to privatise the railways, but surely taxpayers are now spending as much on investment in the railways as prior to privatisation. Would it be more productive if—

[411] **John Marek:** Hang on, Eleanor; this is a committee about identifying railway improvements.

[412] **Eleanor Burnham:** Yes, that is what I am trying to say. Would there be more railway improvements if some of the structures that are in place at present were simplified, because, as Stephen Clark said earlier, it is a bit like swimming in custard in that there are so many people in this equation. Is there any role that the Welsh Assembly might take in simplifying matters in Wales, for instance? Is it within our possibilities as an Assembly?

[413] **Mr Shaw:** The development of the organisation that I lead has been working towards that. We are taking a direct role and responsibility for Wales in delivering rail infrastructure, which was something that simply did not exist before. We have significant project management expertise within that organisation to ensure that the projects in Wales are delivered. That is what we intend to do.

[414] **Eleanor Burnham:** Thank you very much, Chair.

[415] **Carl Sargeant:** I have an open question. I have reservations about the role of this committee, although it has the remit from the Assembly, with regard to what uses it may have for the future guidance of improvements to stations. I read your document, Mr Shaw. It is like a Christmas list for train-spotters really. However, yours is not unique across the board; this committee's wish list will be similar. It will be about what we would like to see and what we want. Eleanor wants to see double tracks in Rossett; we can all think of an idea, or paint a station here or there.

[416] Possibly, there will not be a huge amount of funding to support the committee in its recommendations in the future. It concerns me that the priorities of the Government, or of Transport Wales, have already been identified. Do you see this as potentially troublesome in a committee with our own views—six people around the table having identified our priorities? Do you see that dangerously impacting on the future development of Government priorities? With regard to the franchise that Arriva Trains Wales mentioned this morning, I think that the figure was around 87 per cent of what it is currently achieving within the financial constraints that it has now, so, there is a great deal of improvement there—13 per cent or so—within the current funding stream. Do you see any route for improvement without any further money

within the current franchise? How that could be achieved?

[417] **John Marek:** You answer first, Robin. We can overrun by around five minutes, but no more, so we need to be pretty brisk now.

[418] **Mr Shaw:** I do not consider that anything that this committee produces will be a hindrance. I hope that it will be useful, beneficial and a perspective on the issues. On making decisions on priorities, you could make it a very mechanistic process. You could do a cost-benefit analysis of every scheme, but in order to do so, you would need to have taken the development of that scheme to a level such that the financial estimates are robust. Many of the schemes in that document have not reached that level. So, it would not be currently possible to carry out that mechanistic assessment regime. That is certainly how road schemes have been traditionally approached. A cost-benefit analysis has been carried out and they have been ranked in priority terms. However, I would never suggest that it is not an appropriate role for a political view on what the relative priorities are within Wales for spending and investment. That must be where this committee, and ultimately any Plenary debate that flows from it, contributes to that process.

[419] As I said at the beginning, there are some real challenges and, in some cases, it is an apples-and-pears situation in terms of the relative priorities. No amount of mathematical analysis will necessarily bottom that out. So, I think that there is a very strong role to be played in terms of representing the different parts of Wales and ensuring that priorities are focused in that way. So, that would be my take on that.

[420] **Mr Clark:** I would have thought that the committee's work would be quite helpful in setting out inputs into some of those planning processes that I discussed earlier. On performance, and whether more can be achieved without spending any more money, I should think so. Railway performance is partly about physical parameters, but it is also partly about how the railway is managed. It is true that both ATW and Network Rail, in respect of the ATW franchise, are doing quite a lot at the moment to improve how they are managing their businesses and they should be encouraged to do more of that.

[421] **Lisa Francis:** I want to return to the question of commercial viability and what your definition of that is. When you define what is commercially viable, do you look at growth forecasts or potential growth? I go back to the Cambrian line, because that is the line that I am familiar with. Aberystwyth, for example, is a town that is expected to have 500 extra jobs delivered in the next few years, and that is obviously going to impact on rail services. Do you look at that when you define what is commercially viable? We know that more people started using that line when the timetable enabled the people to get to work by 9 a.m., for example. So, if there are improvements, then that will help its commercial viability, but do you consider growth scenarios when defining commercial viability?

