

Cynulliad Cenedlaethol Cymru / National Assembly for Wales

Pwyllgor yr Economi, Seilwaith a Sgiliau/ Economy, Infrastructure and Skills Committee

Masnachfrait Rheilffyrdd a chyflwyno Metro / Rail Franchise and the Metro

Ymateb gan Heart of Wales Line Development Co Ltd / Evidence from Heart of Wales Line Development Co Ltd

Views on the future of the Wales and Borders Franchise

This response, from General Manager of the above organisation, is focussed on the connectivity needs of rural communities in Wales and the Border Counties but also takes account of the wider issues with which WG has to be concerned.

Issue 1: The effectiveness of WG approach (etc as set out in brief, with particular reference to key risks)

1. We are glad to learn that Welsh Government, through Transport for Wales, has adopted an innovative approach to the franchising process. We are led to believe that the approach adopted has worked well in securing advantageous deals in major road procurement projects and hope that such benefits transfer across to the rail sector.

We hope that the franchise specifiers will be encouraged not to be risk averse and that pressure will be exerted on bidders to come up with ideas that are truly innovative and cost effective. It is widely thought that conventional railway operations cost more than they should. Key Risk No 1 is if the outcome is 'business as usual'.

2. The existing franchise agreement is agreed not to have been fit for purpose. It assumed no growth, whereas passenger numbers carried have increased significantly and the measures taken to deal with this, including the introduction of new services as 'add ons' , are believed to have cost far more than if they had been specified in the first place.

Clearly it is hard to predict how demand will change over the period of a franchise. So the ITT must build in some form of cost effective measure that enables TfW to introduce new or different services without incurring punitive extra costs. Key risk No 2 is that this future flexibility is not built in, or that TfW finds it unaffordable.

3. Rolling stock is probably the single most important factor in meeting customer demands. The fact that Wales has some of the oldest stock in the UK has been well rehearsed, as has the fact that by and large ATW do a good job in keeping the fleet operational. Given the shortage of public sector funds, Key Risk No 3 is that not enough suitable new stock is made available, especially outside the Metro areas.

The specification of rolling stock needs careful consideration. Units suitable for intensive commuter services need to differ from those used on longer distance services, especially where

it is the intention to attract tourists. Currently some of the trains that serve the Valleys are also used on lines such as the Heart of Wales, where they are not suitable.

A related risk is that on Wales' scenic lines, the money and time spent on attracting new customers is wasted because reality does not match up with customer expectations. 21st century passengers are sophisticated and expect more than just the basics.

4. There has been continual comment within the transport community in Wales, in the media, and off the record from representatives of the bidders, to the effect that WG and TfW are less well prepared than is desirable for the implementation of this process, that the team carrying out the work is smaller and less robust than might be expected, and that the WG - TfW - DfT relationship is not as strong or effective as is desirable.

All of these issues are imponderables to 'outsiders' but if true are Key Risk 4 to the success of the process. It may well be that all is well: if so then keeping stakeholders better informed as to the state and nature of the process would be reassuring.

5. Key risk 5, therefore, is that the franchise will not be as well negotiated as is desirable. Linked to this is the concern that the franchising process could hardly be taking place at a worse time. Brexit uncertainties, poor funding settlements for Wales, and the ongoing climate of financial uncertainty and austerity all combine to a concern that it will be hard for Wales to afford the enhanced rail and Metro system it so clearly needs. There needs to be a considerable amount of flexibility and future proofing built into the franchise agreement.

6. This is particularly the case for rural areas such as those served by the Heart of Wales line- Key Risk 6. Political and population pressures can all too easily lead to a situation in which preference and resources will be given to the North and South Metro schemes, leaving the rest of the country, especially mid and West Wales, poorly provided for. In this respect we would urge the Committee to broaden the scope of its enquiry and examine this matter.

There is little enough public transport provision in rural areas as it is. The franchise focusses on rail: consideration also needs to be given to the other modes of transport that link the user to the railhead, be it taxi, community transport, bus, cycle or on foot.

Bus services in particular have taken a big hit in recent years]: Wales needs a high quality 'seamless' public transport network, using rail as a major part of the 'skeleton', deliberately integrated with other modes rather than randomly linked as is so often the case at present. 'Let's make the most of what *can* be provided.'

7. The franchising process focusses on the rail services provided in Wales and the Border Counties. However, to the passenger, boundaries do not matter. They need a service that gets them to their chosen destination. The current terms of reference seem to run the risk of ignoring significant opportunities in the form of the services provided to, and within, Wales by operators such as GWR, Virgin, Cross Country, and London Midland. Key risk 7 is that if there is no

joined up thinking, passenger needs will not be met as well as they might, and also that extra resources that will benefit Wales and the Border counties might not be accessed.

Issue 2 Priorities for the franchise specification

Rolling Stock and Timetables

The franchise specification must set out rail services, frequencies and the provision of support facilities such as stations, that *meet passenger needs* rather than simply being dictated by resource availability. There is obviously a balance to be found here: trains (and train crew) are expensive but at present many of the problems expressed by passengers are due to a lack of resources.

Better use of the limited resources available

For a whole range of reasons, rail in the UK is arguably more expensive than it needs to be. Community Rail Partnerships, Business Units and the development of Rail - Community 'Hubs' such as those being developed by Heart of Wales Line Development Co Ltd can provide a more cost effective way of delivering some rail sector services for the industry.

We are working to ensure that the bidders develop strategies for using organisations such as ours as a significant part of the franchise process, and will be glad of support from TfW in so doing.

Proper integration of public transport modes

As referenced under Issue 1, Wales, especially rural Wales, has relatively few public transport services and so it makes sense that best use is made of what is available, using all modes and with strong Governmental support.

Making the most of tourism

Tourism is one of our major industries. At present relatively few visitors to us use public transport, either to travel to us or to move around when they are here. The potential demand for public transport based tourism is considerable. For example Wales has been successful in attracting more and more cruise ships to our ports. Their passengers need to move around, and trains are a good way of doing this.

Other recently let franchises - notably in Scotland - have focussed on the development of rail based tourism products. So should Wales.

Serving the old, the young, and the disadvantaged

We have an elderly population, increasingly unable to drive or fearful of doing so. At the other end of the age spectrum, many young people are unable to afford the costs of running a car. And there are many 'Just About Managing (!)' people who need to travel around but find their range curtailed by limited services, especially on a Sunday, after 18.00, and at Christmas and the New Year when public transport is not available.

The economic and social benefits of 'social tourism' are considerable: the franchise needs to ensure that they can be delivered.

A superb rail (and by extension, public transport, system) that is clearly Welsh....in a distinctive way.

A previous WG Transport Minister frequently set out his aspirations as being to have a system similar to the one enjoyed in Switzerland. High quality rolling stock, frequent services, clockface timetables, bus - rail integration etc etc. All of these cost money but It would make sense to set our sights high, to have a 10 or 15 year vision, and a plan that will move us close to being a leader.

Whether by accident or design all four of the bidders have considerable experience to draw on from elsewhere in the World. We need to ensure that what they propose, and what WG agrees to buy, is visionary, unique to us, and something we can, in due course, be proud of.