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Welsh Affairs Committee

The Provision of Rail Services in Wales

Third Report of Session 2003–04

*Report, together with formal minutes, oral and
written evidence*

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The Welsh Affairs Committee

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Summary

The Welsh Affairs Committee has had a long-standing interest in the provision of rail services in Wales. This Report revisits those services, concentrating on intercity services, the award and proposals for the new Wales and Borders franchise, and the division of powers between Westminster and Wales.

There are many challenges facing the rail industry in respect of the South Wales Main Line. While the Report welcomes the forthcoming route strategy for the Great Western Main Line proposed by the Strategic Rail Authority (SRA), (Para 28), it recommends a new high speed link between England and South Wales and the possibility of a second rail crossing between Wales and England be included in that route strategy (Paras 18 and 35).

The current service levels provided by First Great Western are welcomed, but the Report concludes that a later evening service between the capitals of England and Wales should be introduced at the earliest opportunity (Paras 10 and 15).

The Report highlights the comparatively slow line speeds on the North Wales Main Line. It recommends that the SRA assess the cost of committing to an increase in the line speed for that line. It also recommends that electrification of the line be part of that costing exercise. The Report argues that should that costing exercise prove value for money line speed increases and electrification should be included as part of the rebuilding of the West Coast Main Line (Paras 45 and 48).

The Report also noted that EU funding could be made available for the North Wales Main Line and recommends that the Secretary of State for Wales push for such funding at Westminster and in Europe (Para 53).

The Report considers the award of the Wales and Borders franchise to Arriva Trains. It broadly welcomes the franchise process, but concludes that greater transparency in the process could have been achieved (Paras 62 to 71). It welcomes the initiatives proposed by Arriva Trains which have the potential to provide an enhanced rail service for Wales. In particular the Report welcomes the proposals for a clock face time-table, and the use of Shrewsbury and Carmarthen as hubs for their operations.(Paras 77 to 85) However, it is not convinced that the SRA has provided sufficient funds for the franchise and recommends that funding levels be revisited (Paras 72 to 75).

The Report also expresses its disappointment that funding has been provided to improve only fifteen stations during the lifetime of the franchise. In the absence of SRA funding it recommends that Arriva explore other avenues to improve the fabric of train stations and expects a commitment from Arriva that those duties would not be ignored in the running of the franchise (Paras 91 to 95).

Rail transport is central to an integrated transport policy. The Report welcomes the discussions between the UK Government and the Welsh Assembly Government on a future Transport Bill for Wales. It recommends that powers of guidance and direction over the SRA in relation to the Wales and Borders franchise, and the power to appoint one or more members of the SRA be included in any such Bill. It also recommends that the Department of Transport examine the possibility of conferring on the National Assembly, powers to enable it to appoint statutory consortia of passenger transport boards should that prove to be beneficial to an integrated transport policy for Wales (Paras 107 to 126).

INTRODUCTION

Background to the Report

1. The Welsh Affairs Committee has had a long-standing interest in the provision of rail services in Wales. It has produced a number of reports on the subject including, *Public Transport in Wales* in 1985,¹ *Rail Services in Wales* in 1991,² and *The Transport Bill and its impact on Wales* in 2000.³

2. In 2002 we began a major inquiry into Transport in Wales, and published our Report in January 2003.⁴ Rail services represented a significant section of that Report and covered rail transport, station facilities, the powers of the National Assembly, and the pending award of the Wales and Borders Franchise. Our inquiry and the Government's response⁵ highlighted many areas that remained unresolved. Therefore, we decided that we would revisit rail services as a separate inquiry.

3. The Report is split into three sections. First, we consider rail links between London and Wales, in particular the Intercity links on the South Wales Main Line and the North Wales Main Line. We then consider the award of the Wales and Borders Franchise and the services to be provided under that franchise, In the final section we consider the division of powers between the National Assembly and Westminster.

4. During this inquiry we took evidence on five occasions between July and November 2003 from the Strategic Rail Authority, First Great Western, Virgin Trains, Arriva Cymru, Network Rail, Rail Passengers Committee Cymru and Dr Kim Howells MP, Minister for Transport. In addition to the oral evidence we received written evidence from a wide variety of interested parties. We thank all who contributed to the inquiry. We also thank Professor Stuart Cole of the Wales Transport Research Centre, University of Glamorgan, who gave us his expert help on this report and has now advised the Welsh Affairs Committee on transport matters for the past twenty years.

The current position with regard to railways

5. Since privatisation, responsibility for the railways has been divided up between a number of organisations, the Strategic Rail Authority, Network Rail, the Rail Regulator, and the train operating companies.

6. Network Rail is responsible for investment and renewals on the railways. It is funded through two sources of income: the income from track access agreements with the train operating and freight operating customers, and by grants from the SRA. However,

1 First Report from the Welsh Affairs Committee, *Public Transport in Wales*, Session 1984-85, HC35.

2 Fourth Report from the Welsh Affairs Committee, *Rail Services in Wales*, Session 1990-01, HC262.

3 Second Report from the Welsh Affairs Committee, *The Transport Committee and its impact on Wales*, Session 1999-2000, HC 287.

4 Second Report from the Welsh Affairs Committee, *Transport in Wales*, Session 2002-03, HC205.

5 Second Special Report from the Welsh Affairs Committee, *Transport in Wales: Response of the Government*, Session 2002-03, HC580.

enhancements to the infrastructure are funded directly by the SRA.⁶ This funding arrangement is supported by the Office of the Rail Regulator.

7. The Strategic Rail Authority (SRA) formally came into being on 1 February 2001, following the passage of the Transport Act 2000. Its responsibilities cover the three sectors of Passenger, Freight and Infrastructure, with the aim throughout being the creation of a 'Bigger, Better, Safer' Railway.⁷ A key role for the SRA is to promote and develop the rail network and encourage integration. As well as providing overall strategic direction for Britain's railways, the SRA has responsibility for consumer protection, administering freight grants and steering forward investment projects aimed at opening up bottlenecks and expanding network capacity. It is also responsible for letting and managing passenger rail franchises.

8. The three main train operating companies in Wales are First Great Western, who operate on the South Wales Main Line;⁸ Virgin Trains, who operate on the North Wales Main Line;⁹ and Arriva Trains Cymru,¹⁰ who won the competition for the new Wales and Borders rail franchise.

6 Q306

7 www.sra.gov.uk/news/2001/12/new_sra_chairman_lays_out_his_vision_for_

8 QQ96-146

9 QQ147-240

10 QQ241-304

SERVICES BETWEEN WALES AND LONDON

South Wales Main Line

9. The South Wales Main Line represents that part of the Great Western Mainline that travels through Wales, from the Severn Tunnel to Swansea. However, because rail links between Wales and London cover track that is in both England and Wales, it has been necessary to consider the full length of the Great Western Mainline in this Report.

First Great Western Services

Frequency

10. Intercity services run from London Paddington to Cardiff and Swansea, and are provided by First Great Western. Connecting services from Swansea to Carmarthen and Fishguard will be operated by the new Wales and Borders Franchise. The current timetable offered by First Great Western provides for a half hourly service between Cardiff and Paddington, and an hourly service (including a half-hourly service at peak times) that runs on to Swansea. When we took evidence from Mr Chris Kinchin Smith, Managing Director of First Great Western we asked him about future plans for the timetable. He told us that First Great Western had “absolutely no plans whatsoever to reduce the frequency of services between Swansea and Cardiff, Swansea and London or Cardiff and London”.¹¹ **We welcome the assurance from First Great Western that there are no plans to reduce the frequency of their services between London and South Wales.**

Last Train

11. Notwithstanding our views on the frequency of the service we were concerned with the withdrawal of the last train from London to Cardiff. First Great Western used to provide a 23.45 service from Paddington. This service was withdrawn in 2002. Since the withdrawal of that service, the last train from London to Cardiff and Swansea leaves Paddington at 22.10 from Monday to Saturday. The Rail Passengers Committee noted that the 23.45 service had allowed visitors from South Wales to London to attend London theatres or have a full evening in London, and that the withdrawal of that service removed that opportunity.¹² This point was also raised by the Wales Railway Development Society, who wished to see the 23.45 service reintroduced as soon as possible.¹³

12. Mr Richard Bowker, Chairman of the Strategic Rail Authority told us that although the 22.10 service was within the Passenger Service Requirement and therefore had to be provided, the 23.45 service was outside the PSR and was run on a commercial basis.¹⁴ He offered the view that:

11 Q97

12 Q505

13 Ev131

14 Q3

“The primary reason is that the later train, the 23.45, was something which was a commercial decision to run by the operator and they have decided they no longer wish to run that service”.¹⁵

13. Mr Kinchin Smith cited low demand as the primary reason for the withdrawal of the service, but added the caveat that the low demand may have been influenced by the fact that the service took a circuitous route to Cardiff, via Bristol Temple Meads.¹⁶ This diversion from the direct route was due to the maintenance needs of Network Rail added a significant amount of time to the journey.¹⁷ Mr Kinchin Smith told us that this route change was due to engineering works, a point acknowledged by Mr Bowker.¹⁸ The Rail Passengers Committee believed that customers at that time of night were not in any desperate rush to get home as quickly as possible: “if they have had a nice evening out, there might not be any objection to running the train via Bristol Temple Meads, and therefore bring additional patronage”.¹⁹ However, we are not convinced that people travelling from London to Cardiff are ambivalent to a longer journey back to Wales at that time of the evening.

14. Mr Kinchin Smith gave us an undertaking that First Great Western would look again at options for providing a better late night service from London back to Cardiff.²⁰ Any decision to reintroduce the service would have to be on a commercial basis because the SRA had no plans to include the service in the Public Service Requirement (PSR): the contracted services undertaken by train operator.²¹ Mr Bowker argued that funding was central to the decision not to include the service in the PSR:

“Currently we provide support for those services which are under the Passenger Service Requirement but which do not meet their costs in terms of the revenue that they generate. If we were to provide this service that would be a further call on our budget, which is already seriously stretched, and we have not formed a view as to whether that particular service has more merit, more value, than any of the other services that are also seeking to secure what is a constrained budget”.²²

However, Mr Bowker told us that the later evening service would be reviewed as part of the construction of the Greater Western Franchise in 2006.²³

15. We welcome the decision by First Great Western to negotiate with Network Rail for the reintroduction of a later evening service from London to Cardiff. We do not believe that the people of South Wales should have to wait until the award of the new Greater Western franchise in 2006. It is unacceptable that there is no late night service linking the capital cities of England and Wales and we recommend that the Strategic Rail

15 Q5

16 Q107

17 Q327

18 Q4

19 Q505

20 Q106

21 Q3

22 Q6

23 Q4

Authority provide sufficient funds to introduce such a service in time for new timetable, due to come into force in December 2004.

High Speed Trains

16. Mr Kinchin Smith told us that First Great Western was looking at a range of short, medium and long term initiatives to enhance its services. He stressed that the priority was the immediate needs of customers and stakeholders and that the majority of First Great Western's effort was targeted at that. First Great Western was also looking at medium term options such as the replacement of the high speed train fleet, the Intercity 125 fleet. A long term initiative suggested by First Great Western was for a new high speed train, labelled the GW200,²⁴ which would require the need for the construction of a new high speed rail line.²⁵ Mr Kinchin Smith explained the rationale behind this thinking:

“If you compare the London/Cardiff route with similar international routes between capitals and major cities in France, Germany, Italy, Spain, the thing that differentiates Britain from Spain etcetera, has been the extent of new high speed infrastructure that has been built over the last twenty-plus years”.²⁶

17. As well as providing a step-change in the service between the two capitals, Mr Kinchin Smith argued that a new high speed train running on a new high speed infrastructure would “free up the conventional network for a variety of other uses, [...] freight, local passenger and intermediate inter-urban passenger services”.²⁷ However, he acknowledged that this initiative had not found favour with the Strategic Rail Authority.²⁸ This was borne out in evidence from Mr Bowker, Chairman of the SRA:

“I did not feel at the time that it was a reasonable use of resource and priority. The focus for First Great Western has got to be on delivering a reliable, consistent service now, not in 15 to 20 years' time”.²⁹

Mr Bowker further argued that a major route development was not a matter for a train operating company in the first instance.³⁰ However, he did concede that in order to make changes to the railway infrastructure in 2015 to 2020 “you have to start thinking about them now”.³¹

18. We welcome First Great Western's proposals for a high speed train link between the capitals of England and Wales. This is the sort of forward looking approach that is necessary to provide a positive future for rail services in South Wales. We are unimpressed with the reaction of the SRA to such proposals. Given the long lead time necessary to enact such a proposal, we recommend that the Strategic Rail Authority

24 Q102

25 Q324

26 Q98

27 Q102

28 Q103

29 Q70

30 Q70

31 Q71

give urgent consideration to a new high speed link between England and South Wales as part of the long term strategy for a Greater Western service.

Investment in Track

19. The Great Western Main Line is one of the oldest rail routes in the United Kingdom and was last renewed between 1965 to 1973. Mr Coucher from Network Rail estimated that it was “possibly the oldest high-speed mainline in this country and one of the oldest ones in Europe”.³² As a result the line required a high level of maintenance to provide acceptable level of reliability in the short term.³³ Funding had been secured over the last two years and Network Rail argued that a substantial start had been made to renew the line albeit from “a point where the track is very much near the end of its life”.³⁴ However, Mr Coucher acknowledged that Network Rail faced a significant challenge in the medium term to renew a considerable volume of the track and signalling.³⁵

20. Network Rail estimated that around half a billion pounds per year was being spent on maintenance and renewal on the Great Western region and argued that this was a significantly higher level than anything over the last ten years. Spending in 2004 would be at a level which was “considerably higher than anything that has been seen in the last ten or 15 years”.³⁶

21. That expenditure is concentrated on the maintenance of the existing track. Mr Curley’s understanding was that the rebuilding of the Great Western Main Line track was probably between six to eight years further down the line. New high output track-renewal equipment had being introduced on the line in the autumn of 2003, which offered a potential step change in the rate at which work could be carried out. Network Rail acknowledged that it needed to sit down with the SRA and the franchise operators to make sure that it could obtain the necessary access to the track to realise the full productivity of that equipment.³⁷

22. Our witnesses were in general agreement that improvements were being made to parts of the line. Mr Kinchin Smith cited the use of Platform Four at Swindon, enhancements to Bristol Filton Junction, the Chipping Sodbury Tunnel flood alteration project, and schemes in Wales as areas where improvements could now be seen.³⁸ However, speed restrictions continued to affect First Great Western’s performance: “Regrettably we have so many temporary speed restrictions and emergency speed restrictions today that that amounts to significantly more than the recovery allowance”.³⁹ Both Network Rail and First Great Western were of the opinion that the problems with the route to South Wales fell into three categories: track, signalling, embankments.

32 Q310

33 Q310

34 Q310

35 Q310

36 Q315

37 Q312

38 Q119-120

39 Q101

Track

23. First Great Western argued that the greatest problems with the track were in England, between Paddington and Didcot. Mr Kinchin Smith described this section of track as “the most unreliable in terms of its year-on-year improvement, or, on the contrary, year-on-year deterioration of delay”. Network Rail also highlighted problems with the ballast that held the track in place. That ballast was between 30 and 35 years old, and was life expired. Therefore track needed to be realigned three or four times a year rather than once a year. Furthermore, the abrasion of the ballast also caused the build up of pools of slurry in wet weather which resulted in further speed restrictions in the line.⁴⁰

Signalling

24. Mr Kinchin Smith told us that the oldest signalling on the line was in South Wales, all of which would need to be replaced by 2010. A programme for renewal had been agreed for the Port Talbot area between 2003 and 2006, and First Great Western was keen for Network Rail to undertake a rolling programme for renewal which would “roll on eastwards through Cardiff, through Newport and all the way to the Severn Tunnel”. While accepting that signalling improvements throughout the line were necessary, First Great Western argued the case for prioritising the South Wales section before addressing areas such as Reading. Mr Curley of Network Rail agreed that there were problems with signalling along the line.⁴¹

Embankments

25. The third priority for renewal concerned the railway embankments. First Great Western highlighted the geographical triangle between Didcot, the Severn Tunnel and Gloucester, as the area at most risk.⁴² Mr Kinchin Smith explained that the recent hot, dry summer had exerted a destabilising influence on the embankments which resulted in further speed restrictions.⁴³ Mr Curley from Network Rail explained that they had been built by Brunel on clay embankments, while sufficient drainage was part of their design, that drainage had not been maintained in the post-World War Two period. The result was slippage, cracking, and changing that needed to be rectified.⁴⁴ Network Rail has instituted a ten-year programme which First Great Western acknowledged had worked well.⁴⁵ However First Great Western had experience of cases where as one piece of embankment stabilisation was finished, the ground immediately adjacent to that part had shifted, and 20 or 40 miles an hour speed restrictions had to be reintroduced.⁴⁶

26. While we appreciate that significant work is being carried out to improve the track, the level of service remained well below the level expected by rail travellers. One such traveller

40 Q311

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42 Q114

43 Q114

44 Q311

45 Q114

46 Q114

is Kim Howells MP, the Minister of State for Transport who acknowledged that the quality of the track gave passengers a poor ride.⁴⁷ The Rail Passengers Committee went further and argued that the whole of the Great Western Main Line from Paddington to Swansea was in need of renewal, and cited this as the primary reason for the poor performance of trains on that line.⁴⁸

27. Mr Bowker explained that the SRA had a long term strategy for the line: “The first will be a route strategy which we will be consulting on widely as part of an ongoing programme of these route strategy consultations. The West Coast Main Line is an example of what we have done. A very important one next year will be the Great Western Main Line route strategy. That will be a precursor to the other major event, which will be the tendering and letting of the Greater Western franchise from 2006”.⁴⁹

28. We welcome the SRAs announcement of a forthcoming route strategy for the Great Western Main Line, and the potential improvements that a Greater Western Franchise may offer. We look to the SRA to reassure us that the needs of South Wales will not be secondary to those of Southern England when the route strategy is developed.

Conclusions

29. There are competing claims on the railway from train operators who wish to run a regular and reliable service and Network Rail who have the responsibility to maintain and improve the track. Both take direction from the Strategic Rail Authority which is tasked with maintaining a strategic overview of the railway in the United Kingdom. During our evidence session it became clear that these competing claims have the potential to cause unintended disruptions to the service. This point has been noted by the Government.

30. The interrelationship between Network Rail, the SRA and the train operators is key to running an efficient and reliable service. While not wishing to blame Network Rail Mr Kinchin Smith did note that the competing claims of First Great Western and Network Rail on occasions did cause difficulties. “Unfortunately a lot of changes [to the programme of works agreed] are requested by Network Rail at very short notice and that make it even more difficult to plan robustly”.⁵⁰ Network Rail acknowledged that at times managing this relationship was not always a simple affair “We always do our very best to try and accommodate changes, but it is very difficult”⁵¹

31. On 19 January 2004, the Secretary of State for Transport announced a review of the interrelationship between these organisations. He stated that

“There remains a further and very serious difficulty facing the industry—that is, its structure and organisation. The way in which it was privatised has led to fragmentation, excessive complication and dysfunctionality that have compounded the problems caused by decades of under-investment. Quite simply, there are too

47 Q429

48 Q506

49 Q2

50 Q116

51 Q330

many organisations, some with overlapping responsibilities, and it has become increasingly clear that that gets in the way of effective decision making and frequently leads to unnecessary wrangling and disputes”.⁵²

32. We welcome the Government announcement of a review of the rail industry. We look forward to receiving further details on the Government’s proposals for streamlining these organisations. We will judge these proposals on the extent to which they promote genuinely better services for rail users.

The Severn Tunnel

33. The Severn Tunnel rail link connects rail services from South Wales to England. It requires a high level of maintenance. Mr Kinchin Smith believed that one of Network Rail’s success stories in the last eighteen months had been the management of the Severn Tunnel.⁵³ He explained that there was now a single management focus for the Severn Tunnel as a unique and critical piece of infrastructure.⁵⁴ Mr Curley from Network Rail agreed and highlighted the structural challenges that faced the managers of the tunnel: “It is a large black hole under a very wet river. If we do not pump it continuously, it will flood in about three and a half minutes”. He reassured the Committee that it had been successfully pumped for over 100 years, so it should not be considered a problem.⁵⁵ In its written evidence, Network Rail set out the details of the renewal programme that had been undertaken between April 1999 and December 2002. This included the renewal of rails, sleepers, ballast; brickwork repairs and drainage. Following those renewals, Network Rail declared the tunnel “in good condition to continue to perform its role as the major rail link between England and South Wales”.⁵⁶

34. The current maintenance of the Severn Tunnel merely ensures current levels of use. These levels strictly limit the number of trains that are able to pass through the tunnel. A longer term approach is needed for the Tunnel to provide a better and more frequent service for rail customers. The Rail Passengers Committee offered several options that it believed merited further consideration: a light railway on the Second Severn Road Crossing, a new dedicated rail bridge, a new sub-parallel tunnel and a crossing on any future Severn tidal barrage.⁵⁷ It is evident that any of these options would have considerable cost implications and the Rail Passengers Committee acknowledged that their proposals were a piece of “blue sky thinking”.⁵⁸ However, that fact should not preclude consideration of the feasibility of a second rail crossing between Wales and England.

35. We recommend that when the SRA develops its route strategy for the Great Western Main Line, it should give consideration to the cost and feasibility of a second rail crossing between Wales and England.

52 HC Deb, Session 2003-04, 19 January 2004, col 1076.

53 Q111

54 Q111

55 Q332

56 Ev 55

57 Ev 91

58 Q507

North Wales Main Line

36. The North Wales Main line runs from Crewe to Holyhead and is the main rail line for North Wales. The line is classified as part of the United Kingdom Secondary Network and therefore is a branch line of the West Coast Main Line.⁵⁹ Virgin Trains run intercity services on the line, while local services will be provided by the new Wales and Borders franchise, operated by Arriva Trains Wales.

Virgin Trains Services

37. In October 2002 Virgin Trains proposed a two hourly service from Holyhead to London, comprising seven trains a day.⁶⁰ This service was later revised down to five trains. Since then, the actual level of service provided has been four trains per day, of which three travel to and from Holyhead, and one between Llandudno and London.⁶¹ Three will use Voyager units and one a Pendolino unit.

38. Mr Chris Green from Virgin Trains explained that the proposed two hourly service was dependent upon line speeds on the West Coast Main Line of 140 miles per hour. Taking that as the basis for its service, Virgin ordered the requisite number of trains. However, the maximum speed of 140mph was not realised, and trains could only achieve 125mph. The reduction in the line speed resulted in a longer journey time so that the trains allocated to that service would not be able to provide the proposed seven train services per day.⁶² Mr Green also argued that the introduction of services had been further delayed because Network Rail had not finished the modernisation of the West Coast: “It is awash with engineering work and we cannot run at 125 miles an hour through the engineering work because it is not finished”.⁶³ While not wishing to apportion blame, Mr Bowker agreed that it was a shame that the original plan for a two-hourly service “was not thought through as adequately as it needed to be”.⁶⁴

39. We welcome any increase in intercity services for North Wales. We are disappointed that the projected service level of seven trains a day will not be realised. While we appreciate that the reduction in the line speed has forced Virgin to reduce the numbers of trains per day, we conclude that Virgin Train’s planning of the new service and consequent promises ought to have been more adequately thought through so that unrealistic aspirations could have been avoided.

59 Q348

60 Q172

61 QQ148-159

62 QQ148-168

63 Q169

64 Q17

Pendolino Trains

40. One further issue regarding the use of Pendolino units on the North Wales Main Line is that of the Chrisleton tunnel south of Chester. Route clearance has not yet been received from Network Rail for the Pendolino train to use this tunnel for its service between Crewe and Holyhead. We understand that Virgin Trains requested such clearance in the Autumn of 2003. The tunnel south of Chester required some engineering work but Virgin has yet to receive further information about its completion. Should route clearance not be received Virgin Trains explained that a temporary connecting service from Crewe to Holyhead would have to be introduced.⁶⁵

41. We find the delay by Network Rail in authorising the North Wales Main Line for use by Pendolino trains unacceptable. We recommend that Network Rail ensure early clearance for the use of Pendolino trains along the North Wales Main Line be given in time for the introduction of that service in December 2004.

Investment in Track

42. The SRA and Network Rail are currently involved in a £10 billion redevelopment of the West Coast Main Line of which the North Wales Main Line is a branch line.⁶⁶ This redevelopment will provide a high speed rail link from London to Scotland. The North Wales Main Line was not included in that redevelopment programme. Trains can run at speeds of up to 125 miles per hour between London and Crewe, but this drops significantly between Crewe and Holyhead. As Mr Green explained: “We have bits of 75mph, bits of 90mph, and 70 mph through to Anglesey. We will have the most modern train in Europe and a mixed bag of track”.⁶⁷

43. Despite the step change in speed between the two parts of the London - Holyhead route, Mr Bowker from the SRA told us that there were no plans to upgrade line speeds along the whole length of the NWML.⁶⁸ No evaluation had been carried out of the costs of increasing the line speed.⁶⁹ Work had been carried out on the line to ensure that the Virgin Trains new services could operate.⁷⁰ Network Rail agreed that only tens of millions of pounds would be needed for a further line speed increases.⁷¹ However, they were unable to provide a date when line speed would rise to 100mph.⁷²

44. The SRA has subsequently agreed to carry out a costing exercise on increasing line speeds on North Wales Main Line and undertook to consider what action to take in light of affordability and value for money.⁷³ Mr Green welcomed the SRA’s proposal to cost

65 Ev 134.

66 Q351

67 Q201

68 Q18-23

69 Q20

70 Q343

71 Q341

72 Q344, 345

73 QQ199-200

improvements to the line, but was concerned that regardless of value for money, funds were not available for any improvements: “I think the main problem the SRA have got is funding, which is catastrophic now—as I think everyone knows—because they have spent the next ten years’ money in three years”.⁷⁴

45. We welcome the SRAs commitment to a costing exercise for increasing the line speed on the North Wales Main Line. However, any costing exercise would be of limited use should funds not be available. We recommend that the SRA give a clear commitment to upgrading the North Wales Main Line should its costing exercise demonstrate value for money. Furthermore, we recommend that the SRA commit to running the exercise in conjunction with the National Assembly for Wales so that there is an adequate level of transparency in the process.

46. A further complication is that while the line between London and Crewe is electrified, the North Wales Main Line is not. This has a significant impact on the Virgin train fleet whose engines run on electrified track. They require a change of engines at Crewe to complete the journey to Holyhead. Mr Green explained to us that the trains “go electric from London to Crewe virtually non-stop.” From Crewe to Holyhead they are *loco hauled* by a traditional diesel engine. He was at pains to point out that this procedure can now be carried out extremely quickly.⁷⁵

47. While any decrease in time spent changing locomotives at Crewe is to be welcomed, electrification of the North Wales Main Line would provide a more satisfactory solution. Several studies have considered electrification of the North Wales Main Line. A 1989 study estimated the net capital cost at £40m,⁷⁶ around £150m-£200m in today’s terms. Although this represents a significant level of investment, it should be seen in light of the cost of rebuilding the West Coast Main Line, which currently stands as £10 billion.

48. We recommend that electrification of the line be included in the costing exercise for increase in the line speed of the North Wales Main Line. We further recommend, that should the costings not prove prohibitively expensive, the work be carried out as part of the rebuilding of the West Coast Main Line.

Classification

49. During our inquiry we became aware that the North Wales Main Line is classified as a secondary route. Mr Coucher from Network Rail explained that the classification of a line as a primary or secondary route was a function of the type of trains and the frequency of train,⁷⁷ and the subsequent need for maintenance on the line.⁷⁸ He told us that this classification was an internal measure and assured the Committee that trains were not limited by the classification, rather that classification was driven by the frequency of trains

74 Q199

75 Q151

76 Holyhead, Chester, Crewe and Manchester Rail Electrification – MDS Transmodal for Chester, Clwyd and Gwynedd County Councils, British Rail and GMPTE.

77 Q348

78 Q349

using it:⁷⁹ “Should the frequency of the service be increased, there would be a corresponding increase in the maintenance costs. That would have to be funded and the funding arrangement for that would have to be agreed with the SRA at the time”.⁸⁰

50. In 1996, the North Wales Main Line was designated a part of the Trans - European Network (TEN-T) Outline Plan for Railways.⁸¹ Funding for that network is driven by EU policies to achieve the optimum level of integration of transport modes and interoperability of trains. The TEN-T budget covers 2000–2006 but only limited funds have so far been made available for Wales.

51. Since 1996 there have been a number of initiatives from the European Union to quick-start economic impact. The Commission's Marco Polo funding initiative promoted alternatives to road freight, and the TEN-T Priority Project for Directorate General for Transport and Energy—the *Van Miert Report*⁸²—identified 29 projects to be pursued under the TEN-T initiative. In December 2003 - the Growth Initiative from the European Council proposing TEN-T gave it further impetus.⁸³ The North Wales Main Line qualifies for such funding as it meets three of the priority areas of EU policy. They are improved access to ports; links to peripheral areas including the Republic of Ireland and the fact that the North Wales Main Line has a lower performance standard, in terms of line speed, than comparable routes elsewhere in Europe. This funding should extend to line speed increases.

52. The TEN-T upgrade projects are contained in a new co-decision dossier being considered for legislative approval by the European Parliament and the Council of Ministers.⁸⁴ Consideration of those upgrade projects is currently at an early stage. However, the benefits of such projects can be seen on the A55 which runs parallel to the rail line. It had been designated as a Euro Route, and that classification enabled it to attract funding for significant improvements.⁸⁵

53. We recommend that the Secretary of State for Wales consult with his Cabinet colleagues to ensure representations are made to the Council of Ministers, the European Commission and the European Parliament for funding for the upgrade of the North Wales Main Line as part of the Trans European Network initiative.

79 Q355

80 Q356

81 European Commission, February 2002

82 The Trans European Transport Networks "TEN-T". Revision of the Community Guidelines, High Level Group, Group Van Miert report. Legislation on the Revision of the TEN-T guidelines European Commission October 2003

83 A European initiative for growth - investing in networks and knowledge for the growth of jobs- Final report to the European Council, European Commission 21 November 2003

84 Amended proposal for a decision of the European Parliament and of the Council of Ministers amending the amended proposal for a decision of the European Parliament and of the Council amending decision No 1692/96/EC on Community guidelines for the development of the trans - European transport network presented by the Commission pursuant to article 250(2) of the EC Treaty . COM (2003) 564.

85 The Transport Framework for Wales, Section 6, The Transport Strategy pp 40-42, National Assembly for Wales, November 2001.

VIRGIN CROSS COUNTRY SERVICES

54. In addition to its service between Wales and London, Virgin Trains also operate a cross country service between Wales and England. In November 2002 Virgin introduced a new timetable for services between South Wales and Birmingham, the North East of England and Scotland.⁸⁶ That service was contracted to Virgin under the Public Service Requirement. Mr Green from Virgin Trains explained that it had wanted to provide a two hourly service from South Wales, through Birmingham to Scotland, but that it had soon become clear that the railway was too crowded, and resulting in an unreliable service.⁸⁷

55. The service was withdrawn by the SRA in January 2003. Defending its decision, the SRA argued that the service was introduced “against the background of a very congested railway network”.⁸⁸ Mr Bowker argued that it was clear to the SRA, Virgin and to Network Rail that when the service was introduced, that it caused the railway network to suffer paralysis at certain times of the day.⁸⁹

56. The SRA are under a statutory obligation to consult with the relevant statutory bodies on changes to the Public Service Requirement. We asked Mr Bowker about that consultation. He began by explaining that the timing of any decision on the future of the service needed to be made quickly in order to meet the deadline of mid-January 2003 for the May 2003 timetable:

“We had two months at most, which included the whole of the Christmas and New Year holiday period, to do all the necessary analysis, recast the timetable, make sure that it worked and then advise Network Rail of any changes they needed to make for the May 2003 timetable. There was not time to undertake a wide consultation exercise, so we did not do it. The decision that we had to take was, was it better to consult on something which would have got us into a huge great debate and run the risk of not being able to do anything until September or was it better to give passengers a better service in May. We took the decision to give them a better service in May”.⁹⁰

57. However, the SRA did not consult the Rail Passengers Committee for Wales on this issue, despite the SRA’s undertaking to consult the RPC on “all substantive material changes to Public Service Requirements as a matter of course”.⁹¹ The RPC while noting the SRA’s desire to make decisions quickly, described recent consultation on this and other major issues as “poor or negligible”.⁹²

58. Under the Transport Act 2000 the Strategic Rail Authority is also obliged to consult the National Assembly for Wales on changes to rail services in Wales. Mr Bowker asserted that

86 Q25.

87 Q172

88 Q25

89 Q25

90 Q27

91 Q31-33

92 Ev91

the National Assembly had been given advance notice. However, this consultation took the form of a late-night conversation with the First Minister, the night before the decision was taken by the SRA.⁹³ When questioned, Mr Bowker stated that he was “content that what we did in respect of the service changes was properly done, was within the powers that we have and it was the right thing to do for passengers”.⁹⁴

59. While the changes to Virgin Cross country service may well have been necessary to provide a reliable cross country service, the manner in which decisions were made fell well short of what is required. Presenting the First Minister with what was effectively a *fait accompli* the night before changes to the service were made does not constitute consultation. We conclude that the Strategic Rail Authority failed in its statutory duty towards the National Assembly for Wales and did not honour its own undertaking to consult the Rail Passengers Committee. We recommend that the Strategic Rail Authority review its procedures to ensure that such events do not happen in the future.

93 Q37-40

94 Q40

THE WALES AND BORDERS FRANCHISE

Background

60. This Committee and its predecessor Committee have long argued for a single rail franchise to cover all of Wales. We therefore welcomed the Government's announcement in March 2000 of its proposal to create Wales and Borders rail franchise.⁹⁵ Progress since that announcement has been slow. The following are the key dates and milestones in that process:

8 March 2000 – study to examine the creation of a 'Wales and Border' franchise announced .

8 August 2000 – initial letting/replacement process began.

15 February 2001 – SRA announced short list of bidders.

14 October 2002 – migration of elements of Central Trains and Wales and West Franchises to Cardiff Railway Co to form the interim Wales and Borders franchise.

19 December 2001 – second replacement process began.

1 April 2003 – migration of First Great Western's South Wales stations to the Wales and Borders franchise.

24 April 2002 – core franchise proposition issued.

1 October 2002 – final short list of bidders announced by the SRA.

7 April 2003 – 'Best and Final Offers' submitted by bidders.

1 August 2003 – announcement that Arriva Trains had been selected as the preferred bidder for the Wales and Borders franchise.

28 September 2003 – migration of First North Western's North Wales Services into the Wales and Borders franchise.

20 October 2003 – Arriva Trains Ltd signs 15 year Wales and Borders franchise agreement with the SRA.

7 December 2003 – Arriva Trains Cymru-Wales take over rail operation of the Wales and Borders franchise.⁹⁶

⁹⁵ Second Report from the Welsh Affairs Committee, *Transport in Wales*, Session 2002-03, HC205 para 40.

⁹⁶ Ev 37

61. In our report on Transport in Wales we expressed our concern at the delay in awarding the new franchise.⁹⁷ This was also the view of the Rail Passengers Committee who felt that there had been a piecemeal approach to the process and that it had been convoluted.⁹⁸ The Department for Transport acknowledged the fact that there had been delays but was of the view that it was preferable to get it right rather than “get it quick”. Furthermore there had been considerable discussion with the Welsh Assembly Government about its aspirations for an integrated rail service for Wales.⁹⁹

The Franchise Process

62. The Department for Transport provides policy guidelines and direction to the SRA through its “Directions and Guidance to the Strategic Rail Authority”.¹⁰⁰ These were set out in the Transport Act 2000.¹⁰¹ The Act requires the SRA to allow those making proposals for new or replacement franchises to exercise their commercial initiative and judgement in doing so. Furthermore, the SRA should:

“provide, at a reasonably early stage, clear information on the scope of the specification that will be acceptable. This scope will be determined primarily by the availability of funding, taking into account the Authority’s overall priorities for its budget; and

“Where a new or replacement franchise is likely to require improvements to the existing railway infrastructure, the Authority should specify how those improvements are to be reflected in the franchise proposals”.¹⁰²

63. The criteria for the award of rail franchises are set out as:

affordability and value for money;

the commitment of existing franchise operators to safety, performance, customer services, personal security, innovation, investment and efficiency;

the extent to which investment can be obtained;

the extent to which better performance can be secured;

the wider social and economic benefits, including from road decongestion, and environmental impact of proposals;

compatibility and consistency with local transport plans and regional transport strategies;

the extent to which integrated transport measures both within the rail network and between rail and other transport modes can be achieved, including integrated public

97 Second Report from the Welsh Affairs Committee, *Transport in Wales*, Session 2002-03, HC205 para 42.

98 Q475

99 Q393

100 www.dft.gov.uk/stellent/groups/dft_railways/documents/pdf/dft_railways_pdf_504370.pdf.

101 S206(3) and 207(5)

102 www.dft.gov.uk/stellent/groups/dft_railways/documents/pdf/dft_railways_pdf_504370.pdf.

transport information systems; this should seek to include better and safer interchange at and access to stations by local public transport, by car, cycle and on foot and by passengers with disabilities;

the extent to which proposals will seek to improve the complete door-to-door journey experience;

the extent to which passengers will be given a greater voice in the level and standard of services;

the extent to which station facilities such as signage, information, waiting rooms, ticket offices and secure parking can be improved, and accreditation obtained under the Secure Stations initiative;

impact, if any, on existing or potential freight services”.¹⁰³

64. In addition to that criteria, the then Department for Transport, Local Government and the Regions (DTLR), now the Department for Transport, set out its policy on new franchises as:-

“In all new franchises, the SRA will invite bids against a clear specification of core outputs. Our purpose is to ensure that in negotiations everyone can be clear what the Government is trying to achieve. The SRA, focussing on 10 Year Plan priorities within its overall strategy, will give details of the outcomes it wants. There will still be flexibility for bidders to put forward their own (additional) proposals. But the common core specification will ensure that the fundamentals of different bids are directly comparable”.¹⁰⁴

65. Mr Bowker told us that while a key aspect was the need to secure the best value bid, it was only part of a “complex mix of a whole series of factors to ensure the bid is deliverable, makes sense, is going to deliver the quality of service we want and is affordable”.¹⁰⁵

66. Arriva Trains explained that the SRA evaluated that complex mix, under the following headings:

Rail Passenger Services – Outputs and Constraints;

Deliverability and Mobilisation;

Revenue and Costs;

Finance and Funding;

Legal; and

Supplementary.¹⁰⁶

103 www.dft.gov.uk/stellent/groups/dft_railways/documents/pdf/dft_railways_pdf_504370.pdf.

104 http://www.dft.gov.uk/stellent/groups/dft_railways/documents/pdf/dft_railways_pdf_504370.pdf.

105 Q78

106 Ev 37

To assess the bids under those headings, a marking system was introduced whereby evaluators from the SRA reviewed the bids and awarded provisional marks.¹⁰⁷

67. Mr Bowker told us that the scoring system centred on “the financial robustness of the bidder; how deliverable are their plans; how much reliance can we put on various aspects of their bid - their proposals in terms of service delivery, their proposals in terms of service quantum, safety issues, staff issues”.¹⁰⁸ This was to ensure that the successful bidder was “a very well-rounded bidder and we have covered every possible aspect of them being a fit-for-purpose bidder and train operator”.¹⁰⁹

68. The scoring system to evaluate the bids was a separate part of the process to the criteria published by the SRA, and was not released to the companies bidding for the franchise.¹¹⁰ When we questioned Arriva on this process Mr Cameron told us that Arriva found it “difficult to know how the criteria were then used by the SRA within their evaluation process”, and that it was not aware of exactly how the SRA carried out its evaluation process.¹¹¹ Mr Bowker explained that SRA kept the scoring system from the bidders because “It was important that bidders do not gain the system, do not actually put in bids that are designed to win against a system, but actually put in bids to deliver a decent railway service”.¹¹² Dr Kim Howells MP, Minister for Railways told us he had not been aware of the scoring system used to decide the successful franchise bidder.¹¹³ He further argued that the scoring system was a matter for the SRA and therefore his Department neither agreed either the scoring methodology nor the score outcome with the SRA.¹¹⁴

69. This process appears to run contrary to the Department for Transport’s Directions and Guidance that all bidders should be clear about the Government’s objectives and that the assessment criteria must be clear to the bidders.¹¹⁵

70. We have no reason to challenge the decision of the SRA to award Arriva Trains the Wales and Borders Franchise, but we were concerned that the process, and the use of the scoring system, did not provide the greatest level of transparency. **We conclude that the spirit of the Department’s Direction and Guidance had not been followed as a result of the split by the SRA of the criteria and scoring and marking system. These should have been combined to enable bidders to understand the objectives set by the Department and what was required of a bidder for the franchise.**

71. **We recommend that the SRA publish a full summary of the negotiations surrounding the award of the Wales and Borders franchise including the level of services offered by Arriva at each stage. In this way taxpayers would be aware of the funding levels for the existing services and the cost of providing improvements.**

107 Ev 38

108Q82

109 Q82

110 Q87

111 Q243

112 Q87

113 Q 381, 382

114 Q382

115 see para 65.

The Financial Settlement for the Franchise

72. During the franchise process, there was speculation about the subsidy profile for the Wales and Borders franchise. SWWITCH, the South West Wales Integrated Transport Consortium, was just one organisation that aired its concern that franchise bidders were being asked to set out options corresponding to 10 and 20 per cent cuts in the costs of providing rail services for Wales.¹¹⁶ Chamber Wales also highlighted this concern.¹¹⁷ However, that speculation proved unfounded. The financial settlement of £120.7m in the first full year, 2004–05, would be sufficient to provide a smartened up railway but fell considerably below the estimated £300m per annum over ten years required to provide Wales with a thoroughly modern European railway.¹¹⁸

73. In our report on Transport in Wales we recommended that sufficient financial resources be available to meet the needs of Wales and an enhanced Wales and Borders franchise.¹¹⁹ However, the subsidy levels provided by the SRA for the franchise would only go some way towards the Vision for Rail Services put forward by the Welsh Assembly Government in October 2000¹²⁰ and updated in March 2002,¹²¹ and the aspirations of the Rail Passengers Committee.¹²²

74. Furthermore, the level of funding for the franchise while adequate for the existing service, does not take account of the significant expansion of capacity on the Cardiff commuter services.¹²³ Overall, Chamber Wales believed that the SRA was providing “a lower spend in Wales than could be expected”.¹²⁴

75. We are pleased to see that SRA funding for the Wales and Borders franchise has not been reduced from the level of funding provided for existing rail services. However we conclude that merely maintaining existing funding levels does not provide Wales with its fair share of rail improvements. We recommend that the SRA should revisit its allocation of funding to the Wales and Borders franchise to allow Arriva Trains to provide an enhanced rail service for Wales.

Wales and Borders Services

76. In the previous section we set out the criteria used by the SRA for the award of the Wales and Borders franchise. While it is too early to assess the effectiveness of Arriva against these criteria, it is worth setting out some of Arriva’s proposals for the provision of rail services in Wales.

116 Ev 124

117 Ev 130

118 *Transporting Visions* in Agenda, Summer 2002, Institute of Welsh Affairs, Cardiff

119 Second Report from the Welsh Affairs Committee, *Transport in Wales*, Session 2002-03, HC205 para 45

120 http://www.wales.gov.uk/subitransport/content/railservices/franchisebiddersguide_e.htm.

121 www.wales.gov.uk

122 Rail Passengers Committee Cymru Wales – Service Aspirations for the Wales and Borders franchise 2001

123 We consider the expansion of the Cardiff Commuter lines at paras 86 to 90.

124 Ev 130

A Clock Face Timetable

77. A central part of Arriva's bid was to introduce a "clock face timetable" throughout Wales from December 2005.¹²⁵ Under this timetable, trains would depart at the same minute past each hour with consistent destinations and station stops en route.¹²⁶ Mr Cameron from Arriva trains argued that such a timetable would be easier for the customer to use, provide better connection opportunities, and also should help to improve punctuality.¹²⁷ He was of the opinion that it was "an important aspect in winning this particular bid" and that it could be introduced within the existing infrastructure.¹²⁸

78. In South Wales, a clock face timetable would provide the following services:

Two trains per hour from Cardiff to Swansea;

One train per hour from Cardiff to Carmarthen;

One train every two hours from Cardiff to Carmarthen and Pembroke Dock; and

One train every two hours from Carmarthen to Milford Haven.

The services would be based around a hub at Carmarthen Station and would use almost new Class 175 trains on the Carmarthen/Manchester route from 2006.¹²⁹

79. Arriva have also proposed a clock face timetable for services from North Wales to South Wales using Shrewsbury as a hub. Three main routes may be identified:

1. Holyhead to Cardiff via Shrewsbury
2. Aberystwyth to Birmingham via Shrewsbury
3. Cardiff to Manchester via Shrewsbury.

Shrewsbury station would be used as the hub for these services.¹³⁰ The pattern of services is set out overleaf:

125 Ev 35, Q250

126 Q250

127 Q250

128 Q250

129 Q264

130 Q293

Between	and (direct)	and (1 change)	Frequency (every x hours)	Timetabled delay
Holyhead	Cardiff	Birmingham	2	No
Aberystwyth	Birmingham	Cardiff	2	No
Aberystwyth		Manchester	2	Yes
Aberystwyth		Chester	2	No
Chester	Birmingham/ Cardiff	Cardiff	2	No
Wrexham	Birmingham	Birmingham	2	No/No
Wrexham		Manchester	2	Yes
Wrexham		Aberystwyth	2	No
Wrexham	Cardiff		2	No

80. The Committee welcomes the clock face timetable proposals from Arriva and believes that it has the potential to provide a significant improvement to existing rail services in Wales. The Committee further welcomes the initiatives by Arriva to achieve an integrated national train service that links North, Mid and South Wales.

Hubs

81. The “clock face timetable” is reliant upon Arriva using Carmarthen and Shrewsbury Stations as hubs. While we welcome this approach, we questioned Mr Cameron on the feasibility of this proposal given the present state of track and signalling along the relevant lines. Mr Cameron declared that it was fully possible and that Network Rail saw it as a feasible proposal and did not see any major problems with it”.¹³¹ However, many of the factors that have the potential to undermine that efficiency lie outside of Arriva’s control.

82. Earlier in this report we have highlighted the maintenance work that is being carried out on the South Wales Main Line, and this has the potential to impact upon the efficiency of Carmarthen as a hub.¹³² The RPC also provided us with a lengthy list of further infrastructure issues that it believes could impact upon both Carmarthen and Shrewsbury stations as hubs.¹³³

83. The Heart of Wales Line also represents an important part of the Wales and Borders Service. In evidence to us the Heart of Wales Line Forum welcomed the creation of the Wales and Borders Service, but was disappointed that there was to be no increase in the level of services along its line. The Forum suggested that in the medium term six trains in

131 Q293

132 See paragraphs 19 to 35.

133 Ev90 and Q466

each direction per day would represent a suitable service.¹³⁴ However, under the current arrangements, any service on the Heart of Wales line is excluded from the hub arrangements for Shrewsbury.

84. We welcome the initiative by Arriva to use Carmarthen and Shrewsbury as hubs for its clock face timetables. However, we are concerned that this proposal could be undermined by the infrastructure quality both in and around Shrewsbury and along the South Wales Main Line. We recommend that Arriva and Network Rail establish a programme of investment to ensure that both stations will provide effective hubs for rail travel within and to and from Wales.

85. We further recommend that Arriva take steps to integrate the Heart of Wales Line in its plans for the hub at Shrewsbury.

Commuter services on the Valley Lines

86. The Wales and Borders franchise will also take over the management of the commuter services on the Cardiff Valley Lines. The new franchise reflects in general the current service frequency and the SWIFT (now SEWTA: South East Wales Transport Alliance) strategy for lines out of Cardiff is partly satisfied in terms of train frequencies. Mr Cameron from Arriva Trains believed that Arriva's proposals for a clock face timetable and greater flexibility in allocating trains would offer passengers on the line more services and reduce overcrowding.

87. Dr Howells argued that this represented a phenomenal improvement over the last ten years.¹³⁵ However, he was aware that despite improvements to signalling, the lines were already running at near to full capacity, and that getting further carriages on the lines would be a "tremendous boon".¹³⁶

88. The funding for the franchise agreed by the SRA excluded new rolling stock for Wales, but did allow for changes in train types at the margin.¹³⁷ For example, Loco hauled stock has been authorised on the Rhymney line which are compatible with the track and station formations on Valley Lines. Within a new clock face timetable, those trains would "enable closer matching of capacity and demand".¹³⁸ However, any additional rolling stock could only be provided in partnership with the Welsh Assembly Government and other stake holders.

89. We understand that discussions have taken place with the SRA with ideas on capacity expansion put forward by Arriva, including additional rolling stock and platform lengthening to combat overcrowding.¹³⁹ For example, Class 150 trains would increase capacity on the Valley lines but would not deal with all overcrowding. They are expected to

134 Ev 119

135 Q449

136 Q449

137 Q253, Q263

138 Ev 37

139 Q280

be delivered in March 2005 for refurbishment prior to a December 2005 start.¹⁴⁰ One option was for the SRA to fund four further units from December 2005. This would help alleviate current overcrowding in the short term, but would require finance for platform extensions at some locations.¹⁴¹

90. We welcome the increased popularity of the commuter lines in Cardiff and the year on year increases in passenger numbers that they have achieved. Unfortunately this increase has not been matched by SRA funding for the lines. We recommend that the SRA reconsider the funding levels for rolling stock provision to eliminate by December 2005 overcrowding on peak services. We further recommend that the Department for Transport examine the SRA's budget in respect of the Wales and Border's franchise with a view to increased expenditure on rolling stock provision to enable capacity to meet demand.

Proposals for Improvements to Stations

91. A modest programme for station improvements was included in the award of the Franchise and would be financed through partnership funding. 15 stations would qualify for such improvements over the length of the franchise, which Arriva acknowledged amounted to roughly one per year.¹⁴² Some Welsh Stations have been improved through the Rail Passengers Partnership (RPP) Fund in south and mid Wales. However, that funding was “temporarily suspended” by the SRA as a consequence of cuts in UK Government funding.¹⁴³ The Strategic Rail Authority has continued to fund those station improvements already under contract, for example stations at Llandaf and Trefforest, but it fell to the Welsh Assembly Government to allocate £2.5million to enable that work to continue.¹⁴⁴ Unless the RPP funding is restored, funding for any additional station improvements would fall on the Welsh Assembly Government

92. Mr Cameron told us that beyond its commitment to refurbish 15 stations during the lifetime of the franchise, Arriva had “no responsibility whatsoever to provide those basic facilities [at stations] over and above what exists at present and that is part of the contractual framework that the SRA set out in its objectives”.¹⁴⁵ Nonetheless, he assured us that some improvement to the physical condition of stations – lighting, roofing, toilets, heating improvements could be made. These would be through a scheme called “Adopt a Station” where selected regular users report faults or repairs required. Those faults and repairs would then be targeted in the most cost effective manner.¹⁴⁶ Arriva has operated similar projects in the North of England for just over 12 months and Mr Cameron told us

140 Evidence to the Economic Development and Transport Committee, National Assembly for Wales, 19 November 2003, www.wales.gov.uk/keypubasemecondevtran/index.htm.

141 www.wales.gov.uk/keypubasemecondevtran/index.htm

142 Q267

143 Q60

144 QQ61-2

145 Q271

146 Q270

that they get “a very, very positive community involvement [that] allows us to spend the money much more wisely and better”.¹⁴⁷

93. We have a degree of sympathy for Arriva in its programme for station improvements. It has agreed a franchise contract with the SRA for a fixed annual payment that excluded both new stations or station improvements. We recommend that Arriva press ahead in the short term with the private/public partnership discussions with all interested parties to improve many more than 15 stations in Wales.

94. Safety at Stations was an issue that was raised by the Rail Passengers Committee. The RPC noted that it should not be assumed that safety concerns were limited to rail accidents: “to most passengers, safety means personal security—ladies alone at night, or people who are vulnerable”.¹⁴⁸ In this context the RPC lamented the limited number of Transport Police available to the North Wales Main Line.¹⁴⁹

95. We note that Arriva has a duty of care for the station fabric and that cleaning platforms, general repairs, removing graffiti and repainting are their responsibility. Poorly maintained stations do not promote a safe environment and therefore we expect a commitment from Arriva that those duties will not be ignored in the running of the franchise.

Cardiff Station

96. In our report on Transport in Wales we recommended that consideration be given to the complete redevelopment of Cardiff bus and rail stations – including improved access for taxis – to provide a high-quality public transport interchange which is suitable for a capital city and seat of government.¹⁵⁰

97. In the intervening period no plans have been put forward to redevelop the bus station so that it becomes fully integrated with the railway station and that taxis are positioned and regulated so that customers may wait undercover. Arriva has set aside £400,000 for improvements to Cardiff, Chester, Hereford, Newport and Shrewsbury Stations. However, Mr Cameron acknowledged that significant improvements to Cardiff station were necessary.¹⁵¹

98. We welcome the acknowledgement that Cardiff Station is still in need of significant improvements. We recommend Arriva, First Great Western and other interested parties consider the establishment of a joint group to redevelop the station to provide a facility that reflects the status of Cardiff as the Capital of Wales.

147 Q270

148 Q469

149 Q469

150 Second Report from the Welsh Affairs Committee, Transport in Wales, Session 2002-03, HC 205, para 14.

151 Q273

Holyhead Station

99. In our Report on Transport in Wales we concluded that the Strategic Rail Authority, in partnership with the National Assembly for Wales and North Western Trains, take urgent steps to improve passenger rail facilities at Holyhead to at least a standard acceptable level, and preferably beyond.¹⁵²

100. Little progress appears to have been made since that report although we understand that Stena Lines are prepared to enter into a funding arrangement with the Strategic Rail Authority, Network Rail and Arriva to refurbish Holyhead station to provide a *Gateway Station* to the United Kingdom.¹⁵³

101. We welcome the involvement of Stena Lines in negotiations to refurbish Holyhead Station. Given the potential for local spend by high spending visitors on cruise-ships, we are confident that further discussion between port operators, ferry companies and the WDA on financing jetties and terminals would be worthwhile.

152 Second Report from the Welsh Affairs Committee, Transport in Wales, Session 2002-03, HC 205, paras 70-73.

153 Ev 53

Disabled Access

102. Mr Chris Austin from the Strategic Rail Authority told us that the SRA had produced a code of practice and that train operators had to provide a Disabled Persons' Protection Policy (DPPP). In drawing up that policy and code of practice the train operators would consult disabled groups within their areas about specific access issues which they can reflect in their DPPP. There are also two legislative requirements. The Rail Vehicle Accessibility Regulations require all new rolling stock to have to comply with quite prescriptive specifications on matters such as the design of handrails and the design and colour co-ordination of doors, the lettering on train information systems and the pressure required for door-open buttons. Mr Austin also explained that legislation in respect of the Access to Stations would come into force in 2004.¹⁵⁴

103. Mr Cameron acknowledged that Arriva held the responsibility for disabled access to its stations and trains, and was working with the SRA and other franchisees for further improvements to access.¹⁵⁵ He further argued that Arriva would be introducing dedicated telephone helplines for travellers but conceded that with a "Victorian network" it was not possible to make the network fully accessible to disabled people.¹⁵⁶

104. Where possible, Arriva hoped to ensure that train connections at its stations would have appropriate facilities for disabled travellers, for example lifts and bridges between platforms. However he argued that "where there is no lift facility provided, we feel is that it is better to get connectivity even in those circumstances than no connectivity at all".¹⁵⁷

105. Our inquiry touched lightly on disabled access to rail services. However, this issue is also being considered by the House of Commons Transport Committee,¹⁵⁸ and the Joint Committee on the Draft Disability Discrimination Bill.¹⁵⁹

106. We welcome the commitment to improving disabled access to stations and the legislation that underwrites that commitment. However, we are concerned that funding constraints may not deliver the necessary improvements in good time. We recommend that the SRA, in conjunction with Network Rail and the Train Operators undertake an audit of all stations in Wales, including lift access for disabled passengers, to assess what work is necessary for stations to comply with the legislation covering disabled access.

Information at Stations

107. Mr Cameron told us that the provision of information at stations was an important aspect of Arriva's policy for rail services. He explained that in its other franchises, Arriva had introduced maps at stations that showed local facilities, the location of bus stations and

154 The Disability and Discrimination Act 1995, Q86

155 Q261

156 Q289

157 Q289

158 www.parliament.uk/parliamentary_committees/transport_committee.cfm

159 www.parliament.uk/parliamentary_committees/dddb.cfm

provided numbers for taxi companies.¹⁶⁰ Similar information was planned for the Wales and Borders franchise. Mr Cameron acknowledged that “If you cannot get the basic information, then you cannot expect people to travel”.¹⁶¹ It was Arriva’s intention to provide such information through Project Inform, a scheme run by the existing train operating companies in Wales. That scheme would ensure that, when customers arrived at stations, then they would also receive information about the train they wished to take, how that train was operating and destination and stops along that line.¹⁶²

108. We welcome Arriva’s acknowledgement of the importance of clear signage and information for passengers. We will monitor closely Arriva’s proposals to improve information for passengers at Stations within the Wales and Borders franchise.

160 Q292

161 Q273

162 Q270

POWERS OF THE NATIONAL ASSEMBLY

Background

109. Like many areas of public policy, responsibility for transport in Wales is divided between the UK Government and the National Assembly for Wales. There is a complex network of powers and functions in which responsibility for many areas of transport policy is shared or divided between London and Cardiff. The UK Government is responsible for policy relating to railways, but consults with the National Assembly on certain issues. For example, the SRA must consult the National Assembly about its strategy, the award of any new franchise in Wales and derogations of Public Service Requirements.¹⁶³

110. This Committee and its predecessor Committee have highlighted the need for an integrated transport policy for Wales in two previous reports.¹⁶⁴ To encourage the development of such a policy, our report on Transport in Wales recommended that the following powers be transferred to the National Assembly:

“powers of guidance and direction over the Strategic Rail Authority in respect of the Wales and Borders franchise and other rail services within Wales provided that they are consistent with the guidance and direction of the Secretary of State; and

“power to appoint two members of the SRA using the open system for public body appointments;

“a statutory duty to ensure that the interests of those in England who are served by the Wales and Borders franchise are properly represented”.¹⁶⁵

111. In its response to our recommendations, the Government stated that it was not persuaded that the National Assembly should have powers of direction and guidance over the Strategic Rail Authority, as the Welsh railway network had a much greater degree of inter-dependence with the English network.¹⁶⁶

112. The response also explained that it was the statutory role of the Secretary of State for Transport to appoint all members of the SRA Board, and was required to consult the National Assembly about one member of the Board, taking into consideration that member’s familiarity with the special requirements and circumstances of Wales. The Government did not agree that the needs of Wales would necessarily be better served by giving the National Assembly the direct power to appoint a member, or more than one member.¹⁶⁷

¹⁶³ Transport Act 2000, ss. 206 & 269(4).

¹⁶⁴ Second Report from the Welsh Affairs Committee, *The Transport Bill and its Impact on Wales*, Session 1999-2000, HC287 Second Report from the Welsh Affairs Committee, *Transport in Wales*, Session 2002-03, HC205.

¹⁶⁵ Second Report from the Welsh Affairs Committee, *Transport in Wales*, Session 2002-03, HC205, para 38.

¹⁶⁶ Second Special Report from the Welsh Affairs Committee, *Transport in Wales: Response of the Government*, Session 2002-03, HC580 para K.

¹⁶⁷ Second Special Report from the Welsh Affairs Committee, *Transport in Wales: Response of the Government*, Session 2002-03, HC580 para K.

Powers of Direction and Guidance over the Strategic Rail Authority

113. This was not the view of the National Assembly, which welcomed devolving further powers to the National Assembly, in particular powers of direction over the SRA, and the power to appoint a member to the SRA. Sue Essex, Minister for Transport, Planning & Environment said that “Whilst I understand the Government’s arguments about the nature of the network in Wales, I do not think that these concerns are insurmountable [...] The rail network in Wales is a key element underpinning the Welsh Assembly Government’s vision for a coherent transport network. Powers of direction over the SRA are therefore essential so that the delivery of train services in Wales supports our integrated transport policy. We would work very closely with the English border authorities to ensure their needs and aspirations are also fully integrated into the services”.¹⁶⁸

114. The Rail Passengers Committee also welcomed the proposals to transfer to the National Assembly direction and guidance over the SRA¹⁶⁹ believing it would achieve decision-making “closer to the people”.¹⁷⁰ Furthermore the RPC argued that powers of direction and guidance over the SRA conferred on the Scottish Parliament gave it the ability to pursue an integrated transport policy as a means of attracting people off the motorways.¹⁷¹ While Network Rail had no view on devolved powers it acknowledged that this division of powers worked well in Scotland.¹⁷²

115. Arriva trains provided an insight into joint responsibility to the SRA and another body – in this case Merseyside PTE where Arriva have until recently been the train operating company. Mr Cameron told us that the PTE “specify the level of service, the quality of service and they pay for additional services over and above those specified by the SRA”.¹⁷³ Arriva expected that if similar powers were conferred on the Welsh Assembly Government, it could be “much more vocal [than the SRA] in looking after local needs, to be very focused and very determined, making sure the border counties were not to lose out and that the Assembly Government would be an active partner in the railways”.¹⁷⁴

116. The Government position has softened since our last Report. In written evidence the Department for Transport told us that its officials have had “initial discussions with National Assembly officials about the National Assembly’s desire for a [Transport (Wales)] Bill and we are currently considering more detailed proposals as to whether or to what extent Westminster Government would be prepared to support a Bill that contained some or all of the proposals”.¹⁷⁵

117. When we took evidence from the Minister for Transport he confirmed that his Department and the Welsh Assembly Government were in discussions about a draft

168 <http://www.wales.gov.uk/organicabinet/content/statements/2003/wac-020403-w.doc>.