[422] **Mr Shaw:** There are two distinctly different issues there. When I talked about commercial viability, I was referring to whether a rail service is self-financing, in other words, whether or not it needs a public subsidy. On the second part of the question, with any scheme, when the analysis is done, looking at the costs and benefits of that scheme, those benefits will be quantified—they are perhaps journey-time savings for the people concerned, irrespective of what they are paying for the journey. So we consider what the benefit to them is. That is an integral part of any cost-benefit analysis for any enhancement scheme.

[423] **John Marek:** Are then any more comments on that? No? Members seem content.

11.50 a.m.

[424] I will wind up. Robin needs to talk to his Minister. On your side, I think it would be

unfair for us to ask for a list from you, but what we could do, if Members are content, is to send a list to DfT, at an appropriate time, for its comments. Would you be prepared to comment on our list?

[425] **Mr Clark:** I should think so.

[426] **John Marek:** I think that that would be helpful for us as well.

[427] **Leighton Andrews:** If you are talking about a list, I just want to be clear about this. Is this a list of proposed improvements?

[428] **John Marek:** It is in the remit of the committee.

[429] **Leighton Andrews:** It would be important for us to have a sense, in terms of those improvements that we set down, of precisely how many passengers would benefit and what the costs per passenger might turn out to be.

[430] **John Marek:** I am sure that that is probably right. Not all of them will be passengers, because it is wider than that, but what you are saying is that it will certainly include that.

[431] **Leighton Andrews:** Our remit is passenger services.

[432] **John Marek:** It includes railway infrastructure improvements, and freight impinges a bit on that.

[433] **Mr Shaw:** One of the problems that you will have in getting to that definitive point is that, for some of the schemes, the analysis is simply not being done to the point where we have a robust estimate and a robust cost-benefit analysis for the schemes. So, that will be the difficulty in arriving at that definitive point.

[434] **John Marek:** However, I agree with Leighton.

[435] **Rosemary Butler:** It would be helpful if we could have a discussion on it because we could come up with a shopping list within the money that is available; it might be that we could spend all the money on scheme, or we might want to spread the jam very thinly. So, can we have a discussion on that at some point?

[436] **John Marek:** The clerk has noted that.

[437] **Eleanor Burnham:** Surely, Chair, the academic research and consultative research that has been done will come in to the clerk.

[438] **John Marek:** We have an academic before us at a later meeting, on 8 March. I think that that is it. Thank you. You have come from London, have you not?

[439] **Mr Clark:** Yes.

[440] **John Marek:** Thank you very much for coming. It is two hours if a train is on time, and is reasonably comfortable, but you have still taken a good part out of your day.

[441] **Mr Clark:** We are more than glad to do so.

[442] **John Marek:** Thank you, and thank you, Robin, for your time; you came from Cathays park, which is a bit nearer of course.

11.53 a.m.

**Tystiolaeth gan SEWTA
Evidence from SEWTA**

[443] **John Marek:** We will be meeting the other transport consortia, but we are very pleased that the South East Wales Transport Alliance was able to come today. We are just a little bit ahead of time. Tom Williams and I know each other, do we not?

[444] **Mr Williams:** Yes, John, we do.

[445] **John Marek:** You have grown a lot older, but so have I. [*Laughter.*] We have not seen each other for 20 years.

[446] **Mr Williams:** I will have to dye my hair.

[447] **John Marek:** That was probably unfair and I apologise for saying that, but it is nice to see you.

[448] **Mr Williams:** That is quite alright.

[449] **John Marek:** You have been sitting here all morning, so you will know what I have said to the others. If you could keep it to about five minutes, we will then question you.

[450] **Mr Williams:** Thank you, Mr Chairman. For those who do not know, I am the chairman of SEWTA, which is a formally constituted body, and which has existed for two years. We are made up of 10 local authorities throughout south-east Wales and we also have other partners, such as Arriva Trains Wales, to whom we have listened, the Confederation of Passenger Transport UK, Network Rail, Bus Users UK and the Rail Passenger Committee for Wales, which is now called the Passenger Focus, and Sustrans has now joined the board. We have a fairly wide range of people on the board, and with me today is the secretary of SEWTA, Bob Brierley, and the vice-chair of the rail working group, Charlie Nelson. They are the people who will give you the ideas behind the strategy that we have just gone through. I am sure that we will listen to all your questions and, hopefully, at the end of the day, we may have convinced you with our strategy that the money is very well needed and that it can be spent. I will ask Bob Brierley to say a few words.

