

The Cardiff Capital Region (CCR) City Deal is a £1.28 Billion programme which will achieve an uplift in the region's GVA by delivering a range of programmes which will increase connectivity; improve physical and digital infrastructure, as well as business governance. The Deal involves the ten local authorities of the region; Blaenau Gwent, Bridgend, Caerphilly, Cardiff, Merthyr Tydfil, Monmouthshire, Newport, Rhondda Cynon Taf, Torfaen and Vale of Glamorgan, together with the UK and Welsh Governments.

The Deal is expected to deliver 25,000 new jobs and leverage an additional £4Bn of private sector investment. Under the theme of *Connecting the Region*, the region has committed to establishing a regional transport authority to co-ordinate transport planning and investment, in partnership with the Welsh Government. Further information on the City Deal is available on our website;
<http://www.cardiffcapitalregioncitydeal.wales/index.html>

The concept of the Metro for south east Wales envisages transformation and integration of the bus and rail network and has received universal support. It is included as one of the primary physical interventions supported by the City Deal, with approximately £734M ring fenced to Metro, including electrification of the core valley lines.

The funding is comprised of;

UK Government - £125M)

ERDF - £106M) - £325M Valley Lines electrification package

Welsh Gov - £94M)

Together with this funding, as their commitment to the City Deal, is an additional Welsh Government contribution of £400M towards wider Metro aspirations.

The case for supporting the Metro is compelling. The CCR established a Growth and Competitiveness Commission lead by Professor Greg Clarke CBE. The report notes that large scale infrastructure has played a transformative and integrative role in many regions that were previously quite fragmented. Specifically, Metro systems are noted to be powerful in their ability to;

- *Bring regional partners to the table and spur collaborative decision making and awareness that each part of the region will benefit in time*
- *Expand labour market access and reduce the mismatch between jobs and homes*
- *Provide visible benefits and create confidence in the possibilities of change*
- *Become a source of pride and shared regional identity*

- *Connect areas that are socially and politically disconnected*
- *Unlock new land for strategic densification*
- *Shape spatial development and the creation of complementary and secondary centres.*

Their evidence review notes that infrastructure investment across the region has lagged behind much of the rest of the UK. Their core findings on transport note;

Increased connectivity and multi-modality will create recognised benefits for productivity and employment. Aside from expanding opportunities to commute to Cardiff, it is also a priority to support other locations of economic activity, including Cardiff International Airport. Much is demanded of the South East Wales Metro and many hopes are attached to it. The Metro system should form the basis for the strategic plan for new investments in land and property development. Transport nodes should form the focus of investment in hubs to promote innovation, co-working spaces and the development of new enterprises and employment opportunities. Housing investments should be related to accessibility through the Metro system. Ensuring that investment is focussed on the Metro development will help to increase the overall investment rate, providing for a greater impact in terms of GVA.

Further information on the Growth Commission Report is available on the City Deal website at;

[http://www.cardiffcapitalregioncitydeal.wales/report/growth & comp com process web.pdf](http://www.cardiffcapitalregioncitydeal.wales/report/growth_%20comp_com_process_web.pdf)

Clearly, the region is placing huge reliance on Metro to; improve connectivity, enable polycentric growth across the region, provide a framework to align other initiatives, act as a focal point for land-use planning and a catalyst for economic development.

This evidence is not set out to focus on the shortcomings of the current franchise arrangements and the fragmented state of current transport provision, but it would be remiss not to highlight some key issues;

- The franchise has not promoted or facilitated growth in patronage and has not adapted to effectively meet current passenger demand. Consequently, peak hour services to and from the Cities are grossly overcrowded.
- The stations (Central and Queen Street) are no longer fit for purpose.
- The rolling stock is old, lacks capacity and resilience.
- The train and track operators are independent and do not co-operate effectively for the benefit of the customer.
- Rail and bus services are not integrated in terms of timetables, interchange, ticketing, information, service standards, etc and often compete for patronage.

The wider Metro concept offers the opportunity to resolve many of these issues noting that the cost of this wider vision may be anywhere between £4-5 Billion in capital costs and may involve substantial additional revenue commitments above and beyond those already committed.

The Regional Cabinet is fully committed to developing the Metro concept and to support the Welsh Government (WG) in this current round of procuring the Wales and Borders Franchise and Metro.

Our support includes the establishment of the CCRTA to coordinate transport planning and investment and to act as a focal point for liaison with WG in developing Metro and the rail franchise.

