

## **TraCC Initial Response to the National Assembly for Wales Inquiry into the future of the Wales and Borders Rail Franchise.**

### **Background**

The Enterprise and Business Committee is undertaking an inquiry into the future of the Wales and Borders Rail Franchise. TraCC welcomes the opportunity to comment at this stage. TraCC understands that the terms of reference for the inquiry are:

- What lessons can be learnt from the current franchise?
- What priorities can be identified to ensure that rail passenger services in Wales and the borders provide the best possible service for passengers from 2018?
- How can service delivery after 2018 deliver connectivity and value for money for passengers while reducing the burden on the tax payer?

TraCC understands that the Committee is considering a number of key issues as part of the inquiry (see Appendix A).

The Committee will consider responses to the inquiry received by the 13<sup>th</sup> September 2013 deadline and hold oral evidence sessions during the autumn term.

Trafnidiaeth Canolbarth Cymru (TraCC) is the local authority Regional Transport Consortium in Mid Wales. It is a partnership between the three Mid Wales local authorities – Ceredigion, Gwynedd and Powys. Gwynedd is also a partner in Taith, the North Wales Regional Transport Consortium.

### **TraCC**

Since its inception (2003) TraCC has become increasingly involved in rail planning and delivery. A regional strategic rail partnership was established in 2008 to bring key partners together to promote and coordinate the development of rail infrastructure and service improvements. A number of rail schemes have been identified as regional transport priority schemes (such as the hourly passenger service on the Cambrian Main Line between Aberystwyth and Shrewsbury). TraCC is a co-funder (along with the DfT) of the Machynlleth Railway Station Access for All Mid Tier scheme and has funded the local authority element of the Aberystwyth Passenger Transport 'gateway' scheme. Further rail projects that have been supported or promoted by TraCC are listed below.

### **TraCC Supported Rail Schemes**

- Pont Briwet road/ rail bridge replacement;
- Machynlleth Railway Station Access for All Mid Tier;

- Dyfi Junction Railway Station Access;
- Aberystwyth Railway Station NSIP+;
- Knucklas Station Pedestrian Access; and
- Bow Street and Carno Railway Station Opening Proposal WeITAG Study.

TraCC/ its local authorities are also partners in and provide support to the two local Community Rail partnerships – Cambrian Railways Partnership and Heart of Wales Line Forum. TraCC has provided administrative support to the Cambrian Railways Partnership and funded promotional/ marketing materials for both partnerships.

TraCC also provides regular reports to the Heart of Wales Line Forum, Cambrian Coast Liaison Committee and Aberystwyth to Shrewsbury Rail Committee. TraCC is also working in support of the Aberystwyth to Shrewsbury Rail Committee and Heart of Wales Line Forum in preparing an evidence base to meet the Minister's recent request for this information to inform her decisions on rail service enhancements serving Mid Wales.

Following publication of the detailed Rail Utilisation Study in 2010, TraCC is currently seeking the views of its constituent local authorities on its first Rail Strategy (currently in draft form) and more effective rail partnership arrangements in Mid Wales.

All of the current TrawsCymru (formerly TrawsCambria) services provide key regional North-South and some East-West passenger transport links to key destinations outside of the region for accessing employment opportunities and to access health facilities. Like rail, TrawsCymru also provides a more seasonal passenger transport opportunity for accessing the Region for tourism and leisure purposes. This is reflected in the current consultation draft Bus and Community Transport Network Strategy.

### **TraCC Response**

The following response is based on the key issues identified by the Committee and included at Appendix A. Further additional comments or observations are also presented. TraCC is willing to provide further comment or evidence to the Committee.