[451] **Mr Brierley:** SEWTA's core aim is to work for better co-ordinated and more effective transport for people and businesses in south Wales. Our role is to oversee the whole spectrum of regional transport developments within an area that includes about half the population of Wales. Our key objectives are listed in the leaflet that I think that you have been given, so I will not repeat them, but, specifically, with regard to your remit, they are to prepare regional strategies, plans and programmes. The documents that you have been given—the red book, the two final reports and the executive summary from the Jacobs Consultancy report—are part and parcel of our working towards those strategies, plans and programmes. I suggest that you might like to think of some of the output of that as being something like the list that you talked about earlier today, because all the schemes in there—Charlie will speak a bit more about them in detail—have been through a rigorous process of evaluation and assessment.

[452] SEWTA is well-advanced with each strategy's preparation and, last month, the board endorsed the report that I just showed you as part of the development of a comprehensive SEWTA-wide rail strategy for the period leading up to 2018. I anticipate reporting on parallel bus, walking and cycling strategies to the board in the near future. All these consultant

strategies for individual elements of transport will be brought together through the process of developing a regional transport strategy, which we will be charged to do under the Transport (Wales) Bill. We will take those individual strategies a bit further and integrate them into a comprehensive and, as I said, integrated strategy for the whole of south Wales. For example, the regional transport strategy will bring together the cycling strategy and the rail strategy and start to look at how rail will interface with the provision of cycle facilities in stations, routes to stations and these sorts of things.

[453] We are conscious, as was said earlier, that our role is about more than just the improvement of transport. We are keen, as was Robin earlier, to emphasise the need to influence the location of development and the way in which people travel. In that respect, we interface and liaise with all manner of people, geographically with the adjacent consortia, with the planners and the economic development people, and, specifically, with the Welsh Assembly Government, with which, as you heard earlier, we work almost hand in glove on the promotion of the strategies and the delivery of the programmes.

[454] You have heard about some of the successes, so I will not go on about them, but it is fair to say that the recent £20-odd-million transport grant decision for south-east Wales rail schemes was encouraging, and we look forward to continuing to develop on that. We would just like to note that we have been experiencing growth on the network of about 10 per cent per annum in the Valleys network, which is very encouraging, over the last seven years. That represents something like 62 per cent growth over the period of 1998-2004.

[455] We see enormous potential in the rail network. I refer to the lines as corridors of opportunity, and we believe that we are capable of trebling the number of people that they could deliver to Cardiff. At the moment, that represents something like 6 million people per annum and we are looking to build on that success, with the consequential benefits, as you discussed already, for overcrowded roads. At this stage, I will hand over to Charlie, who will say a little bit more about the rail specifics.

[456] **Mr Nelson:** The current rail improvement programme goes up to 2010 and you have all had a copy of our red book. It is basically the result of detailed transport studies that have been aimed at maximising the increasing patronage and producing a modal shift towards rail. Its development has involved a rigorous assessment of a wide range of aspirations. The red book derives much of its strength, not from what is in it, but from what has been left out, because those schemes that did not provide value for money or deliver immediate benefits have been rejected or deferred for consideration in the longer term.

12.00 p.m.

[457] Our current five-year programme consists of a range of measures, such as new passenger lines and stations, increased service levels, capacity and line-speed enhancements, and improved stations, all of which are consistent with the committee's remit. Our approach is based firmly on working in partnership with the Assembly, Network Rail, train operators and other stakeholders. In fact, Network Rail has assembled an implementation team that covers the suitor area, and this has helped to secure the funding, develop the cost estimates on an ongoing basis, and develop an achievable programme.

[458] Our programme has been revised since it was first approved by the former Minister, Sue Essex, in around 2000. Currently, we are focusing on providing the infrastructure and rolling stock necessary to provide longer four-car trains and, in some cases, where the demands are heaviest, six-car trains. Capacity, therefore, will increase significantly above the levels of the current two-car trains predominantly used on the local network. All this dovetails quite nicely into the newly-introduced standard-pattern timetable, and our programme for the next five years further enhances those frequencies and provides additional services.

[459] You have seen the progress, as Network Rail mentioned, made over the last 12 months with the Vale of Glamorgan line, the Aberdare line, and the resignalling between Caerphilly and Bargoed, all of which have been in the course of development over a few years and have now come to fruition. We are working with Network Rail on an ongoing basis to develop the projects in the red book through feasibility stage to outline-design stage. We anticipate that design and build contracts will then be implemented along the timescales identified on page 15 of the red book in accordance with a programme that represents £100-million-worth of investment.