169 Q526

170 Q527

171 Q528

172 Q369

173 Q297

174 Q300

175 Ev 68

Transport (Wales) Bill and that those discussions included these issues. While he noted the complexities of conferring powers on the National Assembly over a rail service that meanders in and out of Wales he argued that: “It is not rocket science, we ought to be able to get somewhere on that”.¹⁷⁶

118. The financial powers sought by the National Assembly would involve complex arrangements with the SRA. Powers of direction and guidance similar to Scotland’s would have to take into account differences between the Welsh and Scottish rail networks. However, Dr Howells was of the opinion that the resolution of financial arrangements were not insuperable problems.¹⁷⁷

119. We welcome the progress that has been made in discussions on the strategic direction of the rail network between the UK Government and Welsh Assembly Government. We reiterate our recommendation that powers of guidance and direction over the Strategic Rail Authority in respect of the Wales and Borders franchise and other rail services within Wales be conferred on the National Assembly for Wales.

Appointment of SRA Members by the National Assembly

120. In its response to our report on Transport in Wales, the Welsh Assembly Government also stated that it wished to see a clause providing for the appointment of at least one member of the SRA in any Transport (Wales) Bill.¹⁷⁸ This would provide a clearer link between the National Assembly and the Strategic Rail Authority. The Government’s response was less than enthusiastic about this proposal.¹⁷⁹ However, the Minister of State for Transport believed that this was open to discussion and stated that Richard Bowker, the Chairman of the SRA was also keen to discuss that with the National Assembly.¹⁸⁰ However, although he understood the rationale behind that aspiration he believed that difficulties would have to be overcome to achieve it.¹⁸¹

121. We support the aspiration of the National Assembly to be given the power to appoint one or more members of the SRA and recommend that clauses to that effect be included in any draft Transport (Wales) Bill.

Regional Transport Boards based on the Existing Consortia

122. The Committee also recommended that the Government should introduce legislation to enable the National Assembly to establish by secondary legislation one or more Passenger Transport Authorities or Passenger Transport Executives covering all or part of Wales. Whether to establish one or more PTAs or PTEs would then remain a decision for the National Assembly.¹⁸²

176 Q456

177 Q456

178 <http://www.wales.gov.uk/organicabinet/content/statements/2003/wac-020403-w.doc>.

179 See para 113.

180 Q456

181 Q456

182 Second Report from the Welsh Affairs Committee, *Transport in Wales*, Session 2002-03, HC205, para 21.

123. The present consortia were set up by agreement between groups of county councils. They are TAITH, SWWITCH, TraCC and SEWTA, the last of which was created out of the merger of SWIFT and TIGER.

The Four Welsh Local Authority Transport Consortia

TraCC: (Trafnidiaeth Canolbarth Cymru) Powys CC and Ceredigion CC (also covers Gwynedd - Meirionydd)

SEWTA (South East Wales Transport Alliance) Bridgend CBC, Caerphilly CBC, City and County of Cardiff, Merthyr Tydfil CBC, Rhondda Cynon Taff CBC, Vale of Glamorgan Council and Newport, Rhymney, Islwyn, Torfaen and Monmouth

SWWITCH: (South West Wales Integrated Transport Consortium): Carmarthenshire CC, Neath Port Talbot CBC, Pembrokeshire CC and the City and County of Swansea. Ceredigion CC has an observer status.

TAITH: Ynys Môn, Gwynedd, Conwy, Denbigh, Flintshire CC and Wrexham CBC.

124. In its response to the Committee's 1999 Report on the Transport Bill,¹⁸³ the UK Government rejected the idea of a PTE/PTA in Wales because "no group of authorities seemed to have a very strong case" and "because PTAs have no roads responsibilities". Dr Howells acknowledged that the National Assembly wanted powers to establish regional consortia of local authorities and told us that his Department and the National Assembly have "talked about some of the things which can be achieved through that like better stations, better integrated transportation networks".¹⁸⁴

125. The Welsh Assembly Government has acknowledged that the case was not yet overwhelming, but stressed that it was important to have the option of introducing a PTA/PTE in parts of Wales should the existing consortia fail to deliver real change.¹⁸⁵

126. We recommend that the concept of statutory consortia /passenger transport boards should be examined by the Department for Transport alongside a public transport body covering the whole of Wales. Greater flexibility in the powers of the National Assembly can only serve to increase its potential to realise its aspirations for a fully integrated transport policy for Wales.

183 Second Report from the Welsh Affairs Committee, *The Transport Committee and its impact on Wales*, Session 1999-2000, HC 287.

184 Q456

185 www.wales.gov.uk/organiccabinet/content/statements/2003/wac-020403-w.doc

Conclusions and recommendations

South Wales Main Line

1. We welcome the assurance from First Great Western that there are no plans to reduce the frequency of their services between London and South Wales. (Paragraph 10)
2. We welcome the decision by First Great Western to negotiate with Network Rail for the reintroduction of a later evening service from London to Cardiff. We do not believe that the people of South Wales should have to wait until the award of the new Greater Western franchise in 2006. It is unacceptable that there is no late night service linking the capital cities of England and Wales and we recommend that the Strategic Rail Authority provide sufficient funds to introduce such a service in time for new timetable, due to come into force in December 2004. (Paragraph 15)
3. We welcome First Great Western's proposals for a high speed train link between the capitals of England and Wales. This is the sort of forward looking approach that is necessary to provide a positive future for rail services in South Wales. We are unimpressed with the reaction of the SRA to such proposals. Given the long lead time necessary to enact such a proposal, we recommend that the Strategic Rail Authority give urgent consideration to a new high speed link between England and South Wales as part of the long term strategy for a Greater Western service. (Paragraph 18)
4. We welcome the SRAs announcement of a forthcoming route strategy for the Great Western Main Line, and the potential improvements that a Greater Western Franchise may offer. We look to the SRA to reassure us that the needs of South Wales will not be secondary to those of Southern England when the route strategy is developed. (Paragraph 28)
5. We welcome the Government announcement of a review of the rail industry. We look forward to receiving further details on the Government's proposals for streamlining these organisations. We will judge these proposals on the extent to which they promote genuinely better services for rail users. (Paragraph 32)
6. We recommend that when the SRA develops its route strategy for the Great Western Main Line, it should give consideration to the cost and feasibility of a second rail crossing between Wales and England. (Paragraph 35)

North Wales Main Line

7. We welcome any increase in intercity services for North Wales. We are disappointed that the projected service level of seven trains a day will not be realised. While we appreciate that the reduction in the line speed has forced Virgin to reduce the numbers of trains per day, we conclude that Virgin Train's planning of the new service and consequent promises ought to have been more adequately thought through so that unrealistic aspirations could have been avoided. (Paragraph 39)

8. We find the delay by Network Rail in authorising the North Wales Main Line for use by Pendolino trains unacceptable. We recommend that Network Rail ensure early clearance for the use of Pendolino trains along the North Wales Main Line be given in time for the introduction of that service in December 2004. (Paragraph 41)
9. We welcome the SRAs commitment to a costing exercise for increasing the line speed on the North Wales Main Line. However, any costing exercise would be of limited use should funds not be available. We recommend that the SRA give a clear commitment to upgrading the North Wales Main Line should its costing exercise demonstrate value for money. Furthermore, we recommend that the SRA commit to running the exercise in conjunction with the National Assembly for Wales so that there is an adequate level of transparency in the process. (Paragraph 45)
10. We recommend that electrification of the line be included in the costing exercise for increase in the line speed of the North Wales Main Line. We further recommend, that should the costings not prove prohibitively expensive, the work be carried out as part of the rebuilding of the West Coast Main Line. (Paragraph 48)
11. We recommend that the Secretary of State for Wales consult with his Cabinet colleagues to ensure representations are made to the Council of Ministers, the European Commission and the European Parliament for funding for the upgrade of the North Wales Main Line as part of the Trans European Network initiative. (Paragraph 53)

Virgin Cross Country Services

12. While the changes to Virgin Cross country service may well have been necessary to provide a reliable cross country service, the manner in which decisions were made fell well short of what is required. Presenting the First Minister with what was effectively a *fait accompli* the night before changes to the service were made does not constitute consultation. We conclude that the Strategic Rail Authority failed in its statutory duty towards the National Assembly for Wales and did not honour its own undertaking to consult the Rail Passengers Committee. We recommend that the Strategic Rail Authority review its procedures to ensure that such events do not happen in the future. (Paragraph 59)

The Wales and Borders Franchise

13. We conclude that the spirit of the Department's Direction and Guidance had not been followed as a result of the split by the SRA of the criteria and scoring and marking system. These should have been combined to enable bidders to understand the objectives set by the Department and what was required of a bidder for the franchise. (Paragraph 70)
14. We recommend that the SRA publish a full summary of the negotiations surrounding the award of the Wales and Borders franchise including the level of services offered by Arriva at each stage. In this way taxpayers would be aware of the funding levels for the existing services and the cost of providing improvements. (Paragraph 71)

15. We are pleased to see that SRA funding for the Wales and Borders franchise has not been reduced from the level of funding provided for existing rail services. However we conclude that merely maintaining existing funding levels does not provide Wales with its fair share of rail improvements. We recommend that the SRA should revisit its allocation of funding to the Wales and Borders franchise to allow Arriva Trains to provide an enhanced rail service for Wales. (Paragraph 75)

Wales and Borders Services

16. The Committee welcomes the clock face timetable proposals from Arriva and believes that it has the potential to provide a significant improvement to existing rail services in Wales. The Committee further welcomes the initiatives by Arriva to achieve an integrated national train service that links North, Mid and South Wales. (Paragraph 80)
17. We welcome the initiative by Arriva to use Carmarthen and Shrewsbury as hubs for its clock face timetables. However, we are concerned that this proposal could be undermined by the infrastructure quality both in and around Shrewsbury and along the South Wales Main Line. We recommend that Arriva and Network Rail establish a programme of investment to ensure that both stations will provide effective hubs for rail travel within and to and from Wales. (Paragraph 84)
18. We further recommend that Arriva take steps to integrate the Heart of Wales Line in its plans for the hub at Shrewsbury. (Paragraph 85)
19. We welcome the increased popularity of the commuter lines in Cardiff and the year on year increases in passenger numbers that they have achieved. Unfortunately this increase has not been matched by SRA funding for the lines. We recommend that the SRA reconsider the funding levels for rolling stock provision to eliminate by December 2005 overcrowding on peak services. We further recommend that the Department for Transport examine the SRA's budget in respect of the Wales and Border's franchise with a view to increased expenditure on rolling stock provision to enable capacity to meet demand. (Paragraph 90)
20. We have a degree of sympathy for Arriva in its programme for station improvements. It has agreed a franchise contract with the SRA for a fixed annual payment that excluded both new stations or station improvements. We recommend that Arriva press ahead in the short term with the private/public partnership discussions with all interested parties to improve many more than 15 stations in Wales. (Paragraph 93)
21. We note that Arriva has a duty of care for the station fabric and that cleaning platforms, general repairs, removing graffiti and repainting are their responsibility. Poorly maintained stations do not promote a safe environment and therefore we expect a commitment from Arriva that those duties will not be ignored in the running of the franchise. (Paragraph 95)

Cardiff Station

22. We welcome the acknowledgement that Cardiff Station is still in need of significant improvements. We recommend Arriva, First Great Western and other interested parties consider the establishment of a joint group to redevelop the station to provide a facility that reflects the status of Cardiff as the Capital of Wales. (Paragraph 98)

Holyhead Station

23. We welcome the involvement of Stena Lines in negotiations to refurbish Holyhead Station. Given the potential for local spend by high spending visitors on cruise-ships, we are confident that further discussion between port operators, ferry companies and the WDA on financing jetties and terminals would be worthwhile. (Paragraph 101)

Disabled Access

24. We welcome the commitment to improving disabled access to stations and the legislation that underwrites that commitment. However, we are concerned that funding constraints may not deliver the necessary improvements in good time. We recommend that the SRA, in conjunction with Network Rail and the Train Operators undertake an audit of all stations in Wales, including lift access for disabled passengers, to assess what work is necessary for stations to comply with the legislation covering disabled access. (Paragraph 106)

Information

25. We welcome Arriva's acknowledgement of the importance of clear signage and information for passengers. We will monitor closely Arriva's proposals to improve information for passengers at Stations within the Wales and Borders franchise. (Paragraph 108)

Powers of the National Assembly

26. We welcome the progress that has been made in discussions on the strategic direction of the rail network between the UK Government and Welsh Assembly Government. We reiterate our recommendation that powers of guidance and direction over the Strategic Rail Authority in respect of the Wales and Borders franchise and other rail services within Wales be conferred on the National Assembly for Wales. (Paragraph 119)
27. We support the aspiration of the National Assembly to be given the power to appoint one or more members of the SRA and recommend that clauses to that effect be included in any draft Transport (Wales) Bill. (Paragraph 121)
28. We recommend that the concept of statutory consortia /passenger transport boards should be examined by the Department for Transport alongside a public transport body covering the whole of Wales. Greater flexibility in the powers of the National

Assembly can only serve to increase its potential to realise its aspirations for a fully integrated transport policy for Wales. (Paragraph 126)

Formal minutes

Wednesday 17 March 2004

Members present:

Mr Martyn Jones, in the Chair

Mr Martin Caton
Mr Huw Edwards
Mr Hywel Francis

Ms Julie Morgan
Mr Albert Owen

The Committee deliberated.

Draft Report (The Provision of Rail Services in Wales), proposed by the Chairman, brought up and read.

Ordered, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 126 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Third Report of the Committee to the House.

Ordered, That the Chairman do make the Report to the House.

Ordered, That the provisions of Standing Order No.134 (Select committees (reports)) be applied to the Report

Several Papers were ordered to be appended to the Minutes of Evidence.

Ordered, That the Appendices to the Minutes of Evidence taken before the Committee be reported to the House.—(*The Chairman.*)

[Adjourned till Wednesday 24 March at Four o'clock.]

Witnesses

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Chris Kinchin-Smith, First Great Western	Ev 15
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Euan Cameron, Arriva Trains Ltd	Ev 38
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Wednesday 12 November 2003	
Dr Kim Howells MP, Minister of State and Ian McBrayne, Department for Transport	Ev 69
Monday 17 November	
Clive Williams, Paul Harley and Andrew Goodwin, Rail Passengers Committee Wales	Ev 93

List of written evidence

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13	English Welsh & Scottish Railway (EWS)	Ev 120
14	SWWITCH Steering Group	Ev 123
15	Welsh Liberal Democrats	Ev 126
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17	Wales Railway Development Society (Railfuture)	Ev 131
18	North Pembrokeshire Transport Forum	Ev 131
19	Letter from Geraint Morgan, Arriva Trains	Ev 133
20	Virgin Trains	Ev 134
21	First Group	Ev 134

List of unprinted written evidence

Additional papers have been received from the following and have been reported to the House but to save printing costs they have not been printed and copies have been placed in the House of Commons library where they may be inspected by members. Other copies are in the Record Office, House of Lords and are available to the public for inspection. Requests for inspection should be addressed to the Record Office, House of Lords, London SW1. (Tel 020 7219 3074) hours of inspection are from 9:30am to 5:00pm on Mondays to Fridays.

Letters from Councillor Williams, Chair of Taith, to Sue Essex AM, Minister for Environment and Transport, Welsh Assembly Government

Copies of correspondence from Dr Hywel Williams MP regarding Neath Coastal Shipping
Paper from Shrewsbury to Aberystwyth Rail Passengers Association and Heart of Wales Line Travellers' Association

Reports from the Welsh Affairs Committee since 2001

The following reports have been produced by the Welsh Affairs Committee in the 2001 Parliament.

Session 2003–04

First Special Report	Government Response to the Fifth Report of Session 2002–03, The Draft Public Audit (Wales) Bill	HC 87
First Report	The Empowerment of Children and Young People in England and Wales	HC 177 i&ii
Second Report	Work of the Committee in 2003	HC 178

Session 2002–03

First Special Report	Government Response to the First Report of Session 2002–03, Broadband in Wales	HC 413
Second Special Report	Government Response to the Second Report of Session 2002–03, Transport in Wales	HC 580
Third Special Report	Government Response to the Fourth Report of Session 2002–03, The Primary Legislative Process as it affects Wales	HC 989
First Report	Broadband in Wales	HC 95
Second Report	Transport in Wales	HC 205
Third Report	Work of the Committee in 2002	HC 263
Fourth Report	The Primary Legislative Process as it affects Wales	HC 79
Fifth Report	Draft Public Audit (Wales) Bill	HC 763
Minutes of Evidence	The Wales Office Departmental Report 2003	HC 883
Oral and Written Evidence	Changes in Customs and Excise Operations in Wales	HC 916

Session 2001–02

First Special Report	Government Response to the First Report of Session 2000–01, Wales in the World	HC 270
Second Special Report	Response of the National Assembly for Wales to the First Report of Session 2000–01, Wales in the World	HC 311
Third Special Report	Response of the National Assembly for Wales to the Third Report of Session 1999–2000, Social Exclusion in Wales	HC 604
Fourth Special Report	Response of the Government and the Welsh Assembly to the Second Report of the Committee of Session 2001–02, objective 1: European Funding for Wales	HC 1169
Fifth Special Report	The draft National Health Service (Wales) Bill: Response of the Government to the Third Report of	HC 1215

	the Committee of Session 2001–02	
First Report	The Children’s Society in Wales	HC 525
Second Report	Objective 1 European Funding for Wales	HC 520
Third Report	The Draft National Health Service (Wales) Bill	HC 959
Fourth Report	The Children’s Society in Wales: Responses from the Government and The Charity Commission to the First Report of the Committee of Session 2001–02	HC 989
Minutes of Evidence	The Wales Office Departmental Report 2002:	HC 1216

Oral evidence

Taken before the Welsh Affairs Committee

on Wednesday 16 July 2003

Members present:

Mr Martyn Jones, in the Chair

Mr Martin Caton
Mr Huw Edwards
Dr Hywel Francis

Julie Morgan
Adam Price
Mr Roger Williams

Witnesses: **Mr Richard Bowker**, Chairman and Chief Executive, and **Mr Chris Austin**, Executive Director, Corporate Affairs, examined.

Q1 Chairman: I am sorry we kept you waiting, Mr Bowker, but we had rather a lot of private business to attend to. I understood that you would be coming by yourself, so it would be useful if you could introduce your colleague and say what he does for you, and introduce yourself.

Mr Bowker: Thank you very much, Chairman. I am Richard Bowker, Chairman and Chief Executive of the Strategic Rail Authority. With me is Chris Austin, who is our Executive Director of Corporate Affairs.

Q2 Chairman: I thought I recognised the face. If I can start, and we will do it region by region, if that is all right. If I could start with the South Wales Main Line. What is the SRA's long-term plan for the South Wales Main Line?

Mr Bowker: We have two very important events that will be happening over the course of the next couple of years. The first will be a route strategy which we will be consulting on widely as part of an ongoing programme of these route strategy consultations. The West Coast Main Line is an example of what we have done. A very important one next year will be the Great Western Main Line route strategy. That will be a precursor to the other major event, which will be the tendering and letting of the Greater Western franchise from 2006. Those two events, particularly the route strategy, will allow us to consult on, and therefore put together, a detailed plan for dealing with the issues facing the Great Western Main Line over the longer-term. It is really that very structured process that will give us clarity over what we need to do for Great Western and particularly with South Wales Main Line.

Chairman: Thank you.

Q3 Julie Morgan: I want to ask about the late night trains to Cardiff. Bristol is served by four trains between nine o'clock and half past twelve am, but only one at 2210 continues to Cardiff. Until recently there was a quarter to twelve departure to Cardiff from Bristol Temple Meads. As this train continues to run to Bristol, why has this service been withdrawn? Is this temporary or permanent? Could you tell us what the long-term plans are for late night trains to Cardiff?

Mr Bowker: As you rightly say, there was a 23.45. The service that is now running, where the 2210 is the last service, is compliant with the Passenger Service Requirement. The 23.45 was a service which the operator ran on a commercial basis. They have taken the decision that it is not any longer a commercially viable service. I understand that there are issues relating to maintenance access for the Severn Tunnel but it is a decision that the operator took and we have no plans at this stage to reinstate that service.

Q4 Julie Morgan: So we do not have much hope of having any more late night trains arriving at Cardiff?

Mr Bowker: It probably depends on one's definition of "late night". The 22.10, which I think arrives about twenty past midnight in Cardiff, is quite a late train. The later service ran on a commercial basis and at the moment it is not something that we would seek taxpayer support to provide. However, when we come to do the Greater Western franchise in 2006 and so on, clearly the service specification will be a matter of consultation and there will be an opportunity to review that issue then.

Q5 Julie Morgan: The maintenance you referred to on the Severn Tunnel, you are saying that is one of the reasons for this?

Mr Bowker: I think it is a contributory factor, but the primary reason is that the later train, the 23.45, was something which was a commercial decision to run by the operator and they have decided they no longer wish to run that service.

Q6 Chairman: Do you think it is acceptable that the last train between the two capitals is just after ten o'clock? Should the SRA not be looking at supporting a later train?

Mr Bowker: It depends on a whole range of issues. Currently we provide support for those services which are under the Passenger Service Requirement but which do not meet their costs in terms of the revenue that they generate. If we were to provide this service that would be a further call on our budget, which is already seriously stretched, and we have not formed a view as to whether that particular service

 16 July 2003 Mr Richard Bowker and Mr Chris Austin

has more merit, more value, than any of the other services that are also seeking to secure what is a constrained budget.

Q7 Mr Williams: The point made to me by many people living in South Wales is that they are unable to access leisure and cultural activities in the capital and return back the same night. Is that a reason that you could take into account?

Mr Bowker: At the end of the day it comes down to what makes sense in terms of the money that the taxpayer would be expected to pay in support of a service like that. We could only do something where the benefits, whether they were financial benefits or social benefits, which we can take into account, were sufficient to justify the investment, the support, the subsidy, that would be required to run that kind of service by that operator.

Q8 Mr Caton: Why is the through service from Fishguard to London to be replaced by a Wales and Borders service just to Swansea?

Mr Bowker: Again, that service was not a requirement of the PSR, it was a service that was run by First Great Western because they felt that was an appropriate use of their resource then; they have decided no longer to do that. It is a similar answer, Mr Caton, to the question of the 23.45. To be quite frank, the market for that service east of Swansea and Cardiff is extremely limited and there are excellent connecting opportunities along the route. Again, Wales and Borders have taken the decision to run that service but First Great Western do not believe there is a market there to run a service through to London.

Q9 Mr Caton: So it is entirely the train operator's decision?

Mr Bowker: Where the services are not specified by us as part of the so-called Passenger Service Requirement, yes, it is the decision of the train operator. One of the things we are doing is we are looking as part of the new franchising agreement to see whether we need to address that kind of approach; I think we do as it happens. We believe there is a strong argument for replacing the PSR, which is a very rigid, very historical and arguably extremely limiting issue, with much more clarity over the services that we wish an operator to actually run and set that out as a service specification inside the franchise. That is the modelling we are moving towards. In our view, it puts the passenger much more at the heart of the specification of a franchise. It is the model we are using on the first of the new franchises, Greater Anglia, it is the model that we will use on Greater Western in due course.

Q10 Dr Francis: There is a 10 minute recovery time between Neath and Swansea, so if a train is running late in Cardiff it appears to make up time by the time it arrives in Swansea. What is the reason for including the recovery time in the timetable?

Mr Bowker: My understanding is there is a one minute recovery time between Neath and Swansea. Actually the working timetable shows a slightly

different time, I think there is an additional minute between the working timetable and the actual, what we call, GBTT, which is the published timetable. I would need to check on those numbers, I do not recognise 10 minutes at all¹.

Q11 Mr Williams: If we move on now to the North Wales Main Line. What is the SRA's long-term plan for the North Wales Main Line?

Mr Bowker: We have concluded on the West Coast strategy, which we consulted on very widely—and for the purposes of West Coast we include North Wales in that route in terms of service planning—that as part of West Coast services that will run effectively five West Coast services a day, of which four will be services from Holyhead through to London, and there is an additional fifth which has extended now to Llandudno, and that has been done as part of the West Coast strategy we put together. In terms of other services, clearly there are First North Western services which will be transferring through to Wales and Borders in due course, we are still working through the detail of that. There are some very complex and operationally quite difficult issues relating to access to Birmingham because we have a railway network, as I am sure you know, which is massively more congested than it was five or six years ago. They have still to be worked through in detail. There is a significant amount of investment going in in terms of new rolling stock, that is coming through on West Coast and on the new Voyager trains which will be supporting West Coast services. Beyond that, there is some infrastructure investment that is being done. It includes, for example, new train maintenance facilities at Holyhead. There will need to be some work done on the infrastructure to allow us to run the Pendolino trains along the North Wales Coast. Those are the key things. It is really focused around the rolling stock investment and service enhancement.

Q12 Chairman: We are essentially in North Wales now but before we go entirely to North Wales, I wonder if you would expand on your answer about the plans for South Wales. Could you give us more detail on the Greater Western franchise?

Mr Bowker: What I discovered on joining the SRA was a real lack of long-term planning in terms of route development and network development. I think the belief was that the market would determine the right network enhancement strategy. I believe that the railway is a true public-private partnership but I think the long-term issues of strategy and development are matters that the public sector, through the SRA, should take a lead on, so we have set about doing something about that. The first thing is in terms of the way that we use the network and the way that we develop it. We said last year that we would produce, first of all, something called a Network Strategy, a Network Utilisation Strategy. The reason we needed to do that was because we have got a railway that is beginning to fill up, and in some places more than fill up. In fact, Network Rail

¹ Confidential note supplied not published.

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would tell us now that Railtrack at times sold capacity on the network that they did not have to sell. Clearly that has led to serious issues around reliability, around performance, around resilience and so on. We decided to set out getting much more strategic resilience into the way we planned the network and we have done that, we have published this Network Utilisation Strategy. What we recognised was there was a danger of making it too generalised across the whole of the railway network and some bits are different, one size does not fit all. We said that for very key parts of the network we would do specific route strategies, and clearly one of those is the Great Western Main Line, and when I say that I am talking about London, Bristol, down the South West and then through to Cardiff and Swansea, we are talking about the Great Western Main Line. We will publish for consultation a route strategy for the Great Western Main Line. That is exactly what we have done on West Coast. Last October we published a draft West Coast strategy, people gave us their views, the vast majority of them very supportive but obviously some areas of concern. We will do the same thing on Great Western Main Line, so when we actually say "This is the strategy for the Great Western Main Line for the long-term", nothing of which exists at the moment, it will be something that has been debated, discussed, consulted on and so on. That is important because we need to produce a specification for the Greater Western franchise. One of the things that I was very concerned to do when I arrived at the SRA was to get rid of duplication and overlap where it was causing network-wide problems. One of the things that we decided to do quite quickly was for the major London terminus stations, where there was more than one operator running into them, to look and see if we could use the capacity better. We have decided that at Paddington we think there is a lot of logic in bringing together Thames and Great Western. You could say what has that got to do with South Wales, but the answer is a great deal because the section of line between London Paddington and Reading at the moment is absolutely full, you cannot get more trains on it in the peak, and the way it works affects how reliable the service is to Cardiff and Swansea. As part of the Greater Western franchise, which will be a single franchise operator covering all of First Great Western's current services, the Thames Train services and the Wessex services, they will all come together as one operator. That franchise will go to the market for letting in 2006, which is the point at which FirstGroup's franchise comes to an end, and the route strategy will inform the kind of service specification we put forward for Greater Western. That is how the two things will come together.

Q13 Chairman: Thank you very much, Mr Bowker. We are back in North Wales now. The original Virgin specification of seven through trains, which I think you mentioned, now appears to be replaced by five trains, is that right?

Mr Bowker: That is correct.

Q14 Chairman: Can you explain why that has happened?

Mr Bowker: Yes, because as part of the West Coast strategy, again, we had to look at an overall balance of services, we had to look at an overall level of resource, we had to look at the number of trains that were available, 53 Pendolinos and 78 Voyager trains, we had to look at all the markets that needed to be served, whether it was the North West, the West Midlands, Liverpool, Manchester, up to Scotland, North Wales, and we consulted on a strategy which in our view provided the optimal balance of output for the resources we had available. The view that we arrived at, which we had consultation on, was that five services, four of which would go to Holyhead, one of which, as I mentioned, will start from Llandudno, was the right balance of services given the resources we had, given all the demands that were being placed on those resources.

Q15 Chairman: Do you think that is sufficient?

Mr Bowker: Yes.

Q16 Chairman: Do the users think it is sufficient?

Mr Bowker: I think the users will get a significantly better service. At the moment, for example, they run three trains a day, those are formed by high speed trains which are inadequate because they are extremely old, they do not have the facilities on them we would all like, but there are, for example, 24 carriages in total on those trains and when we have finished this West Coast strategy at the end of next year there will be 33 carriages a day. There is a 40% increase in the number of coaches that will run from North Wales to London. Because the strategy allows us to have less stops south of Crewe it will mean more dedicated vehicles for North Wales use, because they will not be used as intermediate train services. We have made sure that the principal daytime train from North Wales is a Pendolino and we have made sure that the principal business train of the morning from Bangor will have catering facilities on it, they can serve a full breakfast service, so, yes, I think the users will be perfectly happy with the much enhanced service they will get.

Q17 Chairman: Relating to that line, if not the same service, the National Assembly had a letter from Mr Green saying it was Virgin's intention to provide a two hourly London-Holyhead direct service, which I would have thought was six or seven trains a day but one of our North Wales Members had an indication that was going to be five trains a day. You wrote to us in the last week or two giving a table with four through trains. This is obviously not as high as we were led to believe. Can you explain the reason for that or is that simply because we have not got to 2004 yet?

Mr Bowker: No, it is exactly the reason I said. You are absolutely right, Virgin originally had an expectation that they would run seven trains a day, a two hourly service on the North Wales Coast. There are lots of things about the West Coast Main

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Line that a lot of people promised to do. It is a shame that it was not thought through as adequately as it needed to have been thought through and we have had to fix that. We have spent 18 months sorting out the mess of the West Coast Main Line. As part of that we have determined a service strategy that we think delivers the right amount of service for the market that exists, and is likely to exist, for the resources we have got. That results in five trains a day on the North Wales Coast, four of which go to Holyhead and one of which goes as far as Llandudno. It does mean a 40% increase in the number of seats. It does mean a better service because there are less stops between Crewe and London. The service on the North Wales Coast will be considerably better than the one that is there today.

Q18 Adam Price: Staying in North Wales for just a moment or two. What time period and level of investment do you envisage for the upgrading of the North Wales Main Line services, including the increase of the line speed to 100 mph throughout the line?

Mr Bowker: There are no plans at the moment to increase the line speed on the North Wales Coast.

Q19 Adam Price: Are there no proposals at all that you are aware of?

Mr Bowker: I am not aware of any detailed proposals, no. Any proposals for upgrade or enhancement would have to be dealt with in respect of the benefits that would derive from them against the cost of providing them against the other priorities that we have within an overall affordability constraint.

Q20 Adam Price: There is no timetable for upgrading and you have not done an initial evaluation of the cost?

Mr Bowker: There is no timetable for upgrading, no.

Q21 Adam Price: Mr Chris Green from Virgin Trains suggested to the Committee, and I think you have answered this question but I will go ahead with it anyway, that these improvements would cost in the area of 10s of millions of pounds, but presumably you have got no basis to agree or disagree because you have not done an evaluation?

Mr Bowker: The question of the future upgrade of the route along the North Wales Coast, the future strategy of that route, will be a matter for the Strategic Rail Authority initially, then in consultation with all stakeholders, of which train operators will be one. My understanding is if Chris Green was referring to upgrade he would have been referring to the fact that there will need to be investment at Holyhead in train maintenance facilities to support the new vehicles. There will have to be some minor infrastructural works to allow us to take Pendolinos along the route, which are big trains with a very specific gauge, but other than that there are no specific plans to upgrade the route.

Q22 Adam Price: Okay. Just briefly on a different point, I understand you are aware that it is the view of this Committee, and indeed the Welsh Assembly Government, that it should be the Assembly that appoints the member of the SRA with responsibility for Wales. I understand Miss Janet Lewis-Jones has been appointed by the Secretary of State for Transport.

Mr Bowker: Correct.

Q23 Adam Price: Did you invite Miss Lewis-Jones to come to give evidence to the Committee today?

Mr Bowker: My understanding is that the Committee invited me to come and give evidence to the Committee and I was very happy to do that. I would just say that Janet Lewis-Jones is an excellent board member, a great addition to the board. She lives in Wales, she is a Welsh speaker. She is very committed to understanding more specifically about the issues of the railways in Wales and is already proving a great addition to the board of the SRA. She was, as you rightly say, appointed by the Secretary of State for Transport in consultation with the Minister at the time, who I believe was Sue Essex.

Q24 Adam Price: I do not want to detain the Committee too long but my understanding is it is the standard practice for committees to invite a body to appear before the committee and it is up to the body to decide who they would like to appear on their behalf. I do not know if there has been a misunderstanding on that point.

Mr Bowker: It was made very clear, Mr Price, that I was invited to come here. I am more than happy to speak on behalf of all matters that the SRA is involved with because I am in the chair of the authority.

Adam Price: Thank you.

Chairman: I think we are moving on to rail links between Wales and England.

Q25 Mr Caton: Why were the CrossCountry services between South Wales, Birmingham, the North East of England and Scotland withdrawn?

Mr Bowker: The CrossCountry services, as the Committee will know, prior to the summer of last year were a very haphazard, very erratic service pattern, and Virgin had come up with a scheme which they codenamed Operation Princess to make a radical change to the way that timetable worked. They did so and they introduced it. The problem was they introduced it against the background of a very congested railway network and against what I am sure they would now agree—there is no blame, the whole industry is at one on this issue—was probably over-ambitious expectations of what could actually be delivered. It was very clear to us, and to Virgin and to Network Rail and all the other operators involved, that when Operation Princess went live at the end of October last year, it was very clear by the middle of November that it was not working and it was actually causing the railway network to suffer consider paralysis at certain times of the day if things did not work absolutely completely perfectly. We needed to do something about that and we had only

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about six weeks to do something because we had a deadline of mid-January to make any changes at all to the May 2003 timetable. We discussed those with Network Rail, with Virgin, with the other operators, and we took the decision to cut back some of the services on the CrossCountry network that made the network resilient. It is impossible, as I am sure the Committee understands, to treat the individual services that are run by something like CrossCountry, as mutually exclusive from each other, it runs as a network, the train fleet runs as a single train fleet. That is why we took the decision, to make the CrossCountry network actually work. That decision has clearly been a successful one. Reliability on CrossCountry is now improving and the actual service is getting considerably better. However, we realised that there was a very significant issue of services from South Wales to the rest of the country and there will now be a considerably better service between Cardiff through to Birmingham and on to Nottingham which will now run hourly. It will be considerably more reliable because the services will not be having to fight their way from Aberdeen and Dundee, so the service that Cardiff gets through to Birmingham and to the East Midlands will be considerably better. We have also taken the opportunity to introduce a two hourly in the off-peak and hourly in the peak service stopping service from Cardiff through to Gloucester which gives places like Caldecott and Lydney and Chepstow, for the first time, a regular clock face departure, gives places like Lydney and Chepstow a frequent service rather than one which was hugely patchy. Whilst it is absolutely the case that not as many cross-country services will be going to South Wales as was first thought under Operation Princess, the result will be a better service for South Wales.

Q26 Mr Caton: From what you have said these cuts were imposed by the SRA.

Mr Bowker: They were.

Q27 Mr Caton: What form of consultation took place on this withdrawal, particularly with the Rail Passengers' Committee for Wales and the National Assembly for Wales?

Mr Bowker: Time was of the absolute essence. We had two months at most, which included the whole of the Christmas and New Year holiday period, to do all the necessary analysis, recast the timetable, make sure that it worked and then advise Network Rail of any changes they needed to make for the May 2003 timetable. There was not time to undertake a wide consultation exercise, so we did not do it. The decision that we had to take was, was it better to consult on something which would have got us into a huge great debate and run the risk of not being able to do anything until September or was it better to give passengers a better service in May. We took the decision to give them a better service in May.

Mr Caton: So you decided not to consult because you thought people might not agree with you?

Q28 Adam Price: Absolutely.

Mr Bowker: No. The reason why we decided to take the course of action that we did was because our duty is to get the rail service reliable, it is in our directions and guidance. It is a very clear and specific requirement. Personally, I believe that in terms of the CrossCountry changes our duty to ensure a reliable service was of absolute paramount importance; that is why we did what we did. I hope that we never have to be in that kind of situation again. The CrossCountry service—Chris Green himself was advising us on lessons learned from this quite recently—was three years of commercial niggling and about six months of timetable planning and it should have been the other way around. The CrossCountry service was brought in without enough thought, without enough rigour, and without making sure that it actually worked. It did not work effectively and we did what we felt was the right thing for passengers.

Q29 Mr Caton: Am I right that you fund the Rail Passengers' Committee for Wales?

Mr Bowker: We sponsor them under the terms of the Transport Act.

Q30 Mr Caton: Their whole reason for existence is to be the voice of passengers when changes happen to the rail service.

Mr Bowker: That is correct.

Q31 Mr Caton: But you chose not to consult them?

Mr Bowker: We took a decision that in the interests of reliability of services for passengers, which is a very clear part of our directions and guidance, what we did was the right thing to do. We have the right to apply derogations to the Passenger Service Requirement, custom and practice suggests that is for a limited period of time. We will consult on the long-term issues for those services in due course but in the circumstances I am quite sure that most passengers, the vast majority of passengers, would have said "We would rather you did not talk about it, please fix it". There was a need to fix it and we fixed it. I recognise that not everybody is happy with the outcome, but the objective was to fix CrossCountry from the mess that it was into something that worked, and it is done.

Q32 Mr Caton: The Rail Passengers' Committee for Wales still think it was a bad decision. Would you agree with them when they say in their Annual Report that Wales continues to receive a second class passenger rail service?

Mr Bowker: No.

Mr Caton: Thank you.

Q33 Adam Price: This really is not good enough, is it? Following on from Mr Caton's point, what you are saying is you will consult on the non-controversial decisions but you will not consult on the controversial ones. Does this not go against your own assurances given by the SRA in a letter of 16 February 1998 that the Passenger Consultative

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Council, now the RPC, “would be consulted on all substantive material changes to Passenger Service Requirements as a matter of course”?

Mr Bowker: We have a duty under our directions and guidance which postdate 1998 which put performance of the railway network absolutely key alongside our other objectives of a 50% increase in passenger kilometres and 80% in freight and so on. It is completely wrong, in my view, to say we will only consult on the things that we find non-controversial and not on the things that we do. Our absolute policy is that wherever possible—wherever possible—we consult. We were faced with a very serious issue with Cross Country. We had a service that was running, in terms of performance, within 0–10 minutes of arrival time, in the low-30 percentages. The thing was in danger of coming apart at the seams, the job was to sort it and I sorted it. I have no problem; faced with the same situation, with the same circumstances, I must say I would do exactly the same thing again. However, I would much rather we went through a process of being able to have longer-term planning. That is why the franchising policy that was put in place, the route strategies that we are going to be consulting on—the West Coast is a good example of that—are designed to be long-term planning tools which mean we never have to face that kind of issue again. This was an emergency response to a very serious situation, we took decisive action and the signs are that it has been successful. In doing so, Mr Price, we have improved very considerably the service from Cardiff to the West Midlands.

Q34 Adam Price: Let us be clear on this, Mr Bowker. The assurance given in 1998 about consultation as a matter of course no longer stands and, secondly, where necessary services in Wales will be reduced, will be cut, to reduce congestion in central England, because of your failure to ensure enough central paths in central England.

Mr Bowker: The one thing I cannot do, Mr Price, is change the past; I can only change the future. With respect, you are putting words in my mouth. I did not say those things. As a matter of course we will consult. That is clearly our policy, and it remains our policy. That is why I am so keen to get this network strategy, to get the route strategies and to get the franchise specifications out for consultation, so that people can engage and give us their views. That is our policy. That is how we will do things in the future. I inherited, on that particular issue, a mess and I had to fix it. It is not the case that we do things to Wales because of constraints in other parts of the country, because on CrossCountry we have also had to take services out to Liverpool and to Portsmouth, for example, and they are not in Wales. So the issue is more about ensuring we have a resilient service. CrossCountry should never have gone live in the way that it did, but it did, and when it did not work we put it right.

Q35 Chairman: Mr Price touched on the subject of congestion in central England, essentially Birmingham New Street. Is that a fact? Did this CrossCountry service cause that congestion, which was not predicted, and you had to sort that out?

Mr Bowker: It is a very good point. It is not just Birmingham, it is across the network. For example, there is a pinch point at Bristol, at a place called Filton Abbey Wood Junction, a very serious network pinch point. We are putting that right, we are investing the money over the course of the next 18 months to put more track in there that will remove that pinch point. One of the big issues for South Wales is the congestion between Reading and Paddington. It has a huge impact on the performance of services in South Wales. So we are putting that right by looking at the way that we bring the franchises together. Birmingham is an issue, yes, and that station for example is operating well in excess of the originally perceived design capacity. One of the reasons it can do that is thanks to the extremely high professionalism and dedication of the people that do make it work and they are very effective in getting the most out of what is available. Railtrack oversold capacity; they sold paths that was not there to sell. We have to put that right too, and we are putting that right. Since the time that Virgin CrossCountry was thought about to when it actually went live, to give you one instance, the cross-city line in Birmingham, which goes right through the middle of Birmingham New Street, runs services down the South Western Main Line past the University to Longbridge and so on. That has increased from a 15-minute service to a 10-minute service—gone from four to six trains an hour—which is a 50% increase. That happened in the intervening period. So, yes, when CrossCountry came to overlay this service, which had a great increase in frequency of traffic running through Birmingham New Street, they found a different Birmingham New Street. That is an issue across the whole of the railway network and is one we are having to address and fix.

Q36 Mr Edwards: Given the congestion that you talk about between Reading and Paddington, is there not a case for more services to go from South Wales to Waterloo? To my understanding there is only one that comes down the Border line and goes to Waterloo at present, but there was a rumour in *The Sunday Times* (and we do not always believe what we read in *The Sunday Times*) that the West Wales to Waterloo service may be threatened and, also, the Cambrian line service may be threatened. Can you expand on that?

Mr Bowker: Yes, I think there are two very distinct issues there. I understand the connection but I will deal with them separately. The services from South Wales through to Waterloo, again, are services which the operators have run because they are commercially viable rather than because they are obliged to run them. At the moment, from next year, the operators have not bid for the right to run those services into Wales. So the services will continue but they will run from Bristol through to Waterloo. There is an extremely high time penalty on going on those services. One of the reasons why they were originally there, which you may or may not be aware of, was before the service to Cardiff went to half-hourly clearly there was a real market there, but by now creating a half-hourly service to Cardiff that is

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a very different situation. So the real issue about sending trains to Waterloo is quite a significant time penalty in terms of the actual journey time from South Wales through to London, and rather than try and fix the problem with an inadequate solution which would not be good for passengers because they get the time penalty, the real issue we are trying to fix is what do we do about Reading to Paddington? How do we make that more effective? One of the reasons why it is not as effective as it could be is because one of the operators, Thames Trains, which has trains which can do 90/100 miles an hour, are running trains on the fast lines. So we are getting a poor use of the capacity. We do think that by getting—it may sound extremely logical, which is why we are doing it—the fast trains running on the very fast lines and the slower on the slower lines, we get a significant improvement in terms of performance, resilience, reliability and in terms of capacity. That is a tougher decision, but we think it is the right decision. That will help services and it will make the services from Cardiff to London more reliable as a result.

Q37 Chairman: Just one last question on this. Did you consult with the National Assembly for Wales? You are obliged to do it under the Transport Act 2000 and it is something that this Committee suggested should go into the Act, and was put in the Act by Government. You really should have consulted with them.

Mr Bowker: Is this in respect of CrossCountry changes? We did give the National Assembly for Wales advance notice of it. I did talk to Rhodri the night before we went ahead with this. He was made aware of it. The problem was that we were faced with an incredibly serious situation in terms of the reliability of the entire UK rail network. I say again to the Committee, that is not how we like or intend to manage consultation over service changes. I know that. The issue was, do we have a great debate on service changes and run the risk of not being able to do it for September, never mind May, or do we get it fixed for May? We took the decision to fix it for May and that was what was done. I did, of course, explain to both the First Minister and the Transport Minister at the time of the Welsh Assembly the benefits they would get from this service from Cardiff to Birmingham, or the West Midlands, which they welcomed. It was only made possible because of these changes. They were obviously very keen about the stopping services from Cardiff to Gloucester. So that was something which they saw as a positive development. The fact that we had got a grip of the West Coast Main Line project was perceived to be a positive thing. It is crucial we do put it in the context of that. This was about fixing a very serious issue and taking a decisive course of action which fixed it for the benefit of passengers.

Q38 Adam Price: I am all for informality, Mr Bowker, but this night-time conversation with Rhodri, as you put it—that was a telephone conversation, I presume?

Mr Bowker: No, it was not. I met him personally.

Q39 Adam Price: Did it meet with your legal requirements under the terms of the Act?

Mr Bowker: We talk with and consult with the Welsh Assembly Government on a very regular basis. It is a continuous process of dialogue and discussion, it is not on specific occasions. Our relationship with the Welsh Assembly Government is actually very good, our relationship with their offices is actually very good and I am quite sure that we fulfill our requirements.

Q40 Adam Price: In this specific case and this specific decision, do you think that your face-to-face conversation the night before the announcement met with your legal requirement to consult with the National Assembly for Wales as a corporate body under the terms of the Act?

Mr Bowker: I am content that what we did in respect of the service changes was properly done, was within the powers that we have and it was the right thing to do for passengers.

Q41 Mr Edwards: Can I ask what prospects there are of direct Eurostar services from Wales to the Channel Tunnel?

Mr Bowker: Extremely limited.

Q42 Mr Edwards: You must be aware that every time we travel by train out of Paddington we see Eurostar services in the maintenance depot and it is not unreasonable that people wonder whether there will ever be direct services. Are you saying that is not on the cards at all?

Mr Bowker: It is not in our current plans and nor, I think, is it likely to be.

Q43 Mr Edwards: Can you explain why?

Mr Bowker: One of the things we would have to do would be to electrify the Great Western Main Line in order to allow those trans to run. It is fairly clear to us that there is no justifiable transport benefit from doing that. The cost of doing that would be extremely high in comparison with the transport benefits that would be delivered in doing it.

Q44 Mr Williams: If we go back to the CrossCountry services again, the Swansea to the North of England service was included in the Passenger Service Requirement. On what grounds did Virgin CrossCountry ask the SRA for a derogation of the Passenger Service Requirement?

Mr Bowker: We are entitled to apply a derogation to the PSR and we will subsequently consult on making that permanent if deemed necessary, and we applied the derogation in the particular circumstances of fixing the CrossCountry timetable earlier this year.

Q45 Mr Williams: So those are the reasons that Virgin CrossCountry gave in requiring a derogation?

Mr Bowker: No, no. The decision to change the CrossCountry timetable across the whole of the UK—I know the Committee does not believe this,

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but to be clear—the changes that were made were not just in Wales, they were across the whole of the CrossCountry network. Actually, there was a beneficial impact because we were able to improve dramatically the service to the West Midlands as a consequence. Those changes were made as part of an industry-wide process which involved us, Network Rail, Virgin, Central Trains and Wales and Borders; everybody was involved in terms of working out how to fix the problem that was manifestly causing major disruption to the railway network.

Q46 Mr Edwards: Could I ask what effect your financial shortfall has had on First Great Western service levels in Wales?

Mr Bowker: None that I am aware of.

Q47 Dr Francis: Staying with funding, how can we be assured that Wales is receiving sufficient funding for a first-class rail service?

Mr Bowker: At the moment we are going through the process of tendering for a Wales and Borders franchisee. That process is now extremely well-advanced and, in due course, we will be able to demonstrate that we are getting—when I say “we” I am talking about the taxpayer generally—value for money for the services that are provided and they are services that are consistent with the transport need.

Q48 Dr Francis: Could you elaborate a little bit more on that? What criteria would you use to demonstrate that it is a first-class service?

Mr Bowker: I must admit I think there is a big definitional issue of what first-class means. If we are talking about a service that is appropriate for the demand that exists for the service, that has sufficient quality, that puts the passenger at the sort of heart of how the services are planned and developed, then we ensure as part of the franchising process—which we have taken the Welsh Assembly Government through in some detail—that it is properly specified and properly evaluated. I think there is a real issue about what is in people’s minds over first-class. I think “appropriate for the demand and the service requirements” is where our whole franchise process is designed to get us to, and I am confident it will get us to that point.

Q49 Dr Francis: Do you also have a dialogue with the Westminster Transport Minister, the new one, Kim Howells?

Mr Bowker: Yes, a great deal.

Q50 Dr Francis: He, of course, is a frequent user of this service.

Mr Bowker: A matter of which I am very aware.

Q51 Dr Francis: Has he shared his experiences with you?

Mr Bowker: He has, although I am a frequent user of Great Western services myself. The Minister has made it clear, however, that he has general concerns and views across the whole of the railway network, which I think is very important. Yes, we have had an

opportunity to discuss a great deal of the issues already in the short time that he has been Minister of Transport.

Q52 Chairman: On this question of funding, Mr Bowker, have you given, as an Authority, specific instructions or requests even to the four bidders to reduce their subsidy requirements which they quoted in their BAFOs?

Mr Bowker: The precise answer to that question is no. What we did, however, to be helpful, is that we did ask for options in terms of what the consequences would be if the subsidy levels were lower than those that currently existed. I would stress that they were options for the purposes of good planning and analysis, they were not requirements or decisions, they were seeking options. I think it would have been strange for us not to have done that. We are constantly making sure that we are getting value for money for whatever we put in, in terms of support for railway services.

Q53 Mr Williams: Supporters of the Heart of Wales line and the Shrewsbury to Aberystwyth line are very worried that any cut in subsidy will not enable improvements to take place—in fact, whether there will be cuts in services that will mean although they do not close the lines they will meet their legal requirement to run the service but the service will be of such small account that nobody will bother to use it. Is there any substance to those fears?

Mr Austin: No, not really, Mr Williams. Our approach on rural lines, particularly like the Heart of Wales line, is to make the most of what is there and encourage their use through Community Rail Partnerships. There is a thriving one for the Heart of Wales line. We are also doing some further work with the Association of Community Rail Partnerships, looking at ways of operating these lines more effectively and specifying standards that are appropriate for rural lines rather than high speed main lines. The combination of those two things together, we think, should improve the long-term sustainability of these routes but we recognise their lifeline role within Wales, and certainly all of the routes are specified in the new franchise.

Q54 Mr Williams: And the level of service of the routes?

Mr Austin: And the level of service linked to the PSR, yes.

Q55 Adam Price: I would certainly back up those points, as somebody who uses the Heart of Wales line sometimes to get to Parliament. It is becoming increasingly difficult to do so, particularly on a Sunday when there is one train now on a Sunday. I would like to broaden it out because the figures we have been provided with by our Committee Adviser show, for instance, that South West Trains, under the SRA’s figures, are going to receive a subsidy increase from £48 million in 2001–02 to £170 million per annum in 2006–07—an increase of 250% The Wales and Borders’ equivalent figure is a fall by 11%

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It is a simple fact, on the basis of those figures, that Wales is a lesser priority for you than other parts of England. It is the same point again.

Mr Bowker: No. The reason why South West Trains' subsidy has changed—overwhelmingly the reason why it was changed—is because it is a legal requirement to replace around 600 carriages of what are called slam-door trains, the old Mark I trains. That legal requirement is to replace those trains by 31 December 2004, and it will be a criminal offence not to have done that. Therefore, we are currently in the midst of a replacement programme of over 2000 carriages, in fact, for the whole of what used to be called the Southern Region. That is a very significant investment—it is round about £2 billion—to meet that legal requirement and that investment has to be paid for. That is the primary reason why that subsidy has changed.

Q56 Adam Price: Finally, just for my own understanding, the present payments to operators in Wales, excluding Intercity, is around £94 million per annum. The SRA previously indicated a possible increase by as much as £20 million per annum back in 2000. Is this still the case or not? Is that the kind of level we are looking at—£114 million per annum in terms of the subsidy?

Mr Bowker: We are still in the course of negotiating with franchisees. There are still issues around finalisation of price. I am sure that the Committee would understand that for me to say where the number now was would give bidders for the franchise the best possible indication of what the outcome of the process was².

Q57 Adam Price: But it is not going to be less than £94 million, which it is at the moment? It is not going to be less than it is at the moment?

Mr Bowker: We will announce the Wales and Borders franchise in due course once we have consulted with the Welsh Assembly, as is the right thing to do. I would like to return to the issue of the Wales and Borders franchise when that is done. Anything I say now will actually give an indication of where this competition—

Q58 Adam Price: So it could be less than £94 million?

Mr Bowker: Mr Price, I am being very, very specific: I am not saying more, I am not saying less, I am actually saying nothing.

Q59 Chairman: Would you be able to give us that in confidence?

Mr Bowker: If it was possible for us to reflect on that and advise the Committee.

Chairman: We will leave it at that. I understand the position.

Q60 Mr Williams: Can I ask why the SRA has suspended payments to the Rail Passenger Partnerships?

Mr Bowker: Yes. As part of the settlement for the 2002 spending review, the funding that we received was less than that which we had bid for. We had bid for funding that was consistent with the Strategic Plan overall funding envelope and we received a reduction of £312 million for the spending review 2002 period. The first year of that, which is the financial year we are now in, 1 April 2003 to 31 March 2004, was actually a reduction of £242 million. In that first year a great deal of our payments are already contractually committed, for example, to franchisees in terms of subsidy, to Network Rail in terms of grants and so on. So in the first year our ability to change those was extremely limited; we do not break contracts that we have committed to. So we had to balance our budgets by looking at the funds that were non-contractually committed. The only places it was possible to make those savings were in the grant schemes we administer, which is the Rail Passenger Partnership and the Rail Performance Fund. The Freight Facilities Grant, as you know, is different; we act as agents but the actual funding comes from the Welsh Assembly, so that does not impact Wales here, and also in project development. We had to go and make cuts in our budget in order to live within our overall funding envelope, which I have a statutory duty to do. That is the reason. We did say very clearly to people it is a temporary suspension, it is not a termination; we did say that those things which we had committed to do and contractually committed to do we would still see through, and are doing that, and we also said that if it is possible to find more creative ways of making some of these things happen we would like to explore that as well, and that has been possible too. So it is certainly not the black picture that has been painted. However, I would much, much rather not have done it because RPP is a very good thing, and as soon as we can get sufficient funding headroom to get the scheme back up and running we will do so.

Q61 Adam Price: I understand the Welsh Assembly Government has allocated around £2.5 million for station improvements along the South Wales Main Line and the Valley Lines. Why should this expenditure come from the cash-starved National Assembly for Wales instead of the SRA?

Mr Bowker: I think the sort of description of a cash-starved National Assembly for Wales I have some sympathy with.

Q62 Adam Price: There we can agree!

Mr Bowker: I think so. We do have some very significant pressures on our budget. We are trying to make the best use of what we have. I actually think we have been able to take some things forward. I must say I think our relationship with the Welsh Assembly Government is probably, and here I run the risk of howls of protest from the rest of the country, one of the best we have and it has enabled us to work in partnership to get the Vale of Glamorgan services committed to and up and running. It has enabled us to get Aberdare services with the Mountain Ash loop up and running. It has

² Confidential note supplied not published.

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enabled us to do an awful lot of things by actually working very sensibly and very creatively together. I would love to do more but the issue is, as I am sure you realise, one of funding generally.

Chairman: We now move on to punctuality.

Q63 Mr Caton: You published figures last month showing that the punctuality record on First Great Western, Virgin CrossCountry and Virgin West Coast has fallen between 2002 and this year from a, frankly, very poor level to an even worse level. What are the reasons for the generally low level of punctuality overall?

Mr Bowker: Overall, punctuality is really, I believe, driven by three main factors: infrastructure performance, rolling stock performance and then what I call general management performance. There is no doubt that as a result of a railway network which was, frankly, dis-invested in when it was under British Rail and continually dis-invested in when it was managed by Railtrack, the necessary renewals and maintenance expenditure has not been as sufficient as it should have been, and that will always impact upon performance. One of the reasons why we are seeing worsening infrastructure performance is as a result of that legacy. That needs putting right and I believe that the process that Network Rail is going through now, whilst it is not a magic wand—and I wish it was—is now starting to address the fundamental issue of network infrastructure resilience. Rolling stock is a big issue. A combination of old trains that are less reliable and new trains that are not as reliable as they should be has meant that the rolling stock performance has not been as good as it should have been. There is also an issue on network congestion, and I think this is a very serious point. We are running a dramatically increased number of train services on a network that has not been dramatically invested in. So if you go from an hourly to a half-hourly service from Cardiff to London you are if you will excuse the expression “sweating the asset”—whether it is the train or it is the track—a lot more than you were doing before. That takes its toll. We are addressing all these issues. The reason why we are looking at things like the service changes is to get that reliability back in; the reason why we are looking at a route strategy for the Great Western Main Line is to get the reliability back in, and the reason why Network Rail have a business plan that addresses the backlog of renewals is to get the reliability back in. Those are the principal reasons. In the short-term, our view as an industry is that a lot can be done by just absolutely grinding, obsessive attention to detail. I think over the past few years the industry has not, actually, focused on performance as much as it needed to as a sort of combined effort. I think that has changed. We now have a very clear understanding in the industry that after safety, which will always be the number one priority, performance and cost control are absolutely key and I perceive a focus on performance like I have never seen before. If I could just give you an example: this morning it was a real pleasure to open the new platform at Swindon. That will have an impact on South Wales services,

because instead of the trains having to weave across all the lines now if they are going to Cardiff from London, they will be able to stop at this new platform. The view is that it will save an hour a day accumulated delay across the Great Western Main Line. That is tremendous—as well as, obviously, a lot of benefit for Swindon. The other thing that I was able to see this morning was the new combined control centre at Swindon, which has got Network Rail, the train operators and the maintenance contractors all in the same room managing the business of running a railway together day-to-day. It is that kind of stuff that makes a difference. Those are the things that are being put right to sort out performance issues.

Q64 Mr Caton: I am sure we welcome that, but if there is this new focus on performance and there is this change in attitude, why did things worsen this year on those three important lines?

Mr Bowker: Because at the moment we are still dealing with an infrastructure which is older than it was at the time of privatisation, which has had a greatly increased intensity of use compared to the time of privatisation and which has not been maintained sufficiently. It is, at times, fragile and it does mean that it does not work as effectively as we would like it to. The point I am making is that whilst I think the trend is improving—and that is certainly the case, the trend across the network as a whole is improving—there are circumstances, and you have highlighted them, where it is not as good as it could be. There are others which are better. We were talking earlier about West Coast services to Holyhead; they are performing very well at the moment. It is about making sure every day that performance is at the top of the list, and that is where the focus is going to be.

Q65 Mr Caton: This does not hold up a great deal of hope for those of us customers on the Great Western line. You have identified, I am sure correctly, that the major problem is investment both in infrastructure and in rolling stock. We are not going to get that investment in the foreseeable future, everything is getting older. Almost implicit in what you are saying is that we are actually going to continue to have a less punctual service.

Mr Bowker: No. What we are looking at between Reading and Paddington, at the moment, in terms of this franchise consolidation—and we are actually talking with both Thames and First Great Western to see if we can bring the benefits in in 2004 rather than wait till 2006 when Great Western will go live—is better management of Paddington London to Reading. That will impact on the reliability of services between Cardiff and Swansea on First Great Western. The introduction of Swindon Platform 4 will impact on the reliability of services between London, Cardiff and Swansea. There are things which are happening now which will impact on the performance and reliability of those services. I do not wish to re-open the debate, but looking at things like Virgin CrossCountry services and, particularly, these new services from Cardiff to Birmingham to

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Nottingham, they will impact on the reliability of services between London, Cardiff and Swansea. Why? Because the network is heavily congested between Newport and Cardiff and making sure every bit of it works will have beneficial impacts for the whole of the network.

