

Carl Sargeant AC / AM  
Y Gweinidog Llywodraeth Leol a Chymunedau  
Minister for Local Government and Communities



Llywodraeth Cymru  
Welsh Government

Eich cyf/Your ref P-04-435  
Ein cyf/Our ref CS/00409/13

William Powell AM

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 March 2013

*De Bill*

Thank you for your letter dated 18 February highlighting the petition that has been submitted urging the Welsh Government to ensure that the next Wales and Borders franchise is operated on a not-for-dividend basis.

The Welsh Government is currently reviewing our requirements for rail in Wales. The aim is to examine the evidence, needs and risks in relation to the railways in Wales and establish the type of rail system we want to see. We have been clear that this covers our commitment to look at all of the available options for the next Wales and Borders Franchise, which includes evaluating the feasibility of operating the franchise on both for profit and a not-for-dividend bases. However, the recent reviews into the UK Government's failed InterCity West Coast franchising have demonstrated how complicated, and consequently high-risk, the franchising process is, and we will be taking these findings into account.

I have also asked my officials to examine the structure of the relationship between Welsh Ministers and the Secretary of State for Transport in order to best deliver the rail system we want as, in general terms, powers relating to the provision and regulation of rail services currently reside with the UK Government. This work is ongoing, although in the interim the Welsh Ministers remain statutory consultees on the next Wales and Borders franchise, and the Secretary of State for Transport may not enter into a contract for Wales-only services without our agreement.

In relation to the question of the specific type of operation for the next Wales and Borders franchise, until we have identified and agreed with the Secretary of State for Transport the approach to how it is specified, we must take care that we do not prejudice European procurement law, which requires that no particular supplier or class of supplier is discriminated against during procurement.

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*Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)*

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Later this year I will be launching a public consultation on the future of rail in Wales. The evidence and views from this consultation will help inform the decisions that need to be made to shape of rail in Wales.

A handwritten signature in black ink, appearing to be 'C |', located below the text.

**Carl Sargeant AC / AM**

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