[460] To provide the capacity and service frequency enhancements proposed in our programme, we need additional rolling stock. That costs money, and SEWTA is working very closely with Arriva Trains Wales and the Welsh Assembly Government and the rail industry to achieve this common aim. Again, a start has been made, and the Assembly is already providing an additional £50 million to Arriva during the life of the franchise for rolling stock, and we hope that more rolling stock can be secured over the next few years to help deliver the longer platforms strategy.

[461] **John Marek:** Have you finished?

[462] **Mr Nelson:** I will just say a few words about the 10-year programme, if I may.

[463] **John Marek:** Very quickly. You have had 11 minutes. You are eating into Members' time, which I must try to protect. However, do finish.

[464] **Mr Nelson:** Funding is essential to deliver the programme. We use transport grants and we use Objective 1, but it is also important that Wales should try to secure its share of the premium from the Greater Western rail franchise, which is something like £1.1 billion. With a quarter of the franchise's revenue coming from the south-Wales-to-London service group, we feel that a share of that money for Wales should help address some of the capacity issues through the Severn tunnel and to the west of Cardiff.

[465] The longer-term strategy beyond 2010 is detailed in the Jacobs Consultancy report that you have had. It has been the subject of work over the last nine months. Its outputs have been approved by our committee and, during the next 12 months, with Assembly funding, we will be taking those recommendations forward and developing further economic and technical analysis that will stand us in good stead for making business cases for funding to deliver the projects in the next decade.

[466] **John Marek:** Thank you. We should probably just go straight to questioning. As has been said, we need your support, because we are trying to produce an ordered list. You are not on trial or anything like that. This is a co-operative effort. Rosemary, you can go first.

[467] **Rosemary Butler:** Thank you for your presentation. These documents are really interesting and concise, which, for a lay person like me, is great. It is interesting to see an integrated approach to transport. Especially where we have so many people living so closely together, integrated transport is the answer.

[468] I am asking one of my questions as Chair of the Culture, Welsh Language and Sport Committee. The issue of rail transport to Cardiff bay and the Wales Millennium Centre has been raised again and again and I said that I would raise it here. I am not sure whether that is for you or for Cardiff County Council but I thought that I might raise it this morning.

[469] On the lengthening of platforms, you are talking about extending trains to possibly have six cars. How are you dovetailing the work on extending the platforms on the necessary

stations? I understand that, in Cardiff particularly, that is an issue. Also, is the funding secured for the Ebbw Vale rail link?

[470] **Mr Williams:** Are you talking about from Ebbw Vale to Cardiff?

[471] **Rosemary Butler:** No, to the capital of Wales: Newport.

[472] **Mr Williams:** We believe that it is because the National Assembly keeps telling us that the link from Ebbw Vale to Newport will be up and running in 2009. We would like to see it earlier and I am sure that you would all agree with that. If you listened to what Network Rail said this morning, it all comes down to funding and getting programmes up and running. Charlie or Bob, do you want to answer on the other two?

[473] **Mr Nelson:** Taking them in order, on rail services to Cardiff bay, the council and Network Rail worked closely together on getting improved access, an egress, from Cardiff bay station last year. The rail service has been increased as part of the standard-pattern timetable, so there are four trains shuttling back and forth every hour. Other than that, we do not have any further plans in terms of infrastructure.

[474] **John Marek:** One point that I would raise, and I think that Rosemary also meant this, is that, if you come down for a performance in the Wales Millennium Centre, can you get back at night? That is probably the issue.

[475] **Mr Nelson:** I would contend that that is an operational issue for the train operator to pick up. Most of our concerns have been primarily about assisting with the infrastructure development.

[476] **Rosemary Butler:** Is it not a problem for it to be available 24 hours a day, in terms of the infrastructure of the railways?

[477] **Mr Nelson:** The infrastructure is constrained by Network Rail and signallers' availability but we operate a fairly intense railway through Cardiff, which runs throughout the day.

[478] **John Marek:** Janet would just like to interrupt you very quickly on this point, Rosemary.

