

Evidence paper for the Cabinet Secretary for North Wales and Transport for General Scrutiny at the CCEI Committee

Information provided to aid the Committee in advance of the Cabinet Secretary's attendance for General Scrutiny on 26 June, 2024.

Rail

Transport for Wales (TfW) faced a number of challenges in 2023 in operating high quality rail services as they dealt with the peak disruption of replacing old trains with new. Following a poor Spring and Summer period, TfW's rail service performance improved, including on the key North-South route. This was largely due to the increased use right across Wales of more reliable brand-new trains. Performance has continued to improve with TfW recording the greatest improvement in punctuality across every single Great British franchise in the first 3 months of 2024, compared to the first 3 months of 2023.

New Trains

TfW have now accepted 51 of the new CAF trains, with the most recent deliveries being 3 carriage trains, helping to boost capacity on busy services. These trains are in daily use right across Wales, meaning it is possible to travel from Milford Haven to Holyhead on entirely new trains. In South Wales, TfW are using 11 new Stadler 4-carriage trains on services between Rhymney and Barry Island.

When all the brand-new fleet is delivered, TfW will have 484 carriages available compared to the 270 inherited in 2018. TfW are confident that performance of services will continue to improve as more new trains are delivered.

Rail Services

TfW are one of the few operators across the UK who have returned to a full timetable of services following the Covid pandemic. TfW increased the number of services they operate with the introduction of a new service between Ebbw Vale and Newport in January 2024. A more reliable service between Wrexham and Bidston and hourly services between Chester and Liverpool were delivered in December 2023. From this June TfW are delivering a turn-up-&-go service on the Core Valley Lines, with 8 trains per hour from Pontypridd and 6 trains per hour from Caerphilly to and from Cardiff. This represents an important step on the journey to deliver the South Wales Metro.

Core Valley Lines Transformation

The Core Valley Lines (CVL) transformation is an over £1bn investment which is improving the lines to Treherbert, Aberdare, Merthyr Tydfil, Rhymney and Coryton. The transformation includes electrification, enabling new electric trains to replace the inherited diesel-powered fleet.

Works to upgrade the largely Victorian infrastructure has caused disruption for people who live along the routes, but it is essential to achieve our vision for a high-

quality network fit for future generations. The transformation will reduce journey times and enable more services every hour operated by new trains.

CVL Progress

The CVL transformation works were originally planned to be completed by the end of 2023. However, this has been delayed due to the impact Covid has had on the programme, which alongside the high levels of inflation, has also increased the cost of delivery.

So far, TfW have electrified the lines from Cardiff to Treherbert, Aberdare and Merthyr. Six stations on the CVL are being significantly upgraded to ensure they are ready for the new trains. 'Access for All' facilities are also being installed to make the Welsh Government's infrastructure as accessible as possible.

Work to transform the Treherbert Line necessitated the full closure of this route for almost 10 months. The transformation work on this line included electrification and the replacement of mid-19th Century signalling technology.

The new fleet of electric trains which will operate services on the transformed CVL is currently being tested. The first of these electric trains is planned to enter service on the CVL in Autumn 2024.

Transport for Wales

Transport for Wales (TfW) was established in 2015 to procure and manage the Wales and Borders rail franchise and support transport projects in Wales. Significant changes have taken place since, not least as a result of the need to bring rail operations in-house during the pandemic, the transfer of the management of active travel grant programmes, and to support the franchising approach of the forthcoming Bus Bill.

As a result of these additional responsibilities, and to better align with shared objectives, TfW has implemented a new operating model to improve integration and promote a multi-modal approach. We have also enhanced the governance approaches between TfW and the Welsh Government partnership including the inclusion of a Welsh Government and local government observer (Cllr Andrew Morgan) on TfW's Board.

We have developed a suite of multi-modal performance and corporate indicators that monitor progress against agreed targets to provide an objective measure of how efficiently and effectively TfW is meeting its business plan, five-year corporate strategy, and broader objectives. These new indicators will soon be published for the first time to allow further scrutiny of their performance.

Achieving our ambitions to decarbonise the network, reduce inequalities, and support rural communities will require working with other partners, in particular local authorities, transport operators, and unions. While there has been significant progress in developing a 'one team' approach and collaborative culture across organisations, there is still significant work to do in this area. Further evolution of the

organisation's culture and practices will be required to embed a truly multi-modal mindset and put integrated networks at the front and centre of decision-making.