Q66 Mr Edwards: Could I just go on to infrastructure a bit more. I think you have indicated in an earlier part of the inquiry that there was no significant enhancement required in Wales of infrastructure. Do you still take that view, and does that mean that Wales will have worse track and stations than, on average, the rest of Great Britain?

Mr Bowker: No. There is a very significant amount of investment that is going on, particularly in the area of clearing the backlog of renewals on the network. I saw today the work that has been done on embankments which is very, very key to the resilience of the infrastructure. That is all going in now. I do not think one can draw the conclusion that because there is not some great scheme to turn the whole railway into increased lines everywhere that means that it is therefore worse off. We have to match the investment we put in to the market that is there, the costs of doing it and the benefit that is derived in both financial and social terms of making that investment.

Q67 Mr Edwards: Who is responsible for major investment on Wales' railways? Is it the Strategic Rail Authority, Network Rail, the UK Government or all of them?

Mr Bowker: It is a partnership. The responsibility for sponsoring, for leading, the upgrading of the national rail network rests with the SRA. That is what the Transport Act 2000 says. However, we cannot do it on our own and we do not do it on our own. We have to bring people into that process and seek their views. Clearly, in Wales the National Assembly is absolutely vital in that process. For example, in relation to this Great Western route strategy, they will be one of if not the most important partners and consultees in developing that process.

Q68 Adam Price: Could you give us a date for when the announcement will be made on the franchise? I think it was meant to be in June.

Mr Bowker: It was. It will be very shortly. We are discussing that with the Department of Transport. I have written to the Secretary of State for Transport. He has raised a number of perfectly sensible questions and we are going through that process. I cannot, obviously, and you would not expect me to, say when we will arrive at that final decision, but we are coming very close to the end of the process.

Q69 Adam Price: We could reasonably expect it over the summer?

Mr Bowker: Again, we are at the very end of the process now and I am confident we will be able to make an announcement very soon.

Q70 Adam Price: First Group proposed in November 2002 a high speed train service which would reduce the journey time between London and Cardiff to 50 minutes or so and to Swansea to 1 hour 40 minutes. Why did you not welcome this proposal?

Mr Bowker: Because I did not feel at the time that it was a reasonable use of resource and priority. The focus for First Great Western has got to be on delivering a reliable, consistent service now, not in 15 to 20 years' time; they should be focused on doing it now. I was extremely concerned that that would divert their attention, distract their management attention away from that and, to be quite straightforward about it, it was certainly not obvious to us that the benefits that would be derived from that—in terms of the kind of demand that there would be and the social benefits that would be derived—would come to anything like justifying the cost of doing it. A matter of major route development is not a matter for a train operating company in the first instance, it is a matter for us.

Q71 Adam Price: With respect, is that not precisely the kind of narrow, short-termism which has got us into this mess, with a third-rate transport infrastructure compared to all other countries in the European Union that precisely have had this kind of visionary, long-term approach?

Mr Bowker: It is very interesting, of course, that First Group's proposal was very easy for them to say; the responsibility for then actually having to deal with it rested with ourselves. We have not taken a narrow view. We are about to consult on a potential high speed line route. Initially we think the overwhelming transport demand is a north/south route and we will be consulting on that in due course. So we do not take a remotely narrow view of the future. I do agree that if we are going to have changes to the railway infrastructure in 2015–20 you have to start thinking about them now, I accept that, and that is what we are doing.

Q72 Adam Price: When you say “a north/south route”, do you mean North/South Wales or North/South England?

Mr Bowker: North/South of the UK. That is where all the principal demand growth is taking place in terms of long-term travel changes. The volumes are very significant.

Q73 Adam Price: That is an interesting insight. Just briefly on the current investment programme. Could you say which of the following items—and I have got a list here with which I have been provided—are reflected in the current investment programme: electrification?

Mr Bowker: No.

Q74 Adam Price: Diesel tilting trains with 140 mile per hour capability?

Mr Bowker: There is no diesel train that has a 140 mile an hour capability.

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Q75 Adam Price: The GW 200 study?

Mr Bowker: That, I understand, is this high speed line proposal.

Q76 Adam Price: Adelante trains?

Mr Bowker: They are in service now.

Q77 Adam Price: Re-engined upgraded HST 125 sets? I hope you understand that.

Mr Bowker: I do and there is a project under way now to look at precisely the engineering issues around that.

Q78 Mr Williams: Perhaps we could move on to the franchise process, completed or uncompleted. Perhaps you could tell us what are the criteria being used to select the preferred bidder?

Mr Bowker: Overwhelmingly it is around the best value bid that can be secured. That, obviously, takes into account the proposals made, their deliverability, their realism, their affordability and the benefits that are actually to be derived from whatever proposals have been put forward. It is quite a complex mix, if you like, taking account of a whole series of factors to ensure that whichever is the preferred bid is deliverable, makes sense, is likely to last the course, is going to deliver the quality of service we want and is affordable.

Q79 Mr Williams: When you are evaluating value for money and best value from expenditure, what sort of things are you looking at? What are the criteria there? Can you take into consideration social issues?

Mr Bowker: Yes, we do. Our appraisal criteria come out of the Treasury's green book appraisal criteria and we have published our appraisal criteria; it is on our website and we can provide hard copies if people would like. It is based around fairly well-accepted benefit cost analysis, where the social benefits of services are fundamentally taken into account in justification of why you should put public sector support into them. There are elements of social factors that are obviously in there. There are some things which are not, but we are able to evaluate those as well and highlight them, but the fundamental basis for evaluation is as per the appraisal guidance we are given and it does take account of social criteria.

Q80 Mr Williams: I have been approached by the Heart of Wales Line Travellers' Association and, also, the Shrewsbury to Aberystwyth Rail Passengers' Association. You may be aware that they put forward an innovative approach of having a vertically integrated, micro-franchise which they believe will deliver cost-savings in locally procured maintenance and cutting down the interface between, they tell me, the 120 bodies that have replaced British Rail. They are quite keen that whoever gets the Wales and Borders franchise would be able and open to consider proposals that they might put to them. How would you react to that?

Mr Bowker: We will always consider proposals that can be looked at. There are some very serious issues there. Vertically integrated businesses, unfortunately, do not comply with EC legislation, for example, on the separation of infrastructure and train operation. That is actually quite a big hurdle. There are some real issues of not getting into a position where we restructure everything so that you spend all your time restructuring without actually getting on and providing a service. We are putting a lot of work in with an organisation called the Association of Community Rail Partnerships, who are looking with us at exactly that kind of issue, of how do we take some of these more rural and secondary lines and get the costs down, in terms of operation, in terms of maintenance and in terms of renewals and what-have-you? As a matter of principle, yes, absolutely; there is no monopoly on good ideas and if anybody has got good ideas around that then we would love to hear them.

Q81 Mr Williams: I am sure you will hear from them.

Mr Bowker: I am sure we will.

Q82 Dr Francis: Staying with the franchise process, what are the elements in the scoring system used by the SRA?

Mr Bowker: They include issues like what is the financial robustness of the bidder; how deliverable are their plans; how much reliance can we put on various aspects of their bid—their proposals in terms of service delivery, their proposals in terms of service quantum, safety issues, staff issues. It is an amalgam of a whole series of things to ensure that whoever is the successful bidder is, in summary, a very well-rounded bidder and we have covered every possible aspect of them being a fit-for-purpose bidder and train operator.

Q83 Dr Francis: How are they being applied to the Wales and Borders franchise?

Mr Bowker: In exactly that way. We have ensured that all the elements that would make up a successful, resilient, committed bidder have been applied to the evaluation of Wales and Borders.

Q84 Dr Francis: Would it include, for example, physical access?

Mr Bowker: Yes, that is taken account of in terms of the service proposals that they make, yes.

Q85 Dr Francis: You would be looking for that? Is that one of the criteria?

Mr Bowker: All train operators are required to have a dependent persons' plan. We have a code of practice and they are required to comply with that, so that would be a pre-requisite of being a train operator.

Q86 Dr Francis: You would consult with, say, the Disability Rights Commission for Wales on such things?

Mr Bowker: Chris, you may be able to help. We have consulted with all the disabled bodies on this.

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Mr Austin: Yes, that is right. We produced a code of practice and it is up to the train operators to provide a Disabled Persons' Protection Policy. So the consultation took place on the code of practice and, clearly, the train operators are going to consult disabled groups within their areas about specific access issues which they can reflect in their DPPP. That is how it is taken forward, but, as Richard says, the requirements are there. They are also underpinned by two legislative requirements. One is on the Rail Vehicle Accessibility Regulations which effect all new rolling stock which have to comply with quite prescriptive specifications on things like the design of handrails and the design and colour co-ordination of doors, the lettering on train information systems and the pressure required for door-open buttons. All those things are specified in detailed regulations, and then the legislation in respect of the Access to Stations is something which comes in in 2004 and is drawn rather more broadly but will be covered through the Disabled Persons' Protection Policy.

Q87 Chairman: Could you provide some written evidence about your scoring system for us, Mr Bowker?

Mr Bowker: I am happy to provide the Committee with a note on our evaluation methodology. It is a commercially sensitive matter and the reason why it is so is because it is extremely important that bidders do not gain the system, do not actually put in bids that are designed to win against a system but actually put in bids which are designed to deliver a decent railway service. We are very careful about how we manage that process³.

Chairman: We will accept that in confidence, Mr Bowker. Unless my colleagues have any more questions I have two tidying up questions. Mr Caton?

Q88 Mr Caton: Still on the bidding process, why was Connex included on the short-list of bidders for Wales and Borders when you do not think it is good enough to run the service in London anymore?

Mr Bowker: The decision to terminate the franchise in Connex South Eastern first of all is a specific decision in relation to a breach of contract relating to South Eastern, nowhere else. That decision was taken a very long time after the final short-list was made for Wales and Borders.

Mr Caton: Okay. Thank you.

Q89 Mr Williams: Will that breach be taken into consideration when considering the Connex application?

Mr Bowker: No, because it was a breach under a contract that they had with us which specifically related to Connex South Eastern.

Q90 Mr Williams: I did not hear that.

Mr Bowker: The reason why we terminated the franchise for Connex South Eastern was a failure under an agreement we had with them specifically

relating to Connex South Eastern, not a failure that had occurred with our relationship with them anywhere else.

Mr Edwards: What was the failure?

Q91 Chairman: It was a breach, Mr Edwards.

Mr Bowker: The breach related to a return for additional public support which Connex South Eastern received during the course of 2003. They had to provide the SRA with a series of things, one of which was an improvement plan in relation to their financial processes and procedures. They did not do so to our satisfaction and we decided on that to exercise our right to terminate the franchise.

Q92 Chairman: Just to clarify, on the Great and Greater Western franchise can you confirm to the Committee that the present half hourly service to Cardiff and the hourly service to Swansea will be retained as a minimum at the very least?

Mr Bowker: I can certainly confirm to the Committee that we will consult on the service specification that will be contained inside the Greater Western franchise, as to what it will specifically be I think that is a matter for when we consult.

Q93 Chairman: Okay. Lastly, how can you as an authority justify the fares increases by Virgin Trains, Wales and Borders and FGW which are higher than inflation over the last twelve months, when although new trains have been provided service quality improvements, such as timekeeping, have not been delivered?

Mr Bowker: I assume that you are referring to fares increases relating to deregulated fares. Because they are deregulated they are a matter for the train operating company to determine what fares they choose to charge. We do regulate a big chunk of fares. In fact over the past three or four years there has been a fall in real terms at RPI-1% with the result that the contribution that the taxpayer makes to railway generally has risen dramatically. We have recently taken a decision, and the Secretary of State supported our recommendations in respect of the fares policy, that goes some way to restoring that balance. If you are referring to the deregulated fares, they are a matter for the train operating company themselves.

Q94 Chairman: I thought the regulated fares were going up higher than inflation?

Mr Bowker: The regulated fares have been capped at RPI-1% deflator.

Q95 Chairman: My mistake. I thought those had gone up as well, but they have not.

Mr Austin: I think what you are thinking about, Chairman, is the fares policy that we published recently where the deflator that Richard Bowker referred to becomes an RPI+1% with the implementation of the new policy from next year onwards.

³ Confidential note supplied not published.

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Mr Bowker: Clearly even with that we still end up with this very significant imbalance between the passenger contribution and the taxpayer contribution but it is our view there is now sufficient investment and reliable investment going into the

new trains that it is perfectly proper to say there is tangible evidence of investment now, not sort of jam tomorrow for a fares increase.

Chairman: Let us hope it works. Thank you very much, Mr Bowker and Mr Austin.

Wednesday 15 October 2003

Members present:

Mr Martyn Jones, in the Chair

Mr Martin Caton
Mr Huw Edwards
Dr Hywel Francis
Julie Morgan

Albert Owen
Adam Price
Mrs Betty Williams
Mr Roger Williams

Witness: Mr Chris Kinchin-Smith, Managing Director, First Great Western.

Q96 Chairman: Welcome to the Committee, Mr Kinchin-Smith, it is very good of you to come. First of all, could you introduce yourself to the Committee for the record, please?

Mr Kinchin-Smith: I am Chris Kinchin-Smith. I am Managing Director of First Great Western train operating company, a post I took up in June of last year.

Q97 Dr Francis: If we could start with the Cardiff/Swansea services, are there any plans to reduce the current half hourly service between London and Cardiff, or the hourly service between London and Swansea?

Mr Kinchin-Smith: Absolutely no plans whatsoever to reduce the frequency of services between Swansea and Cardiff, Swansea and London or Cardiff and London. On the contrary, our business plan since privatisation has been to increase the frequency of services. From Swansea currently there are half hourly services in the tidal direction of flow, particularly feeding into the flow towards London in the morning and back in the evening. We have increased the frequency from Cardiff to half hourly throughout the day during week days as a franchise commitment that we finally completed in October of last year. We have further plans for the future. I would be happy to tell you more about those if you are interested.

Q98 Dr Francis: Why are these services so slow compared to comparable European Mainline Services?

Mr Kinchin-Smith: I think if you compare the London/Cardiff route with similar international routes between capitals and major cities in France, Germany, Italy, Spain, the thing that differentiates Britain from Spain etc. has been the extent of new high speed infrastructure that has been built over the last 20-plus years. Increasingly a European high speed network has been created which, of course, now penetrates Great Britain with the first stage of the Channel Tunnel high speed link. For thirty years now Great Britain and its government has perhaps found reasons for not going down that road, with the Channel Tunnel high speed link being the first such case. We published plans last October that First Group would begin to look at the prospects for high speed infrastructure in the Great Western region and, again, I can tell you more about that if you are interested. Comparing our intercity services between Swansea and London and Cardiff and London with

European equivalents, I believe I could actually argue that both in terms of average speed and frequency, they compare very favourably with international and intercity journeys in mainland Europe, apart from where new high speed infrastructure has been constructed. This is still one of the most intensive—if not the most intensive—125 mile an hour operations in Europe. What we have not had, as I said before, is the benefit of brand new infrastructure.

Q99 Albert Owen: I take your point about infrastructure and the European comparables, but are you confident that you have the rolling stock and the engines that could achieve maximum speeds on each of your journeys? When I have travelled there has been various rolling stock that has been brought from elsewhere, for example.

Mr Kinchin-Smith: I do not know about rolling stock from elsewhere. The core service has been provided since 1976 by the Intercity 125 high speed trains; we still operate 37 of those trains. That is the largest and most reliable of those fleets within Britain, of the four companies that operate them. We also operate 14 brand new Class 180 Adelante trains that we introduced to fulfill our franchise commitment for half hourly services on week days throughout the day from both Cardiff and Bristol to London and to increase frequency on other routes as well. Those were the first brand new trains that we have had on the route for more than twenty years. We therefore have this large fleet which is capable of 125 miles an hour. The acceleration of the brand new Adelante trains is better than the Intercity 125s. The Intercity 125s do not accelerate as fast as they did when they were new, not for any reasons of age but simply—again victims of our success—because they were built with seven coaches and for more than 10 years now we have operated them with eight coaches. That does mean it takes eleven miles to get up to 125 miles an hour if you are operating flat out, whereas the brand new trains—the 180s—can do it in four miles. That is one of the factors that has been remarked on recently with the publishing of a report and some media interest as to why the trains are slower now than they were when they were built. One of the reasons is that the trains are longer and that is because of the demand that has grown on the routes since those trains were built. We are starting to plan now what the next stage of modernisation and evolution of the route should be and my argument is that what was good enough in 1976 or

what is good enough today will not be good enough in years to come for a route as important as London/Cardiff/Swansea.

Q100 Adam Price: I just wanted to ask you about Professor Cole's report which sets out the differences between the average speed and the fastest trains. Do you actually accept the analysis that the trains are slower now than they were 16 years ago between Cardiff and London?

Mr Kinchin-Smith: Both the fastest journey times and the average journey times are longer than they were, particularly if you take a point of reference in 1987. That was probably the best year. We were actively consulted by Professor Cole in the production of the report so we made sure it was completely accurate. Yes, there are a number of reasons which are outlined in the report as to why the trains do take a few minutes longer today than they did then. I am happy to expand on that if you would like me to, Chairman.

Q101 Adam Price: I think it would be interesting because I think your point is well made, but the fact that we are actually doing worse than we were even 16 years ago would bear some elaboration.

Mr Kinchin-Smith: Firstly to stress the positive again, with 28 trains per day on week days in each direction—particularly from Cardiff which is what that statistic relates to—this really does amount to a walk-up service. In terms of average journey times including waiting that does make a significant difference. The fastest trains are now slower by six minutes in one direction and a surprising 20 minutes in the other. Back in 1987 there were just one or two trains a day which had just two stops between Cardiff and Paddington. They had a particularly high speed path; it was a flagship service. There were one or two trains per day which had particularly fast journey times, but the average journey time is longer today and the reasons for that are probably five-fold. One is, as I mentioned, that the trains now have eight trailer cars rather than just seven. That does make a significant difference to the power to weight ratio of the trains. Secondly, for safety reasons, we first introduced maximum speed governing. The culture of safety on railways is very much stronger today in many respects than it was when the trains were introduced. Certainly in no way, shape or form, for some time now, have we encouraged drivers at any time to break the speed limits; on the contrary, it is a disciplinary matter. We imposed that first of all with automatic speed governing, then with the unique automatic train protection system which applies on all of our Great Western high speed routes. It is the only intercity route which currently has that system. That not only governs maximum speed, it also governs the approach speed to signals and certain junctions. That has made a little bit of difference to the overall journey times. Thirdly, we have more temporary speed restrictions today and therefore more recovery has to be built into the timetable. Regrettably we have so many temporary speed restrictions and emergency speed restrictions today that that amounts to significantly more than

the recovery allowance. That is compounded by the fact that the network is much more heavily congested these days, both with additional passenger trains—both long distance and short distance—and also with more freight trains. That may surprise you because obviously the total amount of freight within South Wales itself is a lot less than it would have been 20 or 25 years ago, but there has actually been growth on some of the long distance corridors. For example, between the Avonmouth and Portishead Docks and Didcot Power Station and on flows down from Birmingham into the Avon area and into South Wales have actually grown in recent years and there are now twice as many trains per day through Reading, for example, than there were at the time of privatisation. There are also more trains down through Bristol Parkway with the cross-roads of the north/south and east/west flows with Virgin Cross Country and other traffic—including local traffic—on that corridor. This makes it even more important than ever before that you reach these particular gateways—these particularly cross-roads—at precisely the right time. If the number of temporary speed restrictions or other infrastructure problems is more than is allowed for in the recovery allowances, then you miss your slot at those points. With the way the signalling regulation policy now works, you can then find that a two minute delay can become a twenty minute delay. The Paddington/South Wales corridor is the most complex of First Great Western's routes in terms of the importance of hitting those gateways at exactly the right moment. The fifth reason is the nature of the corridor in terms of the amount of inter-urban growth—the M4 corridor generally—and therefore it is even more important than it was perhaps then that trains stop at stations like Reading. Reading serves such an important interchange for people from South Wales as well as from England, where they are changing for the Heathrow coach, the Gatwick train or other routes, or just commuting into Reading which, in terms of a commuting centre—again something which surprises people—has more in-commuting than out-commuting. So, for all of those reasons, it is actually harder now to make the case for limited stop trains. Nevertheless, we are looking at how we could introduce a greater number of limited stop trains in the future.

Q102 Dr Francis: What has happened to First Great Western's plan announced in November 2002 for a high speed TGV-type service to Cardiff which would reduce the time down to about an hour? Could you give us an update on that?

Mr Kinchin-Smith: What we announced was a feasibility study, a cost-benefit analysis looking at engineering, operational, financial, economic and environmental factors. That work is nearing completion. It has looked not only at the option of brand new high speed infrastructure based very much on the European model, but also at alternative options of upgrading the existing infrastructure similar in concept to, say, the West Coast Main Line upgrade in terms of increasing capacity. This is just

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as much about increasing rail capacity on the corridor as it is about shortening journey times for intercity traffic *per se*. The European model is very much that; the Japanese model as well. By building new high speed infrastructure to take the core intercity flows, you then free up the conventional network for a variety of other uses, both freight, local passenger and intermediate inter-urban passenger services. We are looking at a number of options, but we are also wanting to learn the lessons of how complex it is and how expensive it is to upgrade such a busy 24-hour a day multi-user railway, perhaps not as busy as the West Coast Main Line but a true multi-user railway. Cost escalation has occurred not just on the West Coast Main Line but elsewhere where Network Rail have sought to enhance the infrastructure. Compare that with the benefits of a green field site high speed link such as the Channel Tunnel high speed link where the first stage has been built—as you know—on time and on budget. Our work is advanced research and development. What First and First Great Western have been at pains to explain to the SRA and to all stakeholders is that we are looking at a range of short, medium and long term initiatives. The most important, of course, are the immediate needs of customers and stakeholders. That is where the great majority of our effort is going, but simultaneously we are looking at these medium term options (such as the replacement of the high speed train fleet, the Intercity 125 fleet that I mentioned earlier) and beyond that we are saying that we must start addressing the longer term issues now. For 30 years we have said that we do not need to do this, but perhaps Great Britain got it wrong so let us see where we can learn from the experience of others.

Q103 Dr Francis: When would you envisage announcing any of these decisions? Has the SRA welcomed your proposal?

Mr Kinchin-Smith: I think it was quite well publicised that the SRA emphasised publicly that we should be concentrating on more immediate issues. Let me emphasise again, Chairman, that is absolutely where we are concentrating the vast majority of our efforts. The SRA has more recently said that if there is a case for another high speed line in Britain then their current thinking is that it should be a line from London to the north of England. We are not in any way criticising that, we are just saying is that what we should be examining is whether there is a case for a high speed rail network, very much on the European model; not just single lines, but part of a high speed network. In terms of answering your question, when will we make any of this work public, I would hope that first we will feel confident enough to publish at least some preliminary results before the end of this year.

Q104 Julie Morgan: I wanted to ask you about Cardiff Central station and all the work that was done there, £12 million worth. Could you tell me what you think the advantages were that passengers gained from that investment?

Mr Kinchin-Smith: As I said, I only actually came into this job last year so I did not live through that project, but talking to people who did and what it was like before, plainly there are some customer benefits in terms of the lighter and more open concourse and so on. What people find difficult to understand is where the £12 million has actually gone. In terms of my previous experience with what was actually known as the Station Regeneration Project generally—which was a large sum of money that Railtrack was given as part of their privatisation to make up for dilapidations and inherited problems from lack of maintenance by British Rail in their stations and depots prior to privatisation—I recall that the sum was £1.5 billion, so what Cardiff Central got out of that was actually quite a small proportion. A lot of the work that was done was relatively invisible. If we look at the station estate generally, it was making good long term maintenance issues as opposed to enhancing facilities. I think in terms of enhancing facilities, that is something that collectively we need to engage now with Arriva Wales and Borders when they finally become the new franchisee. You will appreciate they are now the landlord of the station, or at least the prime tenant; Network Rail is the landlord. We are one of the prime additional users of the station and we need to specify what it is we think is appropriate for our long distance customers. We need to engage also with other local stakeholders who perhaps might be prepared to co-fund some further enhancement to facilities at Cardiff Central to really make it the international gateway to the capital city of Wales that it ought to be.

Q105 Julie Morgan: As a regular user of the station and knowing a lot of people who do use the station, I think it is quite a disappointment now. I know you say that the £12 million is hidden, but it is very hard to think that none of that money was used in a way that would enhance the use of the station by greater links with the bus station, with some sort of signs (because, to be quite honest, when you actually arrive at Cardiff Station you do not know where to go; there are some facilities at the back and you are not really sure where you are going when you go out there), the taxis are very difficult to access. Generally it was a big disappointment that £12 million has disappeared in a way that is not more obvious, but there is also an issue about the lack of escalators and the fact that the lift is not very obvious. I wondered if you did have any specific recommendations that you would put forward. It is really a very disappointing state of affairs for the capital city.

Mr Kinchin-Smith: Firstly, let me say that I am happy to take away all those comments and feed those into our dialogue with Arriva Wales and Borders. My team and I have already had a first meeting with Roger Cobbe who is the Development Director of Arriva, who is set up in an office in Cardiff pending the signing of the franchise agreement. We have had a first discussion about the station facilities which we use at our six primary stations—not only Cardiff, but the other five—between Newport and Swansea. The disappointing

answer—and I will have to be careful that I am not revealing things that are not yet in the public domain—is that the first indications to me are that the franchise plan commitments for Arriva Wales and Borders do not appear to contain very much in the way of station investment. I anticipate that if we are going to make the case for station investment, it is going to be a matter of partnership funding from the private and the public sectors as, of course, is the pattern already. We very much value the investment that is going into the station toilets and other facilities in South Wales through the transport grant that has been channelled through the local authorities. I believe there are ways that money can be found and we want to be very pro-active from day one of the franchise agreement being signed with Arriva—assuming that it finally will be—in engaging in that debate and engaging with local stakeholders to make that a priority.

Q106 Julie Morgan: Talking about late night trains to Cardiff now, the last weekday train to Cardiff leaves London at 22.10. Since the former 23.45 train via Temple Meads now ends at Bristol, this is quite a blow for people travelling from London to Cardiff and beyond. Is there not any way that this could go on through to Swansea?

Mr Kinchin-Smith: To give you a short answer to this one—which hopefully you will find positive and it is one which I gave on a radio programme the other evening in response to Professor Cole's report—I have given an undertaking that we will look again at options as to how we might provide a better late night service from London back to Cardiff. We take those points on board. We are going to look at all the options and come up with some early suggestions.

Q107 Mr Caton: Can I just pursue that? Why did you actually stop the 23.45 going through to South Wales?

Mr Kinchin-Smith: Again it was before my time, but I understand it was a combination of the very low demand from people actually travelling through to Cardiff by what was a very circuitous route, via Bristol Temple Meads. One of the reasons we can operate to Bristol relatively easily at that time of night is because there are three alternative routes between Paddington and Bristol. Whatever the nature of the engineering works that Network Rail require on a particular evening, there are up to three different ways of getting to Bristol. Some of those are more circuitous—via the Newbury line for example—than going the direct route through Chippenham. By the time the train had got to Bristol and then went on to Cardiff—and sometimes the engineering works would require the Severn Tunnel to be closed overnight which then meant a bus connection to get people back to Cardiff—it would be closer to two o'clock, I would suggest, than one o'clock in the morning. The number of people actually making use of that facility was relatively low. In addition, Network Rail—Railtrack before that—had gradually increased the volume of overnight possessions that are required for what is

ageing infrastructure on the Great Western Main Line in particular, where so much of the track and signalling does date from the period 1965 to 1975. A lot of that track and signalling is becoming due for renewal, if not simultaneously then over the next 10 years. In the meantime we have the problems and implications of post-Hatfield and the gauge corner cracking, rail changing and so on. Network Rail are wanting to do take more possessions to increase the volumes of work. Of course, the train operators are pleased to see the investment going back into the infrastructure. We have a very active dialogue with Network Rail as to how that is best managed. We want to be satisfied that whenever they take a possession of the track—whether it is overnight or at weekends—that it is used to the absolute maximum and we want to be assured not only that their management techniques will achieve that but that they are continuously learning from their past experience and making continuous improvements. Perhaps that has not always been the case in the past. It is a combination of those factors, but nevertheless I think we have heard loud and clear from stakeholders and customers that a train from London at 10 past 10 in the evening is surprisingly early, they say, for a route as important as this. We have to look again at how we might achieve the objective of a later departure from London Paddington.

Q108 Mr Edwards: What about a later train from Cardiff to London?

Mr Kinchin-Smith: What has been particularly put to us has been the demand from people coming back from London. I think I am right in saying that we have a later train now with our October 2002 train service than was the case previously. In terms of demand for people going to the theatre or going to evening engagements in London, that is particularly the case that has been put to us. Nevertheless, I will take away the point that you make. We are actively planning for our next major timetable change, hopefully in December 2004, so we will look at those things in that context.

Q109 Chairman: You mentioned the three routes. Are they all rail routes?

Mr Kinchin-Smith: Yes, these are all rail routes. For the avoidance of doubt, we are talking about the direct route to Bristol through Chippenham; the most frequent avoiding route which is through Bristol Parkway and then turning left through Filton Junction; the third route to Bristol is via the Newbury line—the so-called Berks and Hants route—then joining the Great Western Main Line normally at Bathampton Junction travelling through Westbury.

Q110 Chairman: And on the Cardiff options, are they bus options or are they also rail options?

Mr Kinchin-Smith: In terms of the rail routes to Cardiff, there are only two routes. There is the direct route through the Severn Tunnel; there is the normal diversionary route via Gloucester (which, of course, is a very long way round and involves single track

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sections and so on); the third option would be some kind of high quality coach connection. We will look at all of those options.

Q111 Mr Caton: I welcome what you have said about the fact that you are prepared to look at this again and I hope we could find a rail option rather than relying on some form of bus service. One of the factors that you have mentioned is the history of having to close the Severn Tunnel. According to the evidence we have heard from Network Rail in this inquiry, that should no longer be the same sort of problem. I will quote, if I may, from their evidence. They say, "Following an extensive programme of work on the Severn Tunnel, it is now in good condition for continuing to perform its role as the major link between England and South Wales." Hopefully that is a factor you can take into account when you are reconsidering the later night train.

Mr Kinchin-Smith: If I could just respond to that, we would certainly respect one of Network Rail's success stories in the last eighteen months has been the management of the Severn Tunnel. It used to be very fragmented in that the signalling was the responsibility of the signalling department, the track was the responsibility of the track department, the drainage was somebody else's responsibility. There is now a single management focus for the Severn Tunnel as a unique and critical piece of infrastructure. However, there are other weak links on the route as well because of the age of the infrastructure, and the change in rainfall patterns. Chipping Sodbury Tunnel is actually now a bigger risk to the route than the Severn Tunnel in terms of impact on reliability. Swansea to Paddington is actually the most difficult of First Great Western's long distance routes to operate punctually. In terms of the need to do essential maintenance at night to maximise the reliability of the route during the day, that is something we have to support as being the highest single priority for Network Rail, the highest single priority for our customers, for your constituents; reliability and punctuality, after safety, must be the highest single priority.

Q112 Mr Caton: I take on board what you are saying as a train operator, but you can imagine how that feels for those of us who live in areas who have the worst rail infrastructure and a failure of investment over a long period, and you are now saying that because of that we have to have a worse rail service as well because Network Rail have to spend more time repairing and maintaining that service.

Mr Kinchin-Smith: It is very important that Network Rail are very efficient both in terms of cost and time in how they carry out the essential maintenance and renewal works. Without question we are now reaching the stage in the lifetime of this infrastructure where major renewal is required. That will be intrusive, whether it is track, signalling, or the embankments (there is a huge programme of work on the clay embankments which, again, are a real weak link in the Didcot/Severn Tunnel Junction corridor). With a 150 year old route (at least some of

it), with infrastructure that dates from the sixties and seventies, there is going to be a very major programme of renewals work over the next 10 years. Some of that will have to be carried out at night; it is inevitable.

Q113 Mr Caton: Continuing with reductions in service, why is the through service to and from Fishguard being replaced by a Wales and Borders service to Swansea? Who made that decision?

Mr Kinchin-Smith: I think it was a First Great Western initiative and the Strategic Rail Authority cooperated with us in transferring the Passenger Service Requirement for the Fishguard services from First Great Western to Wales and Borders. Again, I have come to this relatively recently, but my understanding is that patterns of use of the Fishguard connection over time have changed, but in terms of the international and long distance element of it, car ownership, air traffic and cheap air fares have transformed the market share of sea and air on that long distance corridor. Such non-car journeys as remain, particularly on the overnight boat—the direct overnight connection at Fishguard into First Great Western was terminated most recently—the number of people who were using that for long distance journeys was down to just a handful. Many of those journeys, coming across to Fishguard, were really connecting into local Welsh destinations and we argued to the Strategic Rail Authority that they would be better served by the local railway, Wales and Borders. I actually took the train the other morning, the 03.30 from Swansea which provides the connection from Fishguard—I needed to be up in London very early so I caught that train—and there were perhaps six people on it who had come overnight and looked like long distance overnight travellers. It is a very small number who are really going through to England by that route. The other part of the case—apart from the fact that a two coach Wales and Borders train is more appropriate for this level of demand than an eight coach Intercity train—is that it gives us more time overnight for the maintenance of those Intercity trains. Our maintenance depot at Swansea—which does an excellent job considering the relatively modest facilities of that depot—has to service 10 Intercity trains every night; 10 trains come in at night and 10 trains have to go out in the morning. These trains are more than 25 years old; they are amazing trains and they are still amazingly popular with our customers. Every hour that we have to service them overnight is critically important to us. Again, it was arguing the case for reliability which we believe to be our customers' highest priority after safety.

Q114 Mr Caton: I think you have begun to answer this in what you have said before, but I wonder if you could run through what you see as the primary track problem areas between London and Carmarthen, and could you outline what is being done to improve things?

Mr Kinchin-Smith: I will try to keep this fairly succinct, but let us take them in three categories: track, signalling, embankments (the three most critical areas of the infrastructure). In terms of track, our biggest problems are actually at the London end of the route. The Reading contract area that stretches from Paddington to Didcot on the South Wales route has been the most unreliable in terms of its year-on-year improvement, or, on the contrary, year-on-year deterioration of delay. Very much of that is due to the condition of the track. It is, of course, the most heavily utilised section of track on the route; it is the most critical in terms of if there is a problem on that section of the route it delays not only the South Wales services but also the Bristol and west of England services as well, particularly if the problem is east of Reading. Therefore, a small issue can be multiplied in terms of the reactionary delay. Network Rail took back the maintenance of this contract area on 22 June; it was one of the first three contract areas they took back in house, well before the more recent Jarvis announcement that you will be aware of. We have cooperated with Network Rail in allowing them additional possessions of the track to renew switches and crossings on this very critical section. Unfortunately not all of that work has gone to plan and there is a huge amount of work still to be carried out. In terms of signalling, the oldest signalling and that which needs to be renewed first, is actually in South Wales. The first of the signalling areas to be renewed will be Port Talbot. You may be familiar with this, but the area of the signalling panel that controls to the east of Port Talbot, is now being developed for renewal between now and 2006. We are working closely with Network Rail to try to help them make the case, to not only do that relatively short piece of infrastructure but also to develop a rolling programme which can then roll on eastwards through Cardiff, through Newport and all the way to the Severn Tunnel. All of this signalling will require renewing by 2010, but well before 2010 we are going to see signalling areas east of the Severn Tunnel also becoming due for renewal. What we are trying to avoid is the situation where Network Rail are carrying out signalling renewals on two parts of the London/South Wales routes simultaneously. We think there is a case—and Network Rail thinks there maybe a case—for doing the South Wales section in the shortest possible time, ready then to roll on to do Reading and other sections later. However, this is all now subject to the Regulators interim review of Network Rail funding needs and, indeed, the overall signalling resources available nationally. We are very pro-actively engaged with Network Rail in making the case not only to renew signalling like for like, but where a case can be made to enhance the infrastructure not only to get rid of redundant switches and crossings that were there for when perhaps the freight traffic was more intensive, but to see where we can provide more flexibility by bi-directional working for when there is a delay, some line speed improvement and other enhancements to the capability of the infrastructure. That is a huge project and we are particularly keen to see the South

Wales element of it brought forward. The third element is embankments. The area that is most at risk there is actually in England. It is the triangle between Didcot, the Severn Tunnel and Gloucester, including the main line through Bristol Parkway where Brunel, in his wisdom, used a lot of clay in those embankments at a time when there was apparently rather less rainfall than there can be today (although in recent months you would not know that). We are concerned about the embankments. The hot, dry summer has actually done some damage to them. Network Rail believe there are fissures appearing in these embankments because of the long, hot, dry spells. There are problems with badgers in certain locations. Heavy rainfall now could actually be a real risk to these embankments. Network Rail, have instituted a ten-year programme (we are now into year three of stabilising embankments) which has worked well, unfortunately we see cases where they just finish one piece of embankment stabilisation and then the ground shifts immediately adjacent and Network Rail have to impose twenty or forty mile an hour speed restrictions which are very disruptive. We currently have 10 emergency or temporary speed restrictions between Paddington and Swansea. Even today this means there is really no margin at all for anything else going wrong with the infrastructure. In recent weeks, following the track renewal work in Slough which was carried out over the August Bank Holiday, the delays caused by speed restrictions alone has made it impossible to operate the timetable punctually. But the renewals work is crucially important for both the track and stabilisation of the embankments.

Q115 Mrs Williams: I would like to come on to punctuality which, in your case, has actually got worse in the first quarter of this year according to the statistics we have. Are there systemic causes you can identify and deal with? Furthermore, what sort of level can we expect so far as punctuality is concerned: 90/95% as in other European countries? We are lagging behind.

Mr Kinchin-Smith: I think First Great Western can claim to have been very pro-active in developing performance, improvements, and associated planning of predicting tools and to develop these in conjunction with Network Rail in a way that develops a large number of initiatives which we are resourcing, on which we are spending a lot of money, and which we are delivering on time and on budget. These are under great scrutiny from both the Strategic Rail Authority and indeed from ministers who are emphasising to train operating companies the need to control those things for which we are directly responsible. There is a league table of these statistics—it is not published—and we are now the best performing intercity operator in terms of comparison of our own delay minutes per thousand train miles, compared with the best year before the Hatfield accident and the gauge corner cracking crisis that followed it. We are 15% better in terms of the delays caused by our trains, by our train crew, by our station working and by those factors which we

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control directly. Unfortunately, Network Rail, in spite of their action plans that they developed in parallel with our own—which are intended to develop and to deliver year-on-year improvements—are now 92% worse than they were in that best year pre-Hatfield. They have a huge job to reverse this trend. Whereas we are 16% better than this time last year (looking at a moving annual total) they are 22% worse than this time last year. It is principally because of the poor performance of Network Rail's Reading area and that critical piece of infrastructure between Paddington and Didcot. It is also, perhaps, due to an increasingly risk averse stance from Network Rail and from its contractors because of fear of prosecution following recent catastrophic accidents. Some of these are perhaps systemic issues but I can assure you that First is tackling these very vigorously. We accept to our customers and our stakeholders it is our job to manage Network Rail, however difficult that may sometimes be. They are a monopoly supplier; we do not have any choice where we go. Our policy has been to work with them and not to criticise them publicly. I am not trying to use this forum as a way of simply putting all the blame at their door; far from that. We have vigorously tackled those things for which we are responsible and we will continue to do so. We have many good examples of best practice that have been shared elsewhere. First and, indeed, the Great Western train operating companies were the most vigorous in establishing the concept of a joint board for the train operators, Network Rail and its suppliers. That has delivered a number of very good initiatives, including the new platform at Swindon—Swindon Platform Four—which has largely eliminated the bottleneck of the Swindon junctions. The joint control office (which Richard Bowker opened just last week) is very much hailed as ground breaking in terms of getting Network Rail, ourselves and Network Rail's contractors back under one roof in terms of real-time command and control, instead of trying to do it purely by remote control. We are looking at how we can develop the relationship further. We are not suggesting wholesale restructuring of the industry because we agree with Richard Bowker that that would be a huge distraction. We must engage with Network Rail, we must manage them. We do that by various means not only at my level but Moir Lockhead—the Chief Executive of First Group—is very vigorous in his regular meetings John Armitt. We use every opportunity to influence their behaviour and to focus their resources on this critical corridor and on the most critical elements of it. We certainly make sure that Network Rail is well aware of the risks in terms of performance on this route and what Network Rail can do about it.

Q116 Mrs Williams: As part of your answer I think you did say that you did not wish to criticise Network Rail in public, but you have actually done that. Can I go on to say another frustrating part for the travelling public is the maintenance work, much of which seems to coincide with holidays, busy weekends, summer weekends and, as we know,

Millennium Stadium Events. Are you told or consulted on the timing of these maintenance works? Can I also ask you who decides, if they over run, should Network Rail be held financially accountable?

Mr Kinchin-Smith: I think there are three questions there: are we consulted, what is the compensation regime and particular reference to the Millennium Stadium. Firstly, yes, all train operators are consulted more than twelve months in advance initially through what is called the Rules of the Route process; it is part of the annual timetable planning cycle. There is also a disputes resolution process so that if we believe that what is being proposed by Network Rail is sub-optimal, damaging to our business, damaging to our customers' interests, then we can dispute that, there is a disputes resolution process. That may sound all very controlled. Unfortunately a lot of changes are requested by Network Rail at relatively short notice and that makes it even more difficult to plan robustly and to load the timetable into the database which allows people to reserve the discounted fares and so on. Again, we have been very, very active in ensuring that people can book their seats at least eight weeks in advance (the industry standard is twelve, we have been pushing up to eight and we will push beyond) because people would be driven away from the railway if they cannot book those leisure and discounted fares. The compensation regime is all industry templated. The more notice that Network Rail give us, the less the compensation they pay us. If they are able to plan these things twelve months or more in advance we get very little compensation. We get some—or, in some cases, most—of our direct costs for diversionary buses and the management of those buses or the circuitous routes that the trains have to take. Under normal circumstances we get no compensation whatsoever for the revenue that we lose, so it is very important to us that these things are planned well, are publicised well and the way we do that is through a combination of high quality printed timetables that are dedicated to particular weekends, but typically cover three or four weekends, and our increasing use of our web-site. But it is damaging to our business; we are losing millions of pounds because of the weekend work. We understand from regular dialogue with stakeholders in Wales and the west of England and elsewhere just how concerned they are about the increasing volume of work at weekends. This comes back to my point about Network Rail having to manage those possessions very efficiently; they have to concentrate much more work into each possession that they take. They will argue that a longer possession enables them to do that; we are saying that that is only part of the answer. It is the planning and delivery of that work that we believe is not yet optimised. However, there is a large volume of work still to come. I am afraid weekend timetables and disruption, and therefore diversions is something that all the long distance rail operators in Britain are going to have to live with. Turning to the Millennium Stadium, we are very determined to learn from the experience of the ill-fated England/

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Wales match of last year's Six Nations Competition. The railway industry fell into line behind Wales and Borders because we did believe at the time that this was the right stance to take. We have determined that that must not happen again. We damaged the interests of the rail industry; we damaged the interests of Cardiff and of South Wales, and we are determined that will not happen again. We have publicly stated that that will be so. In one of the dialogues I have already had with Arriva they completely agree with that. We are going to work with Arriva, with their new management and with the Millennium Stadium management with as much advance planning as possible of their major events of all kinds, sporting, cultural et cetera. We recognise how important the Millennium Stadium is to Wales.

Q117 Mrs Williams: Can you think of an example or examples in recent times where you have raised a strong voice of objection when you were given plenty of notice about this maintenance work taking place where you would know it would cause disruption and cause a lot of problems to your customers? Was your voice listened to or have you just been ignored completely, in which case who decides at the end of the day and do you have a voice at all?

Mr Kinchin-Smith: I can give you a very recent test case where Network Rail wanted to take possessions one weekend simultaneously on the line between Swindon and Gloucester, the Kemble line, which is the diversion any route for South Wales, and also on the mainline west of Swindon. This was something they requested at short notice. I personally insisted to the Regional Director of Network Rail that we were not going to agree to that and he had to back down. Our voice certainly is listened to. In terms of the experience of the August work at Slough, the plan was to replace 13 point ends. These are 13 switches where you can move from a fast line to a slow line or from one line to another. The possession was handed back on time but unfortunately only 11 of the point ends were completed which left work to be undertaken in October and November this year. Worse than that, when they handed back the track it was not handed back at line speed (which would be 125 miles an hour through Slough). We had understood there might be a temporary speed restriction for a short period. The contractor insisted on a 50 mile an hour speed restriction for two miles through Slough on both the eastbound and westbound mainlines and these lasted for six weeks. We were appalled to discover that Network Rail had no way of influencing the contractor to accelerate the lifting of these speed restrictions. That, together with other speed restrictions on the route, made it impossible to operate the route punctually. We are saying to Network Rail that we understand they need to do work and we will be co-operative, but these speed restrictions were just totally intolerable. We are not prepared to allow this to happen and we will use all the legal means at our disposal, including the disputes process, to force them to be more efficient, to force them to manage their contractors better.

Q118 Mr Edwards: Do you think you might have the responsibilities that they have got for infrastructure?

Mr Kinchin-Smith: I think that is a hypothetical suggestion, and that is not something that is at all on the agenda at the present time. It is quite clear where the responsibilities lie. It has been tested extensively in recent times, legally to understand where safety and other responsibilities lie. The train operators have that very clear understanding as to what is the dividing line in terms of responsibilities. Nevertheless, even though Network Rail have that legal and statutory safety responsibility, as an informed buyer of their infrastructure, in order to enable us to challenge issues like the efficiency of possessions and the need for weekend and other possessions more effectively, we will need access to civil engineering and other infrastructure expertise into our company which was never the intention but we believe that will be necessary now if we are to manage that relationship appropriately.

The Committee suspended from 4.00 pm to 4.21 pm for a division in the House of Commons

Chairman: I apologise for the delay which was not caused by the wrong sort of leaves on the line, but by the inevitable consequences of voting in this place and the change in the hour. However, we are now ready to carry on.

Q119 Albert Owen: Here is an opportunity to disagree and to knock Network Rail and the SRA openly here. Are you still of the view that there is insufficient priority to the South Wales Main Line Routes? Do you agree with what the SRA told us that "no further significant enhancement" was required?

Mr Kinchin-Smith: I would say in the last twelve months the SRA have recognised that more priority needs to be given to this route. We have seen this through Richard Bowker's personal commitment to ensuring the authorisation of the Swindon Platform Four and the Bristol Filton Junction projects. Twice he has visited our joint control to see that in operation. I think the infrastructure problems that I referred to earlier have also really given us the opportunity to engage with the SRA on a number of recent occasions, and with Network Rail, quite often in a tripartite situation. We are looking for opportunities to drive the Great Western Main Line and the Paddington/South Wales corridor higher up the agenda and to use it as a testing ground for various things if we can satisfy the SRA. The SRA have a lot of faith in our performance planning processes; I think they are quite impressed with our work. In fact, some of our work has been adopted by the SRA. I think there has been a movement in their thinking. Can you remind me of the second part of the question, please?

Q120 Albert Owen: What they actually told us when we began this inquiry was that "no further significant enhancement" was required.

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Mr Kinchin-Smith: I guess it depends on what they mean by “significant”. We have started to tackle the manageable enhancements like Swindon Platform Four and Bristol Filton Junction and we are now talking to them about the Chipping Sodbury Tunnel flood alteration project, as well as schemes in Wales as well. Let me emphasise the possible upgrading of the speed of the relief lines between Cardiff and Severn Tunnel Junction which would enable the local passenger trains to use those tracks more often and avoid a situation where our long distance trains get stuck behind a local train and so on. I think there are a number of possible schemes. With the resignalling programme, that will be the test case of the extent of which the overall funding problems of the industry prevent us using the resignalling opportunities—the once in a generation opportunity—to enhance the capabilities of the infrastructure.

Q121 Albert Owen: Can I push you a little further on that?

Mr Kinchin-Smith: We are actively promoting the need for the private and public sectors together to invest in the significant development of the South Wales to London mainline corridor. We are wanting that to be done both through investment in infrastructure and in the replacement of the Intercity 125 high speed train fleet where, again, we are very actively engaged with the SRA to make the case not only that these trains will need replacing sometime—because of course they will—and that it makes sense for that replacement to take place sooner rather than later and ideally in no more than six years from now and that the South Wales to London route, without question, should be included in the first delivery of the new trains to replace the Intercity 125’s.

Q122 Albert Owen: If you were given a sum of money—say £10 million to £20 million—where would you, as a company spend it? What would your priorities be?

Mr Kinchin-Smith: Maintenance must be carried out. Speed restrictions must be eliminated in the shortest possible time whenever they occur. That question is precisely what the Great Western Joint Board is addressing itself to having now achieved the first three of these enhancement schemes (the third one, for the record, being the redoubling of the line between Probus and Burngallow in Cornwall which will give a marginal benefit to the punctuality of Virgin Trains through Bristol Parkway because of the fact that they can be delayed in Cornwall on a single line). So we have those three schemes authorised. We are now looking at schemes like the possible Bristol Parkway Platform Three, perhaps £6 million would be required for that. First Great Western, in fact, in its recent dialogue with the Joint Board has said that we believe that should be the next scheme, but we are looking at four schemes and doing a cost benefit analysis which include upgrading the speed of the relief lines (currently 40 miles an hour between Cardiff and the Severn Tunnel); Platform Three at Bristol Parkway; there is a question of the infrastructure north of Oxford

which is obviously not a concern here, and there is one other issue. We are doing a cost benefit analysis in conjunction with Network Rail and the other train operators to discuss, through the Joint Board, what we should do next. If I had £10 million to spend it would go on Bristol Parkway Platform Three; that would be top of my agenda.

Q123 Albert Owen: You talk about your own Joint Board, but how do you advance those schemes up the agenda? The SRA tell us that this is their four or five year plan and you want additional extras and you believe the Government is giving extra money, how would you get that priority up your agenda?

Mr Kinchin-Smith: The way we have achieved it is by getting the maximum number of operators and stakeholders to speak with one voice. That is how we have achieved the three schemes that we have had authorised now, against the odds. When we started off people said that there was no money, no resources, we were told we were a low priority. We have made the case. A classic one was the Cornish scheme where there were various stakeholders and others in Devon and Cornwall, all arguing for different things. We got round the table and First was very much involved in this but Network Rail should take credit for being very actively engaged as well. We agreed we would never get any of these things if we were arguing so we agreed what were the things which would make the biggest difference to the biggest number of people in terms of reliability, punctuality, capacity (and economic benefits ultimately). That is why I believe the Bristol Parkway scheme will rank very highly because it will affect Virgin, ourselves, Wessex Trains, Wales and Borders and EWS. So you have five operators who would all see a benefit. You have stakeholders to the north, south, east and west of Bristol Parkway, including most particularly yourselves. I would be confident that in any cost benefit analysis, if we can get a realistic scheme at about £6 million or £7 million, then we ought to see that go to the top of the agenda. The SRA are not being unhelpful; they do not have much money, in fact they have less than that because a lot of it is already committed, but they do passionately want to see a more reliable railway. They want to see the case made for these schemes, and the skill is in making the case and getting as many people as possible behind it.

Q124 Mr Williams: We understand that the SRA have suspended their Rail Passenger Partnership funding.

Mr Kinchin-Smith: There is apparently no funding for new schemes in this financial year.

Q125 Mr Williams: What impact has that had on your services and the passenger facilities on your route?

Mr Kinchin-Smith: For intercity companies such as First Great Western we have never been a particularly large beneficiary of Rail Passenger Partnership. It has been much more focussed on community railways and regional railways in terms of the volume of schemes. However, we have

temporarily lost some improvements to station forecourts and bus/rail interchanges. Even there we have not just taken it lying down and we have managed to keep one or two schemes alive such as improvements at Taunton which are going ahead having been initially put on hold. The Probus/Burngallow scheme in Cornwall is part funded by Rail Passenger Partnership money as well as with European Community money and other SRA funds. Although the scheme is virtually dormant, it is not dead and we are very much hoping that we will see it come back to life again. We are continuing to develop particularly the transport integration schemes where there is not a prima facie financial case, but with the benefit of partnership funding—particularly RPP funding—we can produce attractive schemes which are a real benefit to integrated transport and local communities.

Q126 Mr Williams: Network Rail have identified a number of problems causing congestion and delay at a number of locations, some of which you have mentioned already: Swindon, Reading, Bristol Parkway, Chipping Sodbury. Do you discuss these matters with them and do you agree with their analysis of the problems?

Mr Kinchin-Smith: With Network Rail?

Q127 Mr Williams: Yes.

Mr Kinchin-Smith: Yes, all the time. Daily we are in dialogue at different levels, operational and strategic headquarters et cetera. We are fortunate in the relationship we have with John Curley as the Regional Director. He is one of the most customer-focussed people within Network Rail; I have known him for many years and he is very open in sharing information. The relationship is very different to that which existed more generally between Railtrack and the train operators in times gone by.

Q128 Mr Williams: If you have differences in the analysis of problems—or the solution—how do you sort that out?

Mr Kinchin-Smith: I think the most difficult areas are in the possession strategy where what they are asking for is damaging not only to customers' interests but very much to our own and to the future of our business. In other respects where there is train planning we have had a very good dialogue with them in looking at future train service options where again their interests and ours are much more aligned than when Railtrack was taking a narrower view of life in the past.

Q129 Mr Williams: Is there any more that could be done within the present funding constraints, through better management or integration to get better results?

Mr Kinchin-Smith: The Regulator's interim review is flagging up the need for Network Rail to be more efficient in how it spends its money and there has been a lot of analysis by third parties and others as to the escalation of infrastructure maintenance and renewals costs since privatisation. Other ways in which we can get closer to Network Rail

operationally, it is not a matter of taking over the infrastructure, but it is the relationship which has diverged classically. If you take a critical junction like Reading which is so important to the operation of our routes—and indeed Virgin's routes through Reading as well—in time gone by we would have real time convergence between station management and signalling management at Reading and other key junctions. Since privatisation—Railtrack came into existence in 1994, nearly 10 years ago—there has been a long divergence between our paths. We are now determined to find ways of getting that back again and the doors are open. When we had a five mile an hour speed restriction in Reading last week which was absolutely devastating to our timetable, we put one of our operating managers and one of our station managers in Reading signal box in the evening peak every day that week. That would have been unthinkable a year ago. So doors are now being opened and dialogues are being re-established which had been lost through the post-privatisation period.

Q130 Mr Williams: Turning now to the powers of the National Assembly for Wales, can there be a truly integrated transport policy without the National Assembly having the powers to move money between road and rail transport?

Mr Kinchin-Smith: I think this is a little bit outside First Great Western's sphere of influence, but we would welcome anything that made it easier for any stakeholder—and most particularly one as important as the National Assembly for Wales—to invest in public transport as it saw fit and to do so in some kind of private/public partnership mechanism. Yes, we are pleased with how routes have been found and we would like to see more ways by which money can be channelled and we would understand if most of that benefited Wales and Borders or bus services. First is a great believer in integrated transport; we believe if you can benefit those local flows then that can actually benefit the long distance business as well.

Q131 Albert Owen: Moving on to fares, how have the fares on your trains changed over the past year in relation to inflation? How do they compare with other modes of transport over the same period?

Mr Kinchin-Smith: To look at the September to September period, the last 12 months—including the most recent fare increase in September this year—fares' increases (and these are absolute) range from 0.5% for savers, season tickets, the other regulated fares—which, of course is significant less than inflation—to a maximum of 6 or 7% for the open fares, the fully flexible fares. The apex and other leisure fares are much closer to the bottom of that spectrum than the top end. I can give you the exact answer in correspondence if you would like. I think we would argue that our fares, even the most flexible open tickets, have increased—compared with where they were before privatisation—less than the other long distance operators. We would argue that they are still good value compared with the true cost of motoring and we would argue that they have been necessary to support the investment that we have

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made in rolling stock in stations and very much in training and development, which is on-going and has a very high priority and where First, I believe, has been leading the industry in its approach to training and development.

Q132 Albert Owen: You will understand that people who have been asked to pay—and I will take the top end for the sake of argument—a 6 or 7% increase in a year, who are often subject to the delays that you have talked about, but also the alternatives on buses have not gone up as much. Also, you talk about the infrastructure and station improvements. Again, there is no evidence or visibility of this, so you can understand how the customer, who is paying an additional 7%, is responding to this.

Mr Kinchin-Smith: To take the last point about stations, in South Wales it is true to say that since Wales and Borders took over their stations we have not been investing in their stations directly, but that does not rule out our ability or need to do so in the future. I think we understand the points that you are making. It is on the record, in fact, that the increase in fares to South Wales has been lower than on our other corridors because we do recognise the particular difficulties we are having in operating a punctual timetable.

Q133 Albert Owen: So you were just quoting on the South Wales routes.

Mr Kinchin-Smith: Yes. The regulated fares increases have been the same throughout. The London/Cardiff fares, in fact, have been a bit lower than the other flows. We deliberately held down the London/Cardiff standard open return to keep it at a competitive level.

Q134 Albert Owen: But inflation is still low and steady and in the last four or five years it has been pretty stable. Are you confident that you are winning the argument with the travelling public that your investment is justified?

Mr Kinchin-Smith: The argument is that this level of fare increases is necessary to fund our on-going drive for quality and for reliability. Our business plan is based on quality, customer service, reliability and we have been investing in all of those very heavily.

Q135 Mrs Williams: Moving on now to the franchise process. Are you aware of the criteria being used by the SRA to access proposals and select preferred bidders?

Mr Kinchin-Smith: Speaking as Managing Director of First Great Western I can only really comment on the recent competition for the Thames Train franchise which is a little bit unusual in that it is a two year transitional franchise with a competition for two bidders. Nevertheless in that instance there were very clear franchise specifications and it was crystal clear what the SRA wanted to buy and it was structured with a menu of options, so apart from a base option we could propose various enhancements. We are still awaiting the results of

that competition. Both parties—Go Ahead and ourselves—hope to hear in the very near future. I cannot really comment on other competitions.

Q136 Mrs Williams: Could you give us your opinion on the scoring system?

Mr Kinchin-Smith: The SRA do not reveal their scoring system so I am afraid you will have to address that question to the SRA. They certainly indicate the relative ranking so in the case of the competition I have just referred to, they have made it absolutely clear that the biggest single criterion is punctuality. The second criterion is value for money and affordability. Those are the two most important criteria.

Q137 Mrs Williams: From your wider experience of other franchise applications, what sort of enhancements do you see the SRA looking for in a Wales and Borders franchise?

Mr Kinchin-Smith: I really do not feel I am qualified to answer that question. You must address that to the SRA and perhaps to Arriva.

Q138 Mrs Williams: Down the line, to coin a phrase, is there some risk of the Greater Great Western franchise taking trains and management attention away from South Wales to fulfil demand in London (current Thames franchise) and perhaps elsewhere?

Mr Kinchin-Smith: Let us differentiate two things. A future Greater Western franchise will exist after 2006. The competition that has just been completed for which we are awaiting the preferred bidder announcement, if First were to be successful that would enable us to have common co-ownership of what is today Thames Trains and First Great Western. They would still be run as two separate companies for this two year intervening period. It would allow us, however, to restructure the timetable from December 2004 in order to make better use of the capacity, particularly on this critical section of routes that I keep referring to, Paddington/Reading/Didcot which has such an impact on your services as well as not only the other long distance services but Thames Trains and freight operations and, indeed, Virgin through-running as well. I believe we have made a strong case for what we call our 'Wider Benefits' option—which is in our menu of options that we put forward—which requires this total timetable recast in December 2004. It would bring many benefits to South Wales and it is worth very briefly outlining these. It would give us more trains between Swansea and Cardiff for four hours each morning and each evening period; longer turn rounds at Swansea of the trains from London, giving a better opportunity for a punctual return working, extended from 35 to 50 minutes; better connections between our services and Wales and Borders to West Wales; better punctuality on the route as a whole, which is the biggest single factor; greater capacity, nearly 20% additional seats on fast line trains between Paddington and Didcot in the morning peak, therefore giving a better possibility and much better prospects for long

distance passengers to get seats, particularly going home in the evening from Paddington; the fastest journey times reduced by several minutes and certainly in our bid to Railtrack we were talking about one hour 52 minutes for the fastest Cardiff/London train with two stops. This is not news in terms of the public domain. We have been quite open that this is what our bid will contain. It is dependent on the SRA selecting First, as the franchisee for the new Thames Trains franchise and selecting our 'Wider Benefits' proposal.

Q139 Mrs Williams: So you are saying with confidence that as a result of the current round of franchising the Welsh customers will be better off rather than worse off.

Mr Kinchin-Smith: Absolutely positive, and that is why we call it the 'Wider Benefits' proposal because it has benefits far beyond the Thames Valley.

Q140 Mr Caton: Can we move on now to interchanges and integration. Do you co-ordinate your First Cymru Buses with your train times?