[479] **Janet Davies:** It is on what Rosemary mentioned, namely the Ebbw Vale to Newport line. You said that you hoped that the funding is in place. I do not know whether the Minister has seen the business plan yet, or whether there is a business plan yet. I had an experience with a station in my local area, namely Llanharan station, which was promised several years ago, but when I pursued the issue last autumn, it turned out that the Minister had not seen the business plan. So, it was there in all the programmes, but the money was not allocated until, I think, November last year. Can you throw any light on whether it is a similar situation with regard to the Ebbw Vale to Newport line?

[480] **Mr Brierley:** My understanding is that we have programmed it within our medium-term strategy for 2009 onwards and, as Robin, I think, was saying earlier, he only has funding two, or was it three, years ahead. So, your assessment, I believe, is right: the funds are not committed 100 per cent but it is in the programme and if the funding is put in place, it will continue.

[481] **John Marek:** We will go back to Rosemary—or are you okay for the moment?

[482] **Rosemary Butler:** That is fine. They have given me enough now; I can pursue it

elsewhere.

[483] **John Marek:** Eleanor is next.

[484] **Eleanor Burnham:** You do not cover my geographical area but I have some questions. I am interested in your views on how the system works at the moment, in terms of Network Rail, the train operating companies and even the rolling stock companies—I am not even sure whether we will be talking to the rolling stock companies or whether that is relevant. Are the partnerships strong? Are you being restricted or restrained, other than with money, and what are your views on deregulation? When we devolve, how do you feel that the future of railways in your area will improve, mentioning the fact that we have rolling stock issues, and the renewal of infrastructure, such as signalling, or whatever? What is your general view on the future, with devolution?

12.10 p.m.

[485] **Mr Brierley:** I start as a relatively new boy, having come to this back in October. I perceive a very strong partnership relationship with everyone with whom we are engaged. That includes all the people who have been mentioned who are our formal partners, and it includes the Welsh Assembly Government. We have a structure of committees through which all these people can engage formally, but an enormous amount of informal engagement goes on throughout the industry.

[486] I think that I should pass on to Charlie, who runs the rail group. Perhaps he can say something a wee bit more specific.

[487] **Mr Nelson:** We have good working relationships with Network Rail and Arriva Trains Wales. However, I must admit that I agree with you that dealing with bodies such as Network Rail is sometimes like walking through treacle. It is a slow process, and can be quite tortuous. However, as the years have gone on, and Network Rail has developed itself—and Robbie Burns talked about the guide to rail investment projects, or GRIP process, this morning—all those processes are helping us to understand our respective relationships. It sees us as a third-party funder of enhancements and, because its prime role at present is maintenance and renewal, it tends to be fairly risk-averse towards enhancements. However, through working with it, and developing the projects that are in our programme, through the various stage gates, we can remove some of the risk. On the projects that we have delivered over the past 12 months, the Aberdare line and the Caerphilly to Bargoed signalling, in particular, have been delivered to time, and well within budget.

[488] **John Marek:** Do you want to come back, Eleanor?

[489] **Eleanor Burnham:** No, that is fine, thank you. As I say, it is not in my geographical area.

[490] **John Marek:** No, we are an all-Wales committee. Do remember that.

[491] **Leighton Andrews:** I am pursuing questions that I have taken from Network Rail and then to the Welsh Assembly Government, and now I am told that it is SEWTA. On the timetable for the enhancement schemes that were listed in the Network Rail document that was given to us earlier, I now understand that these are your timescales. To repeat what I have asked the others, I am particularly interest in the Rhondda valley platform extensions, and the Minister has announced some money towards those on the Treherbert line in the last week. However, are you confident of these timescales for delivering the enhancement schemes that have been listed by Network Rail?

[492] **Mr Nelson:** We are as confident as we can be. The schemes that are listed in our red book up to 2008 will all be part-funded by Objective 1 money. On that basis, we have to have works contracts in place by December 2006, and we are certainly moving towards that. Our current targets for platform extensions are not detailed in the red book. Rhymney to Penarth will be in 2007, Maesteg will be in 2007, and Treherbert to Cardiff will be in 2008. In terms of priorities, we would all contend that it is a greater priority for the Treherbert line to go to six-car than it is for the Maesteg line to go to four-car. However, the reason for the timing is because of the works that are involved on the Treherbert line, particularly at Pontypridd station. It might have the longest platform in Wales, but, on the downside, it has an interesting problem to resolve on the up-platform, which will involve a possession of the railway, probably around Christmas 2007.

[493] **Leighton Andrews:** Okay. That is helpful, but, to be clear, there is no difference between what is in the Network Rail document and what is in your plans? I want to be clear about that.