### **Current Franchise and Passenger Needs and Involvement**

The current franchise, which was specified by the UK Department for Transport, was predicated on 'no growth' in passenger demand. However, as the Network Rail Route Utilisation Strategy of November 2008 comments 'There has been continued strong growth in passenger demand, particularly around the Cardiff region, and since publication of the Wales RUS Draft for Consultation the growth limits have been slightly lifted, to reflect both the expected trends for the all-day and commuting segments of the market (Wales RUS, p4). Whilst we acknowledge that Arriva Trains Wales has provided investment over and above its franchise obligations (often with Welsh Government support) we feel that the current franchise is inflexible to changes both in passenger demand within the railway industry, and in the Welsh economy in general. Consequently we believe that the new franchise, whether it is 'not for dividend' or commercial, should incorporate sufficient flexibility to react to changes in passenger demand and the need to use rail transport as a tool for economic development;

We believe that Passenger Focus is the most appropriate organisation to undertake this role as it has a relevant knowledge base, and the expertise and capacity, to undertake the necessary exercises in passenger involvement in franchise development and delivery. No doubt Passenger Focus could be aided in the consultation process by the local authorities, the Regional Transport Consortia and the various community rail partnerships. We believe that information is gathered not only from regular/ current users of rail services but also with those that do so occasionally or not at all. Importantly, there is a need to engage with the business community to better understand and cater for its needs.

## **Role of regional transport consortia/ local government and community involvement**

Until quite recently, the role of the regional transport consortia with respect to rail matters has been unclear, certainly from TraCC's perspective. Traditionally the local authority role/ regional consortia role has been to respond to local community and action groups, develop and promote rail schemes through discussions with Government and the Rail Industry. In some cases, it has been to allocate funding towards individual schemes (such as level crossing eliminations) and to support rail studies. This role remains but has shifted in terms of the allocation of larger sums of grant funding provided by the Welsh Government to Regional Transport Consortia being invested in rail infrastructure schemes - often to renew or provide new rail industry assets.

There is a valuable role undertaken by Community Rail Partnerships and rail user groups in communication issues to local and national government and to the rail industry. This mechanism needs to be retained and strengthened. Resource and capacity issues are however challenges to be overcome at a local/ regional level given increased expectations and work programmes associated with rail projects.

## **Management Model**

A 'not for dividend' model would be interesting and TraCC would like to understand more about such an arrangement. Presumably there are examples elsewhere in Europe?

In general, therefore, TraCC would support investigation of the benefits of the 'not for dividend' model, possibly leading to a more customer-focused approach to service planning and funding by Government and service provision by the train operating company with less of a focus on the need to maximise shareholder dividends. There would however be a need to ensure that there are sufficient sources of funding to invest in improving services and infrastructure. This in turn implies the need to retain income from services and re-invest it in the railway.

We are aware that there are at least two models of 'localised' provision of rail services on the National Rail Network in Britain, namely:

- a) The 'concession model' used by Transport for London for procuring the management and operation of its London Overground network; and
- b) The 'locally specified franchise' model used by Merseytravel Passenger Transport Executive for procuring the management and operation of its Merseyrail network.

Of these two we believe that the former would work best in a tightly specified 'not for dividend' environment. However, we would caution that the 'concession model' would transfer revenue risk from the train operating company to the Welsh Government and would require the Welsh Government to take a more pro-active role in the management and control of the Franchise.

## **Franchise Specification**

TraCC believes that the new franchise, irrespective of its type, should not be a 'no growth' franchise and should be tightly specified in terms of:

- a) Service frequency;
- b) Seating capacity of service;
- c) Comfort, facilities and quality of rolling stock;
- d) Connectivity between rail services to access the UK-wide rail network;
- e) Connections and better integration between rail and bus services;
- f) Waiting environment, facilities and interchange at/ on/ around railway stations;
- g) Quality and availability of information; and
- h) Stringent revenue collection.

Whilst a tighter specification is required it should not be so inflexible as to prevent further

enhancements.

Based on the examples of the TfL 'concession' and Merseytravel 'locally specified franchise' models that we are aware of, we would envisage a contract of between fifteen to twenty years punctuated by review breaks of at least five yearly intervals, and possibly more frequently in the last years of the contract.

It is important that clear sets of outcomes are identified in return for public financial support to any Train Operating Company. These should look at least at punctuality, reliability and cleanliness.