Mr Kinchin-Smith: Yes, we certainly do. I chair what is called the Area Integration Board which meets every four weeks and includes representatives from First Great Western and also First Bus, at divisional level. Elaine Holt who is the Divisional Director for First Bus South Wales comes to those meetings in person. We both have an integration specialist on our teams. There has been increasing interchange recently of senior personnel between bus and rail in a way that never used to happen. Elaine Holt moved from Commercial Director of First Great Western into that post. Gerald Taylor has just moved from Head of Station to Managing Director of buses in Devon and Cornwall, and so on. We are absolutely determined that First Great Western will work more closely not only with First Cymru but also with the other operators. The tangible evidence of that is the maps which are available on our stations which show everywhere we have through ticketing arrangements, not only with First Cymru but with other bus operators. I believe I am right in saying that we have no less than 30 through ticketing schemes in South Wales, in addition to the Plus Bus scheme which is the national scheme which can be purchased at any railway station. Then there are schemes like the Swansea High Street Forecourt scheme which, again, we have been very strong advocates of. This is an area where we have been putting increasing effort in recent times.

Q141 Mr Caton: Can I look at an example from West Wales which suggests that perhaps even more effort needs to be put in. The Llanybyther/Carmarthen bus service arrives at Carmarthen station at 10.37. The Swansea train connecting into the First Great Western service leaves at 10.34. We are informed that this is not a unique occurrence or even particularly unusual. I do not suppose you can reply to that particular case, but I think perhaps the wider case is what sort of discussions did you have not just with the other providers but also perhaps

with planners like Switch and Swift that we have in South Wales to provide an even better interconnection between bus and train.

Mr Kinchin-Smith: We do have an active dialogue with Switch already, but do not let me ever try to give the impression that I am saying that everything is perfect. These are areas where we are looking for continuous improvement. One of the things we have just done, for example, is to supply First Cymru with the dates of all the rail timetable changes for the next two years so we can move to co-ordinating our planning for bus and train service changes together. It is not just with the buses. I mentioned earlier the dialogue we are already having with Arriva Wales and Borders about much better connections between their trains and our trains. We are looking at all modes of transport, including train/taxi schemes and so on. I will take that particular example away and perhaps give you in correspondence why that one has slipped through the net.

Q142 Mr Edwards: Do First, the Valley Lines and the other operators co-ordinate timetables and are there any constraints in doing so?

Mr Kinchin-Smith: We are all part of the annual time tabling process which, in the past, has set up at privatisation very much on a bid and offer process which had quite a lot of bi-lateral elements to it. The industry has moved towards a more multi-lateral process because, as the network has become more congested because of the growth of train miles since privatisation. It has been harder for Network Rail to just fit in additional trains without affecting other operators. Inevitably on such long distance routes such as the Great Western Main Line—and, indeed, the East Coast and other routes—the long distance trains often have to be put onto the train planning graph first. That can give problems to Wales and Borders, Wessex and the other operators where the train planning process can be compressed for them. There was a particular example of that in the October 2002 timetable following the major Virgin changes. However, we all work very closely together to try to avoid these problems. We have excellent personal relationships with the train planning organisations in each of the companies; that is the only way it works, through the informal networks. As I mentioned, we have already taken the opportunity at our initiating dialogue with Arriva to talk about our plans for December 2004 and their plans—which I know are not yet in the public domain—for not only 2004 but beyond that. In fact the SRA were already aware of the kind of things that we were proposing and they were able to confirm at our very first meeting that our plans for December 2004—if they do come to fruition—will cause them no particular problems.

Q143 Mr Edwards: Can I ask you about Swansea? I understand there is going to be a £1 million interchange scheme. Can you tell us what the state of play is on that?

Mr Kinchin-Smith: The work, which is already going ahead with European Commission funding, is producing a much better arrangement of not only

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bus and rail interchange, but also car parking and drop-off facilities. It is really part of the smartening up of the whole area with a new hotel being opened and so on. In terms of what more there is to come, I know there is talk of better dedicated bus ways down from the north to the station, for example; prioritisation of traffic lights and so on. I think there is good evidence in Swansea of a good relationship between Swansea City Council and First Cymru in terms of being positive and forward thinking in the kind of initiatives that they are putting together. In terms of a further improvement to the Swansea interchange other than that which is already committed, I do not have any further information.

Q144 Mrs Williams: In your view is the clock face (same minute departures each hour) which Arriva are proposing with interchanges at, for example Shrewsbury and Carmarthen, possible given the present state of the track and signalling?

Mr Kinchin-Smith: We would be very keen to move even more closely to a clock face pattern so that if you get a timetable that works well in one hour and you actually repeat it, you stand the best prospects of it working all day. Two of the reasons that has been difficult on the Great Western corridors is the single track we have had in Cornwall and at Filton Junction. Apart from where we want to make a change because we want a limited stop train, for example, we would ideally have a fixed pattern every hour, overlaid with additional trains in the peaks. That way we can give Wales and Borders the best connections not only at Swansea but at Newport for Shrewsbury and so on. That is the strategy that we adopting.

Q145 Mrs Williams: You do not see any problems?

Mr Kinchin-Smith: Plainly, the more unreliable the infrastructure is then the more there is going to be perturbation of the timetable. It is Network Rail's job to manage that perturbation, to manage their maintenance and to minimise those perturbations. The concept of a clock face is still sound even in that situation.

Q146 Chairman: If Shrewsbury were to be used as a hub for north/south trains from Cardiff to Manchester or from Bangor to Birmingham, what investment would be needed?

Mr Kinchin-Smith: I think you need to address that to Arriva Wales and Borders in terms of the kind of timetable structure that they are proposing for the future. I do not have detailed information on that. I think there is talk of enhancement of the track layout at Newport Station either at the time of resignalling—or, if it can be done before that—to not only make better use of the platform on the south side (which may be in part associated with the up-grading of the relief line speed) but also there is the potential to build an additional platform on the north side of the station. In the context of the Ebbw Valley scheme, for example, or other enhancements to the Wales and Borders timetables, then to have four platforms which could be used very flexibly would be much better than the present layout that we have. There has been discussion and I know the Welsh Assembly Government is aware of that scheme.

Chairman: Does anybody have any further questions? No; well thank you very much Mr Kinchin-Smith that has been very useful.

Witness: **Mr Chris Green**, Chief Executive, Virgin Trains.

Q147 Chairman: Welcome to the Welsh Affairs Committee, Mr Green. I notice you were sitting in before and you have been before us as well so you know the score. Could you introduce yourself for the record, please?

Mr Green: I am Chris Green and I am the Chief Executive of Virgin Trains.

Q148 Albert Owen: On the last occasion—and indeed on a number of occasions that we have met—you have said there are going to be seven through trains a day to Holyhead from London. Can you tell us what the current position of your proposals is as from September 2004?

Mr Green: As of today it is five trains, as I think you know, and there is a timetable which now looks pretty firm and which I think most members have seen. That has stood the test of time for the past two months.

Q149 Albert Owen: On the last occasion, still part of the same inquiry, you were confident there were going to be seven a day. You actually gave us some times and you thought then that that was going to be firm also. What has changed in the interim?

Mr Green: That is why I chose my words carefully. The Strategic Rail Authority did not want us to keep some of the older high speed trains so we had to shrink the total fleet and we now have only four left which will cease to operate by the end of next year. So, fewer trains is the answer.

Q150 Albert Owen: So five trains on the euro-route between Holyhead and London, connecting—obviously—with Dublin. I am grateful there is an extra Birmingham service and also a Llandudno service to London Euston. They are all very welcome, but how does that shrink it? All it is, in my opinion, is different destinations, but you have not got the seven through trains that you first envisaged.

Mr Green: I do not think we should talk North Wales down. What you have are two of the most expensive trains in Great Britain—two of the Pendolinos, £11 million each—going to North Wales. They are absolutely top of the range and I never dreamt we would be able to give you those three years ago. We have actually achieved the very best trains down the line; they are nine coach whereas the trains you would have been having were five coach. They will give the top of the range meal

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services as well, so that is a plus. The other three trains will be exactly as planned, the Super Voyager trains which are five car and they will give the very best service they can from a much smaller kitchen. The net result is faster journey times and about 50% more seats.

Q151 Albert Owen: I am certainly not talking it down, all I was trying to do was establish what the change was from when you last came before us. I want to talk it up. You mention the new trains. Will the Pendolinos—which I understand to be electric—have to change engines at Crewe as was the case, so are we in many ways going backwards?

Mr Green: I think it is going to be all right. As you rightly said, they go electric from London to Crewe virtually non-stop, offering the full 125 mph tilt. It was shown on Friday how quickly the locomotive will couple on, which it can do extremely fast in two or three minutes.

Q152 Mrs Williams: Can I stop you there. You say “virtually non-stop”. What does that mean?

Mr Green: Just that. We do not know whether there will be a stop at Watford or not, for example. As fast as we can to Crewe and then we attach a diesel locomotive with a new automatic coupling.

Q153 Albert Owen: How long will that take at Crewe?

Mr Green: I am hoping we will not need more than five minutes. The coupling is automatic so there is no need for staff going down coupling up wires or couplings, then off it goes to Holyhead.

Q154 Albert Owen: You said that the number of carriages will be increased on those Pendolinos to nine, is there actually an increased capacity in the five, or does that equate to the seven that you promised? Is the ferry operator, for example, going to have to change his margins because there may be fewer people travelling?

Mr Green: I have not done my sums, but I am pretty sure that Holyhead, for example, will have more seats than it would have done under the old plan. The new trains have 450 seats; these are big trains.

Q155 Albert Owen: How confident are you that you are going to have these in 2004?

Mr Green: It is all written into the timetable. The trains are being manufactured and the track looks like being ready.

Q156 Albert Owen: You are confident.

Mr Green: Yes. I think that if Mr Coucher is confident when he comes next week on the infrastructure side, we will be ready for the end of next year.

Q157 Mrs Williams: Can I go a little bit further on this as well? You did use the words “that is firm” when you came in front of us before. Could you tell us whether Virgin did, in fact, order sufficient numbers of trains overall for the North Wales service?

Mr Green: I think the answer is in the timetabling. As I understand it the original timetable was timed at 140 miles an hour so the trains got up and back quicker.

Q158 Mrs Williams: Can I press you on this, can you tell me if Virgin ordered insufficient trains for the North Wales timetable?

Mr Green: No.

Q159 Mrs Williams: Can you explain for record purposes the differences?

Mr Green: They ordered sufficient trains given that you could travel at 140 miles an hour which was the plan at the time. When Network Rail were not able to provide the 140 miles an hour the trains take longer to get to their destination so you do not get as many trips out of the same trains. We were victims of the arithmetic that followed from that.

Q160 Mrs Williams: Going on the arithmetic, can you tell the Committee what was the difference between your original plans and the second solution you had to find because sufficient trains were not ordered?

Mr Green: To keep to the original timetables someone would have to buy three or four additional new trains. We were trying to solve that problem by keeping the older high speed trains.

Q161 Mrs Williams: Can I pursue this one, because I am a member of the All Party Group on Railways and you plan these things over a number of years, but it was discovered during a visit to Derby—where the trains are built—that Virgin had not ordered sufficient numbers of trains overall for the North Wales service and this is how we, as members, found out about this particular piece of information.

Mr Green: Who was making that accusation?

Q162 Mrs Williams: The visit was made to Derby and we were told that all the new trains had been built, there were no more on order.

Mr Green: That is true.

Q163 Mrs Williams: That is about 18 months ago.

Mr Green: How did North Wales come into that discussion?

Q164 Mrs Williams: Because we are talking about the service between Euston and Holyhead which is the North Wales service. What you promised before—not you personally, the company—was quite different from what we have discovered since. That is why my colleague, Albert Owen, has been pursuing the question about the Voyager and the Pendolino sets.

Mr Green: I am not quite clear who was making this statement at Derby about our timetable.

Q165 Chairman: The point that Mrs Williams is making is that if there are no trains ordered, where are you going to get your trains from?

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Mr Green: But the trains were ordered and they are all being built. We have all the 78, as ordered. They are running now.

Q166 Mrs Williams: Perhaps I can explain further. This inquiry has been going on for quite some time. At the start of this inquiry we were told that there were *x* numbers of trains going to be provided on the Holyhead to London service. Then we discovered—and I think you have told us today and when you were in front of us before—that insufficient numbers of trains overall for that service were ordered. You are confirming that today.

Mr Green: The manufacturers would like to sell us more trains, that is certainly true, so they will always tell us that we need more trains. We wanted 78, we ordered 78 and we got 78. Yes, we would like three or four more, without doubt, but that has arisen subsequently. I would not blame my predecessors for not spotting that in 1996.

Q167 Mrs Williams: You do not order a train today and expect it to be delivered tomorrow, do you?

Mr Green: It takes two years.

Q168 Mrs Williams: Exactly. Can I go on to ask what is the delay to the introduction of these services that we have been discussing? Is it a financial delay? Is it the SRA money that you thought would be forthcoming but has not appeared? Or is it Virgin being less liquid than anticipated?

Mr Green: The delay in getting new trains? Someone, somewhere has got to put their hands in their pockets and buy more trains. There will not be a commercial return in buying those trains, a full return. We are subsidised by the Strategic Rail Authority so we would have to get their permission and then they would have to put their hands in the tax payers' pockets to put more money on the table.

Q169 Mrs Williams: I am sure, Mr Green, you are aware how disappointed the public are in North Wales about promises being made and promises not being kept. That is why I am asking again, what is the real reason for the delay in the introduction of these services?

Mr Green: The introduction of services is delayed because Network Rail have not finished the modernisation of the West Coast. It is awash with engineering work and we cannot run at 125 miles an hour through the engineering work because it is not finished.

Q170 Mrs Williams: You are saying that is the real reason and the only reason?

Mr Green: Yes. The West Coast is two years late.

Q171 Mrs Williams: Is that the only reason?

Mr Green: Part of it. Some of the electric trains are not ready either.

Q172 Adam Price: Moving on to the Virgin Cross Country services, can you tell us about your application to the SRA for a derogation from the Public Service Requirement to run services from

Swansea through to north east England? Of particular interest to this Committee is why we were not informed of this when you gave evidence on the subject last time.

Mr Green: The background was that Virgin wanted to provide a two hourly service from South Wales, through Birmingham to Scotland. We managed to find the slots and Network Rail were very helpful in moving trains around. We have heard Mr Kinchin-Smith say the same thing. We introduced them in October 2002. The result of doing that was that we discovered that the railway was too crowded, we were not getting to the end of the line in time to come back and we were providing a very unreliable service. The Strategic Rail Authority sat down with us in November and we had to take some very fast action to produce a service which would work. The net result of that was that we had to go back to where we were before—and the destinations which had the most recent services were the ones which lost them. The trains now make shorter trips and now get to the end of the line.

Q173 Adam Price: As to informing this Committee of your intentions?

Mr Green: We were completely driven by a timescale which said that if we wanted to get the changes in the January timetable we had about a week to make a decision. We did not even have time to talk to the Regional Passenger Committees which we should have done. They have been understanding of the problem, but they do not like it, as you can imagine. The good news in all this is that reliability has improved significantly and on Saturday we reached 90%—the magic number—on Cross Country. At our low point last year we were at 35%.

Q174 Adam Price: Why were the Cross Country services from Cardiff abandoned? Was consultation carried out by the SRA and yourselves before that decision was made as well?

Mr Green: We had overstretched ourselves extending the trains to Cardiff, so we came back to where they were before, on shorter trips. We did the same at the other end of the line where we had stretched them out to Dundee and we brought them back to Edinburgh. We are doing less more reliably.

Q175 Adam Price: Did you consult fully before that decision was made?

Mr Green: Since that incident we are able to consult normally. In my whole railway career I cannot remember a time when we moved so fast and had not had time to consult. It was incredibly unusual.

Q176 Adam Price: So it was the particular crisis situation which meant that decisions had to be made.

Mr Green: And we carry 16 million people a year on Cross Country. They would have travelled in misery for months if we had not moved very quickly.

Q177 Adam Price: You do not envisage anything like that happening ever again.

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Mr Green: No, and hopefully we will get back into South Wales with more trains as the years develop. It is not for ever.

Q178 Chairman: Why were the Bristol to north east England services not withdrawn rather than the Cardiff service?

Mr Green: Because they happened to come from Plymouth and were on a longer trip.

Q179 Chairman: How will Arriva's plans for the franchise affect services to Birmingham via Chester to Wrexham and Shrewsbury?

Mr Green: I personally think it is an interesting idea. It is none of my business in a way, but if you can give an hourly service from Holyhead to Birmingham on a different route, it complements the one we are running via Crewe and you open up a new market. My understanding is that it is the only way you get a regular interval service.

Q180 Chairman: Would it not reduce the frequency, in your opinion? It would, but it would make it more regular, is that what you are saying?

Mr Green: The plus would be an hourly interval service which is very easy to sell, but the downside is it would take slightly longer. It would probably be a bit more reliable because you miss the pressure of the West Coast Mainline by going that way.

Q181 Mrs Williams: I would like to go on to punctuality now. Could you tell us why your levels of punctuality have actually got worse in the first quarter of this year?

Mr Green: The heat this summer was spectacular and the whole of the west coast from Crewe to London was reduced to 60 miles an hour. It was as bad as the Hatfield rail defects. In addition to that, the diesel trains particularly hate the heat so we were losing engines on the high speed trains.

Q182 Mrs Williams: Is this on the same lines as the seasonal problems with the weather like having leaves on the track. They do not seem to experience those sorts of problems in other countries where they have more extreme weather than we have in this country.

Mr Green: I promise you they do, but their media does not scream about it so much.

Q183 Mrs Williams: But they are able to overcome those problems without affecting the service to the customer.

Mr Green: Only within reason. I noticed in Austria the other day they have an emergency autumn leaf fall timetable. They extend their journey times just as we do.

Q184 Mrs Williams: Are there systemic causes which you can identify and that you, as a company, can deal with?

Mr Green: The leaf fall is a situation where drivers have to treat it like black ice effectively. There is a danger of skidding and when the trains approach a red signal or a platform they much be approached

more slowly. There is nothing else we can do. The worse thing we can do is to encourage drivers to put punctuality before safety.

Q185 Mrs Williams: On the question of stock which could be linked to your answers, how have you overcome the problems now experienced with the new sets of trains, the Voyagers and the Pendolinos? I understand there was quite a major problem concerning certain stock in Plymouth last year. Have those problems been overcome now?

Mr Green: All the old trains have been removed; the new trains have had every modification we are aware they need. During their life different things will arise; that's a fact of life. I am impressed with the way our contractors move very, very fast when anything needs doing. They will now modify a whole fleet in a fortnight whereas in my youth it would have taken half a year.

Q186 Mrs Williams: So you are confident that we will not hear reasons or excuses as to why things are going wrong. They will not be going wrong as a result of serious problems with the new trains.

Mr Green: The electric train, remember, is two years younger than the diesel train so it is going to go through the same learning programme. If you want some numbers, the old high speed trains (which we are withdrawing) get a fault every 4,000 miles on average the new Voyager trains have got to 14,000 miles and we believe we can double that. We are talking about a spectacularly more reliable train. The electric train will be double that again, at 50,000 miles. But you do not get there on day one.

Q187 Mrs Williams: On your current service—which I use very often to get down to London—a constituent was coming down today who told me that her train was half an hour late arriving at Euston, which is a regular occurrence. Are you saying that this has got nothing at all to do with your stock, but it is because of other agencies concerned with that service?

Mr Green: It is about 40% old trains and 60% old track. You have to get both right. There is no point in us blaming each other. At the end of the day you have to have modern reliable trains running on modern reliable track. It is one industry, effectively, even if it is owned by different people.

Q188 Mrs Williams: Can you understand customers' frustration and annoyance when trains are late and they have to sit in trains that have no heating?

Mr Green: Yes. We suffer as well; we fully understand and we hate it. Everything I know we can do we are doing, but there is a limit beyond which you cannot go. The air conditioning on the old trains was designed in 1970; if you were designing air conditioning in 2003 it would be much more robust and effective.

Q189 Mrs Williams: Because of the delay in having these new trains between London and Holyhead, what are you doing as a company to ensure that the

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travelling public to North Wales do not have to put up with more problems like the problems I have highlighted this afternoon, like sitting on cold trains, insufficient food, although they have paid first-class fares.

Mr Green: It may not feel this way, but we really do give the North Wales trains massive priority because there are only three of them and people really do depend on the services. They do get priority on the operating front; they do get priority for drivers; they do get priority for catering. We are not always successful and we are going to fail sometimes.

Q190 Mrs Williams: I can certainly echo that you are not always successful. That happens far too often, I have to say. Could you tell us what sort of level we can expect so far as punctuality is concerned? Can we expect a 90–95% as in other European countries?

Mr Green: I believe Britain will eventually get back to those levels. We used to be doing that in the 1990's as a norm, but I think it is going to take us probably another five years as a nation. We will be lucky on the West Coast Main Line because we have had all the investment for the past five years, so everything should be modern. You have been hearing what is going to happen on the Great Western which I think will get worse before it gets better.

Q191 Mrs Williams: One cause which is very frustrating is the maintenance work, much of which seems to coincide with holidays and summer weekends. Are you told or consulted on the timing of this work? If they do overrun are Network Rail held financially accountable by yourselves?

Mr Green: It is well consulted. We are part of the process so it is ourselves, Network Rail, the RPC's and the SRA making the best decision they can and there is no good day for doing it. The only day in the year the railway is shut is Christmas Day; every other day is going to interfere with someone.

Q192 Mrs Williams: How are you consulted on the timing of this work?

Mr Green: Network Rail plan the year ahead with us, so we are talking about the 2006 possessions now.

Q193 Mrs Williams: I asked the same question of the gentleman who appeared before you, can you give us an example in recent times where you have challenged a decision and whether your voice was heard?

Mr Green: Yes. We carry a huge weight in that decision making. In 2002 I refused to have any of the big blockades. The net result is that the work has got behind, the quality is not good and we had to agree this year that Network Rail was right. The only way they could get their contractors to do the job properly was to shut the railway and do the blockades. We had the power to say no.

Q194 Mrs Williams: Can you give us a recent example of when they have listened to you?

Mr Green: Where we changed things?

Q195 Mrs Williams: Yes.

Mr Green: When the Stoke work was not finished one day before it should have been finished. We were given the choice by Network Rail of muddling through every night for the week or shutting the railway for an extra week and doing the job properly. We made the decision. We thought it was more in the passengers' interest to shut cleanly for one week, get the work finished properly and then have a really good railway open one week late. That happened.

Q196 Mrs Williams: On the Penmaenbach work that is going on along the A55 expressway, you are familiar with that and are you happy with the way that has developed and has it affected your services in any way.

Mr Green: The work has to be done.

Q197 Mrs Williams: We certainly do not want another Selby on the North Wales coast, that is what it amounts to. Have you been totally satisfied that you have had an input into the discussions with the Welsh Assembly Government as to how that work was proceeding?

Mr Green: Yes.

Q198 Mrs Williams: Are you satisfied that it did not affect your business and the travelling public too much?

Mr Green: I am not the expert on the work, but as far as I know it is not a big problem to us.

Q199 Albert Owen: Turning to your relationship with the SRA, do you think they have given, in your opinion, sufficient priority to the North Wales Main Line? In particular is there at least a firm and timed plan to raise the track speed to 100 miles an hour to enable your Voyagers and Pendolinos that you talked about to reach at least near their full potential?

Mr Green: I believe the answer is yes. The SRA expert there who does the timetabling is a keen enthusiast for getting the line speed raised to Holyhead. He has made a cab trip with us to look at the work and he is pushing hard behind the scenes. I think the main problem the SRA have got is funding, which is catastrophic now—as I think everyone knows—because they have spent the next 10 years' money in three years.

Q200 Albert Owen: I gave the example of 100 mile an hour across the whole of the North Wales coast. Are you saying that the capability will be there from Chester to Holyhead?

Mr Green: The proposition the SRA is costing—and it is only costing at this stage, we have to push it to make it happen—is a completely modern 90 mile an hour railway from Chester to Holyhead. That is exactly what we need. If we are going to be making intermediate stops we do not need to be going much

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faster. That is what they are costing at the moment and I do not know the number yet. Then comes the issue of having costed it, have they got the money?

Q201 Albert Owen: If they do not have the money, what kind of speeds can we expect in September 2004 when you put in your investment?

Mr Green: We are back to the compromise we have at the moment, which is bits of 75 miles an hour, bits of 90 miles an hour,—and 70 miles an hour through Anglesey. We will have the most modern train in Europe and a mixed bag of track.

Q202 Albert Owen: If you were given an additional £10 million to £20 million what difference would that make and what would be your priorities on the line?

Mr Green: Two things. To get the 90 mile an hour track speed from Chester to Holyhead without doubt, because you would then have it for a hundred years; it is an investment for the future. Secondly, I would want to sort out stations between Crewe (inclusive) and Holyhead (inclusive). You do have some of the worse stations in Britain and you are about to have very modern trains. It is going to be very incongruous not getting the act together.

Q203 Albert Owen: You will be aware of the recent incidents on North Wales' stations where there has been high degrees of violence. How big a priority do you think the previous company who had the franchise gave to this? We have raised with yourselves—and you have been complimentary to the work that this Committee has done—with regards to highlighting the dangers and the safety on these stations. Do you have any input with the new franchise company, Arriva, for example? I know you have talked about information at Holyhead to eliminate some of these delays the passengers have had, with no communication at all. What kind of input have you had with Arriva? Is that prior to them signing the agreement or do you have to wait for the franchise agreement to be signed?

Mr Green: You have heard me say here before that if you can get a Wales trains franchise—which you have now got—you are going to be able to invest more in your railways. Scotland did it so well and now it is Wales' turn. You will not find many shabby stations in Scotland, or stations where security is bad. They have had 20 years of investing Scottish money in their own stations. I think Arriva, as a preferred bidder, has got the right approach. I rate Mr Cameron very highly. He has given evidence on this subject and he is vividly aware of what is needed. I think, watch this space.

Q204 Chairman: We had evidence from Richard Bowker of the SRA to this very Committee and in answer to Mr Price's question he said there were no plans at all to increase the speed.

Mr Green: That was true. What he has done now is to cost a proposal which would do it—and it goes with the new trains. Now you have the new Pendolino trains coming down the line it makes a lot more sense to sort the track out. He is personally on side, I can assure you, the issue is how we get it done.

Q205 Albert Owen: Prior to the all Wales franchise, do you believe that North Wales has done badly compared to other parts of Wales and other companies involved with regard to investment in stations? Do you think we are the poor relation?

Mr Green: You have been, yes, without doubt. That goes back to British Rail days. We could have been investing in the '80s and the '90s but for some reason we were not. We all thought that privatisation would solve it but it did not. I think a Welsh franchise and perhaps some Welsh investment will help.

Q206 Albert Owen: Do you negotiate directly with the Welsh Assembly Government?

Mr Green: Yes, without a doubt. We also do in Scotland.

Q207 Mrs Williams: Briefly on the question of stations—it is not in Wales but if it affects the service—am I right in thinking that you are responsible for Crewe station?

Mr Green: Sadly, yes.

Q208 Mrs Williams: I am sure you are aware that there have been huge problems this week concerning information to passengers.

Mr Green: Yes.

Q209 Mrs Williams: Are you also aware that passengers travelling to Holyhead—to my colleague's constituency—were incorrectly advised orally by people on the platform and ended up travelling towards Birmingham instead of travelling towards North Wales. That is inexcusable and what are you doing about such major errors which cause great difficulties and inconvenience to passengers?

Mr Green: The short term answer is that the passenger information system broke down, it is 1980 equipment which should have been renewed 10 years ago and has had emergency repair which will fix it in the next fortnight. By the end of October it will have a short term fix. It is impossible to manage Crewe Station without an information system. People will get on the wrong train. That is the background to it.

Q210 Mrs Williams: These people went on the wrong train because they were given wrong information by platform staff.

Mr Green: That is because the indicators were not working and that will be fixed in a fortnight. The worrying thing is that there are other stations with this problem, with the same sort of indicators and we really are going to have to accelerate investment—which no-one has—on information systems. It should be Network Rail but they do not have the money. We are having to borrow it privately and get it refunded by the Strategic Rail Authority.

Q211 Mrs Williams: But do you agree it is inexcusable for staff to give wrong oral information to passengers and I ask again: what are you doing about it? Are they properly trained?

Mr Green: We are fixing the indicators which do not work, therefore the staff will be able to give information to customers therefore customers will

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not get on the wrong train. In the short term there is nothing more we can do. We have put extra staff onto the station and they have to go round in 19th century mode telling every individual passenger where the train is going.

Q212 Mrs Williams: Are you confident that your staff are properly and adequately trained.

Mr Green: Yes, they are good people in an impossible situation. If you asked me which station I am most ashamed of and where would I like to invest money the fastest, it is Crewe. It has deteriorated far beyond an acceptable level.

Q213 Julie Morgan: In your view is it possible for there to be a properly integrated transport policy without some powers for the National Assembly for Wales to switch funds between road and rail?

Mr Green: Yes, but I think where it is best done you have very frequent operators so we run a half hourly coach service from Watford to Heathrow, for example, and we have a very frequent service going from Watford. That sort of co-ordination works very well. What is incredibly difficult to do is to make one train meet one bus or one bus meet one train. The lower the frequency, the harder integration is.

Q214 Julie Morgan: Do you think that would help?

Mr Green: Yes. In Switzerland it is an integrated public timetable. You do not have a railway timetable, you have a transport timetable with very frequent services. You have absolute assurance that it is going to work and tickets are interchangeable.

Q215 Mr Edwards: Moving on to fares, how have the fares changed in the past 12 months in relation to inflation and to the charges and costs of other modes of transport?

Mr Green: The answer is in three different parts. The business fares have gone up well above inflation to pay for the cost of the new trains and the new track. The Virgin Value tickets—which you book in advance—have never been cheaper in any of our lifetimes; they are amazingly cheap now and you can get from Holyhead to London for almost £13 (single) as long as you book in advance. In the middle you have the Saver Tickets which most passengers use. They have been going up 1% less than inflation for about four years. That means we are getting less value out of each ticket, which is good news for the customer but bad news for future investment. We will have less money to invest for the future.

Q216 Albert Owen: Because of the difficulties in the infrastructure and the time delays, you have had compensation from the SRA and from the Government for those delays.

Mr Green: We are heavily subsidised.

Q217 Albert Owen: You have had compensation in additional monies. You said that some of your tickets rise below inflation. Is that because you consider that the passenger has been inconvenienced as well so you are passing that on?

Mr Green: In about 1995 when the Act was going through Parliament it was laid down that Saver Tickets would not be allowed to go by more than RPI minus 1%, so they were set to deflate. That has caused a huge increase in passengers—which is good news—but it has not enabled us to invest because we do not earn enough income for the extra coaches or trains, so it is a problem. North Wales has done particularly well out of this because we allow the Saver Tickets on every single train.

Q218 Albert Owen: Do you think the same argument that you put to the SRA, that because of the inconvenience—through no fault of your own—then you deserve compensation, the passengers—through no fault of their own—are being delayed. Do you think they should have something back as well?

Mr Green: They do. Passengers get huge compensation on the trains they are on, but it all adds to the ticket price levels for the next year.

Q219 Albert Owen: Who pays the company?

Mr Green: We pay the compensation, then the SRA pays us subsidy.

Q220 Mr Williams: I have a number of questions about the franchise process. Are you aware of the criterion being used by the SRA to assess proposals and to select preferred bidders?

Mr Green: Not in any great detail, but I am aware of the principle of the franchise.

Q221 Mr Williams: Is your knowledge of the criteria appropriate?

Mr Green: I think they are right to go about it in the more professional way in which it is now being done, although it has taken a long time. I do hope they are going to value quality as well as cost reductions.

Q222 Mr Williams: From your wider experience of other franchise applications, what sort of enhancements do you see the SRA looking for in a Wales and Borders franchise?

Mr Green: I think they are aware that the stations and the supporting infrastructure really does need a boost of investment. I think they are embarrassed that they do not have the money to make it happen. I think they will need support in doing this. We are looking to see whether we can raise capital privately for stations, for example, and pay back over a longer period. Anything the Welsh Assembly and the local community can add in will make a big difference, I think.

Q223 Mr Williams: Do you think, as a result of the current round of franchising, that Welsh customers will be better or worse off?

Mr Green: Better. Having your own franchise in your own country must be right.

Q224 Mr Williams: Is that the main reason?

Mr Green: Yes. That will bring additional ownership, enthusiasm and funding. You will be involved in the planning of your services; you will be

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able to integrate them more. You will have the option of being able to top up funding. It must be right.

Q225 Mr Caton: Moving on to interchanges and integration, what steps are you taking on through ticketing and through timetables to provide for connections to other operators, especially at Crewe, and for Virgin Cross Country at Bristol and Cardiff?

Mr Green: We are doing everything we can on through ticketing; connections is the difficult one, without doubt. It was difficult as a unified railway when we had command and control, now you are asking a private company which can choose to say no, it is much harder. I think, as the railway gets more mature, this is an area where you are going to see us having to do more work.

Q226 Mr Caton: Do you hold discussions?

Mr Green: Yes. It is a very hot debate at the moment as to how we can make this happen. As we re-plan the West Coast timetable over the next year, we have a unique chance, all of us, to make these connections work better.

Q227 Mr Caton: A specific and very practical example, does Virgin Trains have a system whereby if a Cross Country service connecting with a First Great Western service at Bristol Parkway is running late, the Virgin conductor has knowledge of the next First Great Western train or can contact the First Great Western to tell them there are passengers who need to interconnect?

Mr Green: We have each got control rooms so you would expect our control room to alert the other control rooms saying they have passengers on their trains and would we hold ours. That does happen. The train managers also have beepers and phones and they ring ahead to say, for example, there is a lady with three children trying to make a connection, would you hold. Then the decision is yes or no. The knock-on effect of doing it can sometimes delay so many trains and cause such havoc that the answer has to be no; sometimes it is yes.

Q228 Mr Caton: Say that happens and they cannot hold the train for a very good reason, would your conductor then know when the next First Great Western train that the passengers who have been left behind would be?

Mr Green: The person whose train is late is the one who knows therefore he should ring ahead and make it known; there are no excuses there. The problem is that the railway is so tight now that the knock-on effect of holding a train can make 10 others late and then those people miss their connection.

Q229 Mrs Williams: What would you say is the norm or the acceptable time for the on-going train to wait. To give an example, if the First North Western were late and you were asked to hold at Crewe on the way to London, what would be the timescale that you would find acceptable?

Mr Green: We used to work to the rule that a branch line train could be held for up to 10 minutes. To hold one main line train for another main line train would cause far more implications down the line. What we used to say there was that if the passenger could see the train coming in you waited, which would be two or three minutes. That was almost psychological so the passengers did not actually see the other train going out.

Q230 Mrs Williams: So three minutes in one example but 10 minutes in another example.

Mr Green: And the railway was not so crowded in those days. It has become more crowded the implications get worse.

Q231 Mrs Williams: What is the position now? What would you find acceptable now?

Mr Green: I would still work to those times as a principle. You are right, that, we need some rules and that is the sort of rule I would work to.

Q232 Mrs Williams: But it is non-existent.

Mr Green: Yes. But the person who has held his branch line for 10 minutes is going to go down the league table and his punctuality is going to get worse, and we are all judged on league tables.

Q233 Mr Caton: Is it up to you to ensure that there are good bus, taxi and parking facilities at the North Wales stations?

Mr Green: Not quite because I am not actually the owner. It is a train company's responsibility but it happens to be—or will be—Arriva. Arriva is your local train company and I am then free to top up anything I want extra and will do. We would actually put money in other people's stations if there was a good case.

Q234 Mr Caton: What about providing people on the train with information about bus links or whatever?

Mr Green: I think the more the merrier. I know there is a lot more we can do. On the new trains we have 12 audio channels and it would be possible to use one of those channels to give automatic information on Wales, on connections, on tourism, on shipping services to Ireland.

Q235 Mrs Williams: That is not being done now, is it? They are proposals for the future.

Mr Green: As I am thinking, I am wondering why we are not doing it.

Q236 Mrs Williams: Are you just thinking on your feet?

Mr Green: Yes, absolutely.

Q237 Mrs Williams: This is something you are thinking about now.

Mr Green: I think we could go away and look at that; the facility is there, let us use it.

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Q238 Chairman: As you are involved in running services in North Wales, do you believe that you are getting your share of the spending on the infrastructure, on the stations particularly?

Mr Green: If you are talking trains, you have got Britain's most expensive trains down to Holyhead so you must have got a good investment; each train is £11 million. I think the trains are coming right. As far as track is concerned, I think we have a minimalist solution so far and we ought to be investing a bit more in track to get that up. As far as stations, I think we are miles down the league table in Wales and have a long, long way to go. So, it is "A" for trains, "B" for track and "C" for stations.

Q239 Mr Williams: Arriva are proposing a clock face system of departures at the same minute in the hour and interchanges at stations like Shrewsbury and Carmarthen. Do you think it is going to be possible to run that system with the present state of the track and signalling?

Mr Green: It would undoubtedly help if the signalling were modernised because your signals are not spaced at even intervals along North Wales so you could wait 11 minutes or two minutes, depending on where the next signal is. I would like to see the signals evenly spaced for 90 miles an hour with modern colour lights. That would help us all. Otherwise the timetable is a bit tight but I think we are right to go for it.

Q240 Mr Williams: Perhaps you could give us some idea of the amount of investment that would be needed if Shrewsbury were to be used as a hub for north/south trains from Cardiff to Manchester and from Bangor to Birmingham via Wrexham, running perhaps every two hours.

Mr Green: I think that would probably be a question to ask Arriva because we are so specialist with our West Coast trains that we would not be given the same information.

Chairman: Any further questions anyone? No; well thank you very much Mr Green.

Wednesday 22 October 2003

Members present:

Mr Martyn Jones, in the Chair

Mr Martin Caton
Mr Huw Edwards
Dr Hywel Francis
Julie Morgan

Albert Owen
Mrs Betty Williams
Mr Roger Williams

Written evidence from Arriva Trains Ltd

1. BACKGROUND

1.1 Arriva is one of Europe's largest private operators of public transport. With its head office in Sunderland Arriva employs some 30,000 people in the UK and six countries in mainland Europe—Sweden, Denmark, The Netherlands, Spain, Portugal and Italy.

1.2 The Strategic Rail Authority (SRA) announced on 1 August 2003 that Arriva Trains Ltd had been selected as the preferred bidder for the new Wales and Borders franchise with responsibility for operating all local and regional passenger rail services in Wales and the Border counties. The franchise also includes services from Cardiff to Hereford, Shrewsbury and Manchester, and many of those from Wales to Birmingham, North West England and the West Country. The new franchise will also include the operation of all stations in Wales, and those served in the Border Counties including Chester, Shrewsbury and Hereford.

1.3 The SRA indicated that the decision followed a comprehensive competitive tendering process and that it planned for Arriva Trains Ltd to take over the franchise by the end of 2003. The franchise would be operated for 15 years subject to five-year Performance Review assessments.

1.4 At the time of submitting this Memorandum to the Welsh Affairs Committee, Arriva Trains Ltd is engaged in discussions with the SRA with the objective of reaching Franchise Agreement to enable the company to take over the new franchise by the end of the year.

2. ARRIVA'S CURRENT RAIL INTERESTS

2.1 The Group operates railway services in Denmark, The Netherlands and the UK.

2.2 Arriva Trains Northern provides interurban, rural and commuter services across the North of England. The company operates around 1,400 services every day providing some 40 million passenger journeys a year. Arriva has qualified to bid for the Greater Anglia, Northern and ScotRail franchises.

2.3 In June 1999 Arriva entered the Dutch rail market with the formation of a joint venture—NoordNed—with Netherlands Railways to operate services in the Friesland and Groningen regions. Arriva is currently engaged in negotiations to acquire the 50% interest held by Netherlands Railways.

2.4 Arriva is the first private company to take over the operation of rail passenger service franchises in Denmark. Since January 2003 it has been operating services in Mid and North Jutland.

2.5 Arriva is seeking to develop its rail interests in the UK and mainland Europe.

3. BACKGROUND TO ARRIVA'S UK RAIL INVOLVEMENT

3.1 Arriva entered the UK rail market in February 2000 when it acquired MTL a bus and train operator. The two rail franchises were Northern Spirit renamed Arriva Trains Northern and Merseyrail Electrics, renamed Arriva Trains Merseyside.

3.2 The two rail franchises had been awarded to MTL in 1997. It is the view of Arriva that the original award of these franchises to MTL was fundamentally flawed because the business plans submitted by MTL in support of their franchise bids were financially unsustainable.

3.3 Arriva, with the consent of the then shadow Strategic Rail Authority (sSRA), assumed formal control of the two franchises in February 2000, initially for a period of only 12 months. At that time, the sSRA indicated that the re-franchising of the new Trans-Pennine Express and Northern franchises would be completed by February 2001. In the event this timetable was not achieved and, in late 2000 the sSRA requested that Arriva extend each franchise for a period of two years. The nature of the extensions effectively

meant that Arriva had no more than three months “security of tenure” and the agreements stipulated that all major decisions relating to the franchises, such as annual wage negotiations or any staff re-grading, required the prior approval of the Authority.

3.4 At the time it took over the franchises they were under-staffed, under-resourced and financially failing. Arriva, irrespective of the “security of tenure” issue immediately put measures in place to turn the franchises around including employee recruitment, motivation and training. A serious issue at Arriva Trains Northern was a significant driver shortage, which was compounded by a national shortage of drivers and the introduction of an industry-wide 35-hour week. The shortage led to a deterioration in service delivery. Arriva launched one of the largest driver recruitment and training programmes ever seen in the industry. It takes 12 months to train a new driver, following recruitment, and by June 2002, over 200 new drivers had been recruited, trained and introduced to service.

3.5 During the first two years over 700 extra employees were recruited into the businesses and a wide range of customer service initiatives introduced. In the 12 months leading to the handover of the Merseyside franchise to new operators, on 20 July 2003, the franchise had consistently achieved the position of best UK mainland operator in terms of punctuality and reliability. Arriva Trains Northern can also demonstrate significant improvements in performance. In a Briefing Paper, earlier this month, to a meeting of the Economic Development and Transport Committee of the National Assembly for Wales, the SRA said: “Arriva have proven to be an extremely competent operator over the last year and have outperformed the 2002–03 national average performance on their Arriva Trains Northern and Merseyside franchises.”

4. WALES AND BORDERS RAIL FRANCHISE

4.1 The intention to create the Wales and Borders rail franchise, reflecting the creation of the Welsh Assembly, but recognising the railway geography was first announced in March 2000. The following are the key dates and milestones in that process:

- 8 March 2000—study to examine the creation of a “Wales and Border” franchise announced.
- 8 August 2000—initial letting/replacement process began.
- 15 February 2001—SRA announced short list of bidders.
- 14 October 2001—migration of elements of Central Trains and Wales and West franchises to Cardiff Railway Co. to form the interim Wales and Borders franchise.
- 19 December 2001—second replacement process began.
- 1 April 2002—migration of First Great Western’s South Wales stations to the Wales and Borders franchise.
- 24 April 2002—core franchise proposition issued.
- 1 October 2002—final short list of bidders announced by the SRA.
- 7 April 2003—“Best and Final Offers” submitted by bidders.
- 1 August 2003—announcement that Arriva Trains had been selected as the preferred bidder for the Wales and Borders franchise.
- 28 September 2003—migration of First North Western’s North Wales services into the Wales and Borders franchise.

5. OVERVIEW OF THE SRA’S BIDDING EVALUATION METHODOLOGY

In the Briefing Paper to the meeting of the Economic Development and Transport Committee, the SRA indicated that the key steps and processes in the exercise, which resulted in the selection of Arriva Trains as the preferred bidder for the franchise, were as follows:

5.1 Development of robust evaluation criteria and a credible marking system. The criteria were developed from tried and tested methodology previously used by SRA in other franchise bidding exercises. These addressed the core franchise requirements of:

- Rail Passenger Services—Outputs and Constraints.
- Delivery and Mobilisation.
- Revenue and Costs.
- Finance and Funding.
- Legal.
- Supplementary.

5.2 Bid Review phase: The criteria and marking systems were used by a team of evaluators to assess specific areas of the bid. The criteria and marking systems both employed separate markings for output and deliverability.

5.3 Clarification phase: Evaluators reviewed each BAFO (Best and Final Offer) and submitted clarification questions to bidders.

5.4 Provisional marking phase: Evaluators marked their specific area of the bid against the criteria taking into account the answers to clarification questions. The marks were then collated by the Project Team.

5.5 Evaluation phase: A meeting was held to review the bids and provisional markings. Presentations were made by the evaluators on their specific area of the bid and provisional rankings were made using previously agreed methodologies. In addition to this evaluators were required to identify any areas of bids that required further clarification and analysis.

5.6 Further analysis and clarification phase: Further evaluation and analysis work commissioned and where appropriate further contact with bidders made.

5.7 Results considered finally by the SRA Board and submitted to the Secretary of State for approval.

5.8 The SRA said that the final decision to select Arriva as Preferred Bidder was based solely on the merit of the Best and Final Offers as submitted on 7 April. The SRA looked for value for money delivery of its objectives along with innovative proposals for development of the services. Arriva scored strongly on all counts.

5.9 It should be noted that Arriva has not had sight of its scores or of those achieved by its competitors

6. KEY COMMITMENTS

6.1 The key commitments contained within the new franchise include:

- Creation of an integrated Wales and Borders franchise structured around services currently operated today;
- Introduction of seven class 150 Diesel Multiple Units planned from December 2004, leading to greater operational flexibility and resilience, to replace current, less suitable stock;
- Introduction of 30 new integrated train/bus tickets by November 2005, permitting many new opportunities for through journeys;
- Improved bi-lingual access, including a Welsh Language customer service phone line, passenger timetables and information, full bi-lingual signage and recorded station announcements at stations where there are existing public address systems by May 2004;
- Introduction of the new, customer-focused “Station Adopter” scheme;
- £400,000 on improving station car parks at Cardiff Central (Wood Street), Chester, Hereford, Newport and Shrewsbury;
- Final development of a simplified timetable, making train services much easier for passengers to use, as well as better performance and connections, for implementation within the first three years of the franchise for the Valley Lines and interurban services;
- Abolition of the £1 reservation charge for bicycles on trains;
- A better compensation scheme for passengers.

Euan Cameron
Managing Director
Arriva Trains

October 2003

Witness: Mr Euan Cameron, Managing Director, Arriva Trains Ltd, examined.

Q241 Chairman: Welcome, Mr Cameron. Could you perhaps introduce yourself and describe your role within Arriva Trains for the Committee, please.

Mr Cameron: I am Euan Cameron and I am Managing Director of Arriva Trains Limited which is the franchisee for the Wales and Borders train operating company that will take over on 7 December of this year.

Chairman: We have rather a lot of questions, so try and keep your answers as succinct as possible and we will try and keep our questions as succinct as possible.

Q242 Mr Caton: If we could begin by talking about your experience of the franchising process you have just been through, the directives and guidance from the Government to the Strategic Rail Authority require that “all bidders . . . must be made aware of the criteria upon which their bids are being assessed.” Are you content that this was achieved by the SRA in your case?

Mr Cameron: Yes. In the invitation to tender, which is the document sent out to bidders, the objectives that the Strategic Rail Authority were trying to achieve were set out and of course we relate back to

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other documents like the Government's 10-year plan, the passenger rail franchising document, the strategic plan and so on. In the main, it set out that the Strategic Rail Authority wanted to see value for money, affordability, reduced overcrowding, improved punctuality and reliability, improved safety in passenger security, transport integration, better facilities for those people under the term "disabled" and improved passenger information and compensation if something went wrong. We believe that that bid would be judged against that particular criteria.

Q243 Mrs Williams: You mentioned the criteria; could you tell us of your experience of the way in which the criteria was used to assess the proposal. You have already mentioned value for money and best value from expenditure.

Mr Cameron: It is very difficult to know how the criteria was then used. In other words, how the Strategic Rail Authority use it inside their evaluation process because we are not party to that evaluation process. I think Richard Bowker, when he appeared in front of your Committee back in July, said that it was extremely important that bidders do not gain access to the system of evaluation, so that they do not put bids in designed to, in a sense, play the system, but put in bids which are designed to deliver the decent railway services set out in those objectives. So, we are, in a sense, not aware of exactly how they do the evaluation process but we know that they evaluate it against that particular criteria.

Q244 Mrs Williams: Were you happy with the way it was done?

Mr Cameron: Yes, as far as we were concerned. We should be happy, we won the franchise!

Q245 Mrs Williams: That is not quite the point, is it?

Mr Cameron: We were happy with the evaluation process. We submitted a best and final offer to the timescales that were set out. Our bid covered all the particular areas in the objectives. There was a good clarification process that happened once the best and final offer was submitted in order that the SRA could make sure that what we put in they fully understood because it was very important for us that we clarified those points. They then went away. I am sure that they evaluated it by criteria that Mr Bowker could best describe to you and I think he may have given that to you in confidence. They then came back and had a further process with all of the bidders to further evaluate some of the areas that they wanted to look at which we participated in during the month of July and, on 1 August, we were announced as the preferred bidder and we spent up until last Saturday just finalising the real detail of the bid. So, yes, we were satisfied with that process.

Q246 Albert Owen: In your experience of dealing with the SRA in this Wales and Borders franchise application, what service level enhancements were the SRA looking for a Wales and Borders franchise?

Mr Cameron: They were looking for the bidders to provide the services that currently exist but to provide them as efficiently as was possible. Therefore, they were not looking for considerable enhancements at all.

Q247 Albert Owen: Not even in the number and frequency of trains, station platform enhancements and those types of things?

Mr Cameron: Basically, they set out the existing passenger service requirement which describes the trains that need to operate in all parts of Wales and Borders and we were asked to make sure that we complied with that passenger service requirement and that we made sure that it was operated as efficiently as possible. What we did in our bid was to enhance that ourselves. We were not asked to enhance it but we came up with a customer-friendly timetable, which the Strategic Rail Authority has subsequently decided to buy effectively, because we believe that that gives more for the price that the Strategic Rail Authority has paid for.

Q248 Albert Owen: Did you discuss with Virgin, for example, as to how you would link in and were you given slots that were different? Of course, you would have liked different slots but because the mainline had priority . . . ?

Mr Cameron: The Strategic Rail Authority told us what slots we could have after they had dialogued with companies like Virgin. There were some adjustments to be made after dialogue they had with First Great Western for the services out of Paddington to Cardiff and Swansea, and we were continually updated on the information that the Strategic Rail Authority was having on, say, the west coast upgrade and advised to revise our bid to accommodate that.

Q249 Albert Owen: With the ferry operators, for instance, in my part of the world, they were not happy with the Virgin ones, so were you able to negotiate with them and other stakeholders to vary the timetable? That is the point I am really trying to make.

Mr Cameron: We were specifically asked not to negotiate with other parties; we were asked to negotiate with the Strategic Rail Authority who would have the dialogue with the other parties and advise us exactly how they wanted us to bid and we complied with that instruction.

Q250 Dr Francis: In your view, what did Arriva have that the other bidders did not have?

Mr Cameron: I believe that our customer-friendly timetable was an important aspect in winning this particular bid. What we tried to do and we believe we succeeded in doing was to get a new timetable that would deliver several things. It is much easier for the customer to understand because it is what we call a standard pattern timetable; it repeats itself round the clock face, so that is quite easy to understand; once you have it in your mind, you can retain that. It gives better interchange opportunities at some of the principal stations which is very important if you are

not providing a range of through services which Wales and Borders is not designed to do and it is very important that you interchange with companies like First Great Western, Virgin West Coast, Virgin Cross-Country and Central Trains as well which we did, and also it would help, because it was what we call a standard timetable, it repeats itself, to improve punctuality and reliability. I think that was very important. What we also did was that we were fitting in with the Strategic Rail Authority's capacity utilisation study where they were looking at where the capacity would fit with other operators like English, Wales and Scottish railways for the freight operations which are important particularly to South Wales. We also believe that we focused on having a very integrated Welsh railway with the border railways being voted on as well. We did not require any structure improvements, so there was no additional cost to that customer-friendly timetable and the important thing that we felt was also acceptable to the Strategic Rail Authority is that it allows opportunities for expansion in partnership with the Welsh Assembly Government, the five local authority consortia and so on.

Q251 Dr Francis: If I can turn to the scoring system, can you explain how you used the SRA's scoring system for your own bid.

Mr Cameron: As I think I mentioned earlier, we do not know how the SRA score. What we did do was to take the SRA's objectives and the SRA's objectives, as I mentioned earlier, were that they were looking for value for money and of course our customer-friendly timetable gave more for the same price which was very important. They were looking at affordability, so what we were looking at was how we could run the services more efficiently and therefore hit that affordability criteria. We came up with some ways of reducing the overcrowding with that part of the Government's 10-year plan and one of the things that is quite inflexible at the moment in the Cardiff local service, what is known as the Cardiff Valleys, is the use of some local haul trains in the morning and evening peak services, and we showed a way of replacing them by some seven twin-car what are called sprinter units which we will inherit from another operator in 2004, and that will give flexibility to run more services and to reduce overcrowding. We have also presented enhancement and we will want to talk through in the next few years with the Strategic Rail Authority, the Welsh Assembly Government and other partners about how we can bring on some more of these units to further reduce the overcrowding. So, we helped improve the punctuality and reliability with the methods we have adopted in the other two franchises that we had in Arriva Trains Merseyside, which we had up until 20 July 2003, and also in Arriva Trains Northern. So, we enhanced the punctuality and reliability. We believe that we can improve safety in the way that we conduct our safety procedures with our staff and we can also improve the passenger security again by relieving some overcrowding. So, we were hitting a number of the objectives that the Strategic Rail Authority set out by our new

customer-friendly timetable. At that point, we then, in a sense, hand it over to the Strategic Rail Authority to undertake their evaluation and we are not party to that evaluation.

Q252 Chairman: You described your consumer-friendly timetable as giving better value for money, but in what way?

Mr Cameron: I will go into a little detail. I know that you asked me to be brief but it does need a little detail. The services that are run in what is currently Wales and Borders is an amalgam of services that have actually been bound together over a period of time. What we were doing is looking at that afresh. The existing operator has not had time to do that because part of the operation was only handed over to them on 28 September of this year. We were able to look at the whole operation afresh. What we have been able to do on certain of our routes, for instance Carmarthen to Manchester, is create an hourly service there where presently there is an irregular sort of two-hourly service. What that also does is allow the Cardiff to Swansea hourly service as a fast service whereas at the moment there is only a fast service provided by the service from First Great Western and we augment that by a two-hourly stopping pattern service between those two. So, by generating that, you will increase the patronage on that particular section because that is what the consumers have wanted for quite some considerable time but you do it at no additional cost because you are redeploying the resources. Similarly, we were able to get a Birmingham to Aberystwyth service, if we take the Cambrian coast there, and we can get the first train to arrive in Aberystwyth at 9.20, which is a good two hours earlier than the first one that arrives at the moment. Again, this generates patronage but does not cost additional money. By doing this consistently—and we do the same on the Cardiff services—we can get a standard pattern 15 minute timetable for the core part of the network by readjusting some of the services and still allowing for growth, so, for instance, we can allow the Ebbw Vale service to be bolted on to one of our existing services as and when, in partnership, we get the funds to put that forward. All of that gives better punctuality and better reliability which encourages more people to use it and gives them better journey opportunities and better connectivity and all at the same price.

Q253 Chairman: Are the sprinter units you are inheriting the ones that I remember coming in about 15 to 20 years ago? If so, are you going to replace them within the life of your franchise?

Mr Cameron: One of the bidding criteria was that there should be no new rolling stock put into the franchise. At the margins, we accept that we could do something differently and we talked it through with the Strategic Rail Authority and therefore bringing in seven additional twin-car sets is actually bringing additional rolling stock in, but there is no requirement in this 15-year franchise to replace any of the rolling stock that currently exists and we have complied with the wishes of the Strategic Rail Authority. We feel, since 15 years is a long time, that

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it would be useful to have a partnership agreement which is what we have tried to do and discuss with the Strategic Rail Authority and the Welsh Assembly Government and others how we could bring new rolling stock in during that period of the franchise because it is a long period and find ways of making it cost effective to do so.

Q254 Mrs Williams: You mentioned the changes that occurred on 20 September. Given that those changes did occur, what do you propose to do about the contractual arrangements? For instance, I am told that there will not be any trains leaving south of Crewe. There has been a good service between Birmingham and Llandudno organised by First North Western until 28 September. That has been dropped/abandoned, as I understand it. I do not know if you are aware of that?

Mr Cameron: I had not picked that up. We have been rather busy dealing with the Strategic Rail Authority up until last Saturday morning. Could I take that one away¹?

Q255 Mrs Williams: If you are aware of that, could you tell us what you are proposing to do about it because I have had numerous complaints from constituents along the North Wales coast about the lack of service after 20 September.

Mr Cameron: Rather than try to speak off the cuff, I will put that in writing to you².

Q256 Albert Owen: Just for the record, the Holyhead/Birmingham train has been cancelled as well for a three month period at least.

Mr Cameron: I will pick up all those particular points on the North Wales services, the ones that were transferred from First North Western to this franchise, and I will put it in writing to the Committee in order that we get it absolutely spot on³.

Chairman: We would appreciate that, Mr Cameron.

Q257 Julie Morgan: I would like to ask about financial issues and you have already referred to what you can do without any cost, but are you sure that the financial settlement and the supply of trains and staff enables you to maintain or enhance the existing service level?

Mr Cameron: We are very confident that we can do that. We spent a lot of time evaluating this proposal. We have been through companies in the north of England which we bought into in early 2000 which did not have the wherewithal financially to provide the services and it has taken us the best part of two years to get those working again. So, we certainly would not get ourselves into the situation where we would not have the financial clout to be able to provide the service that is specified in the franchise agreement and we are absolutely convinced that,

with the invitation to tender which the Strategic Rail Authority has set out, we can do the job with the money that they are providing.

Q258 Julie Morgan: What effect has the SRA financial shortfall, which they say was as a result of a Government cut of £312 million, had on the final settlement between the SRA and Arriva for the provision of rail service levels in Wales?

Mr Cameron: We are very pleased to say that there has not been any impact in the final settlement. There have been a number of discussions since we were announced as the preferred bidder on 1 August up until last Saturday, but it is very pleasing that the Strategic Rail Authority were not looking for cuts. In fact, the optioneering that they asked us to do in the best and final offer does not form part of this franchise. So, the existing services that apply at the moment will continue for the life of that franchise and we have the financial money to provide those services.

Q259 Julie Morgan: You mentioned earlier in your replies about the fact that you may be able to improve services for disabled people and I wondered if you could say some more about that because I have some specific problems in my constituency.

Mr Cameron: A number of the facilities that we have, as I am sure a number of the Committee will realise, are Victorian facilities that are not up to the 21st century in providing them. What we do is look at everything on a case by case basis. We work with the various groups and we try to make sure that, wherever possible, we can provide better facilities for the disabled. One of the classic examples are that the local old coaches provided at the moment are totally inappropriate for people with any disability and they are not appropriate for mothers with young children and buggies. By replacing them with the sprinter trains which have wide doors, then we can provide the facilities. So, there is a small example of how we are looking at that to try and make sure that, in the Cardiff valleys, we can provide the facilities for the disabled and in many cases, along with what the present incumbent have done, looking at stations to see if we can make them more accessible as well.

Q260 Julie Morgan: I think there are some outstanding examples of stations where there is little or no access for disabled people. Can I just add how pleased I am that you are going to tackle the overcrowding on the valley lines because they go through my constituency of Cardiff North.

Mr Cameron: It certainly needed attending to, I agree.

Q261 Mr Edwards: Can you say what your responsibilities are under the relevant disability discrimination legislation in respect of access in stations and trains.

Mr Cameron: As the operator, we have a total responsibility for the access for disabled both on to our stations and on to our trains. As I am sure you are aware, the current legislation is an enabling act and therefore it is about the test of reasonableness

¹ See page 257.

² See page 257.

³ See page 257.

and the information is emerging as people make cases for better access. We are also working with the Strategic Rail Authority on this and other franchisees to get their support to further improve it without, in a sense, causing them a particular problem with that escalating across the network. So, we are working very closely with them but a lot of legislation is starting to emerge at the moment.

Q262 Mr Edwards: Given that you have now have the franchise for all of Wales, would it be worth undertaking an audit of disability access on all your stations and trains? Of course, all members here can point to problems in their own constituency. Chepstowe and Abergavenny are two stations which I have made quite a bit of representation about to the current operator and will do as surely to you as well. I just ask for that sort of assurance that—

Mr Cameron: If an audit has not been carried out, then we will certainly be assessing all of the stations and all of the stock. We have a very good idea of the rolling stock because we use similar stock in other parts of the country. The stations are obviously quite specific to the location. I am quite sure in my own mind that the existing train operators have done a lot of that. Whether they got the financial backing to correct all of these is a different matter but we will certainly be doing the audit and working with the Welsh Assembly Government and local authorities to see what we can do to improve the facilities for the disabled in each and every location.

Q263 Mrs Williams: You mentioned this briefly earlier on but can you tell us what funding is available for new trains in addition to the second-hand pacer sets.