[494] **Mr Nelson:** That is right. Those are the timescales that we have talked to Network Rail and to the Assembly about, and the three parties together agree that they are the most realistic timescales as we work through the development of these projects. They are still progressing to outline design, and we hope to have that process completed by the middle of this year.

[495] **Leighton Andrews:** Under your current plan, you have put 'winter 2008' for the Rhondda valley platform extensions. So, by Christmas 2008, those extensions should have been completed, is that right? What does 'winter' mean?

[496] **Mr Nelson:** 'Winter 2008' is more Network Rail's terminology rather than mine. Some people might say that winter is January, while others would say that it is December. In view of the European dimension, we are talking about the Treherbert line platforms being completed by April or May 2008, at the latest.

[497] **Leighton Andrews:** That is earlier than Network Rail has said.

[498] **Mr Nelson:** That depends what you class as 'winter'.

[499] **Leighton Andrews:** Network Rail says that it will be done by winter 2008, and you say that it will be done by April or May 2008.

[500] **Mr Nelson:** I was classing 'winter' as January or February 2008.

[501] **Leighton Andrews:** I am sorry to be picky, John, but I had originally read 'winter 2008' to mean the end of 2008. Mr Nelson is now saying that it will be the beginning of 2008, which is very good news, as far as I am concerned.

[502] **Mr Nelson:** That is the programme that we are running with.

[503] **Janet Davies:** I wish to ask you about your strategy with the adjoining regional transport consortia. Do you find that you are able to co-ordinate and work with your neighbours? To achieve something that is really integrated, you obviously have to work with the people on either side of you. I think that Mr Nelson mentioned the Greater Western franchise, the amount of money that is going into that and how we should be getting our fair share of it. What sort of role do you see for the Assembly and the Assembly Government in fighting to get that money?

[504] **Mr Nelson:** On consortia, we have an excellent working relationship with the south-

west integrated transport consortium, to the west of us, to the extent that, when the Greater Western mainline route utilisation strategy was being discussed with the Strategic Rail Authority around 12 months ago, we held joint meetings with the consortium and the Assembly to get our points across to the Strategic Rail Authority. Similarly, when the Department for Transport and the SRA were consulting on what should be within the Greater Western franchise, we again held very productive joint meetings with SWITCH and the Assembly. One of the matters that our board has asked us to progress in the next few months is the setting up of a working party with SWITCH to deal specifically with First Group in order to talk about the Greater Western franchise regularly.

[505] On how the money that the DFT has promised to reinvest in the railways should come to Wales, councillor Williams is considering sending a letter to Andrew Davies—if he has not already sent it—following our board meeting a couple of weeks ago to highlight a few issues relating to the franchise and how we feel the Minister could take those up on our behalf, as Welsh people, in discussions with the Secretary of State.

[506] **Mr Williams:** To follow on from that, we feel that we cannot afford to lose out. Charlie is right to say that we have met the other organisations, and I think that they all agree that there needs to be closer co-operation between the four or five authorities. We are quite happy with that.

[507] **Janet Davies:** You mentioned improving the state of the Severn tunnel. Is there any likelihood of getting money from the European cohesion funds to go with money from the franchise perhaps? It is a big strategic issue, is it not? It is not a minor project.

[508] **Mr Brierley:** I must say that I do not have detailed knowledge of these funds, though I know that they are being discussed at the moment. We have recently commissioned consultants to give us some advice on innovative ways of funding what we are trying to do—and that is not just on the rail side; that is across the board. We will obviously look for advice on the sum of Objective 1, the cohesion funds and so on, and we will look at how we can take that forward. At the moment, I cannot answer your question.

12.20 p.m.

[509] **Janet Davies:** It is not an Objective 1 area, but it supplies an Objective 1 area.

[510] **Mr Brierley:** Some of it is, and will remain so, as I understand it. The comforting news is that there seems to be a suggestion that there will be more funds for regional improvements and perhaps for transport as well. However, I understand that that is all to be decided.

[511] **John Marek:** Are there any further questions? I see that there are none.

[512] You have a very well-presented set of documents, and I do not take anything away from them, but it might be useful for you to tell us for which schemes money has already been found—not that we would want to dismiss those schemes; I am sure that we would want to consider them and put them in our ordered list, but that would be helpful to the committee. It would also be particularly helpful if you were to itemise the different schemes. Could you also note the other schemes that you would like to happen, but for which you do not have the money, either because it is not in an Objective 1 area or for another reason. I think that the committee would be quite interested in that, to see whether we would like to put those schemes in our list. Could that be done, do you think?

