

Cynulliad Cenedlaethol Cymru / National Assembly for Wales

Pwyllgor yr Economi, Seilwaith a Sgiliau/ Economy, Infrastructure and Skills Committee

Masnachfrait Rheilffyrdd a chyflwyno Metro / Rail Franchise and the Metro

Ymateb gan Llywodraeth Cymru / Evidence from Welsh Government

ECONOMY, INFRASTRUCTURE AND SKILLS COMMITTEE WRITTEN EVIDENCE – RAIL SERVICES AND THE METRO

1. The purpose of this paper is to provide written evidence to the Economy, Infrastructure and Skills Committee on the Wales and Borders rail services and South Wales Metro.

Background

2. In 2014 it was announced that the responsibility for the specification and procurement of the next Wales and Borders rail service would be transferred to the Welsh Government. We are progressing with this procurement on the basis of this agreement.
3. Delivering our ambition is dependent on the UK Government meeting our expectations on the following:
 - The UK Government transferring the powers on time and as agreed.
 - The UK Government and Network Rail agreeing our plans for the Valley Lines, which are currently being discussed.
 - The Department for Transport agreeing suitable financial arrangements for the Valley Lines infrastructure.
4. We continue to press the UK Government to deliver a change in legislation that would allow public sector bodies to act as franchisees, as they are permitted to do in Scotland, but as with other requests, this has been rejected.
5. Despite the UK Government not devolving the full range of powers we have developed an approach that delivers much of what we aspire to, and leaves room for further development when those powers are devolved
6. A quality and reliable railway service that is part of an integrated public transport system across Wales is central to our integrated transport vision.
7. This agenda brings with it undoubted challenges but also fantastic opportunities to deliver on our wider aspirations for a bigger and better multimodal integrated network serving the needs of public transport passengers, walkers and cyclists all over Wales.
8. By reinvesting funds into the services that need it most and delivering a fairer, improved transport system we can help support economic growth and build the stronger communities and stronger Wales that we all want to see.
9. In the first quarter of 2016, a public consultation was held which aimed to inform the Welsh Government's approach to procuring the next Wales and Borders rail services. Respondents to the consultation stressed the need for enhancing the experience for passengers and provided us with their views on a wide range of areas.
10. Priority areas suggested for consideration included reducing overall journey times, reducing costs, capacity improvements, enhanced accessibility, better connectivity and improved punctuality, reliability and quality.

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Transport for Wales

11. We have established Transport for Wales (TfW) as a wholly-owned, not-for-profit company to provide support and expertise to the Welsh Government in connection to transport projects in Wales. The Welsh Ministers will make any decisions on the procurement and any future arrangements, although this relies on the timely transfer of functions from the Secretary of State for Transport.
12. Its structure has been designed to be agile and flexible with the ability to scale resources up or down to meet project need and variable requirements, and to improve the Welsh Government's ability to recruit skills from the market more quickly.
13. TfW are currently providing expert advice and opinion to help us develop our requirements for an Operator and Development Partner for rail services and Metro and you have recently received evidence on the procurement process underway.
14. The procurement process is under way. The nature of this process means that the detail of how we will deliver our priorities will be informed by advice provided by Transport for Wales and the arrangements proposed by the winning bidder.
15. Once the contract has been let the new organisation will be responsible for the management and joining up of services such as marketing and integrated ticketing.
16. Over time the aspiration is to secure the necessary powers to enable it to take on a wider range of transport functions similar in nature to the way Transport for London manage the public transport network in London.
17. I will make decisions on the detail of how this fits together at the appropriate time.
18. In advance of these decisions, I recently announced that the HQ for Transport for Wales and the Operator and Development Partner will be in Pontypridd

Wales and Borders and South Wales Metro Procurement

19. It would be inappropriate for us to provide any further details on the procurement process however to note that the bidders were provided with the Welsh Government's priorities at the start of the procurement process. We will expect bids to be aligned to the below priorities subject to the competitive dialogue process.

