



Ein cyf/Our ref KS/04357/20

Janet Finch-Saunders MS
Chair, Petitions Committee

17 July 2020

Dear Janet

Thank you for your letter of 9 July as Chair of the Petitions Committee following the Committee's meeting of 23 July.

You say that, at the meeting, members agreed to write to me to ask whether the Welsh Government's desire to maintain the potential for rail services to be reinstated in the future - between Gaerwen, Llangefni and Amlwch – have been impacted by the effects of Covid-19 on public transport.

Covid 19 has had an impact on current public transport operations, which we are beginning to build back up. For the future, we have to believe that the crisis will be overcome in due course and will continue unremittingly with our strong commitment to improvements in public transport infrastructure and services to further improve access across Wales to welcoming, attractive, comfortable and affordable services. Increased investment will be a major contribution to improved rail connectivity, supercharge our post Covid19 recovery, and develop our public transport for the future

Rail infrastructure continues as the non-devolved responsibility of the UK Government, where we have suffered from historic under investment, and we have made clear our strong view that there is a compelling case for the full devolution of responsibility for rail infrastructure alongside a fair funding settlement in both our response to the UK Government's Williams Rail Review, and our rail vision publication A Railway for Wales – meeting the needs of future generations, as per the following links:

<https://gov.wales/written-statement-williams-rail-review>

<https://gov.wales/sites/default/files/publications/2019-09/a-railway-for-wales-the-case-for-devolution.pdf>

The Committee may wish to note that A Railway for Wales sets out our Strategic Railway Development Programme, with a series of illustrative maps, which we would wish to pursue

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

and develop should we be granted full devolution and a fair funding settlement. This includes future major strategic corridor developments. In terms of north – south connectivity, this includes enhanced connectivity from Ynys Môn to Bangor, Caernarfon, through Dolgellau, Aberystwyth and to Swansea Carmarthen and South West Wales. This may include upgraded lines, reopened lines and new lines, as well as integration with bus services.

I have included the reopening of the Gaerwen – Llangefni – Amlwch line as a key future priority in correspondence with the Secretary of State for Transport, and enclose my letters of 2 March and 4 June which specifically reference this.

My officials are making a submission to the UK Government for support under their Restoring Your Railways fund for a study to progress this reopening in terms of developing the strategic case and consulting community interests. Part of the proposal would see the inclusion of cycle facilities along the route where possible to encourage the use of walking and cycling as the natural choice for local journeys, in line with Welsh Government Active Travel policy. It will seek to accommodate, alongside restored rail operations, parallel active travel and heritage rail operations. We propose to work with local stakeholders in the development of the proposal and to invite them to input into the process. This will include local authorities, community groups, the heritage railway and active travel interests.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ken', with a long, sweeping horizontal stroke above it.

Ken Skates AS/MS

Gweinidog yr Economi, Trafnidiaeth a Gogledd Cymru
Minister for Economy, Transport and North Wales



Ref: KS/135/20

Rt Hon Grant Shapps MP
Secretary of State for Transport

transportsecretary@dft.gsi.gov.uk

2 March 2020

Dear Grant,

I am writing in response to your recent announcement of Restoring your Railway fund.

Rail infrastructure in Wales has, and continues to be starved of investment to improve the network. Wales has 11% of GB's track miles, 5% of the population and, since 2010, has received less than 2% of GB's rail enhancement spend. We have a shared interest in addressing climate change, improving air quality and relieving congestion but to do this we will need to provide viable alternatives to the private car.

As you are aware, to address these issues, we have developed an ambitious programme of rail enhancements for Wales, including re-opening closed lines and stations (see example schemes in Annex 1), to remedy the pattern of rail investment that has for too long offered limited benefits to Wales.

While the Welsh Government welcome this new funding and the focus, that we share, on connecting communities, I am concerned that the application process and timescales will not deliver the potential benefits that this funding could bring. This is particularly the case in Wales where responsibilities and funding for services lie with the Welsh Government.

The Welsh Government can support the development and delivery of this programme, with appropriate local community and political input, through a fair allocation of this funding for enhancements in Wales to develop a comparable rail infrastructure enhancement programme. This includes enhancements to rail connectivity with England identified in our Mid Wales and Shropshire cross-border strategy developed with Midlands Connect and Shropshire Council.

We would also be willing to offer appropriate support for ideas that we anticipate to be proposed by sponsoring MPs in Wales that you receive and will be going through our own prioritisation process, for example Greenfield and Magor stations.