[513] **Mr Brierley:** I am sure that we can do that relatively quickly.

[514] **Rosemary Butler:** Could we also add the number of people to the information, if we are to have a shopping list? One region may put on a scheme and we would have to compare the numbers of people using each one when the time comes.

[515] **John Marek:** Yes, please include anything in support, such as the value of the scheme. We are not experts here; you are the experts. While I know where Bargoed and Caerphilly are, and I know that people get on and off, I do not really know the situation at 8 a.m. or whenever—that is by way of an example only. Any additional information along the lines—I am sorry about these metaphors—that Rosemary has suggested would be useful.

[516] **Leighton Andrews:** I assume, on the basis of what has been said by Network Rail, the Welsh Assembly Government and SEWTA, that there is some commitment to funding the schemes that are seen as priorities. The transport grant announcement certainly seemed to indicate money going in the direction of some of these last week. It is important to be clear about that, because I am sure that there would be a number of commuters in south-east Wales who would be unhappy to find this committee undermining plans that they have come to expect to be implemented.

[517] **John Marek:** Precisely.

[518] **Mr Nelson:** All of the schemes that are included in the red book are either currently being funded for implementation or have been funded for feasibility. Every single one of those schemes is being taken forward with Network Rail, or in the case of Ebbw Vale—

[519] **John Marek:** If they have been funded for implementation, that is fine, but, with feasibility there is still a way to go. If there is any meaning in feasibility, it must be that it allows for the possibility of something not going ahead.

[520] **Mr Nelson:** The ones that, at the moment, do not have funds for implementation—

[521] **John Marek:** There is no need to do it now.

[522] **Mr Nelson:** I can give it very quickly.

[523] **John Marek:** Okay, but I think that it would be useful if you could send us a note on it. At the end of the day, we will have to have it before us as a committee to look at it.

[524] **Mr Williams:** I can get you that information, without a doubt.

[525] **John Marek:** Thank you very much.

[526] That leaves me to say that I am very pleased that you have come, and I hope that, as a result of your appearance before us, our report will be that much better. I am sure that it will be.

[527] Before I close the meeting, we have a quick bit of housekeeping to do. It is all right, we are ahead of time; it is only 12.24 p.m.. Shall we arrange a date for our next meeting? Mr clerk, what is your advice on all of this? I am sorry, you did show me but I have forgotten.

[528] **Mr Reading:** Members have very kindly replied to my e-mail to give their availability. Some are available on the seventh, some on the eight—as you would predict—and some on both. One thing that I would point out, which I had not realised when I sent the e-mail, is that there is a meeting of the Panel of Chairs on the evening of 7 March, which Rosemary might have to go to.

- [529] **Rosemary Butler:** Yes, I will have to go and so will Janet Davies.
- [530] **Mr Reading:** Therefore, at least two committee members will be unavailable.
- [531] **John Marek:** I am available on both dates, so which one will give us the best attendance?
- [532] **Mr Reading:** The best attendance would be on 8 March.
- [533] **John Marek:** I am sorry about that situation for some Members.
- [534] **Janet Davies:** I do not think that I can do either date; I will have a look.
- [535] **John Marek:** There is a subsequent meeting to that one. I think that Professor Cole is coming on 8 March.
- [536] **Mr Reading:** Professor Cole has offered to come.
- [537] **John Marek:** He is a well known academic and I think that his input could be useful. Should we invite Professor Cole? I do not see any objections to that. I think that we will have a little time on that day to have a private meeting to decide how we go forwards. We should probably allow 20 minutes on the agenda for that. Is there anything else that we ought to be doing?
- [538] **Lisa Francis:** May I confirm that the meeting scheduled for 8 March is to take place after Plenary?
- [539] **John Marek:** Yes. Shall we say 15 minutes after Plenary has finished, in a committee room somewhere, or would you prefer 30 minutes after Plenary? I see that you would prefer 15 minutes after Plenary. We will therefore do that in a committee room. Is there any other business? I see that there is not. Therefore, that brings this meeting to a close.

*Daeth y cyfarfod i ben am 12.26 p.m.
The meeting ended at 12.26 p.m.*