

**TRAFNIDIAETH
CYMRU
TRANSPORT
FOR WALES**

3 Llys Cadwyn
Pontypridd,
CF37 4TH,
James.price@trc.cymru
trc.cymru

3 Llys Cadwyn
Pontypridd
CF37 4TH
james.price@tfw.wales
tfw.wales

Llyr Gruffydd MS
Chair of the Climate Change, Environment, and Infrastructure Committee

2 April 2026

Dear Llyr Gruffydd MS

I am writing in response to your letter on behalf of the Climate Change, Environment and Infrastructure Committee, following the Committee's annual scrutiny session of TfW on 29 January 2026.

As this is the last opportunity to write to you as Chair before the end of the Sixth Senedd, I'd like to thank the Committee for its sustained scrutiny over the last five years. As I noted during the scrutiny session, we have seen continued progress in terms of performance and delivery which is, in part, thanks to the recommendations and challenge of the Committee members. I look forward to this standard of scrutiny continuing in the new Senedd term.

We also greatly appreciate your positive comments on our recent performance. It is encouraging to hear, and reflects the tireless commitment of our colleagues to build a transport network that the people of Wales deserve.

There are several points raised in your letter that I would now like to address, as well as following up in more detail on some areas discussed during the scrutiny session, to leave you with a final assurance before dissolution.

Budget

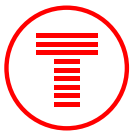
In your letter, you ask for further details on how we are addressing our funding gap for 2026-27, for both revenue expenditure and capital. Since the scrutiny session, in close collaboration with Welsh Government, we have decided on a number of interventions that will enable us to reduce the funding gap as much as possible.

As part of this work, we have reviewed our spending priorities, making the decision to delay some capital spending until 2027/28, whilst bringing forward other spend into 2025/26 to help reduce the 2026/2027 funding gap. In order to remain flexible as we near the end of the financial year, we have developed spending plans that will allow us to act quickly when these funding opportunities arise.

We will continue to work closely with Welsh Government colleagues to smooth out funding pressures across multiple years in order to ensure a balanced funding position for TfW. However, it looks like a funding gap for Capital and Revenue will still remain.



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KPIs

Your letter refers to our discussion during the scrutiny session about the limited data available on our KPI webpage, with the majority of indicators available only for the previous two quarters. We absolutely agree that more comprehensive, time series reporting is essential in terms of transparency and is helpful for our customers and stakeholders in understanding our performance.

As agreed during the session, we are in the process of updating our webpage with data that goes back as far as the 2021/22 financial year for rail performance for example. This data can now be found here: [Key performance indicators | Transport for Wales](#). We will continue to improve the data found on this webpage.

TfW Colleague Culture Survey

From September-December 2025, we ran our first ever organisation-wide culture survey to gain a better understanding of the way colleagues experience our culture day-to-day. This provided a valuable opportunity for colleagues to share feedback, highlighting both the areas where we are performing well and those where further improvement is needed.

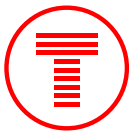
A third of the organisation participated in the survey, and while we recognise that participation levels can be strengthened, we are encouraged by the valuable insights gathered with it being the first of its kind. Looking ahead, we will focus on building strong feedback mechanisms to enhance trust and improve engagement in future surveys.

I have mentioned in previous scrutiny sessions that in order to be ready, as an organisation, to deliver on our vision for the future of public transport in Wales, we are on a journey of internal cultural change. As part of this, we have adapted our company vision, mission, purpose and values to define our approach to how we work and set the tone for how we want to be seen by customers and colleagues.

A key objective of the culture survey was to understand how colleagues perceived these values and the extent to which they are embedded in our everyday ways of working. It was therefore encouraging to see that 87% of participants felt they consistently demonstrated these values in their roles. This is a great start, but there is still a way to go - we want all colleagues to feel empowered by our values and a plan for increasing this will be built into our next steps.

The survey also measured colleague sentiment, particularly in terms of inclusion, growth mindset and decision-making. We saw consistent areas of strength and opportunities across the board which will allow us to develop focused action plans to address these findings. For example, areas of strength included colleagues feeling they are treated with respect by others, feeling a sense of belonging and seeing other colleagues doing the right thing for customers.

We also identified several areas for further improvement, including stronger channels for colleague voice, more meaningful feedback, and increased opportunities to develop skills and support decision-making.



This is valuable insight that will allow us to have the right conversations with teams, and create focused action plans to ensure colleagues feel listened to and so we have tangible steps to address feedback.

It's also important to note that this isn't a one-off exercise, but an ongoing process to build a strong, value-led culture. We will keep colleagues updated on progress, in order to encourage more voices to be heard in the next survey later this year.

Rolling Stock

In your letter, you requested further detail on how rolling stock demand is being considered in planning future service development. As noted during the scrutiny session, projected passenger growth means that without additional orders we are unlikely to have sufficient rolling stock to operate services without crowding in five years' time. We recognise this challenge and are already taking steps to plan for the future.