For the Cambrian Main Line and Cambrian Coast Line, uniquely in Wales, there will be a need to address the ERTMS signalling system as it currently prevents rolling stock that is not ERTMS-enabled from using the two lines. One option would be to provide a portable solution which would be transferable between any rolling stock.

TraCC would expect that given the current activity to collect and present evidence of the need for an hourly passenger service on the Cambrian Main Line (Aberystwyth to Shrewsbury) and at least one additional service on the Heart of Wales Line, such service enhancements will be specified in the new Franchise.

### **Routes for Inclusion**

Naturally, TraCC would expect the inclusion of existing routes within/ to/ from Mid Wales:

- Cambrian Main Line (Aberystwyth to Shrewsbury and on to Birmingham International)
- Cambrian Coast Line (Machynlleth to Pwllheli)
- Heart of Wales Line (Shrewsbury to Swansea/ Llanelli)
- Conwy Valley Line (Blaenau Ffestiniog to Llandudno)

It is important that the Marches Line (for connections from Mid Wales to make North-South Wales journeys) is included in the Franchise area and sections from Shrewsbury to Birmingham International (to access the West Midlands, East and South of England and Europe) and Shrewsbury to Crewe (to access the North of England and Scotland). We believe that the current route structure of the franchise allows for adequate links within Wales, the borders and to Birmingham and Manchester. Notable additional destinations that should be considered are Liverpool South Parkway (for John Lennon Airport) and Liverpool Lime Street via the Halton Curve and Manchester Airport. However, there are serious inadequacies in the timetabling of connections to/ from Mid Wales that must be addressed prior to specification in any new franchise. TraCC is very willing to discuss these.

More discussions need to be held between the Rail Industry in Wales, local authorities/ regional Transport Consortia, rail user groups and local communities as to aspirations and destinations served. These discussions need to commence immediately.

Because of business and leisure travel patterns in Wales it is vitally important that Wales & Borders franchise services are able to continue access to Birmingham New Street, Birmingham International and Manchester Piccadilly stations in the future. In view of the UK Department of Transport's rail devolution policy in England we would draw the Inquiry's attention to the possibility of future competition for access to train paths between Wales & Borders services and those of passenger transport executive sponsored services in the West Midlands and Greater Manchester conurbations, particularly where increases in services are contemplated. We feel that the corridors most likely to be affected are i) Shrewsbury – Telford Central – Wolverhampton – Birmingham New Street – Birmingham International, ii) Crewe – Stockport – Manchester Piccadilly and iii) Earlestown – Manchester Oxford Road – Manchester Piccadilly.

### **Rolling Stock**

The current Arriva Trains Wales Class 158 DMU fleet has been fitted with ERTMS 'cab equipment' and has undergone recent refurbishment. There is an assumption that is the most appropriate rolling stock for the two lines? In general, Class 153 DMUs are currently deployed on the Heart of Wales Line and there are serious concerns over the suitability of these units.

We draw the Inquiry's attention to the Network Rail Network Route Utilisation Strategy documents on i) Electrification Strategy, October 2009 and ii) its 'refresh,' October 2012 and iii) Passenger Rolling Stock & Depots, September 2011. The latter broadly identifies three types of rolling stock needed for the future: a) high speed long distance trains for what was known as inter-city network (e.g. South and North Wales to London), b) high-density train types for urban networks (e.g. Cardiff Valleys), and c) medium density rolling stock for inter-regional and rural services (e.g. the Cardiff – Holyhead, Cambrian, Heart of Wales services). We are in broad agreement with Network Rail's analysis but would stress that future rolling stock types must pay more attention to passenger comfort, which includes a clear view out of train windows and adequate space for luggage, bicycles and other items.

### **Additional lines, infrastructure enhancements and new stations**

Up to the end of Network Rail Control Period 6 2019 – 2023 the main task will be to bring the existing Wales & Borders railway network up to acceptable standards of maintenance, capacity and capability, together with electrification wherever this can be justified. Beyond this we believe that extensions and enhancements should be examined in the light of the wider social and economic development benefits that they deliver.