TfW remit was updated last year to reflect evolving priorities and new objectives to embed a multi-modal culture across the organisation and to develop commercial behaviours to maximise revenue, minimise costs, mitigate risks, and exploit opportunities. The new remit letter strengthens the alignment of the organisations' objectives with Llwybr Newydd: The Wales Transport Strategy and other Welsh Government policies by encouraging modal shift through delivering an accessible, sustainable, and efficient transport system that better integrates rail, bus and active travel.

During the pandemic, every part of the public transit system required additional financial support to maintain essential services. The combination of existing budgets and Covid funding was able to cover costs of operating services during the pandemic. However, as demand has not returned in full in all areas, a significant gap arose once the pandemic funding came to an end and additional funding of £125m had to be allocated to TfW in 23-24.

The cost is especially high at the present time because we are replacing nearly every piece of rolling stock in Wales, enhancing infrastructure, preparing for new services but not receiving fare revenue. Furthermore, when the franchise was agreed in 2018, significant farebox growth was predicted. This was ambitious but plausible based on the planned uplifts in services. Covid caused very significant disruption to that planned growth and has changed travel patterns permanently. Despite this, the farebox is close to recovering to past levels, but we have 'lost' three years of expected growth.

Bus Franchising – The Buses (Wales) Bill *(working title)*

White Paper

The White Paper "One Network, One Timetable, One ticket: planning buses as a public service for Wales" was published in March 2022. It outlined the proposals to reform public bus services in Wales. Bringing local bus services back under public control. The current bus network is privatised but heavily subsidised in range of different ways.

Around three quarters of journeys by public transport in Wales are made by bus. Decisions about bus services disproportionately affect women; Black, Asian and Minority Ethnic people; disabled people; older and younger people; and those with low paid or insecure work. Many of these people rely on using buses.

Bus reliance is often not down to choice, but necessity. 19.4% of households in Wales do not own a car. Those living in rural areas in Wales, where bus services are poor, often don't have options when it comes to public transport. Our Bus Reform legislation looks to change this; by seeing busses for what they really are – a public service. 739 people responded to the White Paper. 96.1% of responders agreed that change is required. 76.3% of responders agreed that franchising was the right way to deliver our intentions.

Roadmap

The [Roadmap to Bus Reform](#) was launched on 5 March 2024. It was produced jointly by the Welsh Government and TfW.

It was primarily aimed at the bus industry to clarify the steps to franchising but is also used as a communication tool for all stakeholders such as local authorities and the public. Ultimately, it reiterates the importance of working with the industry, bus operators, trade unions and other partners to deliver a franchising system which works for Wales. It sets out how improvements to bus services in Wales will be achieved, with an indicative timeline.

The roadmap is not intended to give all the answers, but to set out our current thinking and to prompt a conversation with our partners about how best to deliver franchising in Wales. As highlighted in the Roadmap, future funding will be challenging meaning improvements to the network and to services we deliver will be done incrementally. We will, of course, have ongoing discussions as part of the budgeting process about how best to invest in buses and other public services.

Next steps

TfW have established various workstreams to manage the implementation of franchising. These workstreams are engaging with stakeholders to establish meaningful and continued conversations, ensuring we are taking people with us on the journey and making sure this is done right from the outset.

In line with zonal roll out plans, work is being done through regional scrums to start looking at various items such as network design. Work is building with the South West Wales zones – which is likely to be the first zone to be franchised.

TfW are working with Operators and their representatives towards testing and refining procurement strategies that will lead to effective competition for contracts. Ensuring that all operators are given fair chance at contract packages, recognising the impact of the SME market. Work is also ongoing to improve representation and strengthen the voice for those with protected characteristics.

Timing of the Bill

The current legislative framework has been in place for 40 years, and it's been built on through various enactments over that period. Re-structuring this framework in a way that best delivers according to the proposals set out in our White Paper is a complex undertaking, and it is important that we take the time to get it right and put buses on a stable footing.

I want to ensure we get this important statutory base for bus reform absolutely right. The First Minister will be providing further clarity on timings as part of the legislative statement in July. In the meantime, we will continue to work with industry and local authority partners to have a clear shared understanding of how the rollout of franchising will look so we can all plan accordingly.

Funding

Given the current financial challenges, the introduction of bus franchising does not assume any uplift in total funding to bus. Franchising will provide Welsh Government

with more control over financial risk and the power to control the significant funding we invest in bus services, making sure it is spent where it can have the greatest impact, reducing inefficiency and improving integration of services to make that funding go as far as possible.