To do this, we have developed a new rolling stock strategy which has been endorsed by the TfW Board. The rolling stock strategy looks at expected demand and future service patterns, what types of trains are needed to match the services we want to run and what funding is required to support this. We have also incorporated this into our financial plan for the next five years to ensure budgets are aligned to the strategy requirements.

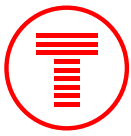
As always, our plan for rolling stock has been developed with the core aim of being the best value for money for the people of Wales. We would be happy to provide further updates to future committees when further detail can be shared.

Core Valley Lines (CVL) Cost

In the scrutiny session, we confirmed that the total current spend on work accounted for to date on the South Wales Metro transformation programme was just over £1 billion. We also mentioned in the committee that it will likely be another circa £150 million in total cost for the core transformation works.

This takes into consideration the remaining level boarding works at several stations on the Rhymney lines, as well as the track layout improvements at Cardiff Queen Street and the remaining network re-signalling. Until we have gone through procurement exercises for the final sections of work these figures will be subject to change. Additionally, we are currently seeing significant potential pressure on materials costs within the supply chain for the remaining works, due global tensions and the conflict in the middle east - we will monitor the situation closely and work with Welsh Government colleagues to mitigate as required.

In the session, we briefly discussed the number of cost avoidance programmes we implemented as part of the transformation, which are worth noting in the context of these figures. For example, one of the most significant costs avoided was through the use of 'smart' or discontinuous electrification. This innovative approach utilises the hybrid capability of the rolling stock, working with the infrastructure to avoid the installation of overhead wires through complex and sensitive geographical areas. In conventional electrified systems, Overhead Line Equipment (OLE) is needed above all the track to allow electric trains to operate, with trains being unable to move unless they have the power



supply. By using 'smart' electrification, on the CVL network, trains are able to travel through large sections of track under battery power.

This has also meant that we avoided the reconstruction of 65 bridges across the CVL. Throughout the Valleys, the bridges over the railway often form the only route into communities, so by taking this approach we have not only avoided significant extra cost but also significant disruption for residents. Furthermore, 'smart' electrification has enabled us to avoid canopy reconstructions at stations, electrification of the Caerphilly Tunnel, and several hundred metres of earthwork modifications through areas of complex typography in the Valleys.

Hence, the level of innovation we have employed in the South Wales Metro transformation, from rolling stock to infrastructure solutions, has enabled significant cost savings and impact on our communities.

Rail Operating Costs

With regard to rail operating costs, we recognise the Committee's interest in understanding more about our operating cost per passenger per kilometre. As we mentioned in the scrutiny session, subsidy costs per kilometre of journey is an important measure because it shows intensity of use compared with a comparable unit cost.

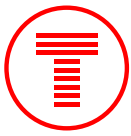
This is not something we currently publish externally and is primarily used within budget and forecasting reports for our Board and Welsh Government. However, we absolutely recognise how this may be useful for future committees and our customers to evidence value for money. On that basis, we are happy to explore how we share this metric more widely, and provide a commentary so stakeholders have the clarity and context to support the figures. It should be remembered, however, that lower utilised routes with a higher cost are also often vital public service connections.

Delay Repay

During the scrutiny session, committee members questioned the amount of compensation paid through our Delay Repay scheme. I'd like to take this opportunity to address that, as promised at the time.

Our Delay repay scheme enables customers to claim when a train is delayed or cancelled, and they arrive more than 15 minutes later than scheduled. At its core, Delay Repay is designed to give passengers confidence that we take performance seriously and hold ourselves accountable when things go wrong.

Since the session, we have engaged with Transport Focus to seek assurance on our approach to compensation. Their customer research report, Rail delays and compensation 2023, shows that 18 train operators across the UK, including TfW, offer compensation for delays of 15-29 minutes. This emphasises how important delay repay is across the industry, and suggests it's a valuable way to ensure customers feel listened to following disruption.



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The report also suggests that Delay Repay is becoming more embedded and better used across the UK, driven by broader coverage, faster processing, and a more transparent and consistent approach to compensation. Customers increasingly view the scheme as a fairness mechanism that shows that operators acknowledge the inconvenience caused when services do not run as planned. We want to ensure that our customers feel confident that when delays occur, the compensation available is fair, easy to access and reflects a clear commitment to accountability across our network.

Following this insight and advice, we believe that retaining the current level of compensation is the right thing to do but we remain open to discussion with members of future committees.

I would like to end on a final thank you for the continued willingness of the committee to engage with us so constructively and fairly over the last Senedd term. You have followed our journey closely and, rightly, held us accountable during some of our more difficult times as an organisation, which we are hugely grateful for. I look forward to engaging as positively with future committee members.

Kind regards,

James Price
Prif Weithredwr / Chief Executive