

Response to Welsh Assembly Economy, Infrastructure and Skills Committee inquiry into Wales and Borders Rail Franchise

Qu 1. The effectiveness of the Welsh Government's approach to the development, procurement and delivery of the rail franchise and South Wales Metro, including key risks and how they can be mitigated.

1 The Welsh Government has established a separate company (Transport for Wales- TfW) to undertake the task of obtaining the new rail franchise including the South Wales Metro. Railfuture notes that this provides the potential of having the actions required to obtain the new franchise the responsibility of a body separate from the Government's transport division which should potentially help provide clarity to the outputs. However, the establishment of the company may not in itself lead to desired outcomes as illustrated by the outputs from the now disbanded Strategic Rail Authority which was responsible for rail franchising when the present franchise was let. The letting of the current Wales and Borders franchise on a no growth basis in 2003 has subsequently been found to be a serious error. There is also a risk that Transport for Wales will have indistinct links with government, local authorities and local communities as it has no clear democratic accountability.

2 Railfuture Wales has sought the Welsh franchise to be let on a 'not for dividend' basis. This, or the similar 'not for profit' objective, has been the stated aim of Welsh ministers but it is recognised that in achieving this the Welsh Government's freedom is restricted by the fact that the more strategic aspects of rail regulation have not been devolved from the UK government to the Welsh Government. Therefore, the Welsh Government is not able to restrict consideration of franchise bids to not for dividend operators. This presents a significant challenge for TfW as it seeks to balance the quality of rail services against the level of subsidy required whilst attempting to ensure that the financial surplus which will potentially accrue to the franchise holder is not regarded as excessive.

3 The knowledge, skills and experience required to undertake bid assessments, which will be detailed and extensive, and negotiations in these circumstances are likely to be possessed by relatively few people and this is a key risk. As the franchise procurement task has not previously been undertaken in Wales it will have been necessary for staff to be recruited with rail franchise experience elsewhere. The capabilities of TfW staff needs to be evaluated at a relatively early stage in the franchise process and kept under review.

4 The procurement process has involved the shortlisting of four bidders. Railfuture Wales has met all four companies on the initial shortlist and noted that all four have extensive experience in rail operations. However, not all have experience in the UK in the full range of operations that the franchise holder will be required to provide, i.e. from rail service provision in lightly populated rural areas to the high frequency service in urban conurbations as is envisaged by the South Wales Metro. The criteria to be used for evaluating the bids has not been publicised by TfW. It is therefore not possible for Railfuture Wales to comment on the selection process to be used although the challenge posed by the not for profit issue is highlighted in paragraph 2 above.

5 Railfuture Wales has doubts about the wisdom of including the development of light rail as part of the franchise for the continuation of the Wales and Borders rail services. Railfuture suggests that

the new franchise operator will have to work with some form of passenger transport executive, which would be responsible for all public transport services in the SE Wales Region. The governance of this could be the responsibility of a new board relating to the local government structures which are in place at the time and linked to the City Region deal.

6 Railfuture Wales welcomes the intention for the new franchise to have responsibility for rail infrastructure in parts of the Metro area as this will improve the ability of the franchise's Metro arm to be able to better procure its routes needs and result in better integration between services and track/signalling. However, it is noted that this presents a risk of adequate finance for infrastructure not being devolved from Network Rail and the risk of the ability of franchise holders/train operators to manage infrastructure in the UK is not yet proven.

7 There are further risks in the franchise process resulting from the devolution of the responsibility for selecting the new Wales and Borders operator to the Welsh Government. The interface with the Department for Transport (DfT) franchise team needs to work well to ensure that the services serving Wales provided by non Wales based operating companies are integrated with services delivered by the new franchisee. Likewise, a dialogue will be necessary with DfT and the English regions served by the new Wales and Borders franchise to ensure services are co-ordinated with services in England provided by other train operators.

8 There is a relatively short timetable leading to the commencement of operations by the new franchise in 2018. In light of this and the complexity of the franchise resulting from the inclusion of the Metro, Railfuture Wales considers it would be wise for TfW to have a contingency proposal to extend the existing Arriva Trains Wales franchise for one year or whatever the necessary time required to enable the franchise process to be properly concluded. However, the procurement process must not be hurried but must be one that can provide for the transport requirements for Wales and the Borders for the next ten years or more.

9 The risk of the Welsh Government not being willing or able to provide adequate funding for the new franchise for the entirety of its duration needs to be acknowledged. The government has not made clear the funding that it is willing to make available and if insufficient money is budgeted this is likely to result in a reduction of services on some routes compared to recent years.

10 Finally, the continued lack of Welsh Government/Transport for Wales responsibility for and ability to influence Network Rail (apart from Metro rail services where the new operator could have this responsibility) is a further risk. This has recently led to Wales receiving a proportionately less funding for its rail infrastructure than England and could limit the ability of the new franchise to improve services (e.g. where signal upgrading is required to improve service frequencies). An important associated matter as it is dependent on Network Rail funding determined by the UK Government, is the uncertainty of when and if main line electrification will occur. Whilst it appears to be reasonably certain that the main line to Cardiff from London will be electrified in the next few years, uncertainty remains over the Cardiff- Swansea route and the lines to Bristol Temple Meads. This makes creates difficulties in the planning/ordering of new rolling stock and may result in the new for orders for stock which can operate as diesel and electric train (bi mode).