Funding is always likely to be a limiting factor across both urban and rural settings but the opportunity to be creative around making sure community transport, taxi, demand responsive services and other “community led” approaches – such as active travel and car clubs – are part of the “one network” will be key to our approach.

Future funding will be challenging meaning improvements to the network and to services we deliver will be done incrementally. We will of course have ongoing discussions as part of the budgeting process about how best to invest in buses and other public services.

Public subsidy is also only part of the revenue in the bus system. We are working with TfW, local authorities and operators to look at how we can grow patronage to help generate a sustainable farebox for bus and supported a ‘back to bus’ campaign last year as part of this work.

Franchising will give us further opportunities to do this, with an attractive and integrated fare offer, a strong unified brand and better passenger information as well as the opportunity to consider improvements to the network.

Renewal/decarbonisation of fleet

The buses running in Wales are the oldest in the UK, and consequently the most polluting and costly to maintain. This is partly due to operators not investing in new fleet pending long-standing anticipated legislative changes to franchise the bus sector. As these old vehicles reach their end of life they will need to be replaced.

Upcoming bus reform gives TfW the opportunity to specify, purchase and own buses and then lease them to operators who are responsible for operating and maintaining them. This allows TfW to make an upfront capital cost expenditure on fleet and infrastructure to reduce the annual revenue payment made to operators.

Historically there have been very few zero emission buses in Wales. However, we are investing and supporting moves to new green zero emission vehicles for use on the local bus services across Wales. Fully electric buses are now in daily service in Cardiff and Newport and we have grant funded fleets of new electric buses in West and North Wales for use on the Welsh Government funded TrawsCymru network.

Active Travel

Our investment in active travel has grown significantly since we made the Active Travel Act and our delivery mechanisms have matured both at national and local level. We now need to focus on getting the best value from this investment and ensuring that the improvements we see bring benefits to all users.

The [Active Travel Delivery Plan](#) which was published in March this year sets out key steps we and our partners are taking to strengthen the delivery framework for active travel investment, and support more people to use of walking, wheeling and cycling for everyday journeys and in combination with public transport.

We have allocated over £50m to local authorities for 2024-25 from our Active Travel Fund and over £6m for Safe Routes in Communities to create schemes that make a real difference to people's journeys. £15m of the Active Travel Fund is awarded as a core allocation. This enables all local authorities to prioritise the immediate improvements they want to make each year and to begin work on more complex projects.

Roads

The Welsh Government is responsible for the Strategic Road Network in Wales, which is about 1,516km of major A roads (trunk roads) and 178km of motorway. It accounts for only 5% of the total Welsh road network but carries more than one third of all traffic and as such it is one of country's most important and valuable national assets.

In July 2023, we published our response to the Lugg Review [Welsh Government Response to the Lugg Review \[HTML\] | GOV.WALES](#) confirming how we will adapt to the effects of the changing climate, ensuring that our transport infrastructure is safe, accessible, well-maintained and future-proofed.

We have now developed a new approach to road maintenance including a Major Asset Renewal Programme. This programme incorporates mainly large structure refurbishments using a bespoke Prioritisation Tool. The process has been robustly and independently challenged, ensuring it aligns with the Wales Transport Strategy and the HM Treasury Green Book.

We will continue to build new roads and actively maintain our existing ones. That may be to improve safety, adapt to the effects of climate change or to service new developments. Our [National Transport Delivery Plan](#) sets out the programmes, projects and policies that we will be delivering up until 2027.

In February 2023, we published our response to the roads review. The review played a valuable role in shifting behaviours and encouraging innovative solutions. We will assess our future road building tests and how they have been applied to ensure that they are achieving their intended effect. We want to ensure that they raise the bar and enable us to build better roads in a way which is consistent with the climate and nature emergencies.

With regards to road safety, the principal objective of our 20mph policy is to save lives and reduce casualties on our roads. I want to build from the consensus that 20mph is right around schools, hospitals and in built up residential areas. What I am doing now is listening to what people want for the roads in their communities, and pressing ahead with refining the policy and getting the right speed on the right roads.

Through the drumbeat of regional meetings, we are putting in place with the support of TFW and with the help of the County Surveyors' Society Wales, we want to co-create a framework that supports highway authorities to make the right decisions for local roads – particularly when those calls are finely balanced.

That framework will be published before summer recess. After the summer break, we will continue to support highway authorities in the implementation phase of assessing roads, making of traffic regulation orders and finally in the implementation of changes on the ground. We acknowledge that it may take several months from September onwards before we see any changes on the ground.