The issue of north – south rail links within Wales is likely to be raised at frequent intervals in the future, as has been the case since the 'Beeching' closures of the mid – 1960s. We believe that this would involve the restoration of links on some 80 miles / 128 km of abandoned infrastructure, or more appropriate new infrastructure, in two or three previously operated corridors. We believe that the restoration of an internal north – south link does have the potential to make the railways in Wales a more useful transport system within the country, a more meaningful tool of social and economic development, as well as a more coherent entity from an operational point of view. We also believe that expenditure on such a link would avoid the costs of some road improvements and provide some additional employment. We feel that this issue merits an inquiry in its own right and that the costs involved should be properly assessed against the potential benefits.

### **Relationship with the Rail Industry**

The dialogue between TraCC and Network Rail has improved since the 'devolution' of the Wales Route. The Franchise can offer an enhanced relationship between Network Rail and the Train Operating Company but it must be open and transparent but conclusions to discussions cannot be led solely by Network Rail and the operator. The Welsh Government needs to maintain its control over the Franchise and focus on what is good for the people of Wales and not necessarily for the convenience of the Rail Industry.

### **Other comments**

TraCC is of the view that the Welsh Government should develop and own a strong corporate identity for the Wales & Borders franchise, as does the Scottish Government for the Scotrail franchise, and Transport for London for its various operating divisions such as London Underground Limited. This would have the advantage of establishing the 'ownership' of the franchise irrespective of the actual operator, setting a framework in which the incumbent operator is able to develop its marketing without being distracted by the need to also develop a corporate identity and act as 'free publicity' for the 'Wales brand' on cross border services to the English conurbations.

We draw the Inquiry's attention to the importance of the Welsh community rail partnerships (CRPs) which are active on the two Cambrian lines (Aberystwyth / Pwllheli – Shrewsbury), the Heart of Wales Line (Shrewsbury to Swansea/ Llanelli) and the Conwy Valley line (Llandudno –

Blaenau Ffestiniog). To date the CRPs have mainly concentrated liaison between the rail industry, local authorities and their local communities, on marketing and publicity and acting as the catalyst for small community involvement initiatives such as public art at railway stations and railway safety projects.

CRPs can usefully contribute towards promoting service and infrastructure enhancements by working closely with local authorities/ Regional Transport Consortia and the Rail Industry. Very useful studies to identify the benefits of enhancement works have been produced in Mid Wales over the years. There is presently not a Welsh Association of Community Rail Partnerships and this may be a weakness. At a regional level, a strategic rail partnership is being developed for Mid Wales and will involve all the key partners in developing strategic proposals for enhancements and working with the Welsh Government and other funding partners to deliver these enhancements.

The Heart of Wales Line Forum has also been working on a project to explore options for local management of the line and ways in which operations and infrastructure costs could be contained at an appropriate level. This is an exciting development that may well offer-up more effective and efficient ways of operating railway lines in deeper rural areas. This is the product of the community rail forum and would not ordinarily have been something that would have been considered by the Rail Industry.

Shrewsbury Railway Station is the gateway to/ from Mid Wales and the UK rail network. For this reason, the station requires considerable improvement in terms of passenger waiting facilities and connections between services. Its pivotal role and the need to maintain this must be reflected in any new Franchise Agreement.

**KEY ISSUES**

- Whether the current franchise meets passenger needs and what lessons should be learnt from it;
- How passengers should be involved in the franchise development and delivery;
- How communities and local government / Regional Transport Consortia should be involved. Could they be involved in specifying the franchise or perhaps even in delivering services?
- The management model to be adopted, including the Welsh Government's proposal for a not-for-dividend franchise;
- How the franchise specification should improve the passenger experience, including issues such as franchise length, targets / incentives and the core service standards which should be included;
- The routes, particularly cross-border routes, which should be included;
- The rolling stock needed for the new franchise. What factors need to be considered and how this should be procured? Will new rolling stock be required?
- Whether additional lines, enhancements to existing lines, new stations or other infrastructure are needed; and
- Whether the franchise can support an enhanced relationship between Network Rail and the franchise operator and the benefits this might bring.