

1. Introduction

- 1.1 Angel Trains is the largest of the UK's Rolling Stock Owning Companies (ROSCOs). We own and maintain over 4,300 passenger vehicles, representing around 34% of the nation's rolling stock. We lease our trains to all 21 franchised and open access operators.
- 1.2 Angel Trains plays an integral role in the UK rail industry. We attract and secure the necessary private finance to procure, refurbish and enhance passenger rolling stock. Over the past 22 years we have invested over £4.7 billion in new rolling stock and refurbishment programmes. This makes Angel Trains one of the largest private investors in UK rail, as demonstrated by our new £900 million contract with the Derby train manufacturer Bombardier to procure 665 new Aventra vehicles for the East Anglia franchise.
- 1.3 Based in London and Derby, Angel Trains employs 120 professional, technical and administrative staff, graduates and apprentices who are specialists in many aspects of train leasing - from finance and engineering to commercial and customer service. In addition to our own resources, we have a network of suppliers and contractors, from large companies through to specialist SMEs, such as Pullman Rail based in Cardiff. Every year we channel over £60 million through our supply chain, supporting highly skilled jobs in depots across the UK and contributing to regional economic growth.
- 1.4 Angel Trains currently leases Class 142, 153, 158 and 175 units to Arriva Trains Wales (ATW). We are grateful for the opportunity to respond to the Committee's inquiry and intend to focus our comments on the rolling stock aspects of the next Wales and Borders franchise (including the Metro).

2. The next Wales and Borders Franchise & Metro

Development, Procurement & Delivery

- 2.1 Just like any modern service industry, we believe the Wales and Borders rail franchise should be focused firmly on customer satisfaction to deliver a passenger-led service. It is therefore welcome that the views of a wide range of stakeholders and passengers are being sought on future requirements for the franchise as part of this inquiry, and also by the Welsh Government.
- 2.2 ROSCOs take a long-term strategic view of the rail industry given the 30-35 year life-span of the trains we buy. Clearly defined outcomes and priorities from the Welsh Government and continued dialogue with the rail industry on their vision for Wales and Borders services is essential to ensure that the resulting franchise fulfils current and future projected needs, linked to economic development strategies and plans for future employment distribution in Wales. Long-term planning is needed to ensure ROSCOs are able to offer rolling stock solutions that meet the needs and expectations of all rail users under the new Wales and Borders franchise, and ensure value for money for passengers and taxpayers.
- 2.3 Only with policy certainty can ROSCOs assess and manage the optimum cascade options for their fleets and plan ahead to coordinate major upgrades to improve the passenger experience. These works include meeting the vehicle access requirements for passengers with reduced mobility (by 2020) and the fitment of the European Train Control System to support the future roll-out of the Digital Railway initiative.

- 2.4 With regard to the Metro, we welcome the clarity that will be brought by the forthcoming franchise submissions. Without this guidance we are unable to comment on the rolling stock options which would best deliver the Welsh Government's ambitions. However, we agree with industry colleagues that a mix of heavy and light rail running on the same lines presents a number of challenges which would need to be addressed in order to deliver an appropriate solution.

Priorities for franchise specification and Metro delivery (needs and value for money)

- 2.5 Careful consideration should be given in the next specification to the balance between affordability and the type and quality of service for the passenger, based on the Welsh Government's assessment of what the future of the service should look like. Rolling stock only accounts for a small proportion of whole industry costs. However, we would strongly emphasise the benefits of high quality refurbishment to meet the rolling stock quality characteristics outlined by the Welsh Government. Upgrading existing rolling stock can be delivered more quickly and can offer a passenger experience comparable with new rolling stock in terms of look, feel and performance for a fraction of the cost of procuring new vehicles. It could facilitate an earlier delivery of passenger benefits and allow time for Welsh Government to develop and evaluate its longer term policy and funding for rail. Refurbished and upgraded rolling stock can also complement new trains and can help to keep down the cost of leasing and the subsequent knock on cost to passengers. This offers greater value for money for fare payers and taxpayers whilst meeting passengers' expectations of modernised rolling stock. Notably, the upgrade of existing rolling stock also provides significant economic benefits for the domestic rail supply chain as the majority of this refurbishment work is carried out by UK-based suppliers.
- 2.6 As an example, in 2013 Angel Trains worked closely with ATW and rail maintenance specialist LNWR to complete a total overhaul and refurbishment of 24 ATW Class 158 trains running on the Cambrian line. The refurbishment of this rolling stock, funded by the Welsh Government, created a new carriage interior in addition to improvements such as the installation of power sockets for passengers and energy efficient lighting. Passengers have been so impressed with the work carried out that many thought that the trains were new.
- 2.7 High quality refurbishment still allows for trains to be specifically designed for each market need within Wales e.g. trains with metro-style interiors which include standing areas for shorter commutes, whilst more rural services and typically longer journeys would be served by trains with more seating. Variants of refurbished train interiors could be developed in response to clear output specifications from the Welsh Government based on passengers' needs and their vision for the future of the Welsh economy.

3. Further information

- 3.1 If the Committee would like further information relating to this written submission, please contact:

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