Mr Cameron: There is no funding in the 15 years of the franchise for additional rolling stock. That was made quite clear in the bidding process and, as I said earlier, we used our initiative to get additional rolling stock to replace the local haul sets to make it much more flexible for the overcrowding in the Cardiff Valleys but also to make it much more flexible for other major events that happen in Wales where local haul coaching stock is not particularly appropriate. We have some other ideas and we have put these ideas to the Strategic Rail Authority and we will continue to discuss with them in partnership over the 15 years with the Welsh Assembly Government and other stakeholders to try and see where we can get more rolling stock in that will help further reduce overcrowding and increase opportunities for travel. There is no funding in the franchise that we have for additional rolling stock.

Q264 Mrs Williams: Will all the new long-distance train sets of the type currently operating in North Wales be brought into the Wales and Borders franchise, including those currently subleased by Wales and Borders to the Trans-Pennine franchise?

Mr Cameron: Yes. The process is that the existing—and here I will get slightly technical—Class 158s that currently run in a lot of the Wales and Borders services will gradually, as the Trans-Pennine Express new rolling stock is introduced during the calendar

year 2006 will allow the transfer of Class 175s, being technical again, to come across to the Wales and Borders franchise and give newer vehicles on the service from the likes of Manchester to Carmarthen.

Q265 Albert Owen: You said that you want to talk with the Welsh Assembly Government and others. Although it is not a requirement in the franchise that you have been involved in, 15 years is twice as long as the previous franchisee held this. Do you have any commitments for private money in or are you just looking for public money or how do the leasing agreements work?

Mr Cameron: The agreement at the moment sets out the particular sum of money per fiscal year, from 1 April to 31 March, that we will get for each of the 15 years including the part-years at the beginning and at the end because they do not start on 1 April and, within that sum of money, there is no allocation for new rolling stock. That does not mean to say that we cannot find imaginative ways of a public/private partnership in getting new rolling stock in. We have already used an initiative in other franchises and, in one case, we put on a completely new train in one of our franchises to help with patronage that is available in that constituency and that has been supported, albeit that it is fully privately funded, by the Strategic Rail Authority and the West Yorkshire Passenger Transport Executive, so that is an example of that public/private partnership and we would use our initiative and our ways of managing the business to initiate that debate/discussion and find ways of improving the franchise over 15 years.

Q266 Mrs Williams: Perhaps we can now look at our stations. Do you propose major station upgrades at primary stations and I am thinking in particular of stations like Carmarthen, Swansea, Cardiff, Newport, Shrewsbury, Chester, Llandudno Junction, Bangor and Holyhead in terms of, for instance, appearance, customer waiting and catering facilities?

Mr Cameron: We will certainly be working with various tenants etc at the station on things like catering facilities and extra facilities on the station, which also gives them passenger security and there are some good examples of where the existing train operating company has done that on certain stations and we would like to continue with that. We have a commitment to the Strategic Rail Authority to find a public/private partnership at about 15 stations as unspecified to try and make them much more attractive. I am thinking of particular stations that have no staffing, so we are looking at getting better facilities at examples that exist at the moment. Gobowen is an example where the local school provides a sixth-form facility for understanding business and providing ticket sales there. Apart from that, again, like rolling stock, there is no funding available for 15 years for station improvements, but we have already started dialogue with the Welsh Assembly Government and we have had some very positive albeit informal discussions and they have had to be informal at the moment since we only signed the franchise agreement last weekend, but we

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feel that there are ways of working with the Welsh Assembly Government and the five local authority consortia to see if we can improve the stations and get additional funding to make them better over the period of the franchise.

Q267 Mrs Williams: You mentioned 15 stations as unspecified were I think the words you used.

Mr Cameron: We have said that 15 stations throughout the franchise period, roughly one a year on average, we will find a mechanism for working with the local community to make those stations much more welcoming than they are at the moment. We have not specified them because we want to do everything in partnership. We do not want to walk into this franchise and say that is exactly what we can do in everything, including the customer-friendly timetable because that does not start until December 2005. We want to enter into dialogue and we have started that dialogue already with all of the interested parties to see if there are any ways in which we can further improve that. We do not believe that we have a monopoly of good ideas; we think that the local communities can help us with some of these ideas; where they are practical we will fit them into our timetables and our plans for the future.

Q268 Mrs Williams: Are you saying therefore that press speculation about all the money being channelled to South Wales stations and that stations like Bangor and Holyhead are going to be bottom of the list . . . ?

Mr Cameron: You have used the correct word, it is all press speculation and that is certainly not within our bid. We are certainly not looking to channel all of the money to South Wales. This is a Welsh network including the borders and that is what we will be looking after, the whole of that train operating company. We are not looking to be particular to one section and that is why, in our customer-friendly timetable, I was giving you examples throughout the network of what we are trying to do including two-hourly Holyhead to Cardiff service where there is one train a day at the moment. So, we are trying to look across the whole franchise and knit it together.

Q269 Albert Owen: With respect, that is cold comfort for the number of people who travel on your trains and use your stations in particular in North Wales where they could be one of 15 and it may happen in 15 years time when there is no basic infrastructure, there are no toilets and amenities and there is no information, and you will be aware of the campaign that *The Daily Post* is running as a consequence of a serious accident that occurred in one of your stations because there was no security there. Yes, I understand that it was not in the bid, but people need the confidence to know that, whilst they are travelling on your trains and using the stations, they are going to be safe and are going to have basic amenities at a time when the cost of travel is actually going up and yet they are not getting returns for it. Could you give us a few more

assurances that, yes, you will be working with others but that you will be offering some cash and you will be offering some ideas and working with us. In particular, Holyhead is the gateway to the United Kingdom, yet it has very poor facilities. Virgin trains were in front of us only last week saying that they are probably the worst in the UK. You have taken on this franchise and you must be aware of the condition and the fabric of those stations, so can you give us more assurances than you are doing by saying one a year for 15 years.

Mr Cameron: The money for 15 years is a local community involvement; that is a separate category as I was explaining. You are absolutely right, we are concerned about the condition of the stations in North Wales, the ones which the existing train operating company has just inherited on 28 September, and automatically, as soon as we get in, we will be looking at those particular stations. They are not the only ones where problems exist. I am not saying that North Wales is going to get any special attention but we are conscious of the fact that there are in particularly poor condition.

Q270 Albert Owen: But do you not agree that where there is no basic information for passengers is unacceptable?

Mr Cameron: The basic information is very important and we are very pleased that a information system called Project Inform is being expanded by the existing train operating company to make sure that, when customers come to stations, then they will get the basic information about the train, how it is operating and where they can get to, and that allows them as well to cut in straightaway to the local control centre which can give them more information than just saying how the train is running if that is what they want, and that scheme is being expanded. What we are also intending to do is improve the fabric of the station and we are the first train operating company to do this. We have a scheme called "Adopt a Station"—it is applicable in our Arriva Trains Northern franchise—where we encourage people who travel from that station to adopt it. By adopting it, they get free travel which is their part of the bargain. The important thing is that they travel through that station usually once or twice a day, they tend to be regular users of that station, and they have access directly with the people who maintain the station on our behalf. So, instead of having to wait for our people maintaining it to go round and check it on a regular basis, the areas are actually specified to them. In other words, that the station light at the end of the platform is not working or that the toilet seat is broken or whatever. That immediately allows us to target much more cost effectively repair work and updating work and that releases some of the money that is available to do the kind of improvements that you are talking about. So, it is a case of self-help. We use the people who are most interested in that particular station to help us to then create that money that we can plough back into those stations and that has worked particularly well. We have had it operating now for just over 12

months in the north of England and it gets a very, very positive community involvement and allows us to spend the money much more wisely and better.

Q271 Albert Owen: Again, I have to push you on certain things like toilets. As a member of the travelling public, I would say that that is a basic essential amenity that you must provide and it is bit of a fob-off to say that you are going to involve the community in this. Do you have responsibilities as the franchise operator to provide such basic facilities?

Mr Cameron: No, we have no responsibility whatsoever to provide those basic facilities over and above what exists at present and that is part of the contractual framework that the SRA set out in its objectives, to run the services that exist at the moment. We will continually look to how we can improve that, we want to work in partnership, but there is no requirement, in the same way that there is no requirement to put in new trains over the franchise, to put in toilet facilities if toilet facilities do not exist and that is why we have to work with the local communities and find out how we can manage to improve the fabric of these stations within the limits of the contract.

Q272 Albert Owen: Do you have a moral responsibility?

Mr Cameron: We have a responsibility to adhere to the franchise agreement that is set out and one that we just signed last Saturday morning and that is to provide the services to the specification of the Strategic Rail Authority and, where possible, come up with imaginative ideas to improve them.

Q273 Julie Morgan: I wondered if you had any plans to improve Cardiff Station which we heard in the last Committee meeting that £12 million had been spent but where there is no clear signage and where the links with the bus station are not very good and the links to the taxis are not very good and, as the capital city, I wondered if you had any plans there.

Mr Cameron: We have plans for all of the stations to improve the signing. It is one of the things that, when we looked round the station facilities, we were concerned about. We are looking to provide signing in both languages to make sure that we can get people to travel much more conveniently. Both of the Cardiff stations will be looked at on that basis along with every other station: I think there are 235 in total in this new franchise. Signing is very important. If you cannot get the basic information, then you cannot expect people to travel.

Q274 Julie Morgan: So, Cardiff will be looked at?

Mr Cameron: Cardiff will be looked at, yes.

Q275 Mr Edwards: What plans are you aware of for seamless interchanges on the Paddington to South Wales route?

Mr Cameron: Do you mean the First Great Western route?

Q276 Mr Edwards: Yes.

Mr Cameron: The First Great Western route is being looked at at the moment. I am no expert on First Great Western services but I believe they are looking particularly at the services from Swindon into Paddington to try and get a clock-face departure and that will have some impact on the timing of the trains that depart from Cardiff and Swansea. Similarly, I think they are wishing to adjust the departure times from Paddington going out to Bristol and to Cardiff and that will have some impact on the timings of our services. One of the great advantages of our customer-friendly timetables, as I said earlier, is that it is a pattern timetable, it is a clock face, so it does not really matter if other operators change their timetable if they change it round the clock face because we can move and sometimes even get better connections than exist at the moment. So, we are working with them and we are working with Network Rail who are custodians of the infrastructure and of the time tabling process to ensure that we link in not only with First Great Western but also with Virgin Cross-Country, with Virgin West Coast and with all the other services not only in South Wales but across the whole network.

Q277 Mr Edwards: Can I ask you about the arrangements that the SRA has included in the new franchise for integrated ticketing between rail and bus services.

Mr Cameron: I believe there are some 74 integrated bus and rail tickets operating at the moment. We are adding another 30 to that throughout the network and they are not just with our own company. People tend to assume that because Arriva run buses in North Wales, we will concentrate our efforts on integrated ticketing there. We will be working with Stagecoach, with Globe Coaches, Thomas and First, all of these to actually augment the existing schemes and put another 30 in place, so that will take it to over 100 integrated ticket schemes. In addition to that, there are also joint ventures with other parties to have a travel and an entry to a tourist attraction ticket as well which we are working on and there are about 20 of those that we are putting forward.

Q278 Mrs Williams: You mentioned tourism but the Minister for Economic Development and Transport, Andrew Davies, described Crewe Station on the rail passenger service along the Vale of Glamorgan line as an airport rail link, which is very important for tourism and business, as we know, but does not promise to build a community station. Is this now to be an airport station providing a gateway to Wales for Cardiff Airport?

Mr Cameron: Could I get back to the Committee on that particular point? I will put that in writing⁴.

Q279 Chairman: Can I just return to the financial issues relating to the SRA and the franchise. Why do you think that the SRA did not include station upgrades and new trains in their franchise bid?

⁴ See page 257.

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Mr Cameron: I can only make an assumption because I have no knowledge of why they did not. I presume that, at the end of the day, it came down to the affordability. I think that they probably preferred to concentrate—and this is only my opinion and I am sure you would ask the Strategic Rail Authority this question—on the train services and the improvements that we were suggesting get a higher priority than the stations themselves, but that is only a guestimate on my part.

Q280 Chairman: They did not mention this at all to you during the process?

Mr Cameron: We put forward a number of suggestions in the bid which were in addition to the requirements because we were very keen to work in partnership with the Strategic Rail Authority and the other parties, so we put a number of ideas forward. We talked about additional rolling stock for overcrowding, we had some junction layouts which would have improved on the Cambrian Coast to an hourly service rather than two hourly; we are conscious of the fact that you can only get up to Rhymney hourly and Merthyr Tydfil hourly and there is some work that could be done on both of those with a passing loop and some resignalling. So, we put all these additional ideas into our document and included in those additional ideas were what we could do with the stations. We believe that what will happen over the period of the franchise is that we will have a lot more dialogue but we now know what the base requirement is that we have to provide and we will go ahead straightaway and do that and then continue to have the dialogue over those ideas. I am not of the opinion that the Strategic Rail Authority has ruled them all out, it is just not part of the base case.

Q281 Mrs Williams: I hear what you say and I see where you are coming from but were you aware about the condition of our stations, going back to what my colleague from Holyhead was saying, when you were putting in the bid? Did you have that at the back of your mind?

Mr Cameron: We were certainly aware of the condition of the stations. We did a station survey—that is one of the things that we do in all of our bids, we go out and do a station survey—and assess all of the stations.

Q282 Mrs Williams: Can I just stop you there. So, that has been done?

Mr Cameron: We have done an assessment of the stations.

Q283 Mrs Williams: All stations?

Mr Cameron: An assessment of all of the stations. As I said to the Chairman, as an additional part of our bid, we put forward some ideas and we fully expect to have further dialogue with the SRA about these additional ideas that we have of which stations are one of them and that will be during the length of the franchise. I think it is inconceivable to believe that, over 15 years, nothing will change. There are huge opportunities for expansion in rail services and we

want to be party to that. As I said to the Chairman, we know what we have in our base case and we put a huge range of various options to them and we fully expect a dialogue and the stations are one of those. We have had an assessment and we know what we would like to do as and when money becomes available.

Q284 Albert Owen: You touched on this in your previous answer to my colleague with regards to integration and you highlight in your memorandum the bus/rail links in North Wales as a form of integration which I believe is welcome. How will this work in practice?

Mr Cameron: Basically, it is not just our company, as I said earlier, virtually all the bus companies, whether they are a small bus company or one of the large national bus companies, are very keen to do integration schemes. It is good for business. That is the basic thing. It gets more people to travel on the buses and it gets more people to travel on trains. So, we have not found any difficulty in having dialogue and we have had the same kind of dialogue in other franchises. What it is about is looking at the local community, looking at their needs and finding out how you integrate into local communities. One of the disadvantages of trains is that they do not always get into the local community; they get into the centre of it but not into all of the housing areas and you just work with them. Some of them are as simple as having good dialogue. Looking at timetables throughout the country, we have found on a number of occasions that the bus departs just a few minutes before the train arrives. I do not believe that there is any conspiracy between the bus operator and the train operator, it is usually that one party or the other has changed the timetable without telling the contra party and one of the things that we are very keen on which has worked well in our other franchises is that we have a lot more dialogue between the local managers, so that, when a timetable is due for a change, both parties realise it and usually there is a mix and match and you get that connection reinstated. That is what I call the most basic bus/rail integration. The great thing about most of the large bus operators—and this does apply mainly to the large bus operators—is that we have the ticket technology now which gives encoded tickets and again technically it is a Wayfarer 4 system that allows encoded tickets that we can use on our rail system as well. So, there are less and less inhibitory factors now for doing bus/rail integration and I think we will see more and more of them throughout the years.

Q285 Albert Owen: Some cynics would say that this gives you an opportunity to stop some trains on certain days and use buses.

Mr Cameron: Cynics would certainly say that and they have said that on many occasions. There is no bus substitution in this franchise. The train services are protected by the passenger service requirement and the bus/rail integration is in addition to and not a substitution for the trains.

Q286 Albert Owen: And you give assurance that smaller bus company operators will be involved in that all the way?

Mr Cameron: Yes, indeed. I have quoted Global and Thomas Coaches. We work with all of them because, at the end of the day, they provide services in local communities where you can get much better integration and it is good for business, as I said.

Q287 Mr Caton: Moving on to your use of hubs, if hubs are to be introduced with interchanges between trains, how will the timetables be guaranteed?

Mr Cameron: The time tabling process that applies is that we have to agree a timetable with the Strategic Rail Authority. They are the purchaser of the service. So, the first thing they will want to do is to ensure that the timetable that we are putting together matches the passenger service requirements, so that equates to first and last trains, journey times, stopping patterns and so on. They are all laid down, so we have to comply with that. The second thing that we do is that we put a timetable to Network Rail. What Network Rail expect from us is to have a complaint timetable, in other words that it matches with the rights that we have to run trains, the rights that we have already been granted through the Rail Regulator to run those trains. It would be very stupid of us to try and apply for something that we had no rights for, so we are usually very compliant. Network Rail then match up our requirements with the requirements of every other operator at that hub and they also match it up with the freight operators that are using it not in the hubs but over other parts of the line and, if we have our systems in place correctly, then we will have made sure that we have a complying timetable that allows all of those connectivity achievements to be made at a station and still run all the trains to the specification of the SRA.

Q288 Mr Caton: On the same subject, at your hubs, will there be cross-platform interchange or will travellers have to cross bridges perhaps not provided with escalators or lifts?

Mr Cameron: What we have tried to do is try to get same platform interchanges where possible. There are examples where that works quite well: Gloucester is the classic example where you can bring a train into platform number two and connect into one just further down the platform at platform number three, so that is great if that works. There are other occasions where the signalling does not allow for that and we do have to either go over bridges, as you say, in some cases where there is no lift facility provided, but what we feel is that it is better to get connectivity even in those circumstances than no connectivity at all.

Q289 Mr Caton: How will the Disability Discrimination Act affect those sort of circumstances?

Mr Cameron: The answer is that we do not know yet. As I said earlier about the DDA, a lot of it will be determined by case law. What we try to do is to make

it as easy as possible for people to travel and one of the things that again we will be applying on this franchise that we apply on other franchises—and most train operating companies do this to some extent—is to make it easier for people with disabilities to travel by having a dedicated telephone help line. What we are able to do is that, if that particular station is not accessible, we can take them to another station which is accessible and allow them to travel from that station and we use that facility in our Arriva Trains Northern and it is very well appreciated by the people who use that service and we also check with them as to how the journey matched up with their expectations and we are getting about an 86% success rate from the people with disabilities. So, we feel that we are moving in the right direction. It is by no means making the system fully disabled access—that, with a Victorian network, is just not possible.

Q290 Mrs Williams: We are aware of current practice by train operating companies. As a follow on question to a question asked by one of my colleagues, what about flexibility with connections considering able-bodied people and people with disabilities when other trains are running late? What is the flexibility that you are proposing to allow to make sure that people are able to catch their connections?

Mr Cameron: There is a connectional timescale usually laid down and we try to make sure that it is a reasonable amount of time. We would not say that 30 seconds was a good connection. There are laid down times. What we have to do is to make that horrendous judgment between the people who are already on the train who want to get to their destination and the people who are interchanging on to that train and we would have to make a judgment as to what we do. If we decide to send the train on because of the length of delay on the other train, whether it be one of ours or one of another train operating company, then we will usually provide bus or taxi facilities to onward destination. So, we do not leave people stranded; that is not our intention whatsoever.

Q291 Mrs Williams: I am very pleased to hear that because it does not happen now. People tell us that trains disappear out of the station as maybe the Virgin train is coming in. It is that close. That does not make any sense whatsoever and does not have the customers' interests at heart.

Mr Cameron: It does not. There has been an arrangement in the past—and this is one of the perverse things about different train operating companies—whereby the train operating company could be fined for late running even after it made the connection. I sit on a national body that looks at this and the Strategic Rail Authority is on that body and it is pleasing to know that they are working with us to make sure that the train operating company is not fined for that late running, so they are going to be actively encouraged to delay the train to make that connection. Therefore, you take the perversity away

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and therefore you take the concern for the train operating company at being fined and being forcefully pilloried in the media for poor performance by actively providing a better service and we have been working very closely with the rail industry on that one and I think you will see considerable changes over the years to come.

Q292 Chairman: You mentioned integration with bus service, but there are plenty of stations in Wales that do not have any buses at all. I wondered if you were going to put up numbers of taxi firms.

Mr Cameron: Yes. The provision of information at stations is something that can be very, very easily provided. It is something that we are very keen on in our stations both at Merseyside, when we had that franchise, and at Northern. We tend to put up a map that shows local facilities, where the bus station is and provide taxi numbers and one of the things that we are very keen on, particularly at stations where there is no staffing, where you can possibly get a taxi operator to come and provide a facility there is to provide that free of charge to the taxi operator because it gives passenger security and, if you remember my remarks at the beginning, that was one of the objectives that the Strategic Rail Authority was passenger safety and passenger security. So, again, in other locations we have managed to provide those facilities at no cost and provide an additional service to the consumer.

Q293 Mrs Williams: Given the present state of the track and signalling within the system, is the clock face that you are proposing with interchanges, for example, at Shrewsbury and Carmarthen possible?

Mr Cameron: Yes, it is fully possible. We had a lot of dialogue with Network Rail before we submitted our bid on 7 April and I am very pleased to say that Network Rail saw it as a feasible proposal, they did not see any major problems with it. There obviously has to be some dialogue with other train operators over what is known as flexing their rights to make it fit it, but there are no insurmountable problems and the infrastructure at Shrewsbury is capable of doing that. In fact, in dialogue that we have had with Network Rail, their belief is that some of the infrastructure improvements that we have suggested—they are not in the bid but we have suggested to the Strategic Rail Authority—say on the Cambrian Coast, are also perfectly feasible and could be done possibly—I am not making any promises here—with some other infrastructure work that needs to be done and this is where partnership is so important. If you sit down and discuss with people, you can quite often plan the work and, in planning the work, you can do it much more cost effectively and, within the sum of money that is available, get a few extra things done at the same time. What we are suggesting is not £10 million but much more and we will benefit from that. We will try and resolve these issue because they are very positive. We have no concerns about the willingness of Network Rail to work with us.

Q294 Mr Edwards: What investment would be needed and how would you raise that money in order to make Shrewsbury a hub with guaranteed connections for north-south trains and from Bangor to Birmingham?

Mr Cameron: At the moment, Shrewsbury can provide all of those connections. There is no problem with the infrastructure at Shrewsbury to do the work. It is further enhancing the train timetable that causes the investment. So, going from Shrewsbury to Aberystwyth, there are two locations—Dovey Junction and Montgomery—where you will need to put some passing loops in to allow an hourly service rather than two hourly. Shrewsbury can still cope with that increased frequency because there are already hubs there at the moment. All we are doing is enhancing that hub and, when you make it a pattern timetable, you make it much easier to hub because it is repeating itself regularly every hour which is so important. We have already had some very indicative dialogue with Network Rail about what can be done. They have looked at this previously as well and we will continue with that dialogue and see if that money can be put in to improve these services because the coaching stock is not a problem, we think we can enhance that timetable without additional coaching stock because there is some dead time in it and we will look to see if we can get that done without going for a lot of additional public funding because some of it will be generated by additional journey opportunities which is good news.

Q295 Mr Edwards: Do you think it would have been more sensible if the SRA had put the Cardiff/Birmingham service into the Wales and Borders franchise and why do you think it did not?

Mr Cameron: To answer the second part of your question first, I do not know why they did not. The Cardiff/Birmingham service has traditionally been split between two operators. If you ask me as an operator and not as the SRA, then I think that the split which has now been achieved for the fast service to be provided by one train operating company, Central, and the service that the Wales and Borders will provide from Cardiff to Gloucester, which are the stopping services, I think that is a better split than each having some of the stopping services and some of the semi-fast services. I think that the split will give a better provision of service to the customer. Why they did it—I suggest you ask that question of Mr Bowker. I cannot read his mind. I wish I could but I cannot manage that yet!

Chairman: Don't we all!

Q296 Dr Francis: If we could move on to existing Arriva franchises, what is the state of your current relationship with West Yorkshire PTE?

Mr Cameron: It is first class. I am pleased to say that because, if you had asked me that question a couple of years ago, I would not have been able to say that. They were very dissatisfied with the level of service provided. We inherited a train operating company which was called Northern Spirit when we bought a company called MTL which was underfunded,

under-resourced and completely underperforming. We are pleased to say that, if you were to talk to the Director General of the PTE or the Chairman of the Passenger Transport Authority, they are extremely pleased with the service we provide now. It is a classic case where I can say, what it says on the tin is what you get.

Q297 Dr Francis: What powers of direction and guidance do the PTEs have on your operations and how do they dovetail to those from the SRA?

Mr Cameron: In technical terms, they have what we call Section 34 powers, Section 34 under the Transport Act, where they are allowed to specify the level of the service, the quality of the service and they also pay for additional services over and above that specified by the SRA. So, the two parties, the SRA and the Passenger Transport Executive, dovetail together to advise us of the totality of the service that we have to provide and then we jointly report both to the SRA and to the PTE on the performance against that specification.

Q298 Dr Francis: Arriva has had problems running trains in the north of England and I note in the Select Committee report of the Transport, Local Government and the Regions Committee of last year entitled *Passenger Rail Franchising and the Future of Rail Infrastructure* at paragraph 1.10 it says that there has been a sustained fall in service performance on Arriva Trains Merseyside over the two years and that while reliability has now recovered somewhat, punctuality is poor and shows little sign of recovery. What lessons have you learned from that experience and how can you apply them to the Wales and Borders franchise?

Mr Cameron: I think the first lesson is to do a lot more due diligence when you buy companies and find out exactly what you are buying. The report you are referring to is the evidence that I provided to the Transport Select Committee. It was referring to the period of September 2001 which is now more than two years ago. We handed the Merseyside franchise, to which you are referring, over to the new franchisee on 20 July 2003, at which time the passenger performance measure was 94%. It was the highest in the UK mainland, well ahead of anything else provided by any other train operating company. So, I think that we did learn the lessons, we put them into practice and we gave Merseyside PTE a service that they were proud of. The last Rail Passenger Committee in July 2003 commended Arriva for the turnaround of that operation.

Q299 Dr Francis: Could you say a little more about the way in which your company interacted with Merseyside PTE.

Mr Cameron: Merseyside PTE, again we have mentioned the Section 34 and, right through it, they specify the service that they want, in fact much more so than any other PTE because most of the services in the Liverpool area are under their total control. We worked very closely with the PTE; we explained the problems that we inherited from the previous organisation; we worked with them to get the trains

to be refurbished and to have improvements made to their reliability and those trains are going through that refurbishment and modification and improvement to the reliability at the moment and that has become part of the new franchise operator's responsibility. We worked with them to adjust the timetable. The timetable patently did not work in the customers's favour. We put in two additional trains and a number of additional drivers and we put in a lot of customer services staff and cleaning staff to raise the total performance of that train operating company, so that when we handed it over in July of this year, it was the best performing train operating company in mainland Europe . . . I am sorry, I should not go that far, in mainland UK! I must not get carried away!

Q300 Albert Owen: Moving on to the powers of the National Assembly for Wales, do you, in your opinion, believe that a transfer of powers of direction to the National Assembly could assist in an integrated transport system for Wales?

Mr Cameron: That is certainly a political decision and I always leave that to people like yourself who are best placed but, in my opinion, I would look very positive towards that one. There is no doubt about it, we find the Passenger Transport Executive to be much more localised in looking after the needs of the local constituents and are very focused and very determined to achieve what they want to do and I would fully expect that the Welsh Assembly Government would feel exactly the same. We would want in this case from our point of view—and this is a personal preference—to make sure that the borders were not left out of that. They are an important part of this franchise and we would like to encourage the Welsh Assembly Government, if that happened, to make them partners to make sure that they are not left out but we would welcome it.

Q301 Albert Owen: You mentioned the borders and obviously that would be an issue but also do you envisage problems with the integration with the main UK rail network? I can understand the bus, road and rail within the Welsh nation but what about linking up to the main . . . ?

Mr Cameron: No, I do not see that there should be a difficulty. Our job as the franchise operator is to make sure that those links take place. It is our job to work with the other train operating companies, Virgin West Coast and Virgin Cross Country and First North Western and First Great Western and particularly Network Rail to make sure that those hubs integrate properly and, as I mentioned earlier, trying same platform interchanges if possible and that is how you encourage people to use the services. Whilst most people would like a service from A to B absolutely directly, most people in this country realise that we cannot do that but, if you give them proper hubs and integration, make same platform interchanges or where the integration has to be across a footbridge make it as easy as possible, then people will travel.

22 October 2003 Arriva Trains Ltd

Q302 Albert Owen: You mentioned earlier about a good relationship already developing with the Welsh Assembly Government and we were talking at that time about additional expenditure on railways and infrastructure. Did this good relationship that started off talk about rail new money from the Welsh Assembly Government?

Mr Cameron: We are in early days. As I think I said earlier, the hard work is just starting now. We signed the franchise agreement on Saturday morning and we had informal discussions before we signed that franchise agreement—they had to be informal because we were not necessarily going to be the franchisee—and we will be speeding those discussions up. There is a huge amount of support out there. A lot of interested parties write to us, telephone us and e-mail us saying they want to have that dialogue to influence us and we are starting that dialogue now. I fully believe that there will be new money made available and what we have to do is to demonstrate how we can best use it.

Q303 Albert Owen: Can I encourage you to work with other companies as well and indeed Members of Parliament and Assembly Members.

Mr Cameron: Indeed so. You will find that the Arriva approach is very much a community base, it is very much locally focused, it does not work from its headquarters in Sunderland, it expects all of its subsidiaries, whether it be bus, the international or

the rail side, to work with all the people in the communities and one of the things that we do not do is to say that there is only the Arriva way of doing it. It is local authority, it is the Welsh Assembly Government, it is the Strategic Rail Authority or whatever party concerned as to how they want that operation to run and it is our job to then use our expertise and our knowhow to make it run as best as possible.

Albert Owen: We look forward to working with you.

Q304 Chairman: Just going back to the Merseyside franchise decision, why do you think you lost the Merseyside franchise to the Nederlands Spoorwagen?

Mr Cameron: I can only quote what the Director General of the PTE said, that he did not feel that our bid was imaginative enough. We bid in exactly the same way for all of the franchises we put forward, we bid to the specification that was laid down, we are very disappointed that we lost that but the Arriva philosophy is that we take it on the chin and we get on with the next one. I have to say that I wish them well and we handed over an incredibly well organised operation in a seamless fashion. At the end of the day, the PTE has to do what they think is right, it deserves a good service and the staff deserve a good service.

Chairman: There seem to be no more questions and we have managed to finish just before time. Thank you very much indeed, Mr Cameron.

Supplementary written evidence from Arriva Trains Ltd

Further to the oral evidence session of the 22 October, a number of points were raised that I gave an undertaking to come back to the Committee on. Mrs Betty Williams raised the issue of changes to rail services that occurred on 20 September 2003, involving services that were transferred from the First North Western franchise to the Wales and Borders franchise. Specifically, no trains leaving south of Crewe, and the cancelling of the service between Birmingham and Llandudno. Mr Albert Owen also raised the issue of the postponement of the Holyhead/Birmingham service for three months.

The West Coast Route Modernisation project entered a new phase on 28 September 2003, with extensive work between Crewe and Stafford. Unfortunately, whilst this work is in progress, the capacity of this part of the network is greatly reduced and it is impossible for Holyhead or Llandudno services to operate through to Birmingham. I do appreciate the inconvenience to passengers of having to change trains at Crewe when they previously had a through train. However, this modernisation will be of great benefit in the future. We are working with the Strategic Rail Authority and Network Rail to identify the optimum timetable to be operated during each phase of work and on completion of the modernisation. This includes consideration of when it may be possible to provide through services to Birmingham from North Wales.

Mrs Betty Williams also asked the question if there was to be an airport station providing a gateway to Wales for Cardiff Airport. I am pleased to be able to inform the Committee that that the provision of a new service on the reopened Vale of Glamorgan line is included in the Franchise Agreement. It is our understanding that a new station will be provided at Rhoose as part of this scheme and would expect this to be a benefit to local residents and to tourists and others using the airport. We will be discussing with the airport authorities in due course how use of the new link can be promoted.

I trust this answers the points raised, but should any issues need clarifying, or of you require any additional information, please let me know.

Finally, I take this opportunity to advise the Committee that today we have announced that Peter Strachan will be the new managing director of Arriva Trains Wales/Arriva Trenau Cymru, when the company starts operating the business on Sunday 7 December. We are delighted that Peter has agreed to

join Arriva. With a career of over 20 years in the UK rail sector, he brings a wealth of experience to ensure that our plans for the new franchise are delivered. I will keep you informed of developments.

Euan Cameron
Managing Director
Arriva Trains

10 November 2003

Written evidence from Network Rail

Please accept this letter as the Network Rail submission to the Welsh Affairs Committee inquiry into the railways in Wales. Network Rail is delighted to be able to contribute to this inquiry and I will be pleased to attend the evidence-taking session to be held later in the Autumn.

The body of our response is included in the annexes to this letter which include detailed line-by-line information about the railway in Wales. One caution I should like to issue regarding this information is that it is based on the Network Rail business plan published in March. Since March, we have been engaged in a review process with the Rail Regulator which will determine our future income beyond April 2004. Only once this review process is complete will we be able to announce confirmed line-by-line work schedules. It is possible that these may be significantly different from the plans included in the appendices. Until the Regulator's review is complete, it is not possible to be definitive.

In addition to the line-by-line information, I thought it would be useful if I provided a brief summary about the principal issues and challenges faced by Network Rail in Wales.

In short, the railway in Wales faces many of the same problems as it does in the rest of the country. When Network Rail inherited responsibility for the rail infrastructure in October 2002, it inherited fragile assets suffering from under-investment over many years. The backlog in track replacement had ballooned over the previous 10 years to 4,000 miles, or 20% of the entire network and standards of maintenance are under close public scrutiny.

At the same time, the expenditure on the railway following the Hatfield disaster was soaring, with spending roughly doubling in the three years from Hatfield to the dissolution of Railtrack.

The size of the challenge Network Rail faces has to be set in this context. To turn-around the performance of an infrastructure of this scale is an enormous task. To do so at the same time as being required to reduce expenditure significantly is even harder. Network Rail always said that it would take 18 months before people saw noticeable difference and one to five years before sustainable change. One year in, we stand by this analysis.

Finally, I would just like to say something about the structure of the railway in Wales.

Network Rail is a national rail infrastructure firm covering the whole of Great Britain (not Northern Ireland). The company is divided into seven regions responsible for the day-to-day delivery of the rail infrastructure. For obvious reasons, these regions are roughly based on a line basis, rather than the more conventional geographic divisions used by the Government and public sector.

For this reason, Wales is split between two Network Rail regions. The Great Western region, based in Swindon, includes the majority of Wales including all of south Wales and the line running west from Shrewsbury into mid Wales. The lines running through north Wales, however, form part of the North West region based in Manchester.

Since June 2003, the railway has had a single national organisational template for the first time in its history. This means that both the Great Western region and the North West region have an identical structure, which we believe will allow the consistent application of Network Rail's change programme and facilitate much smoother cross-regional working.

I hope the information contained within this letter and the appendices is both interesting and useful for the Committee. Together with my colleague John Curley, the Regional Director for Great Western, I will be delighted to give oral evidence later in the Autumn.

Iain Coucher
Deputy Chief Executive

3 October 2003

Annex 1

GREAT WESTERN MAIN LINE—BRISTOL PARKWAY TO SWANSEA

The route is two track with four tracks between Severn Tunnel and Cardiff with line speeds of 75 to 100 mph.

1. TRACK

In order to efficiently address both the asset and operational issues, our strategy is for targeted renewals based on asset conditional risk analysis as well as operational importance. The plain line renewals programme has been prioritised and planned to ensure 150 temporary speed restrictions will be removed this year (between London and Cardiff).

Reballasting, rerailing and resleepering will be undertaken between Cardiff and Swansea this year. Major renewal and remodelling of switch and crossing works will take place at Newport in the next three years. Over 8,500 yards of plain line will be renewed between Newport and Swansea at a cost of over £6 million in the next three years.

2. SIGNALLING

Network Rail has commenced a major signalling renewal programme and has selected Port Talbot as the starting point. Cardiff and Newport resignallings are planned to follow and are likely to be combined to form a major new South Wales Signalling Centre in due course. All three large signalling installations in South Wales were commissioned last in the 1960s and are in need of attention. Signals, cables, wiring, control panels and interlocking relays are almost life expired. Port Talbot panel will be resignalled by Christmas 2006. The outline design is completed and negotiations with our industry partners are underway to confirm the chosen layout and access to do the work. The SRA have determined that there shall be no enhancement element to this particular renewal, although Network Rail shall include an element of reversible signalling (Margam–Bridgend) to assist with maintenance opportunities and performance recovery. Line speed of 100 mph and twin/four track will be retained throughout as at present. A number of minor layout improvements will be made and there will also be a rationalisation of the layout that will reduce the number of crossovers and sidings, currently under utilised, in an effort to improve efficiency and train performance. Pencoed road level crossing will be converted to CCTV operation following on from its recent refurbishment.

Plans will soon be developed for the next major renewal of Newport Panel signal box in the following three-year period with a view of completing 2008–10, subject to the availability of funds.

Other smaller schemes such as the upgrade and renewal of St George's Level Crossing near Cardiff is likely to be undertaken as part of the ongoing renewal programme.

3. STRUCTURES

There will be a wide variety of renewal and repair works to underbridges and overbridges along the Main Line. Strengthening of abutments, earthworks and drainage improvements are also programmed at various locations along the Main Line. Work will be undertaken on the River Usk, River Neath and Landore Viaducts.

Major work costing £4 million will be undertaken to stabilise the rock cuttings on the approaches to Chepstow on the route joining route 3 at Newport.

Annex 2

CREWE–NEWPORT (VIA SHREWSBURY)

Double track throughout with linespeeds of 75 to 90 mph.

1. TRACK

Renewals will be undertaken on a condition led basis, and where justified, improvements made to increase junction crossing speeds.

In the next three years 4,100 yards of new track costing just over £2 million is expected to be re-laid at Maindee North (Newport), Pontrilas and Llantarnam over the next three years. A further £ $\frac{3}{4}$ million is planned to be spent on resleepering and re-railing with new ballast where necessary over a further 2,000 yards of track between Newport and Hereford with a further £1.3 million for 3,000 yards of track between Hereford and Shrewsbury.

2. SIGNALLING

Western end of the route controlled by Newport panel signal box, which is likely to be renewed in 2008–10.

The rest of the route is controlled by 24 mechanical signal boxes, Pontrilas, Tram Inn, Church Stretton and Marshbrook will be reviewed over the next three years. No plans for any major signaling schemes. (Note freight traffic is in decline post Corus cutbacks, so easing previous capacity constraints on the route).

3. STRUCTURES AND EARTHWORKS

All structures and tunnels will be maintained to ensure they are fit for purpose with attention to drainage and culvert repairs as necessary.

St Julian's River Viaduct will be repaired and strengthened in 2004–05.

Embankment stabilisation works are also planned over the next three years at Llanvihangel, Nantwich and Pinkwood.

Annex 3

CAMBRIAN LINE—SHREWSBURY TO ABERYSTWYTH AND PWHELLI

Single track railway with occasional passing loops.

1. SIGNALLING

Discussions are underway with the Local Authorities and the Welsh Assembly to remove three level crossings by means of a new road construction with a view to commencing work in the next two years.

The telephone concentrator at Machynlleth which serves 42 user worked crossings is being renewed this year.

The Cambrian Line is under consideration as a trial site for the application of Regional ERTMS.

2. STRUCTURES AND EARTHWORKS

This route presents a real challenge with many timber structures and sea defence works. This year work will be undertaken at 10 sites to rebuild sea walls, timber viaduct repairs and rock face protection. One item alone at Friog will cost £2 million to stabilise the rock face.

Annex 4

CREWE TO NORTH WALES LINE

This route is two-track railway except for the single line Blaenau Ffestiniog branch and short sections between Stockport and Chester. Linespeeds range from typically 40 mph or 50 mph on branch lines up to 90 mph on the main line.

The following note excludes the specific issues related to freight and Blaenau Ffestiniog as these are covered in Annex 7.

1. TRACK

From Bangor to Holyhead there is a significant amount of older jointed track, gradually being replaced as priority dictates. For the slower Blaenau Ffestiniog and Bidston-Wrexham branch lines the approach is resleepering and rerailing as necessary. Some of the track on the Llandudno-Llandudno Jn section is approaching life expiry and is proposed for renewal.

Work is planned for 2004–05 including re-railing and steel sleeper relaying at the Britannia Bridge.

For the Blaenau Ffestiniog and Bidston-Wrexham branches, any significant increase in tonnages would need a review of the maintenance and renewals regime.

2. SIGNALLING

The policy for this route is to maintain the integrity and availability of the signalling. To achieve this a targeted programme of signalling works will be developed. Signalling renewals will concentrate on maintaining the current safety integrity with condition driven core renewals. This will include signal box re-wiring, interlocking renewals and level crossing replacements.

We will look to renew both mechanical signalling and obsolete signalling technology when identified for renewal in modern equivalent form and we are developing a prioritised programme to fit event monitoring equipment.

In 2003–04 and 2004–05 we plan to abolish Mold and Sandycroft signal boxes, resignalling the area presently under their control and transferring it to Chester PSB. The current method of signalling using absolute block and semaphore signals will be replaced by three aspect colour light signalling with track circuit block.

Other work includes the renewal of Gaerwen level crossing in 2004–05.

We are working toward completing TPWS fitments by 31 December 2003. As the majority of the project is now complete, the remaining work to achieve this consists mainly of installation of TPWS at various speed restrictions.

3. STRUCTURES AND EARTHWORKS

The plan is to maintain the current capability. There is a large amount of coastal railway on the North Wales Main Line, which is vulnerable to failure due to washout of sea defences. We have therefore developed a coastal sea defence strategy designed to take into account predicted climate and sea level changes. There are also significant lengths of embankments, cuttings and tunnels on the coastal line with attendant asset maintenance issues.

On the North Wales Main Line three bridges between Chester and Prestatyn are being monitored with physical works planned for the medium term. This could include reconstruction.

4. OPERATIONS AND CAPACITY

With the forthcoming additional Virgin services to Holyhead, a review has been undertaken to facilitate production of a robust timetable for the route. Any aspirations for further trains would require additional infrastructure to address capacity constraints, specific work depending on the revised service pattern.

5. OTHER ISSUES

The only passing loop on the Conwy Valley single line is at Llanwrst and is not well sited if any aspirations to run an hourly service are to be realised.

With support from the Welsh Assembly Stena are planning to improve Holyhead station concourse and the pedestrian access from the station to the town, in 2003–04 and 2004–05. In addition Yns Mon Council supported by Welsh Development Agency and Stena have a scheme to improve access from the A55 to the port and town. The scheme has had input from Network Rail and industry partners and is wholly externally funded. It could involve the use of existing sidings as the road's route, and the transfer to a new site of the existing depot facilities. The target date for completion is 2005–06.

We are in dialogue with Yns Mon Council regarding the possibility of procuring a feasibility study to establish the costs of raising the platforms at Valley, Ty Croes and Bodorgan stations.

Annex 5

CARDIFF VALLEY LINES

These routes form the major part of the 150 kilometre South Wales Integrated Fast Transit (SWIFT) system radiating from Cardiff Queen Street. Linespeeds vary from 30 to 50 mph with 70 stations.

1. TRACK

Ninety five percent of the route was renewed over two years ago and is currently being maintained to a high standard. Renewal of switches and crossings to take place in 2004–05 at Queen Street and Barry Town.

2. SIGNALLING

The signal boxes at Ystrad Mynach and Bargoed are likely to be rewired within the next three years. A scheme in conjunction with the National Assembly for Wales is being prepared to remodel and resignal Queen Street in order to provide additional capacity for the proposed enhanced SWIFT services. This work is being funded through the partnership with SWIFT and the National Assembly.

3. STRUCTURES

We are undertaking a major programme of site evaluation and phased programme of works to strengthen cutting and embankments, which are at risk due to flooding and subsidence. Bargoed Viaduct will be repointed and generally repaired. Works are also programmed to repair the subways at Cardoxton and Queen Street Stations, with new stations at Llantwit Major and Rhoose.

A scheme is being prepared to lengthen the short platforms on the Aberdare Line to allow four car trains to operate in order to deal with increased demand.

Both of these schemes have been made possible by funds allocated from the National Assembly.

Annex 6

WEST WALES

Apart from a short section of single line this route is double track to Clarbeston Road, with single track branches to Craven Arms, Pembroke Dock, Milford Haven and Fishguard. The line speeds range from 40 to 70 mph.

1. TRACK

The plain line is renewed on a condition-led basis.

2. SIGNALLING

This is in good order and will continue to be maintained to ensure safe operations.

3. STRUCTURES

The West Wales network is one of the region's most demanding on the renewals and maintenance budget.

A £1.5 million scheme to refurbish Longhor Viaduct is set to commence this year. There is a high cost to ensure the risk of landslides, subsidence, river scour and sea erosion is reduced. Major works are scheduled this year at Cockett, near Swansea and Pibarrwen, near Carmarthen. Flood Impact Reduction works will be undertaken on the Loughor, Amman, Cennen, Towy and Gwili rivers.

A £2 million scheme will be carried out to repair the viaduct at Knucklas. The tunnel at Rhosferig requires over £1 million scheme to reline and stabilise, and an investigation is now to be undertaken to see if the cut and cover tunnel can be removed in order to reduce costs and, more importantly, reduce ongoing maintenance. Major works will be undertaken at Sugar Loaf Tunnel along with another £2 million worth of works at another eight sites. A further £1.3 million scheme is proposed to refurbish the Carmarthen Viaduct and a £1 million scheme will be undertaken to refurbish the River Cleddau Bascule Bridge.

Annex 7

BLAENAU FFESTINIOG AND OTHER FREIGHT ACTIVITIES IN NORTH WALES

BACKGROUND

Blaenau Ffestiniog slate quarry produces slate waste as a by product of their main business. The slate waste or secondary aggregate can be used in certain construction processes and, as it is a by product of another industrial process, does not have to bear the recently introduced aggregates tax. It is therefore a cheaper material than primary quarried material.

Blaenau Ffestiniog is situated in the Snowdonia National Park with a limited local road system, therefore McAlpine supported by the Welsh Development Agency and Conway County Borough Council started to look at rail as an alternative.

The rail route from the quarry to the Manchester area involves the use of a lightly used rural railway as far as Llandudno Junction where it joins the main Holyhead line to England. The first section of route has not seen heavy freight traffic for many years and in order to accommodate the type of traffic envisaged would require strengthening to track, earthworks and structures.

PROJECT TIMELINE

In September 2000 the Welsh Development Agency and Conway County Borough Council commissioned Parkman to produce a study on the rail issues that would need to be addressed to allow heavy axle freight trains. Our predecessor, Railtrack, did not have an input to that study and were concerned at its findings which were published in July 2001.

In November 2000 a report was commissioned to ascertain whether slate waste was a sustainable source of secondary aggregates. Ove Arup undertook this work and Railtrack had a place on the steering group and therefore was able to input to the debate. Concluded in July 2001 the report suggested that a rise of £2.00-£2.50/tonne in the primary aggregates tax would be required to make the product competitive in the Midlands and North West of England.

In the summer of 2002 the steering group again asked to look at the issues surrounding the rail network. After prolonged discussions on specifications, traffic volumes and methods of work (including the operation of a trial train) the remit for the scope of the study was agreed in February 2003. Network Rail on this occasion played a full part in providing remits, recommending contractors and providing project management and review resources.

The remit which was delivered in July 2003 concentrated on the cost of upgrading the track to take the heavier traffic on the basis that if this element proved too expensive the whole project would fail. The report suggested around £11 million of track work would be required to accommodate the traffic on offer. Although this exceeds the funding that is thought to be available three more remits have now been completed to look at signalling, telecoms and power supply; earthworks; and buildings and structures. The steering group have asked for this to be completed by the end of November 2003 which will be challenging.

FINANCING

There has been a lot of publicity about the numbers surrounding this project. The Parkman report suggested the route upgrade would cost between £11 and £17 million including £1.3 million for track and £8 million signalling. Parkman's signalling cost is believed to be excessive and the remit currently out to tender will clarify if this is the case.

The sum of £230 million which has been reported in the press related to a matrix provided to help the group select the most appropriate feasibility works to carry out with their limited funds and was never intended to be used as a costing for carrying out the actual works. For example it included the worst case scenario of all the embankments along the route needing to be strengthened, an unlikely event, but one that could only be properly eliminated by carrying out the appropriate study. Again this will be clarified in the latest tranche of remits.

Funding is still being discussed; the rail enhancement work is expected to come from the Welsh Assembly, and European grants, with the SRA funding a small amount of English terminal work. Freightliner has invested in wagons although these can be deployed elsewhere in the rail aggregates market. MacAlpine are prepared to invest up to £6 million in new terminal facilities although it is not clear how much of this would be exclusive to rail.

OTHER FREIGHT ACTIVITIES

Other initiatives that Network Rail has undertaken in support of freight in North Wales in recent years include:

- Offered free track access for trial traffic through Holyhead.
- Offered free land use for trial traffic through Holyhead.
- Sought to protect the access for future rail freight traffic to Holyhead as the port is redeveloped.
- Part financed a study into potential rail freight growth in Central and Mid Wales.
- Sat on the steering group for the study into slate waste as a sustainable source of secondary aggregates.
- Run an inspection saloon train on the Conwy Valley line to assess track condition.
- Facilitated the operation of a trial train on the Conwy Valley line to simulate the operation of full size slate waste services. This involved the rescheduling of our own engineering works on the route.
- Carried out all work prior to the current feasibility work on track works required to accommodate slate waste on the Conwy Valley free of charge.

THE CONDITION OF SEVERN TUNNEL

Annex 8

Between April 1999 and December 2002 an extensive programme of renewals was been carried out in the Severn Tunnel.

This work consisted principally of:

1. Renewal of rails, sleepers and ballast on both lines throughout the tunnel.
2. Extensive brickwork repairs.
3. Refurbishment of the 6ft drain.
4. Provision of additional drainage measures to control the water that ingresses into the tunnel.

Following this extensive programme of work the Severn Tunnel is in good condition to continue to perform its role as the major rail link between England and South Wales.

As with all assets of this magnitude and strategic importance there will need to be an ongoing programme of maintenance and renewal to keep the Severn Tunnel in a fit for purpose.

Witnesses: **Mr Ian Coucher**, Deputy Chief Executive, and **Mr John Curley**, Regional Director for the Great Western region, Network Rail, examined.

Q305 Chairman: Welcome, Mr Coucher and Mr Curley. Just for the record, could you introduce yourselves, please.

Mr Coucher: My name is Ian Coucher; I am the Deputy Chief Executive of Network Rail.

Mr Curley: I am John Curley; I am the Regional Director for the Great Western region of Network Rail.

Q306 Mr Caton: Can we go straight to the question of investment in track and stations. Who is responsible for funding any major investment on the railways? Is it the Strategic Rail Authority, Network Rail, the UK Government or in some way all of them?

Mr Coucher: When it comes to investment in renewals on the railways, the whole country, that is Network Rail. We are funded through a funding arrangement supported by the Ofrail Regulator which combines two sources of income: the income from track access agreements with our train operating and freight operating customers and grants from the SRA. When it comes to enhancements, those are funded directly by the SRA.

Q307 Mr Caton: How is the National Assembly for Wales included in the decision-making process on these matters?

Mr Coucher: The SRA takes responsibility for oversight of the railways in its entirety, so it is the responsibility of the SRA to coordinate input from the Welsh Assembly.

Q308 Mr Caton: So, you do not have any direct communications with the National Assembly or the Welsh Assembly Government?

Mr Coucher: We do have a good relationship with the Welsh Assembly but decisions about investment is driven on a national arrangement with the Strategic Rail Authority.

Q309 Mr Caton: What sort of things would you be talking to the Assembly about?

Mr Coucher: The issues that relate to investment in the Welsh areas when we are doing activities and works that affect the constituents of Wales.

Q310 Dr Francis: If we could move on specifically to the South Wales mainline Paddington Route, in November 2001, Mike Carroll from First Great Western told this Committee that, in their view, infrastructure on the South Wales mainline is below average compared with other mainlines in Great Britain. How would you respond to that?

Mr Curley: I think the background is that, if you take the Great Western mainline in total, the Paddington through to South Wales at least as far as Swansea, that route was fundamentally renewed from 1965 through to about 1973. So, it is between 35 and 40 years old. So, in age profile terms, it is possibly the oldest highspeed mainline in this country and one of the oldest ones in Europe. We have been engaged over the last three years in

making the case for the progressive renewal of that highspeed route. We have secured the funding over the last two years and we have made a substantial start on that process, but we do start from a point where it is very much near the end of its life. That means that we have a high maintenance input to try and maintain an acceptable level of reliability in the short term. We have a significant challenge in the medium term to renew a considerable volume of the track and to start to renew the power box signalling. So, against that background, reliability three years ago was at the lower end of the national picture. We have improved our performance, the infrastructure performance, in Wales over the last three years, it has improved year on year. It is again improving this year and I would say that today it is approaching the national average for a mainline and, in the context of its age, I think we are doing quite well.

Q311 Mr Edwards: Can you tell us about the primary track problem areas between London and Carmarthen and what is being done to improve things?

Mr Curley: There are, I think, probably four generic issues to cover. The first one is the age of the track. I have just touched on that. The principal area in which this impacts upon day-to-day operations is about the age and the quality of the ballast. The ballast that holds the railways in place is now 30/35 years old and it is life expired. That means that it is harder to hold the geometric alignment of the track in place. In simple terms, new railway ballast is large angular lumps of rock which knit together firmly and secure the sleepers. As it ages over time, minute levels of movement cause that ballast to wear and start to degrade. You get two effects: the lumps become less angular and more rounded and the abraded material starts to fill up the spaces in the ballast. That has two effects: firstly, *in extremis*—and this is just to give you a visual model—you go from something which when it is brand new is sitting on angular bits of rock that lock together to something when it is worn starts to look like a collection of marbles. So, the ability to pile that ballast up and hold it rigidly in place becomes harder. So, whereas with good brand-new track you can tamp it (align it) once a year and it will hold in position, we are now having to tamp this track three or four times a year just to keep the geometry. The second thing is that this build up of abraded material destroys the drainage through the ballast, so that, when you get wet weather, what builds up is pools of slurry which is made up of the abraded material plus the water that cannot escape and you will see, if you travel on the South Wales mainline, patches of what are called wet spots, quite white areas where the ballast is degrading. Our renewal programme which we are now getting under way with is planning over the next seven or eight years to change out that ballast. In the short term, we are repeatedly dealing with short sections where we have ballast problem. If it degrades too far, we need to put on a restriction in the line speed to lower the speed of trains compatible with the state of that bit of track until we

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can put it right. So, that is the first cause of poor performance. The second issue is about the embankments. In the core section of the Great Western, Reading in the west, Gloucester in the north through to the tunnel mouth, the Severn Tunnel, and down towards Taunton, the railway was built by Brunel basically on clay embankments, so it is cut-and-fill material which came out of the cuttings to make the embankments. That clay reflects the weather. When it is wet, it becomes semi-fluid and mobile and when it is dry, when there is a very dry summer, it starts to shrink and crack. When it was designed and built, a lot of drainage went into these embankments. About 50 years ago, and this is nothing to do with privatisation, but this is a post-war issue really, people stopped maintaining the drainage. Post the death of the steam train, vegetation grew, so over the last 30 or 40 years a number of factors have started to reduce the stability of the embankments. Another issue is that over the 30 years since the Great Western was last renewed, partly to tackle the ballast degradation, we have run out more and more ballast on top of the embankments and again one of the issues is that we now have tens of thousands of tonnes of deadweight of ballast sitting on top of less than stable clay embankments. Therefore, in a number of places we have embankments which are slipping, cracking, changing, and over the last three years, hopefully some of you will have noticed, there has been a major step-up in a programme of significant civil engineering issues to address those embankment issues. If you go down the Main Line today, you will find half a dozen worksites where we are effectively rebuilding the embankments. Again that is a programme over about the next seven years. It is done on a risk-assessed basis. We start with the sites where we know there is a greatest risk of failure and we are addressing that, but again some of those sites where they slip unexpectedly, then there are speed restrictions. The third issue in the last twelve months has been the erratic performance of our electronic signal box at Slough. This was commissioned in the early 1990s. It was a fairly early IECC, [integrated electronic control centre], and we have had a growing number of problems with the software in the signal box. Because of the nature of the design of all railway signalling systems, if there is any irregularity in the way in which the system works, it fails in a safe manner and, therefore, when we get unusual data messages in the software, it effectively puts the signals to red and stops the trains, so there is no safety issue in this, but there is a big performance issue until we then go and restart it. Now, over the summer we have done a lot of work both on the hardware and the software in that signalling centre which we commissioned on the August Bank Holiday weekend. In the previous nine months, it failed 33 times. Since we have commissioned the revisions in August, we have not had a failure, so I am growingly confident that we have fixed that particular problem. The fourth issue, which we may come back to, as you are no doubt aware, we have taken back inhouse the control and delivery of maintenance in the Reading contract

area. We did that for a number of reasons, one of which was a deterioration over the previous twelve months of the performance of the infrastructure in Reading. Now, we never expected to be able to turn things around overnight and it has been a difficult first five months as we have put it inhouse. We have managed to put in place a lot of what I believe are improvement actions. We have more staff on the ground, we are improving the training and competency of those staff, improving the management, and prioritisation of the work we are doing, and I think we are beginning to see in the last four to six weeks a stabilisation and some early signs of an improvement in the performance in the Reading area. There is still a long way to go, but that is the fourth big issue in turning around the Great Western Main Line.

Q312 Chairman: Given that those are the major problems, can you give us any kind of idea of when they are likely to be completely sorted out?

Mr Curley: We are still working through at the detail for the Great Western of our allocation of funding following the indicative determination from the Rail Regulator. My understanding at the minute is that the rebuilding of the Great Western Main Line track is probably about six to eight years' further work. From the autumn of this year we will be bringing on stream on Great Western the next generation of high-output track-renewal equipment. That potentially will give us a step change in the rate at which we can do the work. We need to sit down with the SRA and the franchise operators to make sure we can get the necessary access to realise the full productivity of that equipment, but that potentially starts to enable us to do the annual volumes, required over the next six to eight years. We think that we can crunch our way through something like 1,000 miles of track. In terms of the maintenance turn-round in Reading, I think we are looking at an 18-month agenda to get to where we want to be, but I think we have stabilised the position and it is now a going forward. As I have said, I believe we have fixed the signalling centre problems. The embankments are, to some extent, funding-determined, but I am seeing that as a five to seven-year programme.

Mr Coucher: Can I just say a few other words, that this part of the network is now different from the rest of the railway where there has been a backlog of investment built up over time through under-investment. We have got the funds to sort out the Great Western and it is the next major route that we are looking at. Six to seven years is not because it is going to simply take that long to do for any other reason than we simply cannot get the access. We can either close the railway down for long periods and upset many people coming from Wales and up the Great Western corridor, or we have to do this work at night and at weekends. It does not mean to say that it is unsafe, it does not mean to say that it is not being maintained, but it is just old railway and the expenditure associated with maintaining an old railway is quite high, so we will continue to spend the money and funds there.

Q313 Chairman: Do we have any idea of how much money you are likely to spend over the next six to seven years and where it is coming from?

Mr Curley: On Great Western or in Wales?

Q314 Chairman: The Welsh routes, that is London to Wales.

Mr Curley: I think we can probably give you two numbers which do not quite equate to either. I can give you the Great Western number and I think Ian has got the Welsh number.

Q315 Chairman: We can add up!

Mr Curley: We are spending broadly around half a billion a year on Great Western as a Great Western region and that is across the day-to-day cost of operations, the staff to run them and so on, the cost of maintenance and what we are spending on renewal. Now, that will change slightly with the outcome from the regulatory determination and it is a significantly higher level than anything over the last 10 years, so whilst there is talk about who wanted what and who has got what, in terms of the Great Western this year and next year we will be spending at a level which is considerably higher than anything that has been seen in the last 10 or 15 years.

Mr Coucher: And on a national basis. We are spending roughly £4 billion a year on operations, maintenance and renewal and that is projected to continue at that sort of level going forward. We spend roughly 4% of that in the actual Welsh area itself and that equates to roughly 4% of the rail network as a total, so it is broadly consistent across the country.

Q316 Mrs Williams: Bearing in mind what you have just said, what difference would you say between £10–20 million would make at a few places—Patchway speed limits, the Severn Tunnel and so on? What would be your main priorities?

Mr Curley: Are you talking about enhancement-type activities?

Mrs Williams: With the sum of £10–20 million, what would be your main priorities?

Q317 Chairman: If you had a Lottery win.