We support the innovative form of procurement “Competitive Dialogue,” whilst recognising that the process limits the level of ongoing engagement from partners and stakeholders due to commercial sensitivities and the need to maintain parity for tenderers throughout the process.

In liaison with WG, we have ensured that the CCR has a voice in the process, with the region funding the secondment of a senior regional transport officer into the Transport for Wales (TfW) procurement team. This officer has been working with WG since November 2016, representing the CCR in the procurement process and the competitive dialogue.

We have supported engagement events with the supply chain and established more focussed sessions to set out our aspirations to the bidders. In addition to representation on transport aspects, we have engaged on associated matters such as the skills agenda, supply chain development and innovation, and will support the focussed supplier sessions with the presence of an officer with specialist knowledge during dialogue on these topics over the coming months.

We note the complexities associated with the form of procurement and appreciate that not having a pre-determined set of fixed deliverables means that the process lacks certainty, but we are keen to be involved in influencing the mode of transport for the core valley lines (CVL) and the enhancement of wider Metro, beyond electrification of CVL.

We believe that the innovative approach, particularly on CVL where we anticipate responsibility for tracks and trains will come under one entity, will yield better value with investments considered on a whole-life basis, balancing capital and revenue implications, with all activity focussed on creating a better customer experience.

From a CCR perspective, the commercial sensitivities and necessary control over information means that we have challenges in maintaining buy-in from our partners within the region and feeding the growing appetite and enthusiasm for information and progress. The current uncertainty on mode and scope of deliverables also limits our ability to plan complementary programmes or identify additional interventions that will add value to what can be delivered from the £734M in pursuance of our aspirations for City Deal.

We have advocated the case for light-rail as a preferred mode to allow further extendibility of the network and will continue engagement with TfW to influence this. The open-ended nature of the dialogue means that there will need to be decisions made during the process on respective priorities and compromises on aspirations in one aspect in order to achieve benefits in others.

At the time of preparing this evidence, we are engaging with WG to develop questions for a further round of consultation to inform some of these issues. Our presence at the table will ensure we can influence the process and we envisage

backing up our liaison officer with a small advisory group to quickly consider and respond to specific issues as they emerge.

We recognise that the short-comings of the current franchise will not be resolved in the near future and we believe that there is a risk to the availability of the existing rolling stock until ongoing leases are secured at least for the initial period beyond the current franchise. Electrification of CVL is programmed to deliver outcomes in 2022. In the meantime, we have over-crowded trains and congested roads that constrain economic growth and depress productivity.

The levels of road congestion are so severe that they are challenging the viability of our bus services to the point where some peak-time regional services into Cardiff have been withdrawn.

We are therefore seeking in the short to medium term to enhance the viability of bus through partnership working with WG, Tfw and bus and rail operators under the auspices of the CCRTA.

We have jointly established an Integration Alliance Board (IAB) to begin to develop an integration initiative that will lead to a Bus Partnership Agreement for the Metro Area.

The aim of the IAB is to grow passenger numbers and encourage modal shift to public transport. The IAB envisages that this aim will be delivered via a series of Bus Partnership Agreements, where all parties work in partnership to deliver improved and enhanced bus services. We believe that the Alliance will develop wider benefits, including;

- Economic growth; by improving connectivity and interchange, reducing congestion and providing fast and reliable journeys,
- Support Communities; by providing a well-connected, accessible and safe transport system that will improve the quality of life and health of our communities,
- Protect the Environment; increased use of active travel and sustainable transport will cut carbon emissions and improve air quality.

The key areas for intervention will be;

- Ticketing; real time information, developing integrated and alternative ticketing arrangements
- Customer Information; to allow passengers to make informed journey choices
- Bus Stations and Infrastructure; providing safe, clean and comfortable waiting facilities
- Highways; deal with issues that cause delays for buses
- Vehicles; investment in buses to improve customer satisfaction levels
- Customer satisfaction; developing service levels for customers
- Passenger Safety; dealing with anti-social behaviour
- Employees; encouraging high quality customer service
- Marketing and Branding; developing route branding to attract new customers
- Funding; requiring commitment to shared objectives.

This initiative will complement the Wales and Borders Franchise and provide a forum for aligning activities, developing joint initiatives and will facilitate development of the wider Metro concept, in parallel with procurement and delivery of the rail based initiatives.