

1. Merseytravel welcomes this important opportunity to submit evidence to the National Assembly for Wales's Economy, Infrastructure and Skills Committee's Inquiry into the Rail Franchise and South Wales Metro.
2. It is noted that the Committee's inquiry is focused on the following issues:
 - 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; and
 - Priorities for the franchise specification and Metro delivery to ensure rail services meet the needs of current and future passengers throughout the franchise area, and deliver value for money for both passengers and the taxpayer
3. Merseytravel's evidence will focus upon the latter point, namely priorities in respect of the rail franchise, rather than on the effectiveness of the Welsh Government's procurement processes. Neither does this submission comment upon the delivery of the South Wales Metro, as Merseytravel would not wish to comment on devolved issue, and one with no direct bearing on the LCR.
4. Merseytravel is the Liverpool City Region Combined Authority's (LCRCA's) lead advisory body and executive body on transport issues. It also advises the LCR's Local Enterprise Partnership (LEP) on transport matters. The LCRCA is a statutory body covering the local authority districts of Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral with a collective population of 1.5 million. The LCRCA is responsible for strategic transport planning across the city region, together with other strategic policy areas such as economic development, housing and planning, and employment and skills.
5. Operationally, Merseytravel has responsibility for managing the devolved Merseyrail concession, developing public transport infrastructure, such as new bus and rail stations, operating the tolled Mersey Tunnels and procuring non-commercial bus services. It is also responsible for administering concessionary, pre-paid and 'smart' ticketing and providing travel information. One of the largest projects now in development concerns the £460 million replacement of the 40-year old Merseyrail rolling stock. The new fleet will be owned by the Liverpool City Region and leased to the train operating company. Notably, the new fleet also has the flexibility to operate beyond the current confines of the Merseyrail 750V DC-electrified network¹.
6. Merseytravel, as part of the LCR Combined Authority (which has a river boundary with Wales) recognises the fundamental linkages between North Wales and North West England in terms of jobs, retail, tourism, education and healthcare. North East Wales, West Cheshire and parts of the Liverpool City Region form part of a common, recognisable economic and travel-to-work-area, which necessitates safe, affordable and efficient cross-boundary, multi-modal east-west movements.
7. Furthermore, transport networks rarely respect administrative boundaries, meaning that cross boundary travel planning can be fragmented and prove complex to deliver. As a result,

¹ <http://www.merseytravel.gov.uk/about-us/Pages/New-Trains-For-Merseyrail.aspx>

Merseytravel enjoys a close working relationship with adjoining local authorities and key alliances such as the Mersey Dee Alliance, the Growth Track 360 Alliance and the North Wales Economic Ambition Board to address these cross-boundary issues in a strategic and co-ordinated way. At a wider geographic level, Merseytravel played a key role in the Rail North governance arrangements and processes, in respect of the re-franchising of 'Northern' and 'Trans-Pennine Express'. This led to transformational improvements to the specification of these franchises. As a related point, the effectiveness of the Rail North process, in drawing together relevant partners from local and central government is one that Welsh Government may wish to replicate in respect of the Wales and Borders franchise.