Mr Curley: We have got a group called the Great Western Joint Board where we sit down, ourselves, the train operators and the SRA. It has been running for about 15 months. It is a constructive and positive forum and one of the things we have been trying to do in that Joint Board is to take a sensible view of Lottery wins, if you like. There was this period when everybody was looking at whether we were going to build a west coast modernisation on the Great Western. Well, we are not. We are progressively modernising and rebuilding Brunel's railway which is not bad as a base case, and we are looking for where we can sensibly tweak it to take out pinchpoints, areas where we get congestion, and we are looking at imaginative ways of securing the funding to do that. Now, the first thing we came up with was the opportunity to build what has become platform four at Swindon. For the best part of 30 years any train heading west through Swindon has

had to weave to the north side of the station. We identified the opportunity to build platform four and we went from identifying it, talking about it and doing it in about eight and a half months which was quite challenging and, against the run of events, it is a project which we actually delivered on time and marginally under budget, so that is the first one and we have done it. We have then worked with the SRA on Filton Junction. It is a question of effectively redoubling a junction which was singled back in the 1960s or 1970s. It is a key junction as you come north out of Bristol, and at the minute it comes down to a single line at one point in the junction, which means you can only go one way at a time. The essence of the scheme is to put it back to a double junction so that trains can actually pass through the junction. We have agreed with the SRA how we are going to do that and we have secured funding with the SRA for that and that scheme will be implemented next year. The third one on the list is Prolrus to Burngullov which is in Cornwall, but again in terms of priorities between ourselves, the SRA and Cornwall County Council, it is European funding, we have identified how to take that one forward, with European Funding. There are a number of schemes in Wales where we are working with the Welsh Assembly Government, the Vale of Glamorgan Scheme and a number of others, so there are some live schemes in Wales. The next ones that we are looking at are improved capacity through Parkway Station and the possibility of some intermediate signalling in the Severn Tunnel. Now, there the next one is coming up in the queue and we are at the stage of some early feasibility work along with the SRA to establish whether there is actually a business case to take any of these forward.

Mr Coucher: If I could just add a little bit to that, we have got sufficient money to be investing in the renewal of the railways, but our problem is one of access to the railways and taking trains out of service to enable us to do that work. If there was a windfall, and I am not suggesting that there might be, but this would be down to you to tell us where you want it and there are simply two choices you can make. You can either improve the lot of the general passage day to day or you can enhance the network to the benefit of new customers in places like Ebbw Vale and reconnecting old parts of the railway, so it would really be down to you to decide what your priorities would be.

Q318 Chairman: I take it you mean us as politicians, not Betty Williams?

Mr Coucher: Anybody with a large amount of money to spend, you tell us where you want it.

Q319 Mr Caton: I think your forum must be working to some extent, Mr Curley, because we took evidence from First Great Western and a lot of the work that you have just listed were priorities for them as well, but perhaps I can just run through the things that they listed as being best able to significantly enhance their service. It was dealing with the speed limits at Patchway (Bristol), the capacity limitations at Bristol Parkway and also

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Filton Junction, both of which you have just mentioned, the Severn Tunnel where they think train throughput could rise from eight trains per hour to 16 trains per hour, and I suspect that is what you were talking about with the signalling improvement, and layouts at Cardiff, Newport and Swindon. Have you made any assessment of what investment would be required for that sort of work at each of these locations? Clearly you have for some of them?

Mr Curley: Yes, it is roughly as I have described. Swindon we have done, Filton is fully priced and agreed and we are now into the delivery stages with SRA funding that. Parkway is in a very early feasibility stage of broad orders of magnitude. We then need to sit down with the SRA and establish whether they are prepared to fund taking that further through the development phase, so I am reasonably optimistic on that, but that is the next hurdle to cross. The Severn Tunnel intermediate signal, there are a number of issues to explore on that, and principally a discussion with the safety regulators around the issue of: if you have an intermediate signal in the tunnel, then something is going to come to a stand at it. There is not much point in having a signal if occasionally something does not actually end up standing at it. We want to explore the view of the safety regulators about getting to a position where perhaps trains are regularly brought to a stand in the depths of the Severn Tunnel. I do not actually think there is a real safety issue, but there may be a perceived safety issue, so I think we need to work through that one as it has been one of the concerns around that scheme for a number of years. Cardiff and Newport layout is a rather different issue. The scale of both the opportunity and the difficulty of those locations is such that any significant change would only come on the back of renewal, so this is about understanding a phased strategy which is to renew the South Wales Main Line signalling system. We have already started with the early stages of Port Talbot and again one of the discussions we are having with the Rail Regulator is about the forward funding of the power box renewal strategy, but at some point that provides the key that unlocks the ability to make a change in Cardiff and Newport. What we will then need to do is sit down with the SRA and the Welsh Assembly Government and say, "Look, our basic funding for the renewal obligations covers so much of this. What else are you interested in having and how far are you able to fund that?" That is the level of the discussion at the minute, each of us trying to establish the points in time when the windows may open and, therefore, working back from that when do we need to start to have the early discussions about the opportunities, and clearly Newport links with things like the Ebbw Vale line scheme and so on.

Q320 Mr Caton: I hear what you are saying there. At what stage do you do the costing because obviously if you go to the Welsh Assembly Government or the SRA, you have got to have at least a ballpark figure in mind, so for each of these projects when would you do the costing?

Mr Coucher: Let me just explain the process by which we evaluate any kind of new schemes. We have a very structured methodology by which we assess the costs and we go through an initial four stages where we get indications of cost and then authority to proceed to the next stage if the general view is that it will be affordable when we get to the end. That process is done in conjunction with the SRA for most enhancements and, therefore, we have a very quick early indication about the costs of proceeding with a project. They, the SRA normally, would say, "Yes, we are prepared to fund it to the next level of investigation", and that process takes us right the way through to a point where we finally commit to a project. What we are trying to do is to make sure that people do not waste time, effort and money doing speculative work which is never going to be affordable at the end of it. That process is normally done with the SRA. They hold the master list of enhancement projects, but every now and again we get other projects from outside organisations, train companies that want to do something, the Scottish Executive, the Welsh Assembly who say, "We would like to look at doing this project" and the same process would apply with an early indication of what it might cost and then agreement to proceed to the next stage.

Q321 Chairman: I think actually Mr Caton was trying to establish the actual amounts of funding. Would you have those figures?

Mr Coucher: We will be able to give you an indication of what we have already provided through this process if you want.

Q322 Chairman: Would you be able to do that by post?

Mr Coucher: Yes.

Q323 Dr Francis: In your memorandum to the Committee you imply a line speed of 100 miles per hour between Bristol Parkway and Swansea. Is that the actual present situation or is it an aspiration?

Mr Curley: Whilst there are some areas of lower speed, it is broadly 100 now.

Q324 Julie Morgan: First Group proposed in November 2002 a high-speed train service which would reduce the journey time between London and Cardiff to 50-plus minutes and to Swansea one hour, 40 minutes. What changes to the track would be necessary to run such a service? How long would it take to upgrade the track?

Mr Curley: This is a study First Group have been doing about potentially building a brand new railway line. We have had no involvement in this exercise.

Q325 Julie Morgan: So you do not have any information at all?

Mr Curley: I have no involvement in it at all.

Q326 Julie Morgan: If that plan was given the go-ahead, would it require public funding?

Mr Curley: I have not seen the proposition and I do not know.

Q327 Julie Morgan: To go on to the late-evening service from Paddington to Cardiff, up until last year there was a late-night train at 23.45, a quarter to twelve in the evening, and since September 2002 this has been curtailed to 22.10. Are there any engineering reasons relating to the Tunnel or to other works, such as the embankments which you mentioned earlier on today, which restrict FGW from reintroducing the 23.45 service?

Mr Curley: There are a couple of factors in here. Clearly there is a business judgment from the train operator about the commercial value of the train. There is certainly pressure from us to gain extra evening engineering access. Against the picture I described earlier about the volume of work we are trying to do, which is balancing the two things, renewing the old railway, but maintaining it while we still have it, I need to try and get more work done and I need to get more work done at a fairly rapidly reducing unit cost. That is my challenge from the Rail Regulator and from government. One of the easiest ways of understanding the unit cost argument is to say that if you take the Barlmington line which is the line which turns right at Swindon and goes through Bristol Parkway towards the Severn Tunnel. Traditionally I have got about five and a half hours' overnight access to that in between the last train and the first train and allowing for postal trains and a few other disturbances. It takes broadly about an hour and a half to set up a safe worksite, that is about making sure the trains have gone, technical workers getting the equipment on the site and we are talking about heavy equipment here, things that can change big, heavy concrete sleepers, things that move ballast and so on. It takes about an hour to clear that equipment away, so two and a half hours is dead time. Therefore, out of the five-and-a-half-hour window, I get about three hours work. If I can get another hour on the window, three and a half hours' work becomes four and a half hours' work, so the marginal extension of those overnight windows is a very significant step in improving the productivity. Now, we have been having a dialogue and I have to say as a start point, not to apportion blame, but so that you can understand where we came from, that about four years ago because of the level of activity on Great Western in terms of maintenance and renewal was about 50% of what we are now delivering. The windows to do the work had shrunk around the diminished volumes of activity. As we have started to ramp up the level of activity to something which is, I think, about where we need to be to sustain it as it is and renew it, we have had to try and push those windows back out a bit to get the volume of activity up to a level we are currently at. There are one or two areas where we need to push it a bit further to get the sort of productivity we need and certainly to start the campaign of renewal of some of the track. That is a dialogue we are currently having with the train operators and with the SRA. I think that some of the flexibility that has been missing in the past is that realistically I would not

wish to accommodate some of these late-night trains every day of the week. Conversely, I do not necessarily need the longer engineering period every day of the week, so it may be that some of the debate about late-night trains could sensibly focus on maybe running them on Thursday and Friday, but not running them on Monday, Tuesday or Wednesday. Now, it may be different answers in different situations, but I think it is one of the areas where, with the operators and the SRA, we have got to find some more flexible solutions because the blanket same pattern Monday to Friday has not actually served us too well in this respect.

Q328 Julie Morgan: So what you are saying is basically that you do not support a later train going to Cardiff because it would interfere with the amount of time you would have to do the engineering work?

Mr Curley: It is another constraint to what is already a difficult pot.

Q329 Julie Morgan: Because there is concern in Cardiff that Bristol does have a later train which leaves at a quarter to twelve, whereas for Cardiff it is 10 past ten. The fact that that train goes to Bristol does not affect what you want to do.

Mr Curley: Well, there is always a cut-off point as to where the last train is. Part of it is what I need and part of it is the service from the train operator. I am quite happy to have an ongoing discussion, but that train was identified as one that was the outer boundary of the problem for us. The other thing just to understand of the South Wales Main Line is that there are multiple issues. The Millennium Stadium in Cardiff is a major constraint on what we can do at the weekends chiefly since it has become the English National Football Stadium *pro tempore*. There are a growing number of major events at the Millennium Stadium where we have tried to avoid closing the main line on the appropriate weekends. It depends on the nature of the event and the timing of the event, but if you went back three or four years it was basically the home nation's rugby internationals and that was it, but we now have things like the FA Cup Final where you never know accurately which teams are coming from where, so effectively you end up sterilising half of the western side of the railway network for the weekend with no engineering work because you do not know who is going to turn up. Therefore, the South Wales Main Line is more constrained than some of the others in terms of the weekend planning. We have got the Severn Tunnel which is a pretty high maintenance railway asset and we also have, and this may change, a core of postal services on the South Wales Main Line which again have a very tight, immovable contractual commitment, so there are far more constraints on the South Wales Main Line than on some of the others and it has over the years constrained our ability to deliver the volume of work we needed to.

Q330 Julie Morgan: Certainly on the Millennium Stadium, I know there was a great deal of concern about the closure of the Severn Tunnel main line for

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the England v Wales rugby match where I think there was quite a lot of notice that that was likely to happen. I think that that has got another side to it from what you have said.

Mr Curley: There was an issue on the match that had a late kick-off time which was an issue about being able to handle large volumes of people late in the day. Now, there has been a series of meetings subsequent to that with the Millennium Stadium and with the Welsh Rugby Football Union. The reality of life is that there are multiple pressures on these things about the timing and staging of events. Our planning horizon for these major engineering works is 18 months to two years and whilst a fair bit of the sporting calendar works on that horizon, there is quite a bit that works on a much shorter horizon. Where we do get difficulties, and despite our best attempts to talk and liaise, is where we have found, for example, a major piece of work in the Severn Tunnel and we would be planning that for about two years before actually doing it and we discover three months before the weekend we are going to do it that somebody has arranged a major event at the Millennium Stadium and they would like us to keep the railway open. Now, if that happens, then it is very difficult to handle things because we plan that work.

Mr Coucher: Can I just say that decisions about closing part of the railway are not for us, but that is for the train operating companies. We would say to them, "We would like to do this piece of work. Please can we close the railway to do the work?"

Q331 Julie Morgan: I believe that there has been some commitment that the trains will run when major events take place.

Mr Coucher: Yes, but the point that Mr Curley was making is that once they agree that we can do this work, then they cannot very easily at short notice change it, bearing in mind it takes two years to plan it, and if they do do it, we do try our best to accommodate it, but the work will then get put back because it goes to the back of the queue again and it is a very, very difficult balance and we try to manage it.

Q332 Julie Morgan: On the Severn Tunnel, you say that "following an extensive programme of work . . . it is now in good condition to continue to perform its role as the major link between England and South Wales". Can you confirm that no further work to the Severn Tunnel is necessary in the foreseeable future?

Mr Curley: Absolutely not. It is a large black hole under a very wet river. If we do not pump it continuously, it will flood in about three and a half minutes. We have managed to pump it continuously for 100 odd years, so do not worry about that.

Q333 Julie Morgan: Why do you say it is in good condition then?

Mr Curley: But it is a high-maintenance asset and we have to be in there every year doing something.

Mr Coucher: But it is in good condition. It needs constant attention to it.

Q334 Julie Morgan: But in your memorandum it implies that you have done a lot of work and you have reached something that is in good condition.

Mr Curley: Yes, and we are going to keep it like that, but that means continuous input.

Q335 Julie Morgan: To follow up the question about the late-night train, could the late-night train from London on certain days run through Gloucester to Cardiff and south Wales when the tunnel is not open?

Mr Coucher: That would be an issue for the train operating companies.

Q336 Julie Morgan: Would you think that was feasible?

Mr Coucher: Yes, that would be feasible, but again we would have to talk with the train operators.

Q337 Julie Morgan: There are not any problems that you could foresee?

Mr Coucher: I do not think so, but it depends what else is running to Gloucester, what else you would have to take off. It is a bit of a jigsaw that you have to try and move around, but we always try and accommodate the train operating companies. They are our customers and if they come to us and say, "We want to run a late-night train via Gloucester to south Wales", we will and accommodate them. Sometimes it is not always possible, but we will do our very best and have people plan it.

Q338 Mrs Williams: Just going back to the question Ms Morgan asked, what do you consider to be a reasonable time of notice that sporting people should be able to give you? What would you consider to be reasonable? I think you both said two different things, if I recall. You mentioned three months.

Mr Coucher: We said that we plan our week two years in advance.

Q339 Mrs Williams: Yes, I understand that.

Mr Coucher: And we would very much like to stick to that horizon. It is very difficult to change it at short notice. We always do our very best to try and accommodate changes, but it is very difficult.

Q340 Mrs Williams: What do you call "short notice"?

Mr Coucher: Less than three months or six months. It adds costs. If somebody wants us to do something at short notice and we have already bought materials, purchased stuff, arranged for people to be there, it simply adds costs. We are under enormous pressure to bring the costs of the railway down and the way we bring the costs of the railway down is careful, long-term planning and when we get short-term changes, whilst we do our very best to accommodate them, it does add to our cost base, so we would like as much notice as we possibly can get, but we understand that sometimes in certain circumstances that is not going to be possible and the

Millennium Stadium is a classic case where we are never quite sure where people are going to come from.

Q341 Mrs Williams: Can we move from south Wales to north and mid Wales now. Mr Chris Green of Virgin Trains suggested to the Committee that significant improvements would cost in the region of tens of millions of pounds and, by implication, small expenditure levels in total. Do you agree with these sorts of level of funding?

Mr Coucher: You are suggesting tens of millions of pounds for expenditure on upgrading the line from Holyhead to Liverpool? Yes, those are the sorts of sums of money—

Q342 Mrs Williams: Did you say Liverpool?

Mr Coucher: Well, along the north coast of Wales going to Holyhead.

Q343 Mrs Williams: We consider the North Wales Main Line to be running from Holyhead to Euston which does not go to Liverpool, but goes through Chester.

Mr Coucher: Yes. Yes, there is a very significant programme of investment up there. We have done a lot of investment to enable the new Virgin Trains to run up there. That investment has been complete, but if they want to run even more services over and above that, it may well run into tens of millions of pounds.

Q344 Mrs Williams: When will the line speeds on the North Wales Main Line be improved to allow for Virgin Trains to travel at least at 100 miles per hour on that line?

Mr Coucher: We have got a programme which we have agreed with Virgin on the overall line speed improvement, but I will have to come back to you on the specifics of that.

Q345 Mrs Williams: You are not able to tell us today?

Mr Coucher: No, I do not think so.

Q346 Mrs Williams: Richard Barclay said in evidence in July that no enhancement will take place on this line. However, recently Mr Chris Green has given us different news.

Mr Coucher: I would have to defer and come back to you on that.

Q347 Chairman: Yes, would you?

Mr Coucher: Yes, of course.

Q348 Mrs Williams: Again on the South Wales Main Line, it is classified as a primary route in Wales. The North Wales Main Line is classified as secondary in the maintenance standards requirements set down by the SRA. Why is the North Wales Main Line classified as a Euroroute and not a primary route?

Mr Coucher: It should be classified as a Euroroute, but classified as secondary. The secondary route, primary route classification is a function of the type

of trains and the frequency of trains, not necessarily the type of trains, so it is driven by the number and the size and width of trains.

Q349 Mrs Williams: Could you elaborate on that?

Mr Coucher: The standards by which we maintain the railway is really a function of the wear and tear on the railway. The more heavily used it is, the more frequently you have to inspect it, so if you have got something which is running day in, day out very heavy loads, we would maintain it more frequently and inspect it more frequently. If you have got a situation where you have a tiny rural route which is used four times a day, the inspection regime clearly does not have to be quite as frequent.

Q350 Mrs Williams: Can I stop you there. You will be familiar with the Holyhead to Euston route?

Mr Coucher: Yes.

Q351 Mrs Williams: The question I am asking is about that route, so you will be very familiar with its condition and the trains that run along it and that is why I am asking you the question.

Mr Coucher: Yes, so the bit between London and Crewe and Chester where it branches is very heavily used and that is classed as a primary route. Where it branches off there, the train frequency and the train loading changes and, therefore, the simple classification indicates how frequently we will maintain certain assets along the railway and that is the classification of primary and secondary routes and that is the only thing that makes them different.

Q352 Mrs Williams: Again on that route, can I ask you is the work at Penmaen-bach on schedule?

Mr Coucher: I believe so, but I will come back to you on that.

Q353 Mrs Williams: You know where I am talking about?

Mr Coucher: I am not sure about the precise location of it, but I was told in preparation for this that that was on schedule.

Q354 Mrs Williams: Can you confirm that in writing?

Mr Coucher: I will come back to you on that, yes.

Q355 Chairman: This designation of secondary on the North Wales Main Line route, does that impinge on this increase of speed or not? We are quite worried that Virgin are not allowed to use their trains at the maximum potential, so if it is a secondary route, does that actually mean that they will not be able to—

Mr Coucher: No, the classification is really an internal measure which says that if the frequency and the speed and the size of the trains suggests it is going to wear out more often, then we need to do more maintenance. It is not the other way around. We will not limit the trains by secondary route or classification. Classification is driven by the frequency of trains using it.

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Q356 Chairman: So this definition is not preventing Virgin Trains or anybody else for that matter from running a lot more trains on that route when it is available a lot faster?

Mr Coucher: At this point in time we are funded for a train service and we have said to the Regulator, "This is the nature and use of the network as it stands and certain parts of the network are primary, others are secondary and some are rural. If you would like to change the specification and upgrade those and enhance the network to do additional works, there almost inevitably is going to be an increase in the maintenance costs and we would have to do that". That would have to be funded and the funding arrangement for that would have to be agreed at the time.

Q357 Chairman: And who would make that decision?

Mr Coucher: The SRA.

Q358 Mr Caton: You say in your memorandum to us that your investment plans are dependent on the Rail Regulator determining their income beyond 2004. Do you believe it is sensible to have this degree of uncertainty?

Mr Coucher: This really was an inevitable consequence of Railtrack being put into administration when it ran out of funds, the interim settlement we got with the Government in preparation for an interim review. We are in the process of agreeing that and the Regulator makes his final determination in December and at that point we will have funding certainty for the next five years.

Q359 Mr Caton: Listening to what you have said about the central importance of long-term planning, is having funding certainty for five years long enough?

Mr Coucher: Five years is something which is set down by the Railways Act anyway and the intention now as we change our relationship with the Regulator as Network Rail being different from Railtrack, we now produce a 10-year business plan which forecasts activity on the network going forward and this is updated every single year. We get funding commitments every five years and we are about to enter into a new five-year agreement which will give us stability in that, but it is always very difficult projecting 10 years' expenditure given that a significant proportion of our income comes from government grants.

Q360 Mr Caton: Continuing with funding, the SRA had suspended payments of RPP and in consequence work on, for example, station improvements in Wales have been held in abeyance. The Welsh Assembly Government was, therefore, to step in with its own funding from the block grant. Had the SRA given any indication to Network Rail regarding the suspension or did it give advance notice of the suspension?

Mr Coucher: We were in dialogue with that about how they were going to take away the RPP funding, yes.

Q361 Mr Caton: So how much notice did you get of that?

Mr Coucher: Certainly when the SRA was looking at its funding issues last year, we knew that RPP funding would be possibly one area that we would look at, but this is discretionary expenditure which has been made by the SRA, so we would necessarily get involved in those type of discussions, but we knew from our relationship with the SRA and the conversations we had with the national task force that that would be the case.

Q362 Mr Caton: Do you know if and when it is coming back?

Mr Coucher: No, I do not. That is an SRA issue.

Q363 Dr Francis: Could we move on to the Welsh Assembly Government expenditure. The Assembly has allocated £2.5 million for station improvements along the South Wales Main Line and the valley lines. Wales and the Borders Trains will be the project managers and this appears to be better value for money than the schemes carried out by Network Rail who attach substantial overheads to schemes on which they are the project managers. What would your view be of that?

Mr Coucher: There are many instances where we allow the train operators to take some responsibility for station enhancements. All the stations are the responsibility of the train operating companies with the exception of the 18 major stations that we have got, so when there are works to be done at stations, the only people who can do that are the train operating companies themselves anyway. There have been in the past, and I emphasise "in the past", issues where we have seen instances of unacceptably high levels of project management overhead and we have taken action inside Network Rail to make sure that our management is consistent with our activities.

Q364 Chairman: How would you think the capital investment and revenue support could be allocated between road and rail if we were to have the Scottish model, and I know it is a bit hypothetical, but what would your company's view be of that?

Mr Coucher: Those decisions are held away from us. We look at the nation's railway as 22,000 miles of track that need to be properly maintained with a train operating service that the SRA and its political partners desire, so we do not get involved in any kind of decision of funds between road and rail.

Q365 Chairman: Do you work within Scotland?

Mr Coucher: Yes.

Q366 Chairman: So you have some experience of how their system works?

Mr Coucher: We are funded centrally by the SRA through grants and through track agreements. We get no independent funding stream from the Scottish Executive.

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Q367 Chairman: But they have more influence over the decisions taken by the SRA in regard to Scotland?

Mr Coucher: I do not know exactly how that is exercised.

Q368 Chairman: Well, they do, I can assure you. You just take account of what the SRA tell you?

Mr Coucher: They have a talk with their stakeholders.

Q369 Chairman: So if such powers were given to the Welsh Assembly, you would not have a view on that?

Mr Coucher: We have no view on that. It works well in Scotland.

Q370 Chairman: There is no reason why you should. It was just a question. Any other questions? No. Well, thank you very much indeed.

Mr Coucher: And we will come back to you on those other issues.

Chairman: Yes, we need that further information. Thank you very much, Mr Coucher and Mr Curley.

Wednesday 12 November 2003

Members present:

Mr Martyn Jones, in the Chair

Mr Martin Caton
Mr Huw Edwards
Mr Nigel Evans
Julie Morgan

Albert Owen
Adam Price
Mrs Betty Williams
Mr Roger Williams

Written evidence from the Department for Transport

INTRODUCTION

1. The Government welcomes this opportunity to set out recent developments in regard to railway services in Wales. The announcement on 20 October that the new 15-year Wales & Borders franchise had been signed with Arriva Trains Ltd marks a step change in the way the railway delivers for the people of Wales. This is the first time that an "all-Wales" franchise has been created and it will give Wales a unified railway under a single operational management structure, bringing greater focus to the specific needs of Wales. The franchise also includes a number of commitments that will deliver the Welsh Assembly Government's priorities for the development of the Welsh network. Further details about the franchise are set out below. Mobilisation activity across the industry is well underway with the aim of starting the new franchise on 7 December 2003.

2. More generally, the Government's focus for the railway in Great Britain is on bringing performance back up to acceptable standards and restoring stability and confidence in the industry. We must also secure a more cost-effective industry. The SRA is working on making the network as efficient as possible, and on how to get the most out of individual routes. The overall aim is to improve day to day management and structure more realistic timetables. The Government and the SRA are working with the industry to drive down costs and establish what can realistically be delivered by 2010 and in the longer term. Whilst difficult decisions about what is affordable and deliverable are having to be made, rail investment continues to be set at a higher level than for any comparable period over the last 100 years.

THE PROCESS FOR THE AWARD OF THE WALES & BORDERS FRANCHISE

3. The Wales & Borders Franchise Replacement Process was started in December 2001. Pre-qualification took place in February 2002 and five bidders submitted initial proposals. The process concluded with the award of the franchise to Arriva Trains Ltd.

4. The franchise agreement is set for 15 years with five-yearly review points. The SRA's Franchising Policy Statement of November 2002 sets the length of franchise duration at between five and eight years. A franchise of this length was considered for Wales & Borders. However, the SRA reverted to the National Assembly for Wales to determine if it wanted to change the initially proposed franchise duration. The Assembly's preference was to retain the 15-year term.

5. The Assembly was kept informed of developments throughout the franchising process, and was consulted on issues such as possible options and aspirations to be developed by the bidders. However, the Assembly had no part in the evaluation or selection process, which is the statutory responsibility of the SRA.

6. The SRA's Franchising Policy Statement occurred at the midway point of the Wales & Borders franchise process. Some elements of the new approach to franchising were incorporated into the relevant aspects of the franchise where practical and are in line with the Government's desire to promote affordability coupled with quality of service throughout the rail industry.

7. Whilst the term of 15 years is longer than other new franchises currently offered by the SRA, Performance Review points at five-year intervals provide the opportunity to review the future of the franchise if, for example, Passenger Performance Measure (PPM) and National Passenger Survey (NPS) targets are not being met.

8. The service specifications for the Wales & Borders franchise were based on the current timetable plus known future changes. The franchise operator will run the Passenger Service Requirement and Additional Service Commitments within an overall minimum mileage requirement. Overall, the current levels of service are maintained.

9. The franchise terms are based on a template of terms drawn up for this type of franchise. Due to the new style agreement coming into effect at the time of issuing a template to the bidders, only limited parts from the new franchise agreements were used, most notably the Variation Mechanism to allow for service and other changes to be made more easily during the contract period.

KEY BENEFITS OF THE WALES & BORDERS FRANCHISE

10. The key benefits to be delivered under the franchise include:
- The commitment by the Franchise Operator to improve operational performance to pre-Hatfield levels by the time of first performance review in 2008.
 - Introduction of seven class 150 Diesel Multiple Units planned from December 2004, leading to greater operational flexibility and resilience, to replace current, less suitable stock.
 - Introduction of 30 new integrated train/bus ticketing schemes by November 2005, permitting many new opportunities for through journeys.
 - Improved bilingual access, including a Welsh Language customer service phone line, passenger timetables and information, full bilingual signage and recorded station announcements at stations where there are existing public address systems by May 2004.
 - Introduction of a new, customer-focused “Station Adopter” scheme—whereby individual customers will be encouraged to report on their journey experiences to local management.
 - £400,000 on improving station car parks at Cardiff Central (Wood Street), Chester, Hereford, Newport and Shrewsbury.
 - Final development of a simplified timetable, making train services much easier for passengers to use, as well as better performance and connections, with implementation planned for December 2005 for both the Valley Lines and inter-urban services.
 - Abolition of the £1 reservation charge for bicycles on trains.
 - Continuation of the current Rail Passenger Partnership (RPP) schemes, including the planned re-opening of the Vale of Glamorgan line and the recent introduction of a half-hourly service on the Aberdare-Cardiff line.
 - Ability of the SRA to require the continuation of services supported by the Welsh Assembly Government and local authorities in North Wales subject to continued funding by those bodies.
 - Provision of services for special events at the Millennium Stadium in Cardiff.
 - Continuation of accredited secure station status where it currently exists (Cardiff Central and Carmarthen).

THE PROVISION OF RAIL SERVICES WITHIN WALES

11. Principal services within Wales provided by Wales & Borders will operate:
- along the South Wales corridor (Newport-Cardiff-Swansea)
 - to West Wales (Milford Haven, Fishguard)
 - along the Heart of Wales Line (Swansea-Llandrindod-Shrewsbury)
 - along the Cambrian Coast Line (Shrewsbury-Aberystwyth-Pwllheli)
 - along the North Wales line (Crewe-Chester-Llandudno-Holyhead); and
 - along the Marches Line (Newport-Abergavenny-Hereford-Shrewsbury).
 - Valley Line services
 - Other services operate around the Welsh borders.

THE PROVISION OF RAIL SERVICES BETWEEN WALES AND ENGLAND

12. Services currently operating between Wales and England are as follows:
- (a) Wales & Borders:
- Cardiff—Gloucester local services
 - Cardiff—Penzance (shared with Wessex)
 - Cardiff—London Waterloo via Salisbury (until May 2004)
 - Cardiff—Manchester via Shrewsbury and Wilmslow (NB the Newport—Crewe line passes principally through England)
 - Cardiff—Liverpool (one service daily to end in Sept 2004)
 - Aberystwyth/Pwllheli—Shrewsbury and Birmingham
 - Chester—Birmingham via Wrexham
 - Shrewsbury—Crewe local service (all in England)
 - Swansea—Shrewsbury via Llandrindod Wells
 - Holyhead—Birmingham via Crewe and Stafford
 - Holyhead/Llandudno—Manchester via Runcorn

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- Crewe—Chester local services (all in England)
 - Chester—Manchester via Runcorn local services (all in England)
 - Wrexham—Bidston
 - (b) Wessex Trains—the main local area operator between South Wales and England with routes between Cardiff and Bristol including:
 - Cardiff—Portsmouth/Brighton
 - Cardiff—Bristol local services
 - Cardiff—Penzance (shared with Wales & Borders)
 - (c) First Great Western operates one daily service to Carmarthen and services between London Paddington and Cardiff/Swansea
 - (d) Central Trains operates an hourly Cardiff to Birmingham and Nottingham via Gloucester service. (This replaces the Wales & Borders service to Birmingham)
 - (e) Virgin West Coast operates services from Holyhead to London Euston via Crewe
 - (f) Virgin Cross Country operates one return train per day between Cardiff and Edinburgh

13. There will be a cessation of the (limited) service operated by Wales & Borders from West Wales/Manchester to London Waterloo (via Bristol and Salisbury) from May 2004. This decision is unpopular with stakeholders, many of whom see the service as a link to Eurostar. The SRA asked all the bidders for the new franchise to provide prices for the continued provision of the Waterloo service; but it became clear that there was no business case, given that the service largely duplicates a similar one provided by First Great Western.

INVESTMENT IN RAIL INFRASTRUCTURE IN WALES

14. In developing the Wales & Borders franchise the SRA and Arriva recognised the Assembly's emphasis on the role that rail plays in its social inclusion policies, such as the proposal to re-open the Ebbw Vale line, and the fact that many of the services provided in Wales serve rural communities.

15. The Government recognises the commitment of the Welsh Assembly Government to investment in infrastructure in Wales. Our response to the Committee's report on Public Transport in Wales (2 April 2003) acknowledged that the Assembly had been proactive in working with the SRA to secure Rail Passenger Partnership funding for a number of schemes, and that it had committed significant funding from its own resources to safeguard the future of several schemes in the light of the SRA's moratorium on RPP. The Government regrets that it has not been possible to date to reinstate the RPP fund, due to the continuing constraints on the resources available for the railway.

WEST COAST MAIN LINE AND GREAT WESTERN MAIN LINE

16. Wales will benefit from the West Coast Main Line upgrade and incremental improvements on the Great Western Main Line. We acknowledge the concern that has been expressed about the number of services to North Wales, from 2004, now proposed by Virgin Trains. However, we believe that the number of services proposed will provide a robust service for the people of North Wales, who will benefit from new rolling stock, less congestion and improved performance of the remaining services faster journey times, and a more reliable timetable.

17. On the Great Western Main Line, capacity west of London is a key issue, which the SRA is addressing through its Capacity Utilisation Policy (CUP) and the Route Utilisation Strategies (RUSs) that will help deliver the CUP. The SRA believes that the CUP can go a long way towards addressing the reliability problems on the route and meet many of the objectives identified by the London to South West and South Wales Multi-Modal Study. Further capacity and performance improvements may be deliverable through the Greater Western franchise. In July, the opening of a fourth platform at Swindon station showed how modest infrastructure improvements can address bottlenecks in capacity and performance. The re-modelling of Filton Junction (North of Bristol) in June 2004 is expected to lead to performance improvements on the Cardiff-Bristol Temple Meads services with consequent reduction in knock-on delays in Wales.

SRA CAPACITY UTILISATION STRATEGIES AND REGIONAL PLANNING ASSESSMENTS

18. The development of railway services for Wales will take place within the framework of the SRA's strategies and policies for the Great Britain network. Since the publication of the 2003 Strategic Plan the SRA has made progress with developing key network utilisation strategies and initiatives.

19. The Capacity Utilisation Policy and Route Utilisation Strategies will address how to make the best use of the existing Great Britain network, and allow the identification of the most effective upgrades and enhancements to increase the capability of the network and address bottlenecks. The CUP is essentially about the trade-offs between the number and mix of services, engineering access and performance, within the overall context of growing demand.

20. The RUSs are an essential element of delivering the CUP, and will be a key part of the SRA's new planning framework. RUSs will be developed in close conjunction with industry stakeholders, and will also harness the experience of other stakeholders including the statutory regional bodies and the Rail Passengers' Council and Committees. They will seek to maximise passenger benefits and establish the mix of services that offer the best overall value for money. They will typically look at options over a three to 10 year time horizon. The first RUS, for the Midland Main Line, was published as a draft for consultation in June. The West Coast Main Line Strategy also incorporates capacity utilisation principles. A draft consultation RUS for the Great Western Main Line is planned for publication in Summer 2004.

21. On 16 October the SRA published, "The Railway Planning Framework: Regional Planning Assessments". This document sets out the Authority's proposals for a series of guides to assist the development of the railway network in each English region and Scotland and Wales. The Regional Planning Assessments (RPAs) will form the basis on which the development of the railway is planned over the medium to longer term (five to 20 years) and they will inform future updates of the Strategic Plan. They will provide an additional vehicle for the SRA to engage with regional and local stakeholders, including the devolved administrations, and assist with the planning of local services.

22. RPAs will seek to identify where the development of the railway can best support the objectives of regional and local planning bodies. The RPAs will not set out specific scheme details but will provide a framework to be followed when planning for rail services in a transport corridor. The SRA proposes to review RPAs, once drafted, every five years. It intends to have completed its first set of Assessments, including one for Wales, by the end of 2005.

THE ALLOCATION OF POWERS BETWEEN THE NATIONAL ASSEMBLY FOR WALES AND THE UK GOVERNMENT

23. Rail is generally reserved to Westminster under the devolution settlement provided for in consequence of the Government of Wales Act 1998. The only statutory rail function carried out by the Assembly is the administration of grants for rail freight facilities and track access within the overall freight grants scheme for Great Britain specified by the SRA.

24. A general framework for the SRA to work with the Assembly was established by the Transport Act 2000, which gives the SRA the duty to consult the Assembly on its strategies. The Secretary of State's Directions and Guidance to the SRA also require it to take into account the Assembly's policies in carrying out its functions. In practice, the SRA works closely with the Assembly on all matters that affect Wales. As we have indicated above, this was clearly demonstrated with the co-operative relationship struck over the Wales & Borders franchise.

25. In addition, the Secretary of State is required to consult the Assembly about the appointment of one member of the SRA Board, and must have regard to the desirability of appointing a person who is familiar with the special requirements and circumstances of Wales. This is currently Janet Lewis-Jones, who was appointed in November 2002. She is a regular rail user and was formerly a barrister and senior water industry professional. She is not only Welsh, but also lives in Wales and is therefore familiar with the special requirements of Wales in relation to the railways.

26. The Welsh Assembly Government has indicated its proposal to seek new legislation that, among other things, will give it additional powers over rail. The Assembly's plans are at an early stage and we await further progress. However, its objectives expressed to date include the power to give the SRA directions and guidance in the same way as the Scottish Ministers; the power to appoint a member of the SRA Board; and enhanced powers to fund investment in railway schemes. It has also proposed certain more general transport powers that could have some bearing upon the development of railway services in Wales. These include powers similar to those of the London Mayor under section 141 of the Greater London Authority Act 1999 to develop and implement transport policies and the power to establish statutory regional consortia of local authorities.

27. Department for Transport officials have had initial discussions with Assembly officials about the Assembly's desire for a Bill and we are currently considering more detailed proposals as to whether or to what extent Westminster Government would be prepared to support a Bill that contained some or all of the proposals.

Witnesses: **Dr Kim Howells**, a Member of the House, Minister for Transport, and **Mr Ian McBrayne**, Divisional Manager of the Rail Sponsorship Division, Department for Transport, examined.

Q371 Chairman: Welcome, Minister. I apologise for the delay which we will have to put down to the new hours of the House. We are trying to find time for Select Committees in a very difficult situation now. We know who you are, but if you would not mind introducing yourself and your colleague to the Committee please.

Dr Howells: This is Mr Ian McBrayne and I am Kim Howells and we are both from the Department for Transport.

Q372 Chairman: Thank you very much. Let us look first of all at the franchise process. The Directives and guidance from the Government to the SRA require that “all bidders must be made aware of the criteria upon which your bids are being assessed”, that is in paragraph 10.5 of the draft. Are you content that this was achieved by the SRA?

Dr Howells: Yes, I am pretty clear in my own mind that the process of judging and awarding the franchise was pretty transparent and that Arriva was the best choice. I have talked extensively with Richard Bowker of the Strategic Rail Authority and others about the way in which the franchise was set up, judged and the franchisee chosen and I think it has been a good process.

Chairman: Thank you very much.

Q373 Albert Owen: What direction and guidance did your Department give to the SRA in respect of the Wales and the Borders franchise?

Dr Howells: It is the first time that there has been an all-Wales franchise, so in a way what was happening was a kind of consolidation of what existed already and in many ways it is not very much like Scotland because a very high proportion of our rail network goes into England and sometimes arrives back in Wales again.

Q374 Albert Owen: Slowly!

Dr Howells: Sometimes slowly, sometimes not so slowly. Let us not be churlish.

Q375 Chairman: Sometimes not at all.

Dr Howells: In many ways it was a kind of unique problem that had to be solved. We talked a great deal, as did the Strategic Rail Authority, with other agencies and with the Welsh Assembly Government about what kind of franchise this should look like. There was certainly a resolve that it should not deteriorate in any way from the point it is at now and also that there ought to be adequate time in the franchise for companies to be confident that they can invest and get something from that investment. We were certainly very aware that there were other unique features. There are some railway lines in Wales which are amongst the most remote in Britain in terms of the communities that they serve, but there are also some very busy railway lines in Wales and others which in many ways certainly contribute as economic lifelines. The franchise was a very special one in many ways. We were also aware that the services to and from Wales

had a high degree of dependence on the state of the railways in England, the Great Western or the West Coast Main Line and also services from Wales to Manchester along the Borders via Birmingham or Gloucester. These are very important railway lines but they contributed in a way to that unique problem that had to be confronted when my predecessor was trying to pull together an all-Wales franchise.

Q376 Chairman: Do you believe this consolidating and your negotiations with the Welsh Assembly delayed the actual announcement of the franchise?

Dr Howells: I think it certainly played a part in it because there was a feeling, which I think is quite a proper one, that it ought to be got right and that there should not be a quick fix as far as making sure that rail passengers in Wales got the best deal.

Q377 Chairman: In your experience with the Wales and Borders franchise and the SRA, do you know whether the SRA made any service level enhancements or did they ask for any?

Dr Howells: There are not many service level enhancements in the new franchise, I am sorry to say. We have got some new rolling stock that is coming in, some Class 150s, which are going to be very useful. They are going to replace some of the big old diesels, the loco's that are hauling trains mainly up the Rhymney Valley and that should improve services a good deal and release some rolling stock that will help with the very busy Valleys line at peak running hours. As you probably know, Mr Chairman, there are a number of station improvements that are going to occur and, perhaps most interestingly, there are going to be some ticketing arrangements which enable people to use buses and trains in ways which they cannot at the moment and that is quite good news. There is also a long list, which I understand you have been furnished with, of improvements to signalling systems and so on which ought to enhance the performance of Arriva, the new franchisee.

Q378 Mr Edwards: You mentioned station improvements. Can you confirm, Minister, that within the directions and guidance that you gave to the SRA there was guidance about access to stations and the rolling stock for people with disabilities? Can you give us some assurance that this is an important issue? I am sure you will have observed that there are serious problems of access in a number of stations throughout Wales and in my constituency and other constituencies of members here and your own maybe.

Dr Howells: Mr Edwards, this is a very important issue and it is one which I know many members on this Committee have been very active on. Under the Disability Discrimination Act 1995 there is an obligation on the service provider, in this case Wales and the Borders, to provide a reasonable alternative method of travel where physical barriers make it impossible or unreasonably difficult for

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disabled people to access stations. Let us not pretend that is not a difficult problem, it is a difficult problem. I have seen the changes that have happened in my own station in Pontypridd where there have been improvements, for example the lift is much cleaner and works much better than it did previously, but there are still difficulties there, there are difficulties in accessing the station itself and these are replicated right across Wales. Disabled people have a real problem with getting on and off trains and often it is the case that an astute and very helpful train manager will look out for disabled people and they will make a special effort to find out where they are going to get off the train. That helps in other ways because if they can get that ramp to where the person is located on the train and get them off the train more quickly and if the station staff, if there are station staff, can get the person onto the train more quickly then the punctuality of the service improves as well and everybody gains, but it is a big cultural leap we have got to make on this front. I think one of the most important things to say is that we know that there are somewhere between nine and 11 million people in this country who are disabled in one form or another and that is a huge travelling public. That is a market that many companies, including rail companies, never recognised and never worked hard enough at capturing. I am very glad to see that there have been big improvements not just on the railways but on buses and coaches as well.

Q379 Mrs Williams: I appreciate what the Minister is saying, but currently that does not happen. For instance at Bangor station in north Wales, when I arrived home on Thursday night there were people with disabilities trying to use the lift, it was out of order and there was no sign of anybody who could give those people any assistance whatsoever. Similarly on Crewe station which north Wales passengers use, the lift was not working on Monday and there was not a sign of anyone who could give any form of assistance to people with disabilities or heavy luggage.

Dr Howells: You have quoted two stations to me. I have seen it happening at other stations and I am sure it happens at Crewe, but there can be no excuse at all for staff not being in attendance at what is one of the very busiest stations in Europe and I think that if we ignore the DDA, the legislation, there are very serious consequences that follow should a company be prosecuted for not having the staff or the facilities there in order to help people to access trains and it is a very serious issue, I agree with you.

Q380 Mr Evans: I think we have all come across instances where, you are quite right, people working for the railway industry have put themselves out to ensure that disabled people are able to get proper access to the service and then, in other cases, you read press reports that people working for the railway say that they are not going to, if you like, put themselves out because they may have a bad back themselves or they are afraid that

they will get a bad back and it may well be that the insurance industry these days are very cautious about exactly what these people can and cannot do, but you are right, there are some people who will go the extra inch in making sure that people are looked after. Is there anything you could do, as a minister, to ensure that the best practice that does exist already within the system is able to be rolled out in order that everybody follows it, whether it is through training or just better guidelines?

Dr Howells: Yes and this is very important and I believe that the Committee has spoken to or is going to speak to Mr Richard Bowker who is the Chairman of the Strategic Rail Authority. I know that it is something he feels very passionately about and, just as in other sectors—and you are quite right to highlight it—a very important part of this is the dissemination of best practice. There are some stations where the service is very, very good and it is not necessarily because it is a big station. I know that the Station Master, although he may be the only employee—there may be others, I do not want to say that he is the only employee—at Pewsey in Wiltshire was recently honoured because he is a tremendous pillar of that community and it was a privilege to meet him. He was not ingratiating in any way but he is somebody who believed he was there to provide a service and he was very matter of fact, but he did his job very well. I think that, in many ways, that attitude is the one that has to be encouraged everywhere and for good commercial reasons as well as simply out of meeting the kinds of obligations that every employee of every company should meet.

Q381 Mrs Williams: How do you assess whether the SRA is obtaining value for money? Did your economists agree the scoring system with the SRA?

Dr Howells: The scoring system in relation to what, exactly?

Q382 Mrs Williams: With the SRA. They explained to us about the scoring system. We have asked previous witnesses about this in the past and I am interested to know whether your economists actually agreed with the scoring system.

Dr Howells: I will ask Mr McBrayne to come in on scoring because this is the first time that I have ever heard the phrase outside of rugby commentaries!

Q383 Mrs Williams: I am told that it is the politically correct jargon.

Dr Howells: Well, I have never been very good at that! I will say that we have a very close relationship as a department with the Strategic Rail Authority and they are a key body along with the Office of the Rail Regulator and of course with a company which is essentially a private company now, Network Rail, which owns and operates the infrastructure, and we meet them on a very regular basis. Indeed, on Monday, the Chairman of the SRA, Richard Bowker, got on the train in Newport and travelled with me, it has to be said very slowly, up to London. So, we have opportunities to discuss all manner of things.

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Q384 Mrs Williams: Was that journey by your invitation?

Dr Howells: It was arranged, yes. It was only because I discovered, to my amazement, that I was coincidentally being ambushed on a number of station platforms by all manner of managers and trade union bosses who suddenly started travelling on the same train as me.

Q385 Mrs Williams: Would you like to do the same with him in North Wales?

Dr Howells: It will be a hell of a journey from Pontypridd to London via North Wales on a Monday morning, but I am sure something could be arranged! So, we meet the SRA often and we discuss a whole range of issues with them regularly. Amongst the priorities that I have in the department is to try to improve the performance of train operating companies and that means that we have to look at all the issues that affect that performance and they include of course the state of the track and the state of the infrastructure; it includes the track access charges which the Regulator calculates; the efficiency and dependability of the rolling stock and everything else that goes into the running of a railway. So, all of those are matters for discussion. As for the scoring item, I will hand over to Mr McBrayne because I have a feeling that it is probably the business of the SRA.

Q386 Mrs Williams: Before you go on to the scoring, can I press you and ask whether you happy that the way in which you are assessing the situation currently is the right way to go about it to make absolutely sure that the SRA is obtaining value for money?

Dr Howells: Yes. I am very confident that the scrutiny is very comprehensive and it is very acute.

Mr McBrayne: The answer on scoring is that that is, as the Minister says, a matter for the SRA. We do not agree either the scoring methodology or the outcome of the score for each bidder with the SRA. We do receive a report from the SRA about the way in which they have evaluated the bids in order that we can see that they have made an assessment of value for money and of course value for money is only one of the factors they are looking at when they are assessing bids; they are also looking at affordability which is a slightly different issue, affordability in relation to the available public expenditure provision and also of course the ability of the bidder to deliver on what they are offering to produce.

Q387 Mrs Williams: So, what you are saying is that there has been no involvement, there is no involvement and there will not be any involvement with the scoring system?

Mr McBrayne: The scoring system is a matter for the SRA, yes.

Q388 Mrs Williams: So the answer is “no”?

Mr McBrayne: Yes.

Q389 Mrs Williams: You seem a little hesitant.

Mr McBrayne: I am sorry, yes, the answer is “no”.

Q390 Mrs Williams: The proposal put forward by Arriva seems to suggest some vagueness. Mr Cameron, when he gave evidence—and I had better check the quotation—said, “We do not want to walk into this partnership and say that is exactly what we can do in everything.” Do you not think the proposal from the winning bidder should be more exact than that, otherwise how can performance be measured against promises, targets and costs?

Dr Howells: I was not aware of Mr Cameron’s quote. The specifications are pretty wide reaching and they are very clear and there are certain targets that have to be met and we would expect them to meet them. I can only guess that perhaps he was referring to an outcome of, let us say, an initiative that might involve local authorities or the Welsh Assembly Government perhaps to upgrade stations or something, I do not know, but there are bound to be some issues like that. For example, there is a moratorium at the moment on partnership schemes that are paid for out of the SRA’s budget and that is because they are trying at the moment to assess the cost of those and the value that they are getting out of them or we are getting out of them. So, I guess that those are some imponderables which he would have to take into account really and he probably could not tell this Committee that he can dot every “i” and cross every “t” in terms of delivery, but we would expect and we do expect Arriva to deliver on what they are contracted to do and the franchises are drawn up pretty tightly.

Q391 Mrs Williams: So you would not acknowledge at all that there is a vagueness about the whole big picture?

Dr Howells: No.

Q392 Mr Caton: From your replies so far, I have the impression that your Department took a pretty hands-on approach to awarding the Wales and Borders franchise apart perhaps from the details of scoring and indeed we have already taken evidence from Mr Bowker and he gave us that impression as well. Can you expand a little on how involved you, or perhaps more your predecessor, and your officials were in that process and the nature of that involvement.

Dr Howells: I do not know what impression Mr Bowker gave you. I can only talk—and perhaps Mr McBrayne will say something in a moment—about the current round of franchises that have been judged and I have to say that we have very little involvement in the way in which those franchises are judged and the bids are assessed. As Mr McBrayne said to Mrs Williams, we do not involve ourselves in the scoring system. After all, we handed over or Government handed over back in the 1990s responsibility for these kind of decisions

to the Strategic Rail Authority and to the other agencies and we would expect them to get on with that job. There is a moment of course when the Secretary of State looks at the outcome of a bidding process and the recommendation which the SRA puts forward in terms of who should be the franchisee and, at that point, there is certainly a dialogue about, if you like, the successful bidder.

Mr McBrayne: In order that we are able to look sensibly at what the SRA are proposing at the end of the process, we do maintain contact with them during the conduct of the franchise competition and particularly as they are going through the bid assessment process, but it is very much on the basis that it is their process, they are keeping us informed and, at the end of the process, they make recommendations to ministers who either do or do not approve.

Q393 Mr Caton: What I was thinking of was that, in his evidence, Mr Bowker certainly gave us the impression or implied that part of the reason for the delay in the awarding of a franchise was because of discussions that the SRA were having with the Department for Transport and I thought, from the reply you gave Mr Owen, that you confirmed that rather—better get it right than get it quick.

Dr Howells: I think certainly in the drawing up of the franchise and the specifications, there was a great deal of discussion about how this new creature could be designed and of course there was a new player in it and that is the Welsh Assembly Government and we were very keen—or I understand that my predecessors were very keen—and we are now to consult with the Welsh Assembly Government to make sure that it meets their aspirations and their perception of what is required in terms of an integrated rail service for Wales. So, I can imagine that that would have delayed the process because there are certain milestones along the assessment route and they certainly include that initial period of consultation which I think was quite a protracted one.

Q394 Chairman: On this issue, in the SRA's remit is the passenger service requirement. Who is the final arbiter of whether the passenger service requirement stays in? The derogation on the Swansea/Edinburgh service earlier this year—I think it was called that—basically meant that PSR was removed from that service. Would that have crossed your desk or would it have been the SRA's responsibility to decide on whether the PSR should be in that service or not?

Dr Howells: It has not crossed my desk, so I will ask Mr McBrayne if he knows about it.

Mr McBrayne: The SRA are expected to maintain the passenger service requirement and I would expect them to discuss with us if they wanted to depart from it.

Q395 Chairman: Did they discuss with you about the Swansea/Edinburgh situation?

Mr McBrayne: I am afraid that I am not familiar with that particular case, but I will check for you and let you know¹.

Chairman: Would you let the Committee know.

Q396 Mr Price: You just said that the Welsh Assembly Government was an important player and you stressed how important it is to meet their aspirations in terms of rail services in Wales. I am sure you are familiar with the vision set out by the Welsh Assembly Government, sent out to franchise bidders in March 2002. The document indicates a clear desire for considerably increased frequency of service, improved track and signalling, investment in new rolling and improved stations. It is fair to say that the franchise agreement is nowhere near the vision as set out in the Welsh Assembly Government's document. Did your officials know that the franchise agreement fell so far short of that vision and, if they did, what action has been taken?

Dr Howells: I think that the Welsh Assembly Government obviously has a responsibility to try and secure for Wales the best railway system it can and the best value for money. I have been in this job over four months now and, as you probably know, it is impossible for a transport minister to walk along a corridor without being ambushed and asked about a station or about a service and about the shortcomings of services. If you and I were members of the Welsh Assembly Government, we would probably pitch for the best possible service, we would be mad not to. The Strategic Rail Authority however has to operate within a very clearly defined budget and the budget is set out as part of the ten-year plan and it is a big increase in funding, but it is quite clear that the lack of funding over 30 years by successive governments has resulted in a rail system which was very fragile, highlighted very clearly by the Hatfield disaster. It was quite clear that Railtrack did not know what its asset base was and that stretches of the railway lines inside Wales, like the rest of the United Kingdom, were in a pretty parlous state. The huge renewal programme that has gone on since has attempted to, I guess, put some of that right anyway and they have usually targeted it at the busiest part of the line like the West Coast Main Line, which arguably is the busiest mixed passenger and freight line in the world and certainly in Europe. The money that has gone into that is enormous; we think the bill at the end of it will probably be around £8 billion. It means that a lot of smaller projects—signalling projects, perhaps replacing points in junctions, replacing railways themselves in certain parts of the country—have not had the kind of funding that could easily have been earmarked for it, let me put it like that, and decisions have had to be made about where that money gets spent and they are subject of course constantly to discussion and negotiation. Network Rail talks to the Rail Regulator, the Rail Regulator talks to the Strategic Rail Authority and they have a duty to take into account the kinds of proposals

¹ See page 86.

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which the Welsh Assembly Government puts forward in the same way as the Scottish Parliament has put them forward and other people have put them forward. In some respects, some of those concerns have been met. The West Coast Main Line clearly is going to have quite an influence when it is running at full capacity on the ability of people from North Wales to access the Midlands and London. We know that the work that is currently being done at Slough and at Filton in Bristol will affect the ability of you and I to get back and forth to London from South Wales and we know also that some of the replacement work—I think the details have been given to the Committee—that is being done on the route to Manchester along the border is going to have a big effect. There is an enormous amount of work to be done in South Wales, there is no question about it, and I think that the total money that is earmarked for Wales is about £308 million which is a fair old whack of money but it comes nowhere near of course to being able to meet the, if you like, greater aspirations of the Welsh Assembly Government's proposals for the future of railways in Wales. In a way, I welcome the tension that is there as a consequence because we can try to discuss where we take this issue forward. I asked for some figures on one of the busiest stations in Wales and one of the least used and, if, Chairman, I might beg your indulgence for a moment, 7.9 million people use Cardiff Station every year. Cardiff could not cope if those 7.9 million people suddenly switched to the roads. That is a big issue. A lot of them of course come down the Valley-Lines or else they come across from Newport or they come over from Swansea; those are the busiest commuter lines in Wales. At the other end of the spectrum however, I do not know whether it is in Mr Williams's constituency, but they did a specific study of Sugar Loaf Halt and 99 people used it in a year which I think calculates at somewhere around one passenger using it every three or four days. We have ten stations on the Welsh network that have fewer than 1,000 passengers passing through that station a year, under three a day. What I am saying is that if you compare London Bridge for example which has almost 81 million using it every year, or Glasgow which has 22 million people using it every year, that equates to 60,000 a day. Cardiff equates to just under 22,000 a day.

Q397 Chairman: They have to go somewhere.

Dr Howells: And they do go somewhere, but the point I am making to Mr Price is that I think we should discuss that and where we go. One wonders why there is the debate about the right mode of transport for the kinds of constituencies that are represented in this route and which are reflected in the findings of the Welsh Assembly Government. Are we in fact putting the money where it ought to be going?

Q398 Mr Price: You chose a station in my constituency.

Dr Howells: I have plenty of others here!

Q399 Mr Price: You mentioned the tensions with the post-devolutionary situation which you say created tensions and transport, by its very nature, is obviously key to multi-layer democracies. Has there been a joint ministerial committee meeting around integrated transport and around railways that you are aware of?

Dr Howells: We meet pretty regularly, sometimes in conjunction with Professor David Begg from the Commission for Integrated Transport and I am very keen on this one because, like you, Mr Price, I know from questions you have raised previously that there are some unbelievable anomalies in the lack of what in the jargon they call the interface between railways, buses and town centres and I think there is an enormous amount that we ought to be doing to improve that. Often, those kinds of schemes cost a great deal less than the big renewal schemes, but they can often deliver, certainly in the short term, very great value for money. I have a real hankering for this as far as Wales is concerned. I think we ought to be experimenting very much, both in terms of the way in which we debate and discuss these issues of integrated transport and in terms of how we can target money very accurately on improvements that can be won I think rather more easily than looking for huge replacement projects. I heard the other day—I do not know if it is true—that to construct a mile of railway line now costs about £16 million and to construct a mile of motorway costs somewhere between £11 million and £14 million. It is an enormously expensive business. I think the main task in the short term has to be to use those assets much better. In other words, to be able to get a greater capacity using railway lines and our highways.

Q400 Mr Evans: With the figures you have just given out, are you saying to the Committee now that you will be looking critically at some of the numbers using some of our stations and that you would therefore, in some cases, decide that the railways are not proving value for money and therefore you would replace the train with perhaps buses or another alternative form of public transport because of the expense that you have just said or are you of a mind to say that you would look to redouble the efforts and get more people on to the trains in those stations that have capacity because, for whatever reason, people are not using the trains?

Dr Howells: I think you are very right to highlight the great problem which follows so often when it comes to public services: you use them or you lose them. It is a very, very expensive business to keep a railway line going or to keep a trunk road in good condition, especially if people are not using it. I have no doubt in what I hinted to Mr Price that these are proper arguments/debates that we should be having because, over the 10-year period, we have allocated £33 billion to the railways and you can add to that almost as much again coming from the private sector. These are huge amounts of money.

We know that the great cities probably could not cope without the railways and we know that they are probably the best method of moving passengers at least from across the country from city to city. We know also that railways, when you can get the configuration right, offer a very good route for freight, especially for heavy freight. It becomes more problematic when you look at lines which are used very skimpily because they are very expensive to keep up.

Q401 Mr Evans: Are you saying that the axe is now ready to fall on a number of small rural stations in Wales where they have low usage?

Dr Howells: No, I am not saying that at all and we certainly do not plan any cuts whatsoever, but what I am saying—and this in a way addresses the second part of your question—is that we have to do a great deal more to try to persuade people that this is a good way to travel. Mrs Williams told us about difficulties that some people living in her constituency have who happen to be disabled and I spoke about the large numbers of people who may be put off from travelling because they feel that they are not going to get the kind of service that they require. You will know because you represent a rural constituency that often it is difficult to get to railway stations and, to take up the point that Mr Price made, if we care to have a more integrated approach to this in order that buses, perhaps, in conjunction with rail services, as has happened in some parts of the country already, can go into the towns and villages and pick people up and do it in a coordinated way then it becomes, to use the jargon, a kind of “no brainer”. You get on the bus or even in some areas of course not very far from you, Mr Evans, they are practising a kind of taxi bus service where you get a bus almost on demand. Where that happens, I think that the potential is very great indeed for putting new life into rural railway lines. There are enormous assets, there is no question about it. I keep, as I am sure you do, coming across people who say to me, “If Beeching had not closed that line and we had not built the houses on it . . .”

Q402 Mr Evans: What about the Mumbles Railway?

Dr Howells: Or the Mumbles Railway. You just think what that would generate for Swansea Bay now if the Mumbles Railway was there.

Q403 Mr Evans: And it would be well used.

Dr Howells: It would be well used, yes.

Q404 Mrs Williams: Minister, you mentioned the West Coast Main Line and we are all aware of the effect that service has on the North Wales Coast Main Line. When Mr Chris Green of Virgin gave evidence, he suggested to this Committee that significant improvements to the North Coast Main Line would cost in the region of tens of millions of pounds. This appears to be a reasonably modest

amount to upgrade the track. Therefore, why has funding not been made available to improve the line?