General

- Ensure that all activities support the Welsh Government's policies and strategies.
- Ensure alignment with the Secretary of State for Transport's statement of policy published in March 2013 in exercise of his power under section 26(1) of the Railways Act 1993.
- Maximise benefits to the economy of Wales and the Borders area.

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- Deliver no increase in the current subsidy level and a clear business case setting out the need for increase needs to be provided if this is not achievable.
- Transport for Wales should appropriately incentivise an operator and the associated supply chain to deliver value for money contract outcomes, taking a fair view of not for profit bids. Any contract should incentivise reinvestment in the network / service improvements.

Stakeholder / Passenger considerations

- Actively consider the views expressed by stakeholders during the Welsh Government's recent public consultation exercise on quality outcomes.
- Continue stakeholder engagement activities, including at least one further twelve-week public consultation prior to any Invitation to Tender being published.

Employee relations

- Put arrangements in place which ensure that employees are engaged in decision making effectively and constructively.

Improved financial and operating efficiency

- Make every effort to deliver more from the new franchise so that value for money from government subsidy is improved.
- Put arrangements in place for assuring quality and reviewing the contract at appropriate point(s).

Embracing new technology

- Encourage the utilisation of new technologies where they would be likely to deliver improvements for passengers, but not drive a reduction in overall staffing levels as a result.

Services

- Deliver the best possible range of services, including appropriate Metro-type services in North Wales and the delivery of the South Wales Metro outcomes.
- Ensure that:
 - As a baseline, current service frequencies and connectivity are maintained, unless there is a clear case for change.
 - Options for efficiently utilising spare network capacity available now, or which is known to become available during the lifetime of the new franchise agreement, are considered.
 - Opportunities are considered for including new services subject to infrastructure constraints and business case assessments.

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- Capacity for freight traffic is protected.
- Flexibility is provided to deliver additional services efficiently as new capacity and infrastructure becomes available.
- Within the South Wales Metro:
 - Ability to operate at least 4 tph across the Core Valley Lines with increased frequencies south of Pontypridd and Caerphilly.
 - Aim to reduce journey times on Core Valley lines by 20% compared to present timetable.
 - The future Core Valley Lines system is expected to retain or modify freight operations including co-existing with other potential modes.
 - Operate direct services between major residential areas in the Metro area, including Cardiff City and Bay.
 - The potential to be extended to provide additional stations and extensions including future on street running.

Rolling stock

Rolling stock must:

- Deliver an increase in passenger capacity to cater for existing and forecasted growth in passenger numbers.
- Provide an improvement in quality to meet increasing passenger expectations, including Wi-Fi and charging points.
- Include adequate space to store luggage and bicycles.
- Comply with the Persons with Reduced Mobility Technical Specification of Interoperability
- Use Controlled-Emission Toilets on all railway vehicles where toilets are provided.
- Use electric traction on newly electrified Valley Lines routes in South Wales.

Stations

- Arrange for a priority action plan to be developed prior to the new franchise being awarded which identifies opportunities for improvements to stations, including in respect of accessibility and integration with other modes. This needs to set out how these can be achieved and funded working with the new franchisee, Network Rail and the UK Government.

Depots

- Consider the utilisation of depot facilities across the Wales and Borders area, including Landore depot.

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Fares and Ticketing

- Encourage increased patronage at off peak times on services where patronage is currently low.
- Include requirements for discounts to the cost of travel for people working irregular work patterns or part time hours.
- Support current ticketing options as well ensuring future iterations of electronic ticketing and smart ticketing.
- Make considerable progress to better integrate tickets with other public transport modes during the lifetime of the franchise.

Community rail

- Require the operator to work with Community Rail Partnerships and facilitate the emergence of new ones where there is value in doing so.

Co-operation with other public transport providers

- Ensure that relevant public transport providers, including local authorities, are consulted on proposals as and when appropriate.

Environmental improvements

- Put arrangements in place to improve environmental efficiency across the franchise.