8. Merseytravel has a long history of working jointly with Welsh Government on cross boundary transport issues², and has contributed significant evidence to relevant consultations and inquiries. These include: the Enterprise and Business Committee's into cross border rail infrastructure priorities³ and input to the Welsh Government's development of the new Wales and Borders franchise⁴. Evidence has also been submitted to the Welsh Affairs Committee of the UK parliament on key cross boundary rail issues⁵. This evidence is consistent with these earlier submissions.
9. The current Wales and Borders franchise was specified on a "no growth" basis, and the actual growth that has been experienced has led to congested trains, cancellations and poor service levels overall. Equally, the static nature of the franchise has meant that services have not been able to respond to changing work and travel patterns, especially in cross-boundary terms. Transport is now firmly recognised as a core component of sustainable economic growth, through enhanced access to goods and services, for the workforce and in supporting agglomeration – these being fundamental principles that underpin the creation of 'Transport for the North'. More locally, the strong evidence base that exists compels the next Wales and Borders franchise to be specified not just on a growth scenario, but on one that is reflective of functional economic geographies extending beyond arbitrary administrative boundaries and service patterns.
10. Equally, at a strategic level, the new franchise should provide for an enhanced level of service that will better connect the major towns and cities and across the border in England, and not just those within Wales. Services in North Wales should also better serve international gateways in the form of Manchester Airport and Liverpool John Lennon Airport, recognising that these airports enjoy a significant market share from North Wales and the Marches. This is discussed further below in respect of the reinstatement of the Halton rail curve.
11. Consideration must also be given to improving and increasing rolling stock levels, to support growth and address issues of overcrowding and reliability. The new franchise should provide the additional capacity to bring crowding levels in line with Rail Executive's standards, but more importantly, to support growth and modal shift. It is appreciated that 'cascading' rolling stock from other franchise areas is needed to support this. However, building on the strong business case developed by the LCR, innovative rolling stock solutions should be explored, including the acquisition of new, bespoke rolling stock by the Welsh Government, which would be leased to the franchisee(s). From Merseytravel's experience, this approach will be 30% cheaper than a conventional ROSCO model over the lifetime of the fleet, with no risk that the new stock is subsequently cascaded to another franchise area. The new fleet, which will become operational by 2019-2020 is also a highly relevant consideration, given its potential to extend beyond the existing electrified Merseyrail network.

² <http://www.merseytravel.gov.uk/about-us/media-centre/news/Pages/View-from-Merseytravel-chair---cross-border-rail.aspx>

³ <http://www.senedd.assembly.wales/documents/s48046/EBC4-03-16%20p.3%20Evidence%20from%20Merseytravel.pdf>

⁴ <http://moderngov.merseytravel.uk.net/ieListDocuments.aspx?Cid=326&MID=1331#AI9536> – item 73

⁵ <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/welsh-affairs-committee/wales-and-borders-rail-franchise/written/36343.html>

12. At a more specific geographic level, Merseytravel's priorities are to promote an enhance two key cross-boundary routes that fall within the scope of the franchise:-
 - a) The Borderlands Line between Wrexham and Bidston; and
 - b) The development of the Halton Curve and new services into Liverpool South Parkway and Liverpool Lime Street from Chester and North Wales
13. Looking at (a) in more depth, Merseytravel is working closely with the Welsh Government to improve service quality and train frequencies on the Borderlands line between Wrexham and Bidston. The service currently takes the form of a sub-standard, hourly diesel service to Bidston, where it connects with Merseyrail services to Liverpool. This line should be recognised as a high priority by the Committee and by the Welsh Government in terms of its economic importance in linking three mutually supportive Enterprise Zones (Liverpool Waters, Wirral Waters and Deeside Industrial Park) and in supporting access to leisure, culture, health facilities and retailing on both sides of the border. It links university and college sites in Wrexham, Deeside, Wirral and Liverpool, and will serve an increasingly important social and economic role for HMP Berwyn in Wrexham which is scheduled to open shortly.
14. Many work-based trips in the Deeside area are typically made by car at present, exacerbating congestion and associated costs and disbenefits on cross border road links such as the M53, M56, A494, A55 and A483. The 'Growth Track 360' Prospectus estimates that 1 million cross bore commuter trips are made each month, whilst 85% of these are made by car.
15. Equally, evidence shows that lack of access to a car can lead to worklessness if convenient and affordable transport options do not exist. As a cross-border example, residents in Rock Ferry, east Wirral, live around 12 miles from significant employment opportunities at Deeside Industrial Park. Deeside Industrial Park is served by Hawarden Bridge station, but only 4 services each weekday call from Bidston, and the three leg rail journey takes around 70 minutes. This is not considered a viable or attractive proposition. The Growth Track 360 prospectus estimates that 1 in 5 people will turn down job offers due to inaccessibility⁶. As the Borderlands line directly serves Deeside Industrial Park, an enhanced service specification, linked to a new transport hub in the Hawarden Bridge area, would open up access for all from across the travel-to-work area.
16. A recent technical demand study commissioned by Merseytravel and the Welsh Government highlights the positive benefit-to-cost ratios and economic returns that would arise from enhanced service levels on the Borderlands line. A multi-party steering group has been established under the Growth Track 360 governance structures to oversee the next steps, where the clear priority is to improve the existing hourly diesel service to a 30 minute frequency. Operationally, this may require the second train to operate as a semi-fast service, calling at the busiest stations only, but this would offer a faster journey time and improve performance. This should be a clear specification within the new franchise in recognition of the strategic potential of this line.
17. As a related issue, the franchise specification should also seek to equalise the fare scales and ticketing options that apply across the wider city region; fares from stations in south Wirral (e.g. Neston) are considerably greater than fares for trips of a similar distance on the Merseyrail network (e.g. from Hooton). These are issues that arise from differences in the franchise specifications, but from a passenger perspective, they are barriers to growing patronage on the Borderlands line. They also distort travel patterns when residents living adjacent to the Borderlands line opt to drive to Merseyrail stations such as Hooton or Birkenhead North for onward travel to Liverpool and beyond.
18. Turning to (b), the long-standing ambition to reinstate the Halton Curve, together with capacity enhancements in the surrounding area, will facilitate direct rail links from the North Wales Coast