Dr Howells: First of all, I do not know what Mr Chris Green told you exactly and how much it would cost but I could take you to a junction called Norton Bridge on the West Coast Main Line where, since British Rail days, they have had 13 goes at getting that junction right and the cost so far to try to find a solution to the problems they have there and speed up trains going through that junction has cost £60 million. That is one junction. Now, that is a particularly bad example but these costs have a tendency to escalate. When the nature of the asset itself is examined very carefully, it is often found to be wanting. We know that a lot of the signalling on some of the main lines in South Wales was designed and installed back in the 1960s. It is in quite a fragile state; it works and it is safe or else we would not run trains along it, but there are some huge improvements that are required. To try to raise the average speed of the line along North Wales from its present levels of 65 miles an hour to 90 miles an hour and take it up to 125 miles an hour I think would cost an awful lot more than a few tens of millions of pounds, but I am willing to have a look at that and perhaps try to give the Committee whatever assessment we have had of the cost of improving that line².

Q405 Mrs Williams: Mr Green actually did say—and this will be found in the written evidence—and I am sure that the Chairman will confirm this “tens of millions of pounds”. That was the figure he quoted. When do you think Virgin Trains are likely to see a date, in the near future we hope, when their Voyager and Pentalino trains will be able to travel at at least 100 miles an hour on the North Wales Main Line?

Dr Howells: I cannot see that happening for quite a long time. I think they will travel at 90 miles per hour but they will not—

Q406 Mrs Williams: What does quite a long time mean? Are you prepared to stick your neck out?

Dr Howells: We have no money earmarked at the moment for raising the speed limits on the North Wales line.

Q407 Mrs Williams: What period are we looking at when you say that you have no plans?

Dr Howells: A lot of that will depend on our negotiations with the Treasury, with the Chancellor of the Exchequer and his team.

Q408 Mrs Williams: So, no answer really?

Dr Howells: Mrs Williams, if trains could run on my lines at 90 miles per hour, I would be very, very glad, but they cannot. I have delegations coming in from all over Britain almost every day of Members of Parliament who want upgrades on their lines. You can only do so much and we think that the railway network in this country is absolutely vital,

² See page 86.

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but the number of journeys that are made out of all of the journeys in Britain in any year by rail is 6%, that is 6%. Almost all of the others are made by road whether in buses or in private cars. We spend half of our budget on the railways. That is an enormous sum of money and it is taxpayer's money and a lot of that money comes from people who never use the railways or go near it. We think about half the population uses the railways at least once a year and that is a very high percentage in many ways, it is far higher than in America, for example. Having said that, we have to make very tough decisions. Our Department has a very big budget and we spend half of our budget on the railways, but we cannot make promises to everyone that, within five years, we are suddenly going to find whatever it costs to get another ten miles per hour out of that North Wales network. What we can do is try to improve the worst parts of the line as far as speed restrictions are concerned. There may be some modifications to signalling systems; there may be perhaps a new set of points here, a new junction there, or strengthening an embankment. All of these things slow down trains and I will try to find for you the latest assessment that perhaps Network Rail has as to why it is and how much it is likely to cost to upgrade that line. Mr Chris Green works for Virgin and I have no doubt that he will have quite a close knowledge of the state of the track because his trains have to run on it and they are making very big investments in Pendolinos, Voyagers and so on and I expect that he takes a very special interest in it. I have tried to be candid with you about the question of money and about where it is being used. We certainly try to make sure that everybody gets part of that money but we have a duty or rather the Strategic Rail Authority and Network Rail and the Office of Rail Regulator have a duty to recommend that the money is spent on the busiest and most vital parts of the rail network.

Q409 Mrs Williams: Am I right therefore in assuming that the Committee can take it for granted that maybe Mr Chris Green was too optimistic in the figure he quoted and that the travelling public in North Wales should not hold their breath?

Dr Howells: I have always been a follower of Gramsci's dictum which is that you should have pessimism of the intellect and optimism of the spirit and that is my answer, Chairman!

Q410 Albert Owen: May I just push the Minister on the point with Network Rail. We had a debate, as you know, on Wednesday when I quoted what Mr Chris Green had said with regard to the new Pendalinos coming in in 2004 and his desire for them to reach maximum speeds on the North Wales Coast, but I did see a glimmer of hope when you spoke about Network Rail because Sir Ian McAllister indicated to us the following day that the maintenance programme would do just the things that you said: it would improve certain junctions and certain lines which would allow an

increase in speed capacity. Has that been budgeted for or would Network Rail have to go back to the SRA and ask for additional money which is not in the ten-year plan? Could you explain how those maintenance issues as opposed to new expenditures work.

Dr Howells: They are certainly not political decisions, Mr Owen, if that is what you mean. Network Rail will have a list of priorities. Indeed, I am starting a long journey of my own on Monday to go around the country and talk to regional managers of Network Rail for them to explain to me what they are doing about the major bottlenecks in the system because, whatever else we do, I think we must be judged on driving up the performance of the train operating companies. The train operating companies like Virgin say, okay, some part of the delays are due to what they call TOC-on-TOC delays, train operating companies, perhaps a slow train in front of a fast train or as when I came up on Great Western on Monday, a high-speed train had broken down on the high-speed line and we were diverted in a queue of five trains on to the slow-speed lines which run to Reading and into Paddington. If improvements can be made which reduce the time that it takes to cope with those kinds of delays, then we can start to get the mean average speed back up again. On the North Wales line, I do not know what the average speed is at the moment for, say, a Pendolino but, if it could be raised by 10 miles an hour, let us say, from whatever it is now, let us say it is 70 miles an hour and it can be taken to 80 miles an hour, that makes a material difference and if that work goes on from now until the time at which and beyond the time at which the West Coast Main Line work is finished, then of course the reduction in the time it takes one to get on to the West Coast Main Line to London added to that incremental improvement as a consequence of that ten miles an hour increase will be pretty dramatic, but I do not think it is easy to say that we can guarantee 100 miles per hour by a particular date. I cannot do that and I do not think that Mr Chris Green could either.

Q411 Albert Owen: The point that I really wanted to get out of you is that if it is not in the 10-year plan, that does not mean that there cannot be improvements to the line speeds.

Dr Howells: No, absolutely, and that is very important. Mr McBrayne has just pushed a piece of paper in front of me which says that the Holyhead/London fastest journey time is planned to drop from four hours and 28 minutes to three hours and 50 minutes. That is very significant.

Q412 Albert Owen: But that does not take into account from Crewe to Holyhead. That really is just from Crewe to London. We are pushing really for the upgrade from Crewe to Holyhead.

Dr Howells: If it has been reduced—

Q413 Albert Owen: Not all the trains go that way, some go just to Manchester and to Chester, so we do not get the full benefits from it.

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Dr Howells: Okay. I think that an improvement from four hours and 28 minutes to three hours and 50 minutes is very significant and if we can force some incremental changes beyond that because of better maintenance, then I have a feeling that that will be a big improvement.

Q414 Mr Williams: We have been told in evidence that the North Wales Main Line is classified as a secondary route as far as maintenance standards requirements for the SRA are concerned and yet it is also classified as a Euro route. Should it not be a primary route as far as maintenance is concerned?

Dr Howells: It is not actually a TENS route—the road is but the railway is not, I am assured here. It says, “The Crewe/Holyhead line is of European significance given its links from the Port of Holyhead to the West Coast Main Line at Crewe although the line itself is not part of the European high-speed network.” That is a technicality and I think that the point you are making is a very valid one. It is a very important line and, as Mr Owen made clear to us in an adjournment debate last week, he has seen very significant improvement in the economy of Ynys Môn as a consequence of the improvements to the A55. I think there is no question but that if improvements to major infrastructure routes can be made, they almost always generate improvements in local economies as well as offering greater job opportunities.

Q415 Mr Williams: I think the point being made by Mr Owen as well was that if this route was designated as a primary route as far as maintenance was concerned, then possibly higher speeds would be attainable on it.

Dr Howells: Well, he is in the queue!

Q416 Mr Williams: If would could perhaps sort out the Sugar Loaf Junction question for a moment. I believe it is on the Heart of Wales line which has seen really significant increases in passenger numbers. I do believe that it is in Mr Price’s constituency but only just and it is used only for access to the countryside really.

Dr Howells: I believe it is at the end—and I have learned all of this very recently—of a very significant tunnel as well which is not surprisingly known as the Sugar Loaf Tunnel.

Q417 Mr Williams: The Strategic Rail Authority are suffering a financial shortfall which they claim is due to the Government’s cutback of about £312 million. What effect did that shortfall have on the settlement between the Strategic Rail Authority and Arriva as far as service standards are concerned?

Dr Howells: I was not party to those discussions at the time when that franchise was being drawn up and I am not aware that it had a material effect perhaps, I do not know, in terms of new rolling stock or refurbished stations or whatever, so I cannot give you an answer on that, but I think that the important thing to remember is that although finally there was, if you like, £300 million or so less

than what was expected, the overall increase was very dramatic and constituted a massive sum of money of billions of pounds. Those tensions are always going to be there, whatever the overall shape of the settlement.

Q418 Mr Williams: One of the things that we were told in evidence as well is that there was going to be a reduction in station improvements in the South Wales Valleys area because there had been a shortfall in the SRA and that the Assembly might have to put in £2.5 million if those enhancements were going to go ahead.

Dr Howells: I understand that the Assembly is putting £2.5 million into station refurbishment and I would agree with you very much that a lot of those stations need that kind of refurbishment and I think we will continue to talk to the SRA and indeed to Arriva about the possibility of trying to get some initiatives off the ground which should be partnership ones. They are many and various and there are some good ones around at the moment by the way and, as Mr Evans said, it is very important that we disseminate information about where there have been successful partnerships. I would like to tell you about one that I saw recently. I went up the Rhymney line from Cardiff which is a very busy commuter line through Caerphilly, a big growth area, and I went up as far as Bargoed and, on my way there, two or three stops before Bargoed, I saw Pengam Station where the community has been having a real attempt, a coordinated attempt, at trying to combat vandalism which was very bad there. One of the experiments which I thought was very interesting was that they constructed in the top inside corner of the shelter on the halt a box into which they put a radio which was playing Classical FM constantly and apparently that had the effect of driving young people out of that shelter in the evening! I was told when I went there that the batteries had run out and that they were going to replace them!

Q419 Mr Williams: I used to go to Bargoed Station as a change from Brecon when we travelled to Cardiff by rail and used to change at Bargoed.

Dr Howells: Absolutely.

Mr Williams: We are not going to get that again!

Q420 Mrs Williams: The rail passenger partnership was suspended by the SRA. Was this as a result of the cut in government fundings to the SRA?

Dr Howells: The SRA has to make judgments about how it spends its money. We cannot tell it how to spend its money and there is a decision arrived at independent of government. Wales has done very well out of partnership agreements; it has had 20% of all of the money spent on rail partnerships since their inception and, in proportion to the rest of Britain, that is a very, very high percentage. The SRA is looking constantly at its finances and I know that they are very keen to try to reinstitute those partnership grants and projects and they are very useful, there is no question about it.

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Q421 Mr Caton: When he was before us, Mr Bowker told us that the main issue affecting the Strategic Rail Authority was one of funding generally. Will you be increasing the SRA budget for particular franchises like the Wales and Borders franchise or will expenditure and investment continue to be centred on the West Coast Main Line and the East Coast Main Line, the Channel Tunnel rail link and the south east?

Dr Howells: The railway lines in Wales are very, very heavily subsidised. The capital projects, some of which you have mentioned, may appear to be concentrated on the West Coast Main Line and of course the power upgrade for the southern region which is costing £1 billion at the moment but, in terms of public subsidy going into the railways, they do not begin to compare with the subsidy that goes into Wales. It currently stands at about 13 pence per passenger kilometre whereas, in the south east of England, it stands at about 1.5 pence per passenger kilometre. It is higher in Wales than the national average subsidy for regional railways, some two pence or more per passenger kilometre higher. So, I think that has to be got straight for a start. We are not starved of money in Wales and the railways are certainly not starved of money. They get a very high subsidy and that has to be added to the overall budget allocation that the SRA makes. On the question of how much money the SRA will get as a global budget, that will depend of course on the spending settlement that we will make with the Treasury and, with respect, I cannot discuss that at the moment with the Committee but you can bet, Chairman, that we are trying very hard to ensure that there are proper and adequate funding streams there for the railways in this country.

Q422 Albert Owen: What funding is available for new trains in the franchise in addition to the secondhand pacer sets and will all the new long-distance train sets of the type currently operated in North Wales be brought into the new Wales and Borders franchise?

Dr Howells: The rolling stock, as Mr Bowker probably told you, is designed to have a life of about 30 to 40 years and I am sure Mr McBrayne can remind me in a moment but I think that the average age of rolling stock in Wales at the moment is between 15 and 18 years, or it will be after the new train sets come in. They are at mid life. I know that, on the Valleys Lines, for example, probably the busiest commuter routes in Wales, they are running Class 142 and 143s—I am sorry if I am sounding like an anorak these days but I have started to crack on as to how you identify trains—and they are quite elderly. They perform very well of course and this is often swings and roundabouts because we know that, whenever new rolling stock is introduced, they have a much shorter gap between casualty times, in other words when something goes wrong with them. New trains go wrong quite often. In terms of performance, very often you are quite lucky if you do not get new rolling stock, if you want to shove up the

performance and, if you like, the dependability of trains. On the other hand, if you want comfort, cleanliness and a sense that you are being treated seriously as a customer, then of course we need new rolling stock and we need it sooner rather than later but it is very, very expensive and I know that you are very much aware, Mr Owen, of the way in which the supply of rolling stock operates in this country. We have basically the ROSCOs as they call them, the companies that buy the rolling stock and they are usually underpinned by very powerful banks and the train companies lease the rolling stock off those ROSCOs and they are often at very steep leasing prices but, generally speaking, people seem quite content with the arrangement as it is now. Most train operating companies could not afford to lay out . . . For example, I was told the other day that the cost of a carriage can run up to £1 million, that is a single carriage. Locomotives or the powered vehicles are way, way beyond that. So, it is a very, very expensive business. I have seen the way in which at certain works, many of which are in Derby, there are some great refurbishment projects under way. I saw, for example, at King's Cross Station a refurbished high-speed set for GNER which to all intents and purposes was a new train, a new vehicle, and it was very beautiful. People were clearly delighted to use it. When they get on board, they cannot believe what they are travelling on after what they have been used to. I know that refurbishment is a very useful way of making the best use of rolling stock, so it is a kind of double-edged sword really. I think we would all like to see new rolling stock on the lines but I think we should also value that process of refurbishment as a way of compensating where we do not get it.

Q423 Albert Owen: What we are worried about in North Wales is that we currently have the new rolling stock from First Great Western and because the franchise has changed, that is likely to go elsewhere and there will be substandard rolling stock coming in in its place. So, will there be a transfer in the franchise agreements?

Dr Howells: I am certainly not aware of that and I would be very, very surprised if that was true and that you are going to lose the Pendolinos and the Voyagers.

Q424 Albert Owen: No, that is the West Coast, it is really the franchise on the North West Coast, the Manchester trains.

Dr Howells: I see, on the Wales and Borders.

Mr McBrayne: Some of the rolling stock which is currently on the First North Western Service or the relatively new rolling stock from there will be transferring in 2006 to the Wales and Borders franchise. Just on the average age of the stock, the Minister was right first time: it is between 15 and 18 years at the moment and it will come down then to between 10 and 11 years.

Q425 Albert Owen: Can I just have one point of clarification from the Minister on funding before we move off that issue. You said first of all that

there was a moratorium on the partnerships by the SRA and then you said there was another £2.5 million available from the Assembly which could attract additional financing from the SRA. Is that how I understand it?

Dr Howells: I think you would have to look at it on a project-by-project basis. Some of it may be agreed already and there may well be partnership projects. I cannot give you the detail of what that £2.5 million has been spent on³. I am sure we could get that information very quickly from Andrew Davies.

Q426 Albert Owen: Would you know if any of that is allocated to North Wales where they have had particular problems in Prestatyn, which you will know about, on security and safety issues?

Dr Howells: I cannot tell you that, I am not absolutely sure. I know because it was a separate franchise there was some technical difficulty with the automatic extension of the funding arrangements which were in place in the rest of Wales to the funding arrangements in North Wales, but we will try to find that out for you.

Q427 Mr Edwards: Can I ask you about the South Wales Main Line? Two years ago, Mike Carroll of First Great Western told the Committee that the infrastructure on the South Wales Main Line was below average compared with other main lines in Great Britain. Do you believe that the SRA and Network Rail are giving too low a priority to infrastructural improvements on this line?

Dr Howells: No, I do not. The first stretch of line in Britain which was taken in-house as far as maintenance is concerned by Network Rail was the stretch between Paddington and Reading, and then a bit later part of the Wessex service and now of course it has all been taken in-house, but it was an indication of the concerns they had that the quality of work was to be the highest possible and that it was being done swiftly enough to try and overcome the difficulties of the approaches to Paddington especially. In terms of a comparison, I saw the Institute for Welsh Affairs Report where they said that a comparison with GNER's line and with First Great Western's main lines showed there was less money being spent on First Great Western than on GNER, and that may be true. It may be something to do with the fact the numbers of people travelling up the East Coast Line are something like 3.4⁴ billion in terms of passenger journeys made and on the Great Western Line there are about 2.7⁵ million, which is an enormous number of people but it is less, and I come back to the point I made earlier, that those decisions are difficult ones. As somebody who has been travelling on that line since the mid-1960s, I have seen certainly a deterioration in the quality of the ride. Try writing on a high speed train heading into London, which is what I always try to judge it by. It is very, very difficult. Your pen is jumping around. Even I use

a computer these days, I use a laptop, and it is very difficult to get the cursor to remain on a particular spot, especially if the train is doing 125 miles per hour. I know it is something that the SRA feels very strongly about. One of the things in favour of Great Western is the fact that the chairman of the Strategic Rail Authority, Richard Bowker, uses it most weeks, and I suspect that he is as concerned as I am about the quality of that ride. I am sure that the improvements which are being made in certain parts—it will be renewed and it is being renewed slowly—will make a difference. If you ask me about what is the most important thing to do, we have to get the bottlenecks sorted on that line, and they are many and various, there are a lot of temporary speed restrictions there, and it is not just the quality of the track itself, it is the fact that in many ways it has not had the attention it should have had since the 1960s. Indeed, there are embankments and bridges which were built by Brunel. I know that Network Rail has been quite concerned about what was likely to happen as a consequence of a very dry autumn when some of those embankments have dried out for the first time in a century and sudden downpours of rain. If you take the rail network as an equation, it has hundreds of variables in it which determine success or failure or speed or slowness, and those embankments and tunnel gauges and maintenance problems are very often the key to having a fast service or a very slow service.

Chairman: We have not heard about the embankment problems. Thank you, Minister.

Q428 Mr Caton: Continuing with the experience on the Great Western Main Line and your problems writing, Minister—and I think most of us who have travelled on it have spilt at least one cup of coffee down ourselves on that journey—it seems to me, and I am no expert on railways, that when you have that sort of experience there seems to be a problem with the track. Would you say that is the fundamental problem?

Dr Howells: You are getting into real techie stuff now, Mr Caton, but there is certainly a problem with the configuration of the track, the geometry of the track in some places, and the speed the train is travelling. If the track was sub-standard, trains would not be allowed to travel on them at 125 miles per hour. I know we do not celebrate the fact very often but, contrary to popular belief, we had the first high speed network in Europe, the TGVs came later, and we still have, despite the veil of definition about what constitutes a high speed network, quite a bit of mileage of high speed railway lines in this country. So it is a combination of, I think, years of under-investment on that line and on other lines in Britain, and yet we have vehicles which are capable of very high speeds travelling along there. This is something which Network Rail and the Health & Safety Executive keep a very close eye on, and I think they are aware that the track is holding up pretty well, but it is an old track, it has ballast and rails on it which need replacing regularly, and they are replaced regularly, as many of us who might

³ See page 86 for further information.

⁴ Correct figure from Department of 3.7 billion.

⁵ Correct figure from Department of 2.5 billion.

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go up it on Sunday evening or travel first thing on Monday morning know, when sometimes there are overruns on maintenance work and so on going on at weekends, so there is a lot of work going on on that line but it needs a lot of work as well. I was very struck when I went to visit the West Coast Main Line, when I made a point of getting alongside maintenance teams on tracks to have a look at what was going on, that they explained to me that although a track might look as if it is in very good condition, it might have very high quality rails running along and good sleepers, it might even have good ballast, but they found on the West Coast Main Line when they got beneath the ballast they encountered ground which had been pulverised over a century into jelly, and that it was almost a criminal waste of money to pump more and more ballast into that jelly, and the obvious thing to do was to get the line out of the way, dig out that formation, as it is called, and put new formation in which will last hopefully another century. But these are huge jobs to do, especially when you are trying to do them, to build a new railway essentially, and keep the present one running. It is a task which almost has not been tackled anywhere in the world to the extent to which it is being tackled at the moment.

Q429 Mr Caton: You are right, it is obviously a huge task, but one of the objectives you identified earlier on was shifting people from road to rail. With the journey from the West of England or from South Wales to London, the great advantage in choosing rail for many people, many of us I am sure, is that you should be able to work—you have a desk in front of you, you should be able to get your laptop out or write—but at the moment, as you have indicated, you really cannot do that. I know from people I talked to in Swansea, it is a disincentive for them using the railways.

Dr Howells: You are dead right. Mind, I have to say it is a lot easier to use your laptop if you are sitting on a train than it is if you are trying to drive a car. That is not as absurd as it seems, believe me, I can tell you some stories. Some of my colleagues—well, I won't go down that road. This is many years ago. It is a very important issue. An indication of how keen people are to travel on the railways is the fact, as I am sure you have been told *ad nauseam*, we carried more people last year on the railways than in any year since 1947. In a sense the growth in wealth we have seen in this country over the past 20 years means that car ownership has gone to limits we could never have predicted 20 years ago, and as a consequence the roads are becoming more and more congested, and people have to make a decision about how best to get to work or see their family or go to the shops or whatever. It is quite clear that more people are choosing to go on the railways. The question to ask is, is it keeping pace with the amount of people on the motorways and on our other roads. That is the difficult one. There are questions about capacity in so many ways. If only we could squeeze more capacity out of the railways. John Redwood, the

Rt Hon Gentleman for Wokingham, wrote a very interesting article in the *Times* some months ago in which he said, “We have to look at these questions of capacity, about how many people and goods you can move along a road compared to a railway”, and these are very valid questions when you have, as any nation has, a limited budget and you have to decide. Those are very difficult issues.

Q430 Mr Evans: I heard an interview you gave to the *Today* programme, shortly after taking over the brief, when you talked about where the money was going to go, particularly with regard to what you have just said about the London-Swansea route. Yes, it would be nice to write on the trains and be half legible or indeed do other things, but what you have just said about the embankments concerns me a bit, I have to say. Yes, we have just had a dry summer and now we are going into the winter. Do I assume you have had negotiations with somebody about this, that you can assure people who are using that particular route that it is safe?

Dr Howells: Yes, we meet John Armitt and Ian McAllister of Network Rail, whose responsibility this is of course, on a very regular basis, and we always have an agenda and issues like this one are always on the agenda. Indeed, Chairman, in answering Mr Evans' question, I would like to confirm that no vehicle will pass along a railway line, whether carrying passengers or freight, if the Health & Safety people are not absolutely certain it is safe. We have a very, very safe railway system. Behind your question, Mr Evans, is an important observation. We may face some very large expenditure on putting embankments and bridges and tunnels right. It is a very expensive business.

Q431 Mr Evans: It is colossally expensive but absolutely essential to ensure the safety of anybody travelling. We have had enough tragedies in the past few decades and we would not want them to happen again. In your negotiations about the safety and upgrading the enjoyable experience of people travelling on the trains, who does pick up the tab? Is it the SRA? Is it another body? Indeed what power have you got as a minister to say, “I want money invested in that section of the railways because it simply is not up to scratch”?

Dr Howells: This is a very political question, Chairman. In fact, of course, ministers have very few levers to pull in terms of determining where that money ought to be spent, and that is part of the way the rail industry was privatised. The responsibility for investing in improvements and upgrades and maintenance is firmly with Network Rail, and so it should be. God forbid that somebody like me, or even with respect you, Mr Evans, should run a railway—

Q432 Mr Evans: I can only agree!

Dr Howells: Network Rail has some superb people. It has a great workforce. It is going through a great state of flux at the moment because it is going to have to manage all maintenance work as well as everything else it did, but the decisions are made

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by Network Rail. The Office of the Rail Regulator of course may make observations, and very powerful ones and important ones, about what he or she, if it is a woman, considers to be the right way for that money to be spent. Of course the Rail Regulator will, and has a duty to, challenge Network Rail about the decisions it makes. The Strategic Rail Authority of course as the body which certainly has a relationship with Government, a very clear relationship with Government, as the Office of the Rail Regulator does, will have a view as well about the way the priorities ought to be. Of course they are in a rather unique position because they also have a relationship with the train operating companies, and if the train operating companies tell them, "We are feeling a bit worried about this bit or that bit and if some work is not done on this bit then our improvements are going to stop or decline", they have to take notice of that. So it is an arrangement which certainly can work and I think generally does work, because millions of people are carried back and forth by railways every day. We tend to highlight the shortcomings of the railways but I think it is a magnificent operation actually.

Q433 Mr Evans: As a minister do you ever receive letters from people working on the railways who pinpoint areas where they have concerns and ask you to take action?

Dr Howells: Yes, we do occasionally. Mr McBrayne has been around in the Department a lot longer than I have and perhaps he could give you some kind of answer but I am sure we do get a lot of mail from people who might express a concern about a particular issue.

Mr McBrayne: We certainly get letters from members of the public. I do not remember getting them from rail workers about particular problems, although I imagine it must happen from time to time.

Q434 Mr Evans: Would they be brought straight to your attention if they did that?

Mr McBrayne: Certainly, and we would immediately draw it to the attention of both the SRA and Network Rail, yes.

Q435 Mr Evans: Bringing you back to the Swansea-London route, because it is one of the busiest routes there is, you use it and I have used it in the past and will no doubt in the future as well, it seems to be quite fast between London and Bristol but then of course slows down dramatically, if indeed it goes through the tunnel because we do get diverted now and again. Is there any specific reason why there has not been an incremental operating statement made about increasing the speed as it goes through the tunnel through to Swansea?

Dr Howells: Mr Evans, I use this line all the time and I cannot remember, but I am sure there are Committee members who can remember, being diverted except on a Sunday for a long time now. Generally speaking, I have not noticed, for a while

anyway, a reduction in speed going through the tunnel. I do not know what the speed limit is on the tunnel, so I cannot answer you, in all honesty. I do not know whether they are limited to 100 miles per hour or allowed to go 125 through there, I do not know. I know due to some of the improvements, and there are big signalling improvements due to start any day now at Port Talbot, that the trains are capable of running at 125 miles per hour on stretches most of the way through in Wales and usually do travel at those speeds, but there are a lot of temporary speed restrictions on the line. It is one of the things we are trying to address at the moment.

Q436 Mr Evans: It does go much slower after Cardiff. The Cardiff to Swansea bit seems to take forever.

Dr Howells: Yes, and there are more stations as well of course. The high speed sets are wonderful, they are great vehicles, but they are very heavy and they take a long time to accelerate. Once they get going they are brilliant but, you are quite right, once you get to Bridgend you then have a lot of stations to Swansea, and it takes a long time for that train to get going and it takes quite a long time to brake as well. Somebody told me the other day that when one of those trains is going at 125 miles per hour, if its brakes are slammed on, it takes 1½ miles to stop, and when it does stop the wheels are flat—and that is not a joke! Try replacing one of those!

Q437 Mr Edwards: Network Rail and First Great Western agreed that the main areas of concern were the speed limits at Patchway (Bristol), capacity limitations at Bristol Parkway and Filton Junction, the Severn Tunnel, layouts at Cardiff, Newport and Swindon. What role does your department play in ensuring that such pinch points can be rectified?

Dr Howells: In a way we have no role but if we decide to involve ourselves in it we have a very important role to play, because we still have some credence as Members of Parliament in Westminster, and the rail authorities take great care over what is said as a consequence of Committees like this, statements in the House, and moreover if we get out of Westminster and meet the rail companies and Network Rail in the regions and the SRA, they pay due attention to us. I am a great believer in ministers getting out and meeting people on the ground to try and find out why the kinds of problems you have just listed for us continue. I am not saying that we can somehow make a very significant difference immediately but I think it always helps for people to know we have our eye on them, in the most constructive way possible of course. I think you are quite right. Almost all of those problems which you have listed there are currently being addressed, by the way. I could have added one more to them, and that would have been the congestion at Reading Station at the moment; it is very, very busy.

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Q438 Mr Williams: In reply to Mrs Williams' question you said that a train journey from Pontypridd to North Wales would be quite difficult to achieve and then on to London.

Dr Howells: Except there is one, of course. I discovered there is one.

Q439 Mr Williams: Still the difficulty of travelling between North and South Wales is a real problem. Can you tell us what is being done within the franchise which has just been awarded to make travelling easier in terms of faster trains and through trains?

Dr Howells: The bit of paper I am scrabbling around for, Mr Williams, was something I asked for earlier and now I have lost it! I have read the Welsh Assembly Government was very keen there ought to be an integrated service which ran from North Wales, really from Holyhead, to Cardiff. There is a route which goes once a day via Wrexham. I asked how long it took and it takes—it takes a long time! Cardiff, Holyhead via Wrexham, slowest journey time 5 hours 52 minutes, fastest journey time 5 hours 9 minutes. Cost, off-peak, saver return, £72.20. I am sure that is a wonderful trip but that is a long time. But try driving Holyhead to Cardiff—and you know better than any of us, Mr Williams—in the summer, getting stuck behind a convoy of caravans.

Q440 Mr Williams: Or a combine harvester!

Dr Howells: Or a combine harvester. It is not easy. But that is an awfully long time. I am very encouraged that the Welsh Assembly Government is trying to seek ways of getting people from that heavily populated North and North East of Wales down into South Wales and vice-versa more quickly. I have a feeling that would do a great deal for our perception of ourselves as being Welsh.

Q441 Mr Williams: I think you have probably answered my supplementary. Do you think this has made a real contribution to the Assembly's aim of getting better connectivity between North and South Wales?

Dr Howells: It does matter. I do not want to make a totally absurd analogy but opening up the West with the railroads in America really did create a nation which did not exist really apart from in the minds of authors and aspiring politicians before, and it took a railroad to do that. In many ways the same with Australia. Being able to make those links is very important. I know Mr Owen is a keen advocate of air links and the Welsh Assembly Government is very keen at looking at those kinds of projects and I am glad they are being debated now. I hope they will not just be filled with officials and AMs from the Welsh Assembly Government.

Q442 Mrs Williams: We are constantly trying to persuade people not to use their cars but use the railways instead, what kind of investment do you think we should really put into the railway system to make it more attractive to commuters, to business people and, as far as many parts of Wales

are concerned, to tourists? Because if they do not have a good system they will not turn up to our beautiful Snowdonia and so on. What sort of investment do you think we are really looking at?

Dr Howells: First of all to put something on the record. The Welsh Tourist Board I think has been doing wonders recently and the number of visitors to Wales is tremendously high and I think they have kept the momentum going in terms of attracting visitors, and part of that is to tell people how to get there. I spoke yesterday to a group of our colleagues who represent seaside towns, not just resorts but seaside towns, and they have very special problems in terms of communications because very often these seaside towns are surrounded by sparsely populated rural countryside, and the roads and railways are often not up to carrying millions of people who like to go to these places. North Wales especially has a high concentration of some of the most visited resorts in the whole of Britain, and you know which ones they are. To get people in there and to encourage tourism, and I know of few sectors of employment which are better at generating new skills and new employment than tourism, we must try to make it a sustainable experience. The last thing people want I think is to turn up, as I did just a few months back, at Pen-y-Pass thinking I was going to be able to nip up Snowdon in a couple of hours and then shove off, only to find I could hardly find anywhere to park within ten miles of the mountain. This is a very, very serious problem. How we get people to places like that by rail is another matter. You have to somehow get the right balance between those huge capital costs of building new transportation networks and the overall benefits that could bring to a particular area in terms of something like increased tourism or indeed new employment. Those are difficult judgments. I will say this, Mrs Williams, I think those are judgments which the Welsh Assembly Government and devolution are designed to make. Nobody should know Wales better than the people who represent it, who live in it and who are paid to make judgments about it. I think step changes in the governance of Wales will occur when we understand the nature of those kind of decisions and their centrality to renewing the economy of Wales and re-inventing it. We want to work with them on that to try and ensure that we have the railways and roads and bus services and the park-and-rides and shuttles to get people to our prime tourism attractions.

Q443 Mrs Williams: My question was really about what sort of investment you are looking for to make travelling by rail more attractive?

Dr Howells: We are investing unprecedented sums of money into railways at the moment, and that includes everything from putting the tracks right and the infrastructure right to the refurbishment of stations. Paddington, for example, has had a huge number of digitised CCTV cameras installed recently. That is going to make a big difference to people who use that station, who will feel safer, more comfortable there. I have watched

Paddington evolve since 1965 when I first went as a student to London, and compared to what it was it is now a very beautiful station. It has been done well, it is a much more attractive place for people to go to. When I spoke the other day to the new franchisees on Merseyside, Mersey rail, who are Dutch, they said, "The first thing we do is we say, 'What is the first thing people see about the railways?' They are not techies, they do not want to know what class of train it is, they want an attractive station to walk into, they want to feel safe in that station, they want it to have facilities, decent toilets, and if they are disabled they want good disabled access to the platforms." You have to understand that. It is quite a big culture change. It is not just a question of running hundreds of tons of metal up and down the lines every day, it is often as importantly about how we make the experience an attractive one so we get more people on to trains. Mind you, if we doubled the number of people travelling on the railways at the moment, we would have some job to accommodate them.

Q444 Mr Evans: You would have a problem because your target I think is to increase it by 50%. That is still the target, is it not?

Dr Howells: Yes, it is. I am glad you have asked me that, Mr Evans. More or less all my life I have been a sworn enemy of targets, ever since I witnessed at least 15 false dawns in Welsh rugby. I am quite concerned actually at the thought that if we can increase, as it looks as if we will, rail passenger numbers by 30%, if we do not hit 50% it will be a bad news story instead of a good news story. I would like my Department certainly to have a dialogue with the public about that, because it is important to get that right.

Q445 Mr Evans: So it is a target over what timescale?

Dr Howells: Ten years. From?

Mr McBrayne: 2001.

Q446 Mr Evans: Is there sufficient funding, do you believe, to be able to attract people on to the trains with the rolling stock improvements which are going to be necessary?

Dr Howells: I think there is. The problems beyond the question of the rolling stock are probably to do with issues of convenience and the car culture. I know people who get in their cars literally to go 120 yards. They say, "Well, it's uphill." By the way, you know in this Committee I am sure, that we think about 20% of the traffic in the morning and in the afternoon is the school run. I was lobbied the other day by some MPs—I will not tell you which part of the country they are from, they are not very far from Wales—who said, "We have to look at timetabling again because we have a few very good schools along this stretch of line and at the moment the trains run at the wrong time for children to use them to go to school and come home again." One wonders if that sort of detail could be configured into the whole process of

timetabling—and it does look like a small detail—it could make a difference really in terms of the way people are prepared to use lines.

Q447 Chairman: Apropos the increase in targets or in terms of growth, the trains on the Valley lines—and I am coming back to a specific, I am sorry—carry 30% of the peak travellers from the North Cardiff suburbs apparently.

Dr Howells: Yes.

Q448 Chairman: That is up 25% over the last three years. The A470 is congested, as we all know.

Dr Howells: Tell me about it!

Q449 Chairman: Absolutely! Even I suffer from that travelling into Cardiff. Yet no additional capacity is included in the franchise. Do you not see that as a problem? Will that not actually mean there is no excess capacity?

Dr Howells: There have been phenomenal improvements in recent years. We have the best rail service now from Pontypridd into Cardiff that any of us can remember in our lifetimes, and it is probably the best service there has ever been. At peak times we get six trains an hour, which was unthinkable just ten years ago. As you know, with help from the Welsh Assembly Government, the Aberdare line is going to see an increase to a half hourly service, and that is a busy line, and it is a statement of faith by the Welsh Assembly Government that they are prepared, along with the Strategic Rail Authority, to put money into that. We have an increase in services up to Treherbert and Merthyr has seen an improved service. I am not sure, Chairman, I can certainly try to get you more detail on that⁶, or perhaps through your own devices you might be able to get more, but I have a feeling that the signalling system which has just been renewed is now running more or less at capacity on the very busy stretch between Pontypridd and Cardiff. If we could get more vehicles on to that line it would be a tremendous boon. I usually get on the 7.28 in Pontypridd station and I just about usually manage to get a seat (but that is probably because I am looking more elderly now than most of the people who use that line) but often I do not get a seat, and it is very popular and very full. By the time we get past Treforest, which I think is the third busiest station on the Valleys network, there are no seats to be had, and that runs down of course to Taff's Well, Radyr, Llandaff and then into Cardiff, and by the time it gets to Llandaff the train manager is on the platform shouting at passengers to move down inside the carriages, with passengers shouting back, "We can't move any further". So it is a very crowded service. We could do with another coach on that service.

⁶ See page 86.

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Q450 Mrs Williams: I am a member of the All-Party Group on Rail Freight here in Westminster, could you tell us what the UK Government is doing to promote the use of rail as an alternative to road for the transportation of freight?

Dr Howells: The Strategic Rail Authority, as you know, Mrs Williams, has spent a lot of money on freight, and its recent reassessment of what the rail industry requires was partly based on the centrality of moving freight up and down the country as opposed to moving up and down the country on highways. There has been a resurgence of freight moving on rail but not so much in Wales. The Wentloog Freight Terminal seems to be very busy and it seems to be doing pretty well, but there are not many other freight terminals in Wales. There is a small one in Swansea and there are some others dotted around. It is partly an effect of what is happening to the Welsh economy. We are an economy now which is becoming increasingly dependent on service industries. In a way, what we have done is we have substituted passengers for coal and steel. We still have some very important freight lines and I know the SRA is looking at the way in which we can use especially some of our rural routes as alternatives—I do not know a great deal about it, I have not been briefed on that so far—making maximum use of those routes to move freight around the country. The main freight routes run of course up and down the spine of England, especially on the Manchester-London axis, and a lot of the goods from Wales feed into those points where trains are put together and so on inside England. Wentloog is a very important freight terminal and we are determined to ensure wherever we can we encourage companies to move freight from road on to rail. If you look at something like the Royal Mail, they are moving in the opposite direction, and that is partly an effect of something which is very unpalatable in many ways to the rail lobby, and it is that lorries are becoming very much cleaner than they were, they are very efficient and they are very flexible. I am very glad to see that companies like EWS and Freightliner and GB RailFreight and others are now putting a lot of money into how you put trains together, mixed cargoes and how you try and ensure you can get them from Point A to Point B predictably and on time and in the kind of tonnages required. They are difficult tasks but I am convinced that it is a re-birth in many ways of freight on rail.

Q451 Mrs Williams: Are you familiar with the situation down the Conwy Valley line with regard to the Blaenau Ffestiniog slate waste?

Dr Howells: Yes.

Q452 Mrs Williams: That is an example where there are these heavy lorries along narrowish roads in mid-to-north Wales.

Dr Howells: It is a very important line. I am not sure of the last estimated cost but I believe it was over £20 million, which is a lot of money of course. It is moving the waste from the old slate quarrying industry as base material into Manchester and up

to the North West of England where it is going to be processed and used for different sorts of uses. I believe that that project at the moment is under some intensive study and I know a number of people are looking at it, including the Welsh Assembly Government, the local authority and the Strategic Rail Authority.

Q453 Mrs Williams: It is not just Blaenau Ffestiniog of course, there is granite from Penmaenmawr and slate from Bethesda. How can it be made more attractive for these companies to use rail rather than these heavy lorries along our roads?

Dr Howells: If you mean, can we subsidise them, that is a more difficult question. Grants are given, although they have been suspended at the moment, because the SRA is over-stretched at the moment in terms of those freight access grants, but it is very often a decision which companies themselves have to make. Part of it, to come back to a point made by Mr Evans, is often about dialogue actually, trying to convince companies there is another way of doing things. I am very glad to see the Strategic Rail Authority and the freight companies themselves are now addressing themselves to the problem—or the challenge, it is not a problem but a challenge—of trying to convince commercial companies in Britain this is an alternative to congestion on the M6 or the M25. The companies, by the way, are making that change because they see it as being in their commercial interests to do it.

Chairman: Minister, we understand there is going to be a vote shortly. We have five questions left. We will try and get some more questions in but if we do not finish, perhaps we can write to you with the remaining questions so we do not have to have you back again.

Q454 Mr Caton: Network Rail said in their memorandum to us that their investment plans were dependent on the Rail Regulator determining their income beyond 2004. Is it sensible to have this degree of uncertainty when the Regulator is a Government body and, as you have indicated, Minister, Network Rail has very close Government ties?

Dr Howells: The Rail Regulator, of course, is an independent individual at the moment, a different sort of body in the future, but it is completely independent of Government. It has a relationship with Government certainly because it has been created by Government, but it is there to assess the economics and the needs of the railway and to make certain recommendations about the amount of money it feels the industry should have, and what the access charges ought to be to be paid by the train operating companies to Network Rail. So the Regulator is a very powerful individual and an independent individual. Of course there will be tensions there because he is going to recommend that the budget ought to be £X billion, and Government has to think about how it is going to fund that, but it is a creative tension.

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Q455 Mr Caton: What has come out very clearly from this afternoon is that the key to the future is getting that infrastructure right, and clearly that is Network Rail's job. Do you not think it might be useful if there was longer term planning available to that organisation rather than the comparative, it seems to us, quite short period that the Regulator provides the resources for?

Dr Howells: The Regulator has a number of different tasks of course. He has a list of priorities which he has to work to and he has a duty of course to look at medium and short term funding as well as longer term funding. I believe he does that. We are working at the moment really for the first time anyone can remember on a 10 year plan. That was quite an initiative to take. I believe even the Soviet Union used to work on five year plans, a ten year plan is a big decision to make about funding. I know in all of the negotiations we have had inside the Department about funding and about our relationship with the Treasury, we are looking not just at the year 2011 but well beyond that towards 2020 and 2030. That is quite a heroic thing to do, if I may say, Mr Caton, because governments do not often reap the benefit of those decisions during an electoral cycle, and investing in the short term I think has been the great problem as far as the rail network has been concerned in this country. It has been a case of giving railways just enough to keep going, when often the infrastructure was rotting, literally, instead of thinking about 10 years and even 20 years in terms of what kind of transportation system we want in the future.

Q456 Mr Williams: I think you have been quoted as saying that there are "no insuperable problems to transferring the powers of direction and guidance over the SRA to the Welsh Assembly." Perhaps you could tell us what is the extent of powers which could be transferred and perhaps the legislative mechanism for making the transfer.

Dr Howells: As you probably know, the Welsh Assembly Government has put forward a number of proposals to us now which officials in our Department are looking at at the moment. I am very keen that where we can get the maximum benefit from the devolution of responsibilities it ought to occur. There are, as I hinted right at the beginning, some difficulties with the way in which the rail network works in Wales which are rather different from Scotland. Essentially Scotland, for the most part anyway, has two lines going into it and two lines coming out of it, whereas in Wales, apart from the Valleys Lines and some of the specific Cardiff, Milford Haven, Fishguard routes, most of the other lines go into England. For example, in drawing up the all-Wales franchise, I am sure you are aware that there are stations and services inside England which will be part of that franchise—we are extending the borders of Wales in a kind of imperialist way really—and that does present special difficulties because a lot of those routes are vital routes for the communities they serve inside England. What the Assembly Government is particularly keen to do, and I am

sure you know it, is to have a duty to develop a national transport strategy for Wales, which seems entirely sensible to me, as long as it interacts properly with those transportation networks in the parts of England which abut Wales. They want powers to establish regional consortia of local authorities, which is very important too I think, and we have talked about some of the things which can be achieved through that like better stations, better integrated transportation networks and so on. They want enhanced powers to provide capital and revenue support for public transport. That is something we will have to look at because it would involve quite complicated arrangements with the Strategic Rail Authority and the way in which it allocates at the moment monies for franchises and various budgets around the country, and also with the train operating companies and their relationship to Network Rail in terms of rail access charges and so on. So that is what we are looking at carefully. They also want powers to give the SRA directions and guidance and responsibility for funding the Wales and Borders franchise, and we are looking at that one. They are seeking a power which is equivalent to that of Scottish Ministers to give the SRA directions and guidance in respect of the Wales and Borders franchise and to fund the franchise, with the provisos that I mentioned about the differences between Wales and Scotland. It is not rocket science, we ought to be able to get somewhere on that. There is also the thing about appointing somebody from Wales to the SRA, which by the way Scotland does not have despite everybody believing it does have it. I think that is something we can discuss, and I know Richard Bowker is very keen to discuss that with the Assembly as well. They want the power to enter into binding agreements with the SRA. I can see where that aspiration is coming from. It will be a difficult one though, difficult from both sides really. The relationship we have as a department with the SRA and the overall funding package that is allocated to the business of the SRA would have to be looked at very carefully. We have quoted some of the sums, £308 million this year being spent on improving transportation, the rail system that serves Wales, but remember a large part of that, perhaps £150 million, is spent not in Wales but on the lines either close to Wales or serving Wales, and that is quite a difficult arrangement which we have to examine very carefully. I do not see any of those as insuperable. The Department, not so many years ago, turned down those propositions or said, "We disagree with them", but they did not close the door and I am very keen we should examine them.

Q457 Mr Evans: Surely this is the time to close the door on all of this, because the Welsh Assembly Government have made a complete shambles of the National Health Service in Wales. The prospect of Jane Hutt transferring from Health to Transport would put the icing on the cake for everybody. You talk about some of the problems, Minister, the problem of the cross-border areas, they clearly exist within transport, they exist within higher

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education, and whilst at one stage people talked about transferring those powers as well that seems to be dragging on because of the complications which exist with the cross-border flow of traffic which exists within Wales. Is this not the opportunity to just close the door on this? By all means put somebody from the Welsh Assembly Government or somebody from Wales on the SRA, by all means do that, but at the same time is it not possible for them to work to somebody like yourself to ensure there is proper focus and attention on what we need for Wales in transport?

Dr Howells: I will not comment, Mr Evans. I am sure you would not expect me to comment on the observations you have made about the way the Welsh Assembly Government works in Wales. I will say this, if we are to make those incremental improvements on transportation then there is a very real place for decisions being made by the people who have to use those transportation systems. I have expressed my worries on many occasions about the lack of drive when it comes to encouraging things like cycling and walking in some of the communities in Wales, and in a way

the messages we send out from Westminster have not really got through on issues like that. I think there is a very real case to be made for that more intimate relationship which exists between the communities in Wales and the Welsh Assembly Government where a lot more impetus can be put into those issues. You made some observations there which I do not disagree with. We have to have an overall perspective as far as these great and vital highways are concerned, whether they are railways or roads. Indeed of course there is another perspective which we have not talked about, or only marginally, and that is the European perspective, because increasingly I find there is no part of the business we do where the tentacle of the European Commission or Brussels is not involved.

Mr Evans: I agree.

Chairman: That seems an appropriate time to stop. Thank you very much for a long session and I am sorry about the delay at the beginning. There are maybe one or two things we will need to write to you about in terms of clarification but we probably will not have to see you again. Thank you very much.

Note from the Department of Transport

I have had a discussion with colleagues in the National Assembly for Wales about what they saw as an error in the Department's Memorandum to the Provision of Railway Services in Wales Inquiry. I understand that the Assembly has raised this matter. This is to inform you that we have advised the Assembly as set out below, and we do not accept that our Memorandum was incorrect or needs to be amended.

The Assembly's query related to paragraph 23 of the Memorandum, which stated that "Rail is generally reserved to Westminster under the devolution settlement in consequence of the Government of Wales Act 1998. The only statutory rail function carried out by the Assembly is the administration of grants for freight facilities and track access within the overall freight grants scheme for Great Britain specified by the SRA". The Assembly felt that their ability to fund rail investment by means of the powers contained in the Ministry of Transport Act 1919 and section 56 of the Transport Act 1968, which they have used to fund North-South Wales services and investment in stations, ought also to have been mentioned.

The Department has responded to the Assembly as follows:

"I do not think it is necessary to amend our Memorandum. The Memorandum was concerned with specific rail powers, the only one of which transferred to the Assembly is that under ss139 and 140 of the Railways Act 1993. The powers under the 1968 Act and the 1919 Act are not specifically related to rail, although they can be used to fund rail investment. What we were explaining in paragraph 23 of the memorandum was that rail in general is the SRA's responsibility, but that the Assembly—and not the SRA—has the statutory responsibility for freight grants in Wales. The powers to fund rail using the 1968 and 1919 Acts apply more generally to transport. They are not specifically rail functions, although the Welsh Assembly Government does, of course, have an important role in contributing to rail investment in Wales, as earlier paragraphs of the memorandum acknowledged (see para 15)."

Denise Rose
Railway Passenger & Freight Services

November 2003

Supplementary written evidence from the Minister of State, Department of Transport

I gave evidence on 12 November 2003 to the Committee's Inquiry into the Provision of Railway Services in Wales. At the hearing I promised to provide further advice on several points. This information is provided below.

WITHDRAWAL OF VIRGIN CROSSCOUNTRY'S SWANSEA-EDINBURGH SERVICES (QUESTIONS 394 AND 395)

I was asked whether Ministers approved the derogation from the Passenger Service Requirement (PSR) that was given to Virgin in 2003, or whether the decision was purely one for the SRA.

The Secretary of State's directions and guidance to the SRA require it to:

“secure that minimum levels of service remain at least equivalent to those specified in the current Passenger Service Requirements or which are otherwise contractual obligations. However, services should be developed to reflect passenger demand and best use of capacity” (Annex B, paragraph 5);

“The Authority is required, as an equal primary objective, to work with the rail industry to achieve substantial lasting improvements in performance.” (Paragraph 6.2).

We therefore expect the SRA to seek Ministers' agreement before making substantive changes to the PSRs. We also expect it to use its expertise and judgement to make rapid decisions about what needs to be done to facilitate the operation of the railway in passengers' interests. In the case of the changes to the CrossCountry timetable, the key issue was restoring, as rapidly as possible, the reliability of the whole network affected by the over ambitious CrossCountry service pattern that had been introduced in the autumn of 2002. The SRA approached Ministers as soon as they were clear that the revised timetable was achievable, and we agreed that the changes should be made.

NORTH WALES COAST MAIN LINE (QUESTION 404)

I was asked why funding has not been made available to upgrade the North Wales Coast Line. The Committee explained that Chris Green of Virgin had in his evidence suggested that significant improvements to the North Wales Coast Line would cost in the region of tens of millions of pounds. I said that I would try to give the Committee whatever assessment had been made of the cost of improving the line.

I am advised by the SRA that it is actively considering the issues on the North Wales coast and investigating cost effective line speed increases which may be achievable through modest signal and track works. No time scales or costs are available as yet. The Authority has first to address deliverability and planning issues. The SRA will consult stakeholders about its proposals as part of the on-going work on the West Coast Strategy.

NORTH WALES STATIONS (QUESTION 425)

I was asked whether it was correct that there was an additional £2.5 million available from the Welsh Assembly, which could attract financing from the SRA, to improve the safety and security of North Wales stations.

In March 2003 the Welsh Assembly Government announced £2.5 million of funding for a 12-month programme of improvements at South Wales stations operated by the interim Wales & Borders franchise. None of the stations in this programme were in North Wales. At the time the North Wales stations formed part of the First North Western franchise and were soon to transfer ownership to Wales & Borders. It was considered appropriate to await the transfer of the stations to the new franchisee before entering into discussions about them.

The Welsh Assembly Government is currently working with Arriva Trains Wales to develop a programme of station and security enhancements at North Wales stations, which it hopes to be in a position to take forward in 2004-05.

Arriva Trains Wales is chairing a working group of key stakeholders in North Wales, including TAITH (North Wales Transport Consortium) Local Authority Officers, the British Transport Police and North Wales Police, to discuss station security. The remit of the group is to consider stakeholder aspirations and investigate appropriate sources of funding that could be accessed to deliver an enhancement programme across the area.

VALLEY LINES CAPACITY (QUESTION 449)

The Committee was concerned about the provision of additional capacity on the Valley lines. As I said during the hearing, there have been significant improvements in the frequency of trains on the Valley Lines in recent years. I also mentioned that Arriva will acquire seven cascaded Class 150 diesel multiple units to replace the four 30 year old loco-hauled trains, which currently operate on the Rhymney branch in the peaks.

The Class 150s will be capable of being used all day in flexible operation on all parts of the Valleys network and will increase the number of seats into and out of Cardiff at peak times. Introduction of the Class 150s is expected this December.

The new franchise agreement contains an investment option for a further increase in capacity on the Valley Lines. The “Valley Lines Crowding Relief Option” will provide platform lengthening at eight stations and additional rolling stock for longer trains. The stations are Barry Island, Eastbrook, Cardiff Bay, Heath, Lisvane and Thornhill, Aber, Lanbradach and Bargoed. Implementation of this work will be dependent on the availability of funding. In addition, I understand that the Standard Pattern Timetable proposed by Arriva will improve capacity and that the platform extensions at Barry Island and Eastbrook will not be necessary should that timetable be implemented successfully.

I understand that that lengthening of platforms at five further stations (Abercynon North, Penrhiwceiber, Fernhill, Cwmbach and Aberdare) is proposed as part of the SWIFT (now part of SEWTB—South East Wales Transport Board) transport strategy.

Dr Kim Howells MP

9 January 2004

Monday 17 November 2003

Members present:

Mr Martyn Jones, in the Chair

Mr Martin Caton
Julie Morgan

Albert Owen
Adam Price

Written evidence from the Rail Passengers Committee Wales

The Rail Passengers Committee Wales is pleased to have this further opportunity to comment on the provision of railway services, and to contribute to this follow-up inquiry into railway services in Wales. Our response follows your enumeration for ease of reference.

1. CONDITION OF THE RAIL NETWORK IN WALES

The rail network in Wales can generally be described as “tired, run-down and in need of modernisation”. From London Paddington, authorisation for 125 mph running ends on the approach to Bristol Parkway and line speeds onwards to Swansea are unexciting. From London Euston, high-speed (110 mph) running ends at Crewe and, although the North Wales Coast line has been upgraded for 90 mph in some places, it remains 75 mph in others; all well below the top speed of many trains that run over it. High Speed Trains (HSTs), Voyagers and Pendolinos are all capable of 125 mph. Short, but severe, speed restrictions in many places further hinder the desire of passengers for improved journey times, which will not only compete with, but also beat, the private car. One example of many is the 20-mph permanent restriction a mile east of Carmarthen, where there are concerns over scouring of an embankment by the river Tywi. With adequate defences against this and monitoring, the restriction could be lifted.

Performance is far too often adversely affected by the condition of the infrastructure. Track circuit failures (signalling) and points failures, combined with temporary speed restrictions, form the major source of delays. Service levels are generally inadequate; coupled with low journey speeds they prove unattractive.

The future condition of the rail network in Wales, however, will be determined by the results of a recent Strategic Rail Authority consultation exercise on the maintenance and renewal strategies for the rail network. RPC Wales have expressed its reservations at differentiating between the various parts of the rail network. We have, through the response to the Network Outputs Statement and the Interim Review asked for dialogue about setting appropriate standards for routes. We have questioned whether it is appropriate to maintain secondary routes to the standard of high-speed lines, for example. It would be consistent to continue this line of questioning to encourage the industry and safety boards to work up appropriate standards for routes.

Differentiation in Wales must not mean:

- Rural passenger services become even slower.
- Alternative routes are unavailable for diverted services when mainline blockages and blockades occur.
- Rural routes become unavailable to heavy freight.
- Restoration to freight standard becomes too expensive for the first new freight customer.

The real concern being felt by many in rural and semi-rural areas is that reductions in maintenance and renewal may well spark a spiral of decline, leading to the closure of those lines. Any further closure in Wales would cause significant hardship to rail passengers.

Our concern for network condition must also include the provision and type of rolling stock used on some routes in Wales. This is particularly so on rural routes like the Heart of Wales Line, Wrexham to Bidston Line, and the Conwy Valley Line. The allocation of just four Class 153 units to these lines acts as a severe limit to increasing the level of service to cater for the latent passenger demand for rail travel in the areas which these lines serve. A new franchise offering only refurbished Class 150s is a wholly inadequate response to rolling stock needs in Wales. The Rail Passengers Committee Wales additionally considers that Class 14* Pacers are sub-standard in comfort, speed and safety—replacements should be procured without delay. Meanwhile, Pacers should not be used on routes shared with high-speed and heavy freight trains.

2. CONDITION OF THE SIGNALLING SYSTEMS

The delay and disruption too often suffered by passengers would seem to imply that the condition of signalling systems is inadequate on a widespread basis. It would, however, be inappropriate for us to comment on the condition of signalling systems, as we have no first-hand knowledge of this complex technology. Network Rail claims that insulation on wiring in Port Talbot signal box is degrading and requires replacement soon, with Newport and Cardiff signal boxes following thereafter for similar reasons. RPC Wales preferred solution is resignalling rather than mere wiring replacement.

3. CURRENT AND PROPOSED IMPROVEMENT SCHEMES FOR RAIL AND STATIONS

As at the date of submission, we are unaware of any current improvement schemes in progress for rail tracks—itsself a sense of concern for the future condition of infrastructure in Wales.

CURRENT

Swansea: is having refurbished toilets (and, hopefully, a re-instated waiting room), plus an improved car park and bus interchange.

Neath, Port Talbot, Cardiff Central (Valley Lines platforms) and Newport: are also having refurbished toilets.

Newtown: Improved vehicle access, including a bus lane, is being provided.

Abergavenny: will see the station manned for longer each day from 0500 to 2300 along with refurbishment of the waiting room and improvement to the toilets.

Llandrindod: A new disabled accessible footbridge is being installed.

Heart of Wales line: Mains powered platform lights are being installed at certain stations to replace previous solar-powered lights (These are still functional, but safety legislation has unfortunately prompted their premature removal).

Valley Lines stations: New platform shelters have recently been installed at several Valley Lines stations.

(The Committee is very conscious that the cost of some improvement schemes has been very high because of the need to take account of requirements imposed by new safety legislation.)

In North Wales, very slow progress is being made, through partnerships, to improve facilities at Bangor and Holyhead. On-site delivery is now urgent to meet the start date of the new Virgin services in September 2004, especially the provision of extra car-parking and bus interchange at Bangor. Similar partnership schemes need to follow at Llandudno and Colwyn Bay. In fairness many of the problems at some North Wales stations are of a social nature and not rail-specific—giving rise to worries about the constraints and resources within which the British Transport Police has worked, and continues to operate.

PROPOSALS

Proposed improvement schemes for rail lines which are considered necessary by RPC Wales include:

- (a) Re-introduction of scheduled passenger services on the Vale of Glamorgan Line, including new stations at Rhoose (for Cardiff International Airport) and Llantwit Major.
- (b) Re-introduction of passenger services on the Ebbw Vale line to and from both Cardiff Central and Newport, including new stations and passing loops.
- (c) Provision of additional capacity on the Cambrian Main Line (localised doubling between Dovey Junction and Machynlleth plus additional passing loops elsewhere) to allow an hourly service to/from Aberystwyth, plus a re-opened station at Carno.
- (d) Provision of a mid-tunnel signal in the Severn Tunnel, to effectively double its capacity for passenger services—by safely allowing trains to follow one another more closely—and also to reduce delay and disruption.
- (e) Reinstatement of double track between Cockett and Loughor on the line from Swansea to Carmarthen and West Wales.
- (f) Improved and additional tracks between Landore West and East and Swansea High Street to reduce conflicting moves and enhance running speeds and operational flexibility.
- (g) Elimination of long signalling sections on the Marches line north of Abergavenny, to increase capacity and punctuality.
- (h) An east facing curve from the Heart of Wales line towards Swansea, eliminating the reversal at Llanelli and offering faster journey times for commuters.

- (i) Re-opening of Swansea District Line for regular passenger services, giving 30 minute faster journey times between West Wales and Cardiff/London—especially for early-morning arrivals at Cardiff, and late-afternoon returns from Cardiff, also for Fishguard Harbour boat trains and, in due course, to serve new stations at Llandarcy, Morriston and Swansea (Felindre) Parkway.
- (j) Elimination of the single-lead junction at Crewe Gresty Lane which creates delays in both directions on the approach from Shrewsbury and in Crewe station.
- (k) Re-doubling of Wrexham-Chester line, to reduce adverse effect of late running services and to allow more frequent future services.
- (l) Level-crossing safety enhancement eg Llanbadarn footbridge near Aberystwyth, automatic barriers at Traeth Mawr, Porthmadog, and at presently ungated crossings on the Whitland to Pembroke Line.

RPC Wales looks forward keenly to the Vale of Glamorgan and Ebbw Vale re-openings but does not consider these to represent the total potential for effective and beneficial re-openings in Wales. RPC Wales has drafted a further ten-year programme for consideration for the longer term.