Qu 2. Priorities for the franchise specification and Metro delivery to ensure rail services meet the needs of current and future travellers throughout the franchise area, and deliver value for money for both passengers and the taxpayer.

11 The first Railfuture priority is to ensure that the specification allows for changes in the number of passengers and the routes which they use over the franchise period. This will avoid the franchise holder having the potential to unreasonably benefit from significant increases in passenger demand and passengers suffering from overcrowding. A minimum franchise length of 10 years is suggested to ensure that the successful operator has sufficient time period in which to invest in new rolling stock and services and obtain a satisfactory financial return.

12 A second priority is for the franchise to be let on the basis of all passenger rolling stock to be replaced with new stock within five years of the commencement of the franchise. This requirement extends to all routes in Wales including the metro services which will be operating routes not subject to electrification. This priority is justified for the reason that the majority of the existing rolling stock in the franchise area being approximately 30 years old with the most modern stock being over 15 years old and although the current operator has made some effort to update passenger facilities. Passengers now deserve to be served by modern trains which will provide greater levels of comfort such as full air conditioning, seats aligning with windows on longer distance services, Wi-Fi and luggage storage space closer to seating areas. All rolling stock must have compatible couplings and corridors at the end of the units to provide maximum flexibility to form longer trains by joining two or more units of different types together and to allow staff to move through the entire train and for refreshments services to be accessible to all passengers. Refurbishment of the rolling stock at appropriate intervals should also be required.

13 In terms of timetabling of services the following priorities are taken from the Railfuture Wales Development Plan:

- * A service frequency of no less than two hours on all routes with higher frequency services in the more populated areas. More specific improvements include the provision of 30 minute interval services on the Ebbw Vale, Maesteg and Vale of Glamorgan branches in South Wales and on the Wrexham to Shotton/Bidston line in North Wales/Wirral.

- * 'Clock face' timetabling; i.e. Departure times are at the same minutes past the hour throughout the day. However, where there is evidence that a long established timetable for local services is valued by local residents, there may be a case to retain existing patterns.

- *The retention of services to Manchester Airport, Birmingham International and Cheltenham

- * Better integration with other public transport modes such as buses, ferry ports and airports. This should include comprehensive facilities for through ticketing. Provision of bus turning circles and adequate car parking facilities

- * Improved connectivity with other parts of the UK by the provision of more through services to destinations in regions such as northern England including Liverpool and Swansea to Bristol and beyond

- * A maximum wait time of 15 minutes when a change of train is required. Guidelines are suggested on ensuring passengers make connections when services are running late

14 With regard to stations to be managed by the new franchise holder Railfuture Wales has the following priorities:

- * All stations should provide minimum facilities: notice boards, covered waiting accommodation, real time running information with speakers providing opportunities for announcements from a control centre, a means to call the control centre, cycle parking and access for disabled passengers to all platforms .

- * provision of adequate parking and interchange facilities

- * Interchange stations (rail to rail or rail to bus) should in addition provide a member of staff on duty during hours when passengers are changing services, toilets and basic refreshment facilities (vending machine).

15 The new rolling stock should be maintained and operated to meet the following standards:

- *Carriage interiors must be clean, well heated and provide functioning toilets including disabled toilets .

- *Announcements from staff should be clear and audible and provide information on connections at forthcoming stops. Delays and reasons should be announced within one minute

- *Refreshments should be available on services over two hours' duration.

16 Performance indicators for the new franchise should cover overcrowding (passengers unable to obtain seats for journeys over 15 minutes), provision of advertised on board refreshment facilities and working toilets as well as retaining the existing indicators of punctuality and reliability.

17 The development of the South Wales Metro's rail services presents separate challenges from the remainder of the franchise area. Railfuture considers that 'heavy' or traditional rail services should be retained (some diesel, some electric dependent on the routes to be electrified by the Welsh/European /UK Government funding) on services to the 'outer' points of the 'Valleys' rail network (Ebbw Vale, Rhymney, Merthyr, Aberdare, Treherbert, Penarth, Barry and Maesteg). Bi mode trains should be considered to enable electrification to be extended during the franchise. Light rail (trams) could have a useful role in journeys on the 'inner' network between Pontypridd, Caerphilly, Coryton and Cardiff city centre and Bay area with new routes to provide direct services via street running to the University Hospital Wales site. However interchange must be provided with the heavy rail routes and especially at Cardiff Central. Elsewhere in the Cardiff Capital region, light rail provides opportunities to provide frequent services to other destinations not served by rail such as the proposed new residential areas to the north east and north west of Cardiff. The metro arm of the franchise should be required to keep opportunities for such new services under review with close working local authority transport and planning services being required as the capital funding for such services is likely to be partly met by the sites' developers. For any integrated transport system including a metro to work there must be connections with bus services at properly provided interchange points. These need to be part of the franchise .

<http://www.railfuture.org.uk/display702> 2013 Devlt plan

<http://www.railfuture.org.uk/display1368> 2016 Devlt plan summary