The decision to proceed with HS2 comes at considerable cost to the tax payer. The scheme will only deliver significant benefits to North Wales if the right solution is adopted for the Crewe hub and if electrification from Crewe to Chester and onward to Holyhead is also delivered. This work is vitally important if the U.K. Government wishes to address the north-south divide and improve the economic prospects of North Wales and the Mersey Dee Area.

Looking ahead, the full devolution of rail infrastructure powers and a fair funding settlement as we set out in our evidence to the Williams Review and recently to our newly elected MPs (Annex 3) is the only rational long-term solution to achieve our shared integrated public transport network ambitions, recognising that via Transport for Wales we already have the capability, capacity and experience to make a success of full devolution. Our ambition for the railways, including full devolution, has received strong and consistent cross-party support in Wales and I would expect MPs to also support these proposals.

I am copying this letter to the Secretary of State for Wales, all MPs in Wales, and other affected MPs.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ken Skates', with a long horizontal flourish extending to the right.

Ken Skates AC/AM

Gweinidog dros yr Economi a Thrafnidiaeth
Minister for Economy and Transport

Potential Scheme in Wales for Restoring your Railway Funding

Ideas Fund

- Porthcawl – Bridgend
- (Chris Elmore MP – Ogmore, Dr Jamie Wallis – Bridgend)
- Pontyclun – Beddau (Alex Davies-Jones MP – Pontypridd)
- Aberdare – Hirwaun – Neath (Beth Winter MP – Cynon Valley, Christina Rees MP – Neath)
- Ystrad Mynach – Treharris (Wayne David MP – Caerphilly, Gerald Jones MP – Merthyr Tydfil and Rhymney)
- Gaerwen – Amlwch (Virginia Crosby MP – Ynys Mon)
- Pontypool – Usk (Nick Thomas-Symonds MP – Torfaen, David Davies MP – Monmouth)
- Coryton extension (Anna McMorrin MP – Cardiff North. Alex Davies-Jones MP – Pontypridd)
- Pye Corner – Machen and Caerphilly (Ruth Jones MP – Newport West. Wayne David MP – Caerphilly)
- North West Cardiff (Kevin Brennan MP – Cardiff West)
- Porth – Maerdy (Chris Bryant MP – Rhondda)
- Blaenau – Trawsfynydd (Liz Saville Roberts MP – Dwyfor Meirionnydd)

Acceleration Fund

- Wrexham – Gresford - Rossett and further north (Sarah Atherton MP – Wrexham; Chris Matheson MP – City of Chester)
- Wrexham to Liverpool Lime Street (Kim Johnson MP - Liverpool, Riverside; Mark Whitley MP - Birkenhead; Angela Eagle – Wallasey; Alison McGovern MP – Wirral South; Margaret Greenwood MP – Wirral West; Justin Madders MP – Ellesmere Port; Mark Tami MP – Alyn and Deeside)
- Abertillery (Nick Smith MP – Blaenau Gwent)
- Tondy – Pontycymmer (Chris Elmore MP – Ogmore)
- Cambrian mainline (Craig Williams MP – Montgomeryshire; Daniel Kawczynski MP - Shrewsbury and Atcham)
- Aberystwyth – Carmarthen (Ben Lake MP – Ceredigion, Jonathan Edwards MP – Carmarthen East and Dinefwr)

New Stations Fund 3

- Deeside (Mark Tami MP – Alyn and Deeside)
- Carno (Craig Williams MP – Montgomeryshire)
- St Clears (Simon Hart MP – Carmarthen West and South Pembrokeshire)
- Ely Mill/Victoria Park (Kevin Brennan MP – Cardiff West)

Y Gwir Anrh/ Rt Hon Mark Drakeford AC/AM
Prif Weinidog Cymru/First Minister of Wales



Llywodraeth Cymru
Welsh Government

The Prime Minister
10 Downing Street
London

pmpost.ext@no10.gov.uk

11 February 2020

Dear Prime Minister,

Your announcement today that the HS2 project will proceed confirms an unprecedented investment in rail services in England. This will continue a pattern of rail investment that has systematically neglected Wales. In accordance with your plan to level up economic growth across the UK, I urge you to take action to remedy this.

Over the past 25 years, the railway in Wales has been starved of investment. Wales has 11% of GB's track miles, 5% of the population and since 2010 has received only 2% of GB's rail enhancement spend. Not surprisingly therefore, Wales has the UK's lowest level of rail ridership, and the highest percentage of journeys made by private car. To address climate change, improve air quality, and relieve congestion we have to provide viable alternatives to the private car. To achieve this, the Welsh Government is investing in buses and active travel, but at the same time, substantial investment to upgrade rail services in Wales is urgently needed.