⁶ <http://www.growthtrack360.com/home/key-facts/>

Line and from Wrexham to Liverpool. The rail link has specific economic importance in improving rail access to Liverpool John Lennon Airport and linking three mutually supportive Enterprise Zones (Sci-Tech Daresbury, Cheshire Science Corridor and Mersey Waters), and in supporting access to education, leisure and retailing.

19. In recognition of its importance, the LCR has committed £16 million from its devolved Growth Deal funding to reinstate the link and deliver associated signalling and junction works⁷. It is anticipated that work will be completed by May 2018, with services starting from December 2018. Initially, Merseytravel will subsidise an hourly Chester-Liverpool service via the Halton Curve, as a first step in the development of enhanced services using the Curve. This initial service provides value for money, and benefits rail users in the West Cheshire area and in serving Liverpool South Parkway (the interchange for Liverpool John Lennon Airport), but is clearly is not the optimal solution. Neither is it a sustainable solution in the long term to the LCR, given the element of duplication that exists with Merseyrail services operating between Chester and Liverpool.
20. As such, a priority for the new Wales and Borders franchise will be the inclusion of enhanced, regular cross-border services along the Halton Curve to Liverpool South Parkways and Liverpool Lime Street from significant stations in North Wales including Bangor, Llandudno and Wrexham. These have been shown to enjoy positive benefits in the scheme's business case⁸. Merseytravel would wish to see such cross-border services forming part of the base franchise, in recognition of the significant benefits afforded to Welsh residents, and in order to fully complement the LCR's significant capital investment in the Halton Curve.
21. It is recognised that service enhancements are hindered by infrastructure capacity constraints. In respect of the Halton Curve, these constraints stem from lack of capacity and the poor configuration of Chester rail station, together with track and turnback constraints in the vicinity of Wrexham General. The significant capital scheme promoted by Welsh Government to partially redouble the Wrexham-Saltney Junction line in the Rossett area is clearly welcomed, and its role in improving north-south journey times in Wales is fully appreciated. However, as the line will remain singled between Rossett and Wrexham, with capacity constraints in Wrexham and Chester, this situation does not currently support enhanced service provision to Liverpool and Liverpool John Lennon Airport from Wrexham and destinations south, and from the North Wales Coast line.
22. Merseytravel would strongly urge the Committee to identify the above infrastructure constraints as very high funding priorities, to release much needed rail capacity to support growth and to secure modal shift. The specification of the rail franchise is considered an ideal opportunity for potential solutions to these infrastructure constraints to be scoped and addressed by prospective franchise operators, in conjunction with the Welsh Government.

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7 <http://councillors.knowsley.gov.uk/documents/s42372/Final%20Liverpool%20City%20Region%20Growth%20Deal%20Schemes.pdf?StyleType=standard&StyleSize=none>

⁸ <http://www.merseytravel.gov.uk/about-us/local-transport-delivery/Documents/Halton%20Curve%20FBC%20-%20Final%20Version%20Feb%202016%20REDACTED%20VERSION3.pdf>