We are also updating the [Setting Local Speed Limits in Wales guidance](#) to reflect current Welsh Government policy. Priority is being given to guidance for speed limits on roads where people live, with guidance for other roads to follow. It is expected that the guidance for roads where people live, will be published towards the latter end of the 2024/25 financial year. Following its release, Welsh Government will review the speed limits across our Trunk Road Network. Until then, we are not making any changes to individual speed limits so we can ensure consistency with the new guidance.

Regional transport

In total we have awarded more than £100 million to local authorities in 2024-25 to improve transport across Wales. This includes funding for active travel and safe routes, road safety, EV charging facilities, road resilience, local transport and unadopted roads.

We are pleased with the progress the Corporate Joint Committees (CJCs) are making towards their Regional Transport Plans. Transport for Wales and Welsh Government officials are working closely with the CJCs to provide technical advice and support in developing these plans. We have provided a further £100,000 funding to each CJC this financial year towards their development.

Taxi and Private Hire Vehicle (PHV) Licensing

We remain committed to legislating to modernise taxi and PHV licensing to address long-standing concerns about public safety and fairness. The First Minister will make a statement about the legislative programme on 9 July. Ahead of legislation, we will begin to take forward some reforms by non-legislative means. These will include updating non-statutory guidance for licensing authorities and working in partnership to introduce standardised training for taxi and private hire drivers.

EV Charging

Welsh Government has already delivered projects to ensure that a basic level of charging facilities are in place across Wales. To address the coverage issue at this stage of EV adoption, we have delivered 17 rapid charging sites, located approximately every 25 miles on the Strategic Road Network across Wales.

Welsh Government has invested over £6 million this year to help local authorities increase the number of publicly available electric vehicle charging points across the country. Wales compares well with most areas of the UK in terms of charge points per head of population. The number of publicly available chargepoints in Wales has grown 55% over the year, with a total of 2,542 as at April 2024. This means that there are 82 publicly available EV charging devices per 100,000 population, which is higher than all the regions in the UK, except London (221) and Scotland (93).

We expect the majority of EV charging infrastructure in Wales to be delivered by the private sector and we are actively working with chargepoint operators to accelerate the stream of private investment. Together with TfW, we have engaged with over fifty companies delivering charging infrastructure and work closely across industry, local authorities and utilities providers to ensure close collaboration in targeting the barriers and opportunities for delivery.

We have developed [national standards](#) for EV charging infrastructure, setting best practice recommendations for safe, accessible and reliable public EV charging in Wales. The standards are for use by public sector organisations, community enterprises and delivery partners involved in the deployment of EV charging infrastructure in Wales. They form an informative best practice guide to support Wales towards its net zero carbon targets.

Armed Forces and Veterans

The 2021 Census tells us we have 115,000 people living in Wales who have previously served in the Armed Forces, around 1 in 20 people and 1 in 12 households. Wales contributes approximately 7% of the Armed Forces strength from 5% of the population. The great majority of these serve outside Wales. The Armed Forces Community – Service People, veterans and their families are supported by the Armed Forces Covenant in relation to identifying and reducing potential disadvantage caused by service life and in some cases, such as death and bereavement, enabling prioritisation to be considered. The Covenant covers devolved areas including health, housing, education and employment. Support for the Covenant comes from across Government and my role has a cross-cutting element. My own portfolio includes grant support for Armed Forces Liaison Officers and for Armed Forces Day in Wales.

I maintain regular contact with the heads of the three Armed Services in Wales, in relation to the Services' presence in Wales. The Armed Forces footprint includes bases such as RAF Valley on Anglesey and the School of Infantry in Brecon and training areas such as Sennybridge in Powys and Castlemartin in Pembrokeshire. Basing and infrastructure policy and decisions are MOD-led but we can engage where we have an interest.

North Wales

One of my main priorities, working with my Cabinet colleagues, is to develop and devolve an enhanced package of powers to the North. I also intend to ensure that the circumstances and needs of our communities in North Wales are reflected across the breadth of current and future government policies and decisions. I will be

chairing the Cabinet Sub-committee for North Wales and intend to sharpen its focus by moving to a thematic approach for each meeting.

I have met a range of stakeholders from across the region and I intend to continue my programme of regular engagement with public authorities, businesses and community organisations. It does not replace engagement by my Cabinet colleagues, many of whom have already undertaken visits to the North but complements it.

I am also committed to building on our existing cross-border co-operation with our neighbours in the north-west of England and Ireland and have recently been nominated by the First Minister as the Welsh Government representative on the Mersey-Dee Alliance.