When the UK Government cancelled electrification to Swansea in 2017, it was acknowledged that a programme of enhancements across the network in Wales was required in its place. To date, no such schemes have been delivered.

One of the root causes of the current position is the Department of Transport's funding model which gives priority to areas with higher levels of rail use, itself reflecting higher levels of historic investment. Research by the Rail Delivery Group demonstrates that this model consistently overestimates growth for rail journeys connected to London, while underestimating growth elsewhere. This discriminates against investment in Wales. For example, the Ebbw branch line, whose re-opening we funded, is carrying 450% more passengers than the Department for Transport modelling predicted. This system bias undermines confidence in Wales that future decision-making will meet our needs.

We have mitigated this under-investment through funding from our block grant, diverting money from our devolved responsibilities for roads, health and education. We have reopened lines, opened new stations, and delivered additional capacity to operate more services. This has been supported by funding from the European Union: it is

imperative that the replacement for structural funds continues to support such investment.

The decision to proceed with HS2 underlines the lack of investment in Wales. The scheme is predicted by HS2 Ltd to have a negative impact of £150m every year on the Welsh economy. Action to mitigate this must include extending HS2 services into Wales, with electrification of the line between Crewe and Holyhead between now and 2027. This would enable HS2 services to reach more areas in North Wales and the North of England, and enhance our vital links with Ireland. There must also be investment in schemes on the core Trans-European Transport Network routes through Wales to Milford Haven and to Holyhead by 2030, estimated to cost approximately £1 billion (£500m in Wales) — around 1% of the latest HS2 cost estimate

Your plans to spend 3% of GDP on infrastructure in this Parliament are very welcome — Wales's share of this will amount to some £37 billion. If we receive this, and a fair share of the HS2 spend over the next 10 years, we will be in a position to deliver our plans to transform services and connectivity in Wales and across the border.

These plans include three integrated Metro schemes (for North Wales, South East Wales and Swansea Bay) which will generate employment and enhance productivity in some of the poorest parts of the UK.

These schemes are vital to cross-border collaboration, including the Great Western Cities Partnership. Ken Skates, Minister for Economy, Transport and North Wales, will be writing to you jointly with Steve Rotheram, Mayor of the Liverpool City Region, about investment in the Borderlands railway.

As well as tackling under-investment, we need to ensure that decision-making on rail in Wales is fully integrated with regional planning and complementary investment in infrastructure and services. As I've said, historically, Wales has been low on the list of priorities in decision-making on the UK rail network. Rail devolution will enable us to put this right, building on the recent devolution of franchising powers and transfer of infrastructure ownership, which are already delivering results.

Keith Williams' root and branch review of Britain's railways presents an opportunity to reform the railways and create the fully integrated public transport network which Wales needs. We look to the Rail White Paper to grasp this opportunity.

To conclude, I am calling on your government to remedy the historic under investment in Wales' rail infrastructure through your budget next month, and thus ensure delivery of the improvements needed to improve connectivity across Wales.

I am copying this letter to the Chancellor of the Exchequer, the Secretary of State for Transport, the Secretary of State for Wales and the Chair of the National Assembly for Wales' Economy, Infrastructure and Skills committee.

Best wishes,
Mark

MARK DRAKEFORD

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



Llywodraeth Cymru
Welsh Government

Our ref: KS/104/20

Welsh Members of Parliament

31 January 2020

Dear Colleagues,

Following the recent general election I wanted to write in the hope that the Welsh Government can develop positive working relationships with MPs across all parties to ensure that our mutual interests in high quality transport - and the interests of our constituents - are represented in Westminster.

Central to this are improvements to the railway in Wales and I would like to take this opportunity to re-state our ambitions for the network in Wales. As you may be aware, the Welsh Government has high expectations for the outcome of the rail review that Keith Williams has undertaken on behalf of the Secretary of State for Transport and the White Paper that we are expecting to be published soon.

Passengers across Wales currently experience poor network reliability, low speeds and capacity constraints, which results in a much smaller proportion of people choosing to travel by train than in England and Scotland. Therefore, it is vital that our rail infrastructure receives the urgent funding it needs to deliver the fast, reliable and frequent services required to support our communities, businesses and economic growth.

Although Network Rail's Wales Route area has around 11 per cent of the railway track in England and Wales, since 2011 it has only benefited from around 2 per cent of the money spent by the UK Government on rail enhancements. Professor Mark Barry of Cardiff University estimates this to a shortfall of around £1 billion. Urgent investment is needed by the UK Government to correct this historical under-investment.

HS2 is predicted to have a negative impact of £150m every year on the Welsh economy, with particular consequences for the economy of South-west Wales where relative competitiveness will be affected by the significant reduction in journey times to the North of England. The Barnett formula comparability factor for the UK Government's HS2 budget for Wales is currently 0%, which is used to calculate the funding that comes to Wales through the block grant, compared with 100% for Scotland. Furthermore, Scotland will also be benefitting from three direct HS2 services every hour.

It is critical, therefore, that more direct investment is made in Wales to ensure that we experience some of the benefits of HS2 by extending these services into Wales. This will clearly require electrification of the line between Crewe and North Wales between now and 2027, in addition to the links north of Birmingham. This would improve integration between HS2 and the classic rail network and allow HS2 services to benefit more areas in North

Wales and the North of England. It was estimated in 2016 when Business Cases were submitted to DfT that such work would cost approximately £1 billion – less than 1% of what the latest HS2 cost is estimated to be.

Since the launch of the Williams Rail Review, the Welsh Government has clearly and consistently set out our expectations¹ that it should:

- enable Wales to own, to manage, and to develop our rail infrastructure,
- give us greater flexibility to operate high quality, frequent cross-border services to more destinations, and
- ensure that organisations responsible for delivering passenger services and rail infrastructure in Wales - including train operators, Network Rail, and the ORR - are properly accountable to the people of Wales.

Following the overwhelming and cross-party vote in the Assembly last year in support of the Welsh Government's position, we submitted our final response to the UK government's review, summarised last September in *A Railway for Wales*². This explains how we would manage our railways to meet our own needs and objectives, deliver our obligations under the Well-being of Future Generations Act, and, in conjunction with our new legislation to develop our bus networks, develop a truly integrated transport system.

Through the devolution of franchising powers, we created an organisation in Transport for Wales that oversaw a procurement process that put our own objectives at its heart, developed skills and expertise in Wales and delivered a model to maximise wider benefits. The new Wales and Borders franchise has allowed the Welsh Government to develop an innovative approach that will see transformational changes for passengers delivered across Wales. The transfer and transformation of the Core Valleys Lines demonstrates how decentralisation and devolution can develop innovative bespoke solutions. The transformation of the public transport network across the South-east of Wales over the next three years is well underway and we are developing similarly ambitious Metro programmes across the South-west and in the North.

The ability to meet diverse local needs within differing regional contexts can only be achieved through a devolution settlement where decision-making, utilising the full range of levers and a fair funding settlement, is informed by community, regional, and national priorities.

Now we need to go further, to take on greater responsibility and powers to transform the railway across Wales, to deliver the infrastructure and services that meet the needs of future generations, and to improve accessibility and accountability to local communities to ensure that they have the high quality railway that they deserve.

We are already in a strong position to meet these challenges. Cross-border governance and accountability issues were collectively and comprehensively addressed by the Welsh and UK Governments when responsibility for the Wales & Borders franchise was transferred. In Transport for Wales, we already have the structures, the expertise, and the processes in place to take on these new responsibilities and powers.

We recognise that there have been operational challenges in delivering the step change across service delivery that we expect to see through the franchise. These challenges are reflective of the wider issues across the GB rail industry and the mitigations that we have put in place have already seen improvements in performance, in punctuality and in industrial

¹ <https://gov.wales/written-statement-williams-rail-review>

² <https://gov.wales/sites/default/files/publications/2019-09/a-railway-for-wales-the-case-for-devolution.pdf>

relations. We expect further improvements over the coming months as new rolling stock is introduced, as part of our £800m plan for new trains, by 2023.

We recognise that it will be necessary for some functions such as safety standards, crossborder timetables, and rail freight access, to remain managed centrally at a GB level. However, this system must recognise the diversity of UK devolution and be subject to appropriate governance, transparency, and representation for national governments and authorities with devolved powers.

Following the clear position that the Welsh Government has set out to the Williams Rail Review, I expect the UK Government's Rail White Paper to set a pathway, timeline and programme for full devolution of our railways. This would allow us to develop our own rail infrastructure to offer a step-change in frequencies, integration and journey times to meet our own needs.

We hope you will agree that Wales is now equipped to rise to the challenge of further devolution, integrating track and train, developing our cross-border services, and playing an important role within a UK rail body and I would welcome your support for our clear position in your discussions with your colleagues in Westminster and in Parliament.

We have a clear template for delivering the remaining elements of devolution, we have unprecedented cross-party support and we have an ambitious and deliverable vision that will reverse the decades of under investment in our railway.

We would regard any outcome that resulted in an inferior degree of devolution for Wales to that proposed for other areas of the United Kingdom as a significant missed opportunity. An equitable rail devolution settlement across all nations of the UK would address some of the concerns being raised by the growing independence movements in both Scotland and Wales.

Finally, through the Buses (Wales) Bill we also intend addressing the failures of bus deregulation, which I would be happy to provide a briefing on.

I am copying this letter to Members of the National Assembly for Wales, and the Secretaries of State for Transport and for Wales.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Ken Skates', with a long horizontal flourish extending to the right.

Ken Skates AC/AM

Gweinidog dros yr Economi a Thrafnidiaeth
Minister for Economy and Transport



Ein cyf/Our ref:KS/220/20

Rt Hon Grant Shapps MP
Secretary of State for Transport

TransportSecretary@dft.gov.uk

4 June 2020

Dear Grant,

I wrote to you on 2 March about the UK Government's Restoring Your Railways fund and investment in the Wales and Borders rail network. Thank you for your reply of 6 May.

I am writing now, following a report undertaken for me by Transport for Wales, to request formally UK Government investment in the delivery, by early 2024, of four new stations across the regions of Wales which are my shortlisted priorities for potential developments under the New Stations Fund 3. These are - in no particular order as they are all of the highest priority - Deeside Parkway, on the Borderlands Line in North Wales; Carno, on the Cambrian Mainline in Mid Wales; St Clears on the Great Western Mainline in West Wales; and Ely Mill on the City Line in Cardiff, in South Wales.

In combination, which is why I have not prioritised between them, the Transport for Wales report demonstrates that there is a compelling case for all four to be developed as an integrated programme to improve access to the rail network across the regions of Wales. This package will make a major contribution to improved rail connectivity, supercharge our post Covid19 recovery, and develop our public transport for the future. Our new station openings will be key to Building Back Better.

In the cases of Deeside Parkway and Ely Mill, both will be key components of their respective Metro developments with major contributions to improved urban connectivity, employment/economic growth and reduced car use. New stations in Carno and St Clears would support strong employment and sustainable economic growth through improved regional connectivity. They share extensive community and third party support (community councils, local authorities and community groups) within rural communities that have limited public transport opportunities and have historically been overlooked, particularly since the closure of previous stations in these communities and of Laura Ashley's famous factory in Carno. Carno station will adjoin a new community hub/museum at the factory site and there will be great synergy between the two developments.

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Each is deliverable, and is operationally viable, and will offer regular services to national hubs. Carno will also require Network Rail to expedite the planned upgrade of the adjacent level crossing to avoid increased risk.

Transport for Wales has an unsurpassed delivery record over the previous two rounds of NSF. I have requested Transport for Wales to submit the completed NSF application forms directly to your NSF team on my behalf. Given that the UK Government continues to maintain responsibility and funding for rail infrastructure enhancements, I requested in my letter of 2 March, a fair allocation of the Restoring Your Railways funding for enhancements in Wales to develop a rail infrastructure enhancement programme delivering on our priorities and those of our partners. Your commitment to meeting the full costs of our new station building programme would be a positive first step to deliver transformative benefits to those communities.

As set out in my letter of 2 March, I do have further priorities for rail investment, including new stations at Greenfield and Magor, supported by MPs and MSs, and I would be glad to assist with any evaluation process in these cases.

My letter also set out other priorities for rail reopenings and my officials have recently lodged an expression of interest for the New Ideas Fund, for the restoration of passenger services on the line between Gaerwen and Amlwch on Anglesey and an expression of interest for the Accelerating Existing Proposals fund to restore the line and services to Abertillery in South Wales. My priorities are not limited to these cases, as you will recall from the attachment to my 2 March letter, and I will continue to press the case strongly for them, including the Aberystwyth – Carmarthen and Bangor – Caernarfon reopenings.

I would be very glad to have a discussion with you on these important issues, and the forthcoming Williams Rail Review outcome, and I am also content for my officials and Transport for Wales to have any detailed discussion with your own officials on any of these schemes.

I am copying this letter to Members of the Senedd, the Secretary of State for Wales, and to the other Wales and Borders MPs to whom I copied my 2 March letter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ken Skates', with a long horizontal flourish extending to the right.

Ken Skates AC/AM

Gweinidog yr Economi, Trafnidiaeth a Gogledd Cymru
Minister for Economy, Transport and North Wales