Proposed improvement schemes for stations considered necessary by the Rail Passengers Committee Wales include:

- (i) Re-instatement of Platform 4 at Cardiff Queen Street, to eliminate bottlenecks.
- (ii) Additional car parking at Bangor on the site of the former goods yard, plus integrated facilities for buses, taxis, etc.
- (iii) Provision of disabled access to the southbound platform at Abergavenny, plus a bus/rail interchange.
- (iv) Development of Holyhead station into a full and effective multi-modal interchange.
- (v) Re-instatement of Travel Centre and platform buffets at Cardiff Central.
- (vi) Development of Carmarthen into an attractive bus/rail interchange.
- (vii) Complete refurbishment of Prestatyn station.
- (viii) Development of Severn Tunnel Junction as a Park and Ride station.
- (ix) Development of a modern, fit for purpose bus/rail interchange at Llandudno.
- (x) Re-instatement of third platform at Pontypridd—for cross-platform connections, more frequent services and reduced knock-on delays.
- (xi) Development at Bridgend of a bus/rail interchange plus radically improved access to the Up and Vale of Glamorgan platforms.

All of these, and follow-up comments to Questions 1 and 2, spell out the need for greater investment in the Welsh rail network. However, such investment has to be accompanied by checks and balances to ensure that it secures benefits for passengers and fosters the development of a totally integrated transport system for the Principality.

4. PROBLEM AREAS AND PINCHPOINTS IN AND OUTSIDE WALES

Pinchpoints and areas where network capacity is constrained, adversely affecting both train performance and the rail network's ability to cope with increased demand, include:

- (a) Single line between Wrexham and Chester (Saltney Junction), which constrains capacity, leads to late-running trains delaying other services, and rules out both more frequent and, apparently, new North Wales to Birmingham and South Wales services.
- (b) Single-lead junction on approach to Crewe from Shrewsbury—impacting on journeys made between North and South Wales where passengers have to change trains at Crewe. Additionally, infrastructure constraints at the north end of Crewe station seriously inhibit the likelihood of the introduction of direct services between North Wales and Manchester Airport in the foreseeable future.
- (c) Insufficient passing loops on the Cambrian main line to allow hourly Aberystwyth services and quick recovery from late-running services.
- (d) Single track between Cockett and Loughor on the West Wales route between Swansea and Llanelli, which constrains capacity and leads to late-running trains delaying other services and rules out more frequent services.
- (e) Single-lead junction from West Wales at Landore and reverse working shared with Swansea-Cardiff-Paddington services into Swansea High Street, causing much delay and disruption, (especially in conjunction with (d)).
- (f) Single-lead junction at Bridgend requiring reverse working through the “down platform” to access the Vale of Glamorgan, causing delay and disruption of Maesteg, Swansea and West Wales services.

- (g) Inadequate platform capacity at Cardiff Queen Street station.
- (h) Four open level crossings on Pembroke Dock line, extending journey times, as trains need to “stop and hoot”.
- (i) No direct access from Heart of Wales line to Swansea; (trains reverse at Llanelli and double back).
- (j) Unnecessary long-term speed restrictions on Heart of Wales line eg Cwmbach Bridge over A470, Glanrhyd Bridge, etc.
- (k) Inadequate capacity at Birmingham New Street station, leading to Virgin Cross Country services to/from South Wales being severely cut back.
- (l) Long signalling sections on Anglesey, restricting the number of trains which can be run across the island in any hour and leading to late-running trains delaying other services.
- (m) Relatively low maximum speeds between Shrewsbury and Chester.

5. HOW HAS NETWORK RAIL CHANGED THE WAY IT OPERATES PARTICULARLY IN WALES SINCE THE DEMISE OF RAILTRACK?

Little has changed. No maintenance contracts have been brought “in-house”, as they have in some parts of England. No major blockades for maintenance have occurred. A Regional Manager has been appointed in South Wales, to allow some decisions to be made locally rather than in Swindon. It has been made clear that Network Rail will concentrate on maintenance and renewal; enhancement schemes will be sponsored and controlled by the SRA.

RPC Wales remains of the opinion that a separate Network Rail Zone, in a similar manner to Scotland would benefit the Principality. This will increase accountability and reduce the likelihood of issues in the Thames Valley or the West of England diverting resources from rail enhancements in Wales. Following the transfer of the former Midlands Zone in Wales to Great Western Zone at Swindon, the next move should be the transfer of North Wales routes to the Western Zone.

There is a view that Network Rail does require some time to improve its operation and deal with the inheritance afforded to it by Railtrack—but the transition should not be open-ended and indefinite. An all-Wales Zone within three years must be the goal.

6. THE CONDITION AND REPAIR PROGRAMME FOR THE SEVERN TUNNEL

This is another question the Committee is not best placed to answer. It is impossible to view and assess the tunnel or track from passing trains. Also, crucial drainage adits, pumps and fans are out of sight.

The repair (more accurately, maintenance) programme for the tunnel sees it closed on some weekends, particularly in the winter, with trains diverted via Gloucester. This generally gives a reasonable balance between productivity and passenger inconvenience, which is tolerable for short periods but remains wholly unsuitable on many of the major sporting occasions at the Millennium Stadium.

A second Severn crossing should be planned in the long term. Options suitable for strategic feasibility study include:

- Light rail on the Second Severn (Road) Crossing.
- A dedicated rail bridge.
- A new sub-parallel tunnel.
- Across a future tidal Severn barrage.

All options should be considered in conjunction with provision of a new high-speed Europe-South Wales route and possible Severn-side international airport.

The Rail Passengers Committee Wales considers that no review of the Severn Tunnel would be complete without confirmation that all recommendations of the Inquiry into the Severn Tunnel accident on 7 December 1991 have been carried out fully and satisfactorily.

7. CONSULTATION AND WORKING RELATIONS WITH THE SRA, NETWORK RAIL, TOCS AND WELSH ASSEMBLY GOVERNMENT

Strategic Rail Authority

The relationship between the Committee and the Strategic Rail Authority (SRA) continues to be “arm’s-length”. Although the Committee is financially sponsored by the SRA, the RPC fiercely protects its independence and (rightly) protests when the SRA makes decisions that adversely affect passengers in Wales. Recently, consultation has been poor or negligible on some major issues (eg loss of Passenger Service Requirement (PSR—protected Cross Country services between Cardiff and Swansea); the SRA has explained this was due to the need to make decisions quickly. We have made the case on a number

of occasions of the importance for the Rail Passengers Committee Wales and our colleagues in England and Scotland to be properly consulted at an early stage in the various processes (on cuts in services for example). However, positive and productive informal discussions took place during Richard Bowker's visit to North Wales during the Summer 2003.

Train Operating Companies and Network Rail

Consultation and working relations with the TOCs and Network Rail are generally good, with our representations being noted by the various companies and acted upon in many cases. First Great Western has changed considerably since control of South Wales stations passed to Wales & Borders and the RPC investigation into their services there is now a marked willingness to listen and engage with customers. Wales & Borders has a positive approach and has done well improving performance and on-train quality on the Cambrian lines. Wales & Borders' introduction of bi-lingual on-line information to rural stations in South and West Wales has been warmly welcomed, also its extension to the Marches and Mid Wales. It must be completed across North Wales as soon as practicable.

First North Western was belatedly willing to listen, but consistently reluctant to spend money in its North Wales area of operation especially once the company knew that it would be losing it in September 2003 to Wales & Borders. This is sadly reflected in the dilapidated condition of many stations.

Virgin Trains have a positive approach to growth and a genuine wish to increase services to/from Wales, subject to support by the SRA. We have, however, recently advised them that we expect to see higher standards of operational performance (eg we do not expect North Wales services to be primary casualties whenever there are problems on the West Coast Main line).

Central Trains give us concern; the quality of service on the Cardiff–Birmingham route is poor, with unsuitable trains and a trolley catering service that is erratic in its provision. We have major worries as to the company's suitability as sole operator on this route from October 2003. The Rail Passengers Committee Wales would welcome competition and choice by alternate services being operated by Wales & Borders, as was the case until the new timetable came into force on 28 September 2003.

Welsh Assembly Government and Local Government

The Welsh Assembly Government has a very positive attitude towards promoting public transport in Wales and recognises it as a key factor in addressing social exclusion and bringing people to jobs. The Committee is represented on the Welsh Transport Forum and several other major bodies. It had an excellent working relationship with the former Minister for Transport and the Environment (Sue Essex) and is developing a similar bond with the Minister for Economic Development and Transport (Andrew Davies). We consider that it will be mutually beneficial to maintain a constructive dialogue on a regular, formalised basis in the future.

RPC Wales also works closely with local government in Wales; we are very pleased to be represented on the Transport Forum groupings across Wales and to comment constructively on their Local Transport Plans.

In conclusion, RPC Wales considers that, modest but sustained investment in tracks, signalling, stations and rolling stock, combined with simple but effective reorganisation are needed to deliver essential improvements in rail services in Wales to which passengers will respond and support in ever increasing numbers—all to the considerable benefit of Welsh life, economy and environment in every respect.

RPC Wales would be pleased to provide additional information and substantiation on any issue the Welsh Affairs Committee requests.

Clive G Williams
Secretary

9 October 2003

Witnesses: Mr Paul Harley, Chairman, Mr Andrew Goodwin, Deputy Chairman, and Mr Clive Williams, Secretary, Rail Passengers' Committee Wales, examined.

Q458 Chairman: Welcome, Mr Harley, to our inquiry into rail services in Wales. For the record, would you and your colleagues introduce yourselves?

Mr Harley: I am Paul Harley. I chair the Rail Passengers' Committee Wales and I live in Newport. On my right is Andrew Goodwin, the Deputy Chairman, who lives in Llamfair Pwll, Anglesey. On my left is Clive Williams, Secretary, who lives in Swansea.

Q459 Chairman: We will get straight on to the franchising process. What was your role in the process of the award of the Wales and Borders franchise?

Mr Goodwin: We played a very proactive role, Mr Chairman. We issued a document entitled *Rail Users Must Have Better Services* which set out a wish-list of what passengers wanted out of the franchise. I should emphasise that this wish-list was issued two or three years ago now, because the franchising process has been a very long, drawn-out affair. As you can expect, given the financial state of the railways and the Strategic Rail Authority, it is regrettable that very, very few of our aspirations have yet been met.

Q460 Chairman: I was going to ask you whether you felt that what you had asked for had been granted, but you do not feel that it has.

Mr Harley: No, we do not at all. For example, there are no new trains at the moment in the 15-year franchise. I note what the Strategic Rail Authority says, which is that over the period of a 15-year franchise things could change; so there is always the hope that perhaps in five or ten years' time there might be further investment in the railways of Wales, but at the moment we are still waiting.

Q461 Albert Owen: Do you believe the SRA's scoring system is a reasonable basis on which to award the franchise for the Wales and Borders service?

Mr Williams: We consider that the franchising process has not been a very transparent one. Nobody outside of the key SRA staff involved in this process knows how these decisions were made.

Q462 Albert Owen: So you had no input.

Mr Williams: We had no input.

Q463 Albert Owen: You do not know what the bases were, or the outputs.

Mr Williams: Our understanding is that the SRA will not share the scoring system with anybody except itself. Indeed, from the evidence you had from the Minister of State, Dr Kim Howells, he did not appear to know what the scoring system was when he was asked questions by the Committee. It would appear that the Department for Transport has little idea as to how the decisions were made concerning the scoring system. We believe that this is not the right way to go about the franchising process. We do not, for example, know what each of

the bidding companies has put forward. The SRA view, which we understand from the evidence that Richard Bowker put forward, was that they would publish the list of criteria and then the companies would just work to that set of criteria. But that almost leads to the question that if you publish the criteria, that is exactly what you want; and if you publish the SRA's criteria on which they made a decision, companies would work to that criteria, and that would be a good thing because they would know what was required and they would then be able to tell you how much it was going to cost to provide that. We are concerned that it is not going to cost any less to do it that way.

Q464 Albert Owen: You said you put forward a document to the SRA. Did you mention what you think should be the criteria that the SRA should adhere to? Did you ask what the scoring system was? Did you inquire?

Mr Harley: We were not even aware at that stage that there would be a scoring system, Mr Owen. What we set out in plain language was the fact that passengers wanted the trains to run on time. In fact, they wanted them to run in the first place, ie, very, very few cancellations and for trains to run punctually. They also wanted better connections because Wales is very dependent on train connections at places like Carmarthen, Swansea, Newport, Shrewsbury, Llandudno Junction and so forth. We basically set out in plain English what passengers had been telling us. Also, we are the people who handle complaints from passengers when they have not been satisfied by the response from the train operating companies, and we have borne those comments in mind as well.

Q465 Albert Owen: You will be aware that there was a reduction in grants to the SRA of some £312 million. Has this reduction, in your opinion, had any impact on the Wales and Borders franchise?

Mr Harley: This is more speculation than a straight answer, but I am convinced that it has. If the franchise had been awarded this time last year, or the equivalent time last year, then for example I do not think the SRA would have been asking the bidders to quote, amongst other things, a 10 and 20% reduction in subsidies. Had the franchise been awarded fairly rapidly right at the outset, I sincerely believe, Mr Owen, that we would have had a much better railway system in Wales because the bidders at that stage were offering an integrated transport system across Wales, for example provision of a bus between Aberystwyth and Carmarthen that connected into the trains at Carmarthen. They were giving the whole package. It would have cost a lot in subsidy, but at that time the SRA had the money. It is unfortunate that the West Coast Main Line upgrade has drained the SRA's financial resources.

Q466 Albert Owen: That was very straightforward. Thank you for that. Mr Cameron of Arriva Trains told the Committee that the SRA "were not looking for considerable enhancements at all". What

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enhancements would you have liked to see included? You mentioned the bus, and said that it is speculative what others would have done.

Mr Goodwin: There are a lot of things we would have liked to see. For example, in major parts of Wales the Sunday service, especially Sunday mornings, is quite derisory, bearing in mind the demands of modern life and the fact that a lot of people have to work on Sunday. Also, people want to take advantage of leisure opportunities to move around Wales. We want people to come into Wales. We are terribly dependent on tourism throughout Wales, especially the north, mid Wales and the west. It is quite a challenge for anybody who wants to use transport to come from Manchester or Birmingham for a day in Snowdonia or whatever. There are all sorts of things we would like to see as part of the franchise or aligned to the franchise. There are a lot of investment situations we would like to see rectified, but there are an awful lot of problems on the rail network at the moment that could be solved by relatively small bits of investment. One thing we have been campaigning for is enhanced signalling in the Severn Tunnel, to improve the frequency of trains on that route. There are various places where we would like to see better laid-out junctions. At Crewe, for example—although not in Wales—the junction for trains going to Shrewsbury and south Wales is a single-lead junction. A relatively small amount of money could double that junction and greatly improve operational flexibility. We would like to see reinstatement of platform 4 at Cardiff Queen Street to eliminate bottlenecks. We are working very hard to try to get improvements at Holyhead and Bangor. Although they are on the way, there does not appear to be anything laid down in the franchise; it is all having to come from external funds and sources.

Q467 Albert Owen: You mentioned a few stations. Mr Williams was reading the text of evidence given by previous witnesses to this Committee. Are you aware that Arriva also told us that they had no real plans over the 15-year period, and that they were looking at possibly one station a year?

Mr Goodwin: Yes.

Q468 Albert Owen: How do you react to that?

Mr Goodwin: We have read that. We see stations as a major issue for Wales. Certainly in north Wales it is a very serious issue. Improvements to stations are desperately needed, but not just in north Wales. Arriva said they had done a survey as part of their preparations for the franchise, and I think they said they were planning to do a further survey once they took over. We would like to see some timescales on this and some actual delivery of improvements. To take an example, Llandudno Station is dreadful. When we think of what an asset Llandudno is as a resort, not just for north Wales but the whole of Wales, it is terrible. I do not think Cardiff Central is anything to jump up and down about. It has improved to an extent, but there are problems with signage and so forth. The Borders stations are very important to Wales, and Shrewsbury and Chester

are an out-and-out disgrace. Station-wise, they are gateways not only to Chester and Shrewsbury but to north and mid Wales respectively. They are terrible places to have to spend half an hour or an hour, as people very often do on their journeys. I think that stations need to be pushed right up the agenda, in all sorts of ways.

Q469 Albert Owen: You have concentrated on the north, and I see that the *Daily Post* is here with us today, but their campaign for safe stations is very important as well, and a matter that has not been raised by any of the witnesses we have had in front of us. The importance of safety is something else that should be looked at and is not something that can wait 15 years in some stations.

Mr Harley: I am very surprised it has not been raised before; that is astonishing really. When people talk about safety on the railways, it is always assumed they are talking about rail accidents and so on; however, to most passengers, safety means personal security—ladies alone at night, or people who are vulnerable. The incident at Prestatyn was dreadful.

Mr Goodwin: If I may add, Chairman, we in north Wales are extremely concerned about the strength of British Transport Police. We understand that there are about 65 British Transport Police officers based in Wales, of whom only four or five are based in north Wales. They have to cover not only the North Wales Main Line, but they also have to cover a large part of the Cambrian line. We find that that is a very, very unsatisfactory state of affairs, if we are to spearhead efforts by all concerned to improve safety and security on our stations.

Q470 Julie Morgan: As a Member of Parliament for Cardiff, I am obviously concerned about Cardiff Station, and the fact that it is a first impression on entering the capital of Wales. You mentioned the lack of proper signage. I wondered if you had any concerns about the lack of integration with the bus station, the fact that you do not know where to go when you want to take a taxi, and the fact that it is not clear what is happening at the back of the station. I wondered whether these issues are a matter of concern to you, and also what we have seen for the £12 million that was spent on the station. I do have a lot of concerns about this.

Mr Harley: Absolutely, Ms Morgan. You have hit the nail on the head there. A lot of money has been spent on the station, and much of it, I feel, ladies and gentlemen, was directed at improving capacity in handling events at the Millennium Stadium; therefore, ordinary day-to-day passengers have not benefited that much from it. We are extremely concerned, for example, that there is still no travel centre at the station. It is a European capital, and all you have is a booking office. I remember that years ago you used to be able to go into the travel centre and book European tickets. You cannot do that any more; it is ridiculous. We also bemoan the loss of the buffets on the platforms. There was a buffet on each island platform until a few years ago and now there is not. The toilets there need further refurbishment, and the ticket barrier is not that ideal. You get

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people backing up to get through if there are not enough staff on there, for example. We are very, very keen to see proper integrated transport right around Wales. One or two places have got good amenities, and I draw your attention to the Caerphilly interchange, which is an excellent example of how bus and rail can integrate together. Cardiff still has not got it right. It is partly territorial, because part of the land outside the station is owned by Network Rail and another part by the City Council; and because nobody is in overall charge of that area, there is nobody there at the moment to take the lead and bring all the parties together, including the passengers and the Welsh Assembly Government, to agree a way forward for it.

Q471 Julie Morgan: You agree that there ought to be an overall plan for the bus station and the station.
Mr Harley: We totally agree, yes.

Q472 Julie Morgan: It would make a huge change to Cardiff Station.

Mr Harley: Indeed.

Mr Williams: Chairman, this Committee last year flagged up the need for effective integrated transport at Cardiff. It beggars belief that for the capital of a European country there should be such a piecemeal approach. If you look at the signing arrangements at Cardiff, for people coming into Cardiff for the first time they are not very informative. We had success in terms of the barrier between the bus station and Cardiff railway station being broken down; and it was like removal of the Berlin Wall.

Q473 Julie Morgan: You still do not know where to go.

Mr Williams: People can walk from the railway station into the bus station. In terms of effective provision of information and signage, it does not cost a great deal of money. It is sadly lacking, and there is a need for a partnership approach between the Welsh Assembly Governments, the bus operator, the rail operator and the local authority. The local authority needs to be much more proactive in dealing with these issues which can make such a difference.

Mr Harley: We travelled to this meeting today on the Bay Express, which is an excellent service linking the central area with the Bay; but there is no publicity to tell people arriving at Cardiff, particularly strangers, that it exists.

Mr Goodwin: Or that they can use their rail tickets on the bus.

Q474 Chairman: Can I return to the scoring system, Mr Harley? Do you not think it is odd that the Department of Transport are unaware of the scoring system that the SRA uses?

Mr Harley: Yes, is the straight answer; I am completely bemused by that because the SRA is effectively accountable to the Department of Transport in relation to the money it spends and getting value for money from that. I would have thought that, of all agencies, the Department would know what the SRA was doing—and to some degree

I would say they have approved the criteria under which the scores were assessed—and would say, “okay, but that needs changing there; and let us do more about social exclusion”; or “we would like emphasis on access for the disabled”. To the best of my knowledge of this scoring system—and my knowledge is very limited—there has been no such feedback or input into the process.

Q475 Chairman: We think it is odd as well.

Mr Goodwin: The whole of the franchising process has been long and drawn-out since it started. We have had the impression—and there are good reasons for this being the case—that the whole thing has been made up in stages as we have gone along, and we have been told various completion dates which have been put back, put back and put back. There have been various changes in policy and outlook. One has had the feeling that there has been a piecemeal approach. Of course, it has been a very difficult time for the industry, so to some extent there are probably very good reasons for it; but it does seem to have been a very convoluted process.

Q476 Mr Caton: I am going to ask a *Back to the Future* question about the previous track record, but before doing so, and while we are considering the franchise, it is always implicit but I would like to put this to you: do you believe that the franchise requirements should have included a rolling programme of station improvements? We know that that was not included.

Mr Goodwin: It is our view that there should be a mini strategic programme for every single station, even for unstaffed stations, and even if the strategic programme is to say “everything is fine at the moment”. I do not think there are many where we would be able to say that actually. We, as a committee, certainly have been very concerned about stations for a long time—this is not something we have thought of in the last few minutes. The security implications and all kinds of things could be done at quite small expense. There are numerous examples where there will be a railway station where the buses which pass a quarter of a mile down the road could easily be diverted, in order to improve integration. We feel that there needs to be a strategy for every station, with timescales for implementing stage one, stage two, and so forth. We certainly feel that stations have been very much neglected. Sadly, until now, as far as we can tell, in the franchising process they are being neglected.

Mr Williams: In north Wales we have been very concerned about the lack of development on stations. When First North Western had responsibility for stations in north Wales, they were not very proactive on the RPP front (Rail Passenger Partnership), which was a significant fund that the Strategic Rail Authority administered very much on a first-come, first-served basis, in association with the train operators, local government and the Welsh Assembly Government. There have been some RPP schemes in other parts of Wales, but north Wales has been very seriously neglected. We have supported the *Daily Post's* campaign to focus on the needs of

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stations in north Wales, and we have been very encouraged indeed by Chris Ruane's initiatives in the Prestatyn area and other localities, in association with other of his parliamentary colleagues to try to get a sea change in provision in stations in north Wales.

Q477 Mr Caton: What views have your colleagues in the Rail Passengers' Committee in northern England formed of Arriva Trains' performance in Merseyside and north of England?

Mr Harley: The two committees concerned, the North-Western England Committee and the North-Eastern Committee speak fairly well of Arriva. They do have a chequered history, you are quite right, Mr Caton; but it is tempered to some degree in so far as they took over two franchises that were failing. They took over the Merseyrail franchise, which had previously been owned by Mersey Travel Limited, a management buy-out of what used to be Merseyside Buses, and they also took over what was then called Northern Spirit, which was basically a northern franchise with Trans-Pennine within it. Both were failing. Merseyrail was performing very badly, and the Northern Spirit—now called Arriva Trains Northern—had a severe driver shortage. They were not paying their drivers enough to persuade them to remain with the company. Other operators, particularly freight operators, were poaching drivers. It was not just this company that suffered that; Wales and Borders did, and numerous others. The freight company does not train its own drivers but prefers to poach them off of passenger operators. Arriva turned around those companies quite well. It took an awful long time to do it, and during that time they naturally got a bit of flack from the passengers, quite rightly, because things were not progressing very quickly. We have to bear in mind that it takes twelve to nine months to properly train a driver. More recently, as I am sure you are aware, they have had quite an acrimonious dispute with the RMT over payment of wages to guards or conductors in north-east England. The RMT wanted a similar increase for their members as the drivers had received; but the SRA basically said to Arriva Trains Northern, "Do not pay it; we cannot afford it; it would open the floodgates because other conductors in other train operating companies would want the same sort of increase. There was a stand-off for some time, which gradually wore the members down. I think there is still a little bit of bad feeling, certainly in that part of the country. Arriva, which currently runs Merseyrail, lost it to a joint bid from Serco and NedRail, the Dutch railway operator. Very recently, they have lost Trans-Pennine to a First Kéolis bid. So at the moment they are losing franchises in the north, but they have the Welsh franchise. Our personal opinion, as a committee, is that we welcome them with a clean sheet. They have done nothing wrong in Wales, railway-wise. It is a new operator which seems to show good promise, given the limited amount of money it has from the SRA. They also promise some improvements, such as improved services between

north and south Wales. They seem keen to do what they can for the passenger, providing they have the funding to do it. That is the key.

Q478 Mr Caton: What prompted the question, Mr Harley, was the Transport Select Committee's report of January 2002, which painted Arriva in a bad light at that time. It accused them of poor performance. That is nearly two years ago now.

Mr Harley: That was around the time they had the driver shortages; and when you have a driver shortage, trains get cancelled or the train arrives, say, in Leeds Station and then does not have a crew to take it forward so the passengers just sit there on the train, waiting for a driver to turn up. It must have been extremely frustrating. It is a sad indictment of the privatisation that was foisted upon us by a previous government that this sort of thing was allowed to happen.

Q479 Mr Caton: Moving on to the Arriva franchise that they won in Wales, they proposed a clock face timetable. What are the benefits to be derived from this, and will it improve the interchange say at Cardiff and Shrewsbury, or can only one end benefit?

Mr Harley: We have debated this among ourselves several times. It is a very difficult one to judge. Train times at Newport are to a certain degree fixed by the timing of the First Great Western services, because Newport is an important interchange for passengers heading to Hereford and stations north. At the same time, as my colleague has explained, the times at Crewe are fixed, to a certain degree, in so far as they need to connect into services to north Wales and Scotland, and so on. There will be a big challenge there for Arriva to run a clock-face timetable, and make the trains fit in at almost every interchange en route. We are certainly hoping that for Shrewsbury there will be better connections between south Wales and mid Wales. At the moment, you can arrive at Shrewsbury and wait quite some time for a train forward to Aberystwyth. It makes going by car very attractive at the moment. It will be quite a challenge for them because they have also got to fight for paths with freight operators, and down here in south Wales, with First Great Western services and up in north Wales they have got to get through Crewe, with all the Virgin services. We think the benefits of a clock-face timetable are very real for passengers. They know that at a certain number of minutes past each hour there will be a train to a certain destination. There is already such a clock-based timetable of course between Cardiff and London, Paddington; and effectively Swansea and London, Paddington. The feedback from passengers, and our opinion, is that it works well. They know that when the trains run on time there will always be this train at that time.

Q480 Mr Caton: This is going to be a difficult question, bearing in mind what you have already said about the lack of transparency in the franchise

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process, but have you been able to identify at all what Arriva had to offer that the other bidders did not?

Mr Williams: Our understanding, again from the evidence that Chris Austin of the Strategic Rail Authority gave to the Select Committee, was the clock face timetable. It begs a number of questions about the state of the infrastructure in Wales and Network Rail's ability to make that provision a reality. We also ask the question: what was the role of the existing franchisee, Wales and Borders, and their experienced railway managers, and their ability to provide a clock-face timetable in other parts of Wales that currently do not enjoy that facility. These are some of the questions that the cynics and critics are asking. I would hope that when Arriva Trains were developing their proposals for this concept of the clock-face timetable, that submission had clearance from Network Rail, because that is absolutely crucial. They have to give the acceptance for those timetable proposals to take effect.

Mr Goodwin: Another point that was put forward to me, in an off-the-cuff way, by a member of the SRA—and I do not think there was any great secret about it—was that Arriva Trains' stakeholder relations programme was excellent, and that that surpassed those of the other bidders.

Q481 Chairman: You will probably be aware, although it is to do with bus services, that Arriva's TransCambrian bus service was on the grounds of unprofitability. Do you think that has anything to say about their attitude to train services?

Mr Williams: That is a very worrying development indeed. For many passengers, particularly in the context of social inclusion and for those in mid Wales who enjoy a less than generous provision, it sounds like a very worrying message indeed. People will wonder if it will set a precedent for the efficacy of the railway timetable that they are going to provide during the next 15 years of franchise.

Mr Goodwin: Chairman, that also leads to us having concerns about the future of some of the rural lines within Wales—the Heart of Wales, for example, Conwy Valley/Wrexham/Bidston line. They are very much rural routes and appear to have only minimal provision in terms of rolling stock. We are very, very concerned about those. There does not seem to be any back-up if there were a breakdown at Betwys-Coed. There is no back-up train that can be sent, as the trains are serviced in Cardiff Canton depot. We do worry about those rural lines, which are very important and are lifelines to communities. In the Heart of Wales, for example, if it could have a better service, say every two hours, it could become much more viable. We really do not know. Arriva might be marvellous and might be very imaginative and innovative, providing links with bus services to enhance the use of the route; but at the moment we have to wait and see. However, it is appropriate that we voice a degree of concern about those rural lines.

Q482 Chairman: No doubt your committee will be keeping an eye on that.

Mr Goodwin: Yes, very much so.

Q483 Julie Morgan: I am sure you are aware of the large number of people that pour down into the centre of Cardiff on the Valley Lines, both from my constituency and from my constituency. The percentage has increased by up to 30% of peak-time traffic. However, there does not seem to be any additional capacity in the franchise other than the seven pacer sets to replace loco-hauled stock. How will this affect capacity on the line? What are the implications of this for capacity on Valley Lines? This is an area where people want to use trains. How do you think the new franchise will address the fact that too many people want to use the trains?

Mr Harley: Valley Lines, I think, is one of the successes of railways in Wales over the last few years. It is clear that by giving people a frequent service and improving access to stations, Valley Lines have done a lot in a holistic approach to the station environment. They have brought more and more people on board. In addition, they have kept fares down, which is important, given the financial circumstances of many communities in the valleys. You are quite right, Ms Morgan, that a number of services in the morning peak are absolutely jam-packed. We have had many reports of people unable to get on services travelling from Pontypridd to Cardiff at Llandaff station. There is just no room on the train. We feel absolutely astonished that in the franchise announcement there was the revelation that seven Sprinter units were coming to Arriva Trains Wales, but then when you read the rest of the announcement, it said that they were to replace the loco-hauled trains on the Rummey line. We have no objection to more modern trains replacing older ones, but at the moment we feel that, given the capacity problems on the valleys, these trains must augment the fleet, not replace it. This is wholly wrong. We will be taking that up with Arriva Trains Wales once they get their feet under the table, and we hope to be able to persuade them to keep the loco-hauled running.

Q484 Julie Morgan: They are not going to make any additional capacity, as it stands.

Mr Harley: At the moment, no, you are quite right; there is no additional capacity for Valley Lines at the moment. I would like to praise the work of SWIFT, if I may, the consortium of Valley Lines, local authorities and the Welsh Assembly Government, in terms of improving the service down the valley. From September, the Aberdare line acquired a half-hourly service for most of the day. I think that has been long-awaited and will bring even more people on to the trains. It will further reduce social exclusion. Although senior citizens welcome their free bus travel, we have had reports of services not running too reliably in certain places. In any case, by the time they get down to Cardiff an hour has gone; the train is much faster and much more convenient for them. Many would prefer to pay with a senior's rail card. Valley Lines are very considerate and offer reduced fares for senior citizens off-peak. They would much rather to pay to travel on the train than

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have a free ride on the bus. Capacity-wise, however, it desperately needs new trains. There are other places in Wales which need similar units, for example between Shrewsbury and Aberystwyth where there are regular reports of overcrowding. There is a train every two hours, and with the university down the end of the line, at certain times, particularly on Fridays when students might go home or visit friends and relatives, it is jam-packed there as well. It is just inexcusable for people to be left behind on station platforms, unable to get on the train they planned to catch.

Q485 Julie Morgan: You agree that where the railways are very successful, we should be building on them and increasing capacity.

Mr Williams: Absolutely.

Q486 Julie Morgan: Maybe one of the places you should start is Valley Lines.

Mr Williams: The Deputy Prime Minister, when this administration came in, had the laudable target of 50% growth in patronage. Valley Lines have had over 30% growth in the past three years. Passengers want to travel by train; they are sick and tired of the congested road network around the capital, and here they are wanting to travel in by train in civilised circumstances but it is standing-room only. The Minister himself said in his evidence last week that he experiences a similar situation of overcrowding when he travels from Pontypridd. We need additional rolling stock and additional frequency of services at peak times of the day.

Mr Harley: It is very encouraging, in my opinion, that an enhancement to the car park at Taffswell was full within a few months of being open; it shows that people will willingly park up and take the train into Cardiff, rather than queue up on the A470.

Mr Goodwin: Overcrowding is a problem on all the principal routes within Wales. In addition to the mid Wales line to Aberystwyth, in north Wales we often have significant problems with overcrowding, and not just on a few days in the year. It is very worrying. We feel that the rolling stock provision should be in addition to the locomotive haul sets and so forth. We should not be letting perfectly serviceable carriages and units disappear into some yard somewhere, just to fall to pieces over the next few years. There is a lot of serviceable rolling stock within the UK which, with small investment, could be used for inward peaks and dealing with Millennium Stadium events. They should be available on lease or hire to train operating companies at sensible, not exorbitant, prices, to provide capacity for a whole range of peak events. Surely, that is when rail should really play its part? It should not be that when there are a lot of people around we are driving them on to the road. That is the very time when the railway should be coming into its own.

Q487 Julie Morgan: Moving on to rural services, you are concerned that they are becoming second class, and you are unhappy with the concept of secondary networks and primary networks.

However, the SRA states that that merely reflects maintenance levels in respect of use and speed. Do you agree with that?

Mr Goodwin: The concern that I expressed a few minutes ago was more over resourcing in terms of rolling stock. There could be a strong case put for maintenance levels to be less on certain lines. Obviously, a line with trains going at 50 miles per hour is not going to need the same maintenance as one where trains are going at 90 or 100 or 125 miles per hour. Our concern is that the lines could lose any viability or attractiveness that they currently have. We are very concerned about the Conwy Valley line, which is allocated one single unit. Wrexham/Bidston, Wrexham/Birkenhead, is allocated two units, which is very, very tight; and they are only single-car units where a lot of mothers and children with buggies want to get on and off; and at certain times of the day the railway into Wrexham can become very difficult and congested. These are not good trains to be using on a route like that. I have to say that from what I know there does not appear to be proper back-up if something goes wrong, or at peak times when additional provision is there. With regard to the SRA's case for rail and the maintenance regimes, obviously we would want there to be flexibility. It might be that by reducing the maintenance regimes, they are still safe but for lower speed trains, and there might be money available then to run more trains, to spend money on additional units and thereby enhance the service and make it more viable. We are very anxious that no routes should be, shall we say, closed by stealth. I am not suggesting that that is in the mind of the SRA or anybody else, but in the 1960s it was something that undoubtedly took place, not just in Wales but in many parts of Britain. We will be very vigilant in trying to ensure that that does not happen.

Q488 Albert Owen: Do you accept that in Continental Europe there are two levels of service? There are the main lines, particularly in France, which everyone raves about; but some of the local branches are not up to that standard.

Mr Goodwin: I believe that is the case. I think we could usefully do a lot more work in this country to look at the viability of light rail options. We use light rail in conurbations like Manchester, the West Midlands and Sheffield; but for something like the Seaton Tramway in Devon, we do not take it very seriously for longer distance routes. It might well be that we should be looking at models of that type to see if we could get better value for money and a better overall service for those kinds of routes. One has to realise that if the route is downgraded, the possibility of introducing freight traffic at a later stage becomes more of a problem. There could well be a very strong case for looking much more seriously at light rail options.

Mr Harley: The SRA is proposing a reaction to the increased cost of infrastructure, maintenance and renewal. Ideally, of course, that should be tackled at source. There has been a massive escalation in the cost of renewing and maintaining the railway. Theoretically, you would not need to consider the

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two-tier maintenance regimes, and there needs to be further investigation into why the railways cost so much to maintain. The Rail Regulator has done a very worthy study, as part of his third interim review of track access charges, and the consultancy employed has come up with some remarkable discoveries. They say that some of the work that Network Rail proposes to do over the next few years is not really necessary, or not necessary to the extent they say it is. There is still a great deal of work to be done, I feel, in finding out the true cost of infrastructure and whether or not we can maintain it in a more cost-efficient manner.

Q489 Julie Morgan: In your memorandum you have suggested a large number of improvements both to track and to stations in Wales, and problem areas in and outside Wales. Have you discussed the cost of these plans with Network Rail or with the SRA and train operators?

Mr Goodwin: There is ongoing discussion about a variety of projects. One of our great concerns is that we need a restoration of the Rail Passenger Partnership Fund or something very similar, as soon as possible. It is a very useful mechanism for obtaining the medium to medium/small enhancements. We are heavily involved in projects at Holyhead and Bangor. We are constantly attending meetings at which various parties are present. I have to say that our progress is slowed down very considerably by Network Rail. I do not say it to be unhelpful, but I state it as a fact. All these infrastructure projects we are constantly raising either with the train operating companies or with Network Rail, and at the present time we are told that funding is a major problem. That is why we feel that throughout Wales some of these enhancements would be ideal candidates for consideration in the RPP scheme or its successor, which we would very much hope will be introduced sooner rather than later.

Q490 Julie Morgan: That was going to be my next question. Who do you think ought to be funding all these different proposals for stations and track maintenance? Who should be responsible?

Mr Goodwin: I think it has to be a case-by-case situation. Where it is station and transport interchange, there have to be a lot of players. I think that local councils and local authority consortia have to play a big part. We are also rather concerned that the rail schemes do not seem to be taking the fullest advantage of Objective 1 opportunities, where they might be applicable in Wales. We do find that some councils are more expert than others at submitting Objective 1 proposals and bids. Where it is an improved junction, then probably the payment could be by Network Rail or the Welsh Assembly Government; it could be the train operating company or a partnership. Where it is a station and a transport interchange, we also have to look to the local authorities and other possible partners. There might even be cases in certain situations where some

business partnerships might be brought in. We are very aware of the need to look imaginatively to a variety of funding streams.

Q491 Julie Morgan: It is a complex situation.

Mr Harley: It is very much a partnership effort. Once upon a time, you just looked to British Rail for investment, and British Rail would go to the Government. I have already praised the Swift partnership but there are others around. TAITH is starting to make good progress in north Wales; there is SWITCH in south-west Wales; and I am involved with TIGER in south-east Wales. Together, they bring in the various sources, for example European money, and we can eventually make a difference. Large sums are involved, unfortunately—and I have already commented on the size of some of these figures. I feel that passengers should to some extent contribute as well. I do not want to shirk from that. I am not asking for unreasonable increases in fares, but once investment and enhancement are brought in, then we have no objection to reasonable fare increases. What we do object to are fare increases without any enhancements. Also, there must be protection for those who are vulnerable—those with limited income, for example. It is important that the railways of Wales are railways for all people in Wales, not just those who are in employment or who have other sources of income.

Mr Goodwin: As a supplementary to the partnership point and the adverse comment I made about Network Rail a few moments ago, it is fair to say that I understand Network Rail are now disbarred from taking a proactive situation with an enhancement scheme unless they are confident that somebody else is underwriting funding. They are not normally able to get involved until you have got to a certain point where you can say there is going to be money on the table. The trouble is that, very often, you go back to the complexity issue; you cannot get to that point without appropriate guidance from Network Rail. It is very difficult. Somehow, sooner rather than later, we have to find a way of breaking this down. Where there is a clear case for investment needed for enhancement, we have to find a way of getting a degree of fast-tracking.

Q492 Julie Morgan: You referred to the free bus travel that has been introduced. Do you think there should be some progress on that sort of issue on the railway lines?

Mr Harley: Definitely, yes, because there are people in parts of Wales who cannot benefit, or benefit very little indeed, from the concessionary travel on buses, particularly in mid Wales. The Heart of Wales line, for example, is the only form of public transport, apart from perhaps one bus on market day. It would also bring additional travel on to the railways. It is very clear that the bus companies and bus networks throughout Wales have benefited to a certain degree from the additional patronage. Ordinary passengers are benefiting; it is not just the people on concessionary passes. There have been improvements in frequency, with more buses. I can see that happening on the railways if such a

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concession was extended to them—not necessarily right across Wales but certainly in the parts of the country where those who hold the concessionary passes have limited opportunity at the moment to use them. Therefore, they do not benefit as much as those in urban areas.

Mr Goodwin: Additional passengers being brought into the railway in itself helps to improve the security situation that we discussed earlier on. The more people there are around using the service, the more that that is a deterrent to those who want to be around for the wrong reasons.

Q493 Chairman: You were talking about the enormous sums involved in enhancing the service. The Minister the other day mentioned a figure of £16 million per mile of track, which is a couple of million pounds more than a mile of motorway. Is that correct, and would you know about that?

Mr Goodwin: I do not think we could give you an authoritative answer on that. Chairman, when you say £16 million a mile, do you mean to improve it?

Q494 Chairman: No, for new line.

Mr Goodwin: We would not be confident, but if it were helpful I am sure we could try and find out. It actually raises a very important point. We are very concerned at some of the figures that get conjured up by Network Rail, and even more so by Railtrack who preceded them. Going back to my colleague's point about the real costs of maintenance, the necessary costs of maintenance, freight is not within our remit, but say somebody wants a siding for a freight project—some of the figures do appear to be absolutely absurd. We will try to let you have some information in writing, if we are able to do so.¹

Q495 Albert Owen: Before going on to the North Wales Main Line, still on the funding point, last week the Minister told us about the new £2.5 million package that the Welsh Assembly had announced. Do you know if this is to existing projects or are there new projects that could benefit from that within the partnerships?

Mr Williams: Is this the package for station enhancements?

Q496 Albert Owen: According to Dr Howells, it was on a project-by-project basis and he knew no more than that at the time.

Mr Williams: It is very much for station enhancements.

Q497 Albert Owen: Is it for new ones, or ones that are already committed? The worry is that these announcements have been done before and we will see no new ones.

Mr Williams: The £2.5 million is for refurbishment of existing stations.

Mr Harley: It is new work. Let us give as clear an answer as we can to that. It is work that is desperately overdue up there in north Wales, but it is work that so far has not been announced.

Q498 Albert Owen: The Chief Executive of Virgin Trains, in evidence to this inquiry, has indicated that improvement to journey times on the North Wales Main Line can be achieved at a relatively low cost—he said tens of millions of pounds. Mr Green saw this as an “investment for the future” and would give it the highest priority. Would you agree with this statement?

Mr Goodwin: One hundred and one per cent, yes, without any doubt at all. You are talking about Crew/Chester/Holyhead. The North Wales Main Line has had some limited enhancements in the last few years, which were largely funded by the Welsh Assembly Government, and there are sections of the route that are passed for 90 miles an hour running. However, a lot of the line is not passed for that level. It is the clear aspiration of this committee, and has been for a long time, that Crewe to Bangor should be at least at 100 miles an hour, and Bangor to Holyhead should be at least 90 miles an hour. Being totally fair to Network Rail, or to whoever was to fund this, whether there is a realistic case for looking at higher than 100 miles an hour, whether there is a sufficient distance to warrant that, I do not know. However, having said that, the new trains that Virgin will be introducing next year, all being well, do have tremendous accelerative capacity, with top speeds of 125 miles an hour. The Pendolinos have a higher capability than that in certain conditions, but from our point of view it is a top speed of 125 miles an hour. I should mention that I was very fortunate last week to be able to visit Virgin Trains' driver training centre at Crewe and drove a train on the driver simulator. Do not worry, you are all safe out on the railway! The rate at which a Voyager train reached 125 miles an hour—and I understand that is exactly how it would have performed out on the track—was quite incredible. I think that perhaps we should be looking at higher than 100 miles an hour. It might be useful to ask Mr Green to do an assessment to see what full advantage could be taken by the Voyager between Crewe and Chester and between Chester and Llandudno Junction of higher than 100 miles an hour. Going back to the original point, you would definitely be looking at the very least at 100 miles an hour to Bangor and 90 miles an hour for Bangor to Holyhead.

Q499 Albert Owen: Have you done an analysis of how much time that would save? You have mentioned quick acceleration, but there is also deceleration at the end of that and a number of stations. Sir Ian McAllister told myself and some colleagues that it would only save five minutes from Crewe to Bangor if 95 was the speed they could cruise on between those two stations.

Mr Goodwin: Well, five minutes is five minutes, is it not? If you are doing the double journey, out and back in the day, it is 10 minutes. I could not dispute his figures—I would not know. Again, Mr Green of Virgin Trains would probably be able to provide another assessment. I think that all the minutes knocked off, cumulatively—we would gain four or five minutes, following the small increase in speed

¹ See page 108

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that was achieved a couple of years ago, and another five minutes on top of that would be beneficial to us all.

Mr Harley: Also, besides shortened journey times, the first priority, in my opinion, is to increase the robustness of the timetable. Higher speeds would initially give us the ability to have—a train could arrive at Crewe 10 minutes late because of some problem near Watford Junction, for example; and people waiting on Chester station do not really want the excuse it is due to a problem at Watford Junction; they want to know why their train is not at Chester to take them to Llandudno on time. In the first instance, we would look for higher speeds to increase the ability of the railway to recover from these out-of-course incidents, as they are sometimes called, and therefore run more reliably. In being able to recover from late running, it then means they make their connections further along the line. What you do not want is that 10-minute loss at Watford Junction to result in somebody missing their connection at Llandudno Junction to Blaenau Ffestiniog by just a couple of minutes.

Mr Williams: Our understanding is that an increase to 100 miles per hour would give a reduction in journey time by 15 minutes, and we understand it would be in the region of £20–30 million for this enhancement to be achieved. We very much compare and contrast that with the 25-minute journey saving time for the Channel Tunnel rail link, costing in the region of £3.5 billion. We think that that provision for passengers in north Wales is much more cost-effective and would enhance the journey times.

Q500 Albert Owen: Can I ask where you got the figures of £20–30 million from, because they are in line with what Virgin said; that it would be tens of millions?

Mr Williams: It is from the evidence that Virgin Trains gave to this Committee.

Q501 Albert Owen: Nobody else has quantified that sum; it is just something that Virgin Trains, who obviously want to run their trains faster, have plucked out of the air. I do honestly believe that that is a good investment, particularly as the line is a main European network, and bearing in mind the £9 billion that the West Coast Main Line has had for upgrading, which is a considerable sum. The Pendolino trains, which will be introduced in September 2004, are to be used from Crew onwards by loco. How practical do you think this is?

Mr Goodwin: I have to say I am not an engineer and not an expert in this sense. I am expert user of the railway, but not the operational side. Based on experience, however, what worries me is clearance of bridges and tunnels and that sort of thing. The question I would like to ask Virgin Trains, and will do, is: "Have you carried out a controlled trial yet on this?" We have seen situations in other parts of the country, for example with the introduction of the First North Western's 175 trains. The trains were all ready to go, and then suddenly there were problems over clearance. We also saw in the south of England,

where the trains had been standing in the sidings, that the electric current issues had not been resolved. The question that we, as a committee, would like to ask Virgin, sooner rather than later, and perhaps as a result of today's meeting, is whether a control test has been undertaken, and whether Network Rail is satisfied with the clearance arrangements.

Q502 Albert Owen: What worries me is that you are going to lose the 10–15 minutes—you spend £20–30 million enhancing the line, and you would lose it by changing the locomotive at Crewe. It seems to be back to the bad old days.

Mr Harley: It is extremely frustrating. At the moment, the locomotive change that happens on some services, where the diesel motor is taken off and an electric one put on—Virgin say they can speed that up because they have special couplings on their diesel locomotives. I would look a little more to the future and just bring in a proposal that First Great Western are looking into at the moment, which is a high-speed train replacement, HST2, or HS2 as it is now called. They have been talking to Siemens in Germany, and the design they have in mind at the moment is a dual energy train, one that has a diesel engine each end, like the current HST, but it also has a pantograph so it can run off the overhead electric wires. I am certain this is going to come in, because something has to eventually replace the HSTs which run between Swansea and London. They are great trains, but they are getting extremely tired. When the HST2 comes in, I would like to see Virgin Trains buy a few of them, and then they can zoom up the West Coast to Crewe, under electric; drop the pantograph, start up the engines, and within a few minutes you are off up the coast again without any delay. In theory, in a few years down the line, these should be even better for passengers internally than the Pendolinos, because as time goes on they can make things more sophisticated. The Pendolinos have power points for people to operate laptop computers; and the talk now is of giving people wireless Internet access on the move, and perhaps the HST2 will have that feature. This definitely needs SRA involvement as well, and funding, to bring in this replacement. FGW cannot do it on their own. GNER are also very interested in it because they can run under the wires then to Edinburgh, and under diesel power on to Aberdeen. There is a quite substantial demand for this concept of train. FGW has done a lot of passenger research, very commendably, into what people want to see in these trains. At the moment there is nothing on the drawing board; it is just being talked about; but certainly the concept is feasible.

Q503 Albert Owen: We have waited long enough for the Voyagers and Pendolinos without going into the 22nd century.

Mr Harley: Indeed.

Q504 Adam Price: I will take you now down to south Wales and the place near my heart. There has been some curtailment of the evening services from London, and the service to London as well from

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Swansea is not as good as it should be. What do you think of the possibilities of reinstating or enhancing the services by First Great Western to and from London?

Mr Harley: Are you talking about the late evening services?

Q505 Adam Price: Yes.

Mr Harley: There is nothing to stop them. I would guess they would say it is not commercially viable to run them, but on the other hand my response to that would be: "If you did run them, then more people would use your trains during the day. People, for example, want to attend the theatre in London or just have a day, an afternoon and evening out in London." They would benefit from it enormously, and it would bring greater opportunities for travel. You would find that people would then travel to London outside the morning peak, which would benefit First Great Western in terms of additional revenue and patronage on their mid-morning trains, which can be quiet-ish at certain times, though not during school holidays for example. Then they ought to balance the extra income they get from those trains against the cost of the evening services you talk of. I would suggest, Mr Price, that it does not necessarily have to be a straight Paddington to Swansea service. At that time of the evening, nobody is in any real desperate rush to get home as quickly as possible if they have had a nice evening out, so there might not be any objection to running the train via Bristol Templemeads, and therefore bring additional patronage. If it is a case of making it commercially viable for the company, I think they should do far more in terms of investigating what options there are available to them, in terms of ensuring that as many people as possible use this service. The last train, from my recollection, is 22.10 from Paddington, and that is far too early. There are other places throughout the UK, for example Birmingham, which is slightly nearer to London than Cardiff, but they have trains right up to midnight and beyond. Brighton has trains right through the night. My colleague, Andrew, has mentioned that we are very concerned about Sunday services and the fact that there are very few on a Sunday morning. Passengers are concerned that they are constrained to a certain degree by the fact that the late-night services do not run.

Q506 Adam Price: They have agreed to look again at this issue, and they would be grateful for any submissions you could give them. Mr Carroll from First Great Western told us that back in 2001 infrastructure on the South Wales Main Line was below average compared with others in Gt Britain. Would the committee share that view? If you do share that assessment, what action would you propose?

Mr Harley: I would go beyond that and say that the whole of the Great Western Main Line from Paddington to Swansea is in need of renewal. It is very tired. It is one of the reasons why Great Western perform so poorly. We have seen figures they have produced. On the south Wales route performance is

far worse than on any of their other routes, for example the Bristol route or West of England route. It is simply because the infrastructure is so bad. There are delays at Slough, a delay perhaps at Didcot, and they build up, so that people regularly turn up in Swansea thirty or more minutes late. As regards south Wales, Andrew has mentioned that there needs to be an intermediate signal in the Severn Tunnel to increase capacity. There also needs to be in our opinion a thorough plan which looks into using, to the fullest extent, the four tracks between the Severn Tunnel and Cardiff. Two of those are predominantly used by freight services at the moment, and we feel that with enhanced services to London, plus all the services to Portsmouth Harbour, up to Birmingham and so forth, the strain is beginning to show. If the freight lines were increased to a similar speed as the main lines, it would allow the main lines to be taken out of service, say on a Saturday or Sunday, and you would still have trains running at normal speed on the freight line, and losing no time on their schedules. There needs to be additional investment there, in my opinion. There is also constraint of course between Cardiff and Swansea. It is basically a twin-track railway. There is the diversionary route via the Vale of Glamorgan, but that adds additional time. You are absolutely right that that is also tired and well used by freight. That, obviously, takes a toll on the infrastructure.

Mr Williams: It is fair to say that there has been major investment on the East Coast Main Line. We now currently have major investment on the West Coast Main Line, and many people would argue that it is now time for investment in the Great Western Main Line. We made a detailed submission to John Prescott when he was Secretary of State for Transport in February 1999, about the need for a Great Western Main Line upgrade, and we can provide that to you, Chairman, if you would like it. People find it hard to understand that a journey from Swansea to London, Paddington, of 200 miles takes three hours, when from Cardiff to Paddington you can travel 160 miles in two hours. It is a 40-mile journey taking 50–60 minutes, and that is a disincentive for people to follow government advocacy of persuading them to travel by rail rather than by car on the very congested M4 network. We do need investment on the Great Western Main Line, and it is long overdue.

Mr Goodwin: In the English section as well, I understand that there are numerous problems on a daily basis between Paddington and Reading. Basically, if a train is late arriving at Reading from Paddington, you can forget any chance of it being on time at Cardiff or Swansea. The chances are it will just get later and later. A holistic approach is needed, and it is long overdue for significant upgrade.

Q507 Adam Price: You mentioned the Severn Tunnel as one of the problem areas, and a short-term solution to the signalling. You have also got some long-term suggestions; can you elaborate on those?

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Mr Harley: That was a bit of “blue sky” thinking by me really. I am always envious of the fact that there is this nice new second Severn crossing going across the estuary, which is road only; so I wondered if any engineers had ever looked at the possibility of putting up a rail track along the bridge in place of one of the roadways. It is about three carriageways wide plus the hard shoulder, so there is a possibility there perhaps if in future years global warming meant that road traffic had to be controlled in some way. The alternative would be to put a railway track across there. Looking further ahead—and this is very much “if” it happens rather than “when”—if there is a Severn barrage—which is perfectly feasible given that we need to generate more power from renewable sources—that would be absolutely ideal as an alternate rail route across the Severn estuary. It would open up new journey opportunity because it would hit the West Country at a different point from the existing Severn Tunnel. More importantly, any alternative routes such as the two I have just described would avoid a long diversion via Gloucester, which is currently the only alternative when the tunnel is either scheduled for engineering or closed due to some mishap. There has been at least one occasion within the last year or 18 months when the tunnel had to be closed on a day when there was a big event at the Millennium Stadium. I can well remember the fall-out and the adverse publicity the railways had as a result of that. If you had two routes open, that would ease things and allow Network Rail to do proper maintenance within the tunnel.

Mr Williams: If it would help the Committee, I did consult Owen Williams, our former deputy chairman, who was a civil engineer, thinking this question might come up this afternoon. This morning he has agreed that if it would help you we can provide another memorandum within a week’s time.

Q508 Adam Price: To some extent you have anticipated my next question, which was about the fiasco surrounding the sporting events at the Millennium Stadium earlier in the year. What lessons have been learned from what happened?

Mr Harley: Are you talking about the fiasco or where the train operators decided not to run any services because of late kick-offs?

Chairman: As many fiascos as you would like.

Q509 Adam Price: Take them in order.

Mr Harley: We certainly did sympathise with the rail industry and expressed our feelings at the time. It is unfortunate that WRU could not talk with the railway industry and agree a kick-off time that was appropriate to get everyone back home. We recognise that had people tried to get back to London on the train, they would have ended up in Paddington after the last Underground service had run; so there was little point in running the trains. Also, we recognised as well that in running all these very late-night services, you would end up with the trains in the wrong part of the country for the next day’s service. You have a lot of trains down in London, whereas you need them in Swansea to run

the morning services. So we also had to think of the ordinary day-to-day passengers and the effect it would have on them. As regards a solution, Andrew has already highlighted that there are service trains at the moment on various MOD storage sites, out of use but still serviceable, along with locomotives. We feel that more use could be made of these, provided the public train crew are available. If it was all brought together properly, I think the railways could shift quite well the volume of people who attend the Millennium Stadium, which is about 70,000. The station handles those numbers fairly well. It is unfortunate that sometimes people have to queue, and queue in the rain, but that is the way it is. As regards the fiascos that have gone on, it is a question of people talking to each other and agreeing to compromise as well. It was not just the WRU—they are tied into television contracts—

Q510 Albert Owen: I thought you were going to say it was Murdoch’s fault.

Mr Harley: Perhaps I had better not totally agree with you. If it was that television station, then you could blame it on him.

Q511 Adam Price: You have mentioned the Heart of Wales line and I know you have some ideas there in terms of improving commuter access to Swansea and the position at Llanelli. What proposals are there?

Mr Harley: There are two steps to this. First, we want to see the Heart of Wales line operated from the centre. It would be nice if the units could park at Llandovery or Llandrindod Wells overnight, because at the moment they have to start off at Carmarthen and Crewe, and we think it should be worked from the centre outwards, so that you get a commuter service into Shrewsbury in the morning and one into Swansea. The current service, the first down service of the day, arrives in Swansea too late for most commuters, I suggest. The suggestion you referred to, which we have put in our list of aspirations, is to reinstate the curve that once ran and headed towards what used to be Swansea-Victoria, from my recollection, but it would swing round and re-join the West Wales Main Line, missing out Llanelli station. It would reduce journey opportunities to and from Llanelli, but we feel that particularly with proposals from Swansea City Council and SWITCH to put in park-and-ride facilities at some of the Heart of Wales line stations, that it would be a viable project. It requires new lines. If they are going to be costed at £16 million a mile for a new line, then it does call into question the viability of this; but nobody has really looked at it. The route, thankfully, seems to be protected and is available; it just needs somebody to look into the cost benefits of it and put it into the transport plan for that area.

Q512 Chairman: Does Arriva have a proposal for north-south links, for a Holyhead to Cardiff service? Can you outline those proposals? Do you know what they are and, if so, do you think they are achievable?

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Mr Goodwin: Chairman, we do not have the details. We have heard of the possibility of operating a Holyhead-Cardiff service every two hours. Obviously, we would welcome an improvement in the links between north and south Wales. As a committee we will want to know greater detail about this as soon as possible. We have to make sure we do not solve one problem by creating another one. A lot will depend on the routing of these services, and whilst we are very anxious to see more trains serving Wrexham, we have to also ensure that the north Wales service to Birmingham, via Crewe and Stafford, is not completely lost, because the journey time between Wrexham and Shrewsbury is quite a bit longer. It is a balance. We want to see an enhanced direct service from north to south Wales and back, but we do not want to lose the services to Crewe. It has got to be “both and” not “either or”. I think that we welcome it in a sense, but we do need more information. There needs to be a lot more discussion, both with Arriva and with the SRA, because the SRA will be stating the terms of whatever service is to run.

Q513 Mr Caton: Moving on to your relationship as a committee with the train operators and indeed with the Strategic Rail Authority, First Great Western tell us that they have regular dialogue with stakeholders. What meetings do you have with First Great Western and indeed Wales and Borders trains? What is the format of those meetings and what do they achieve?

Mr Harley: The format is informal mainly because apart from the stakeholders to which you refer, they are principally between the RPC and First Great Western. I am involved, for example, with a GW200 Group, which is looking at a new high-speed line from London to Bristol, and beyond into Wales. This is the one that the SRA pooh-poohed about nine months ago because they felt it was not viable, but First Great Western think it is worthy of investigation, so we are involved with that. The Stakeholder Forum is a very positive thing. They feel that First Great Western certainly listen to what people say. It is not just ourselves that go to its rail user groups but cycling organisations, local authorities—the managing director attends. It is a very worthwhile forum. All train operating companies come to our public meetings, which are held around Wales. There is one coming up at Cardiff coming up in January, which will be publicised fairly soon. We anticipate that most of the train operators will attend. On the whole, our relationships with the TOCs is very good. We feel they are willing to listen. They may not be able to deliver everything we want. They will often say, “we will have to go away and think about that”. Sometimes, they come back with a positive response; and sometimes they say, “sorry, it is not possible” for whatever reason. On the whole, it is a good relationship. They do listen to our representations when we take up passenger complaints. Very often, we can bring a satisfactory resolution for the individuals involved.

Q514 Albert Owen: Mr Goodwin, you mentioned earlier that your relationship with Network Rail was not so good, particularly recently. Do you think that is down to Railtrack becoming a new company and the restructuring that is causing that, or do you think it is an attitude?

Mr Goodwin: I think there is an attitude element in it. I hasten to say that I think there are some very good people in Network Rail, who are struggling, probably through no fault of their own. The whole problem is the history of Railtrack, and the very turbulent history, which has been inherited. They are finding it very, very difficult to be strategic. Therefore, they are tending to be very defensive. On the one hand, they are essential for the whole network, are they not? Without the infrastructure in all its forms, everything is lost; yet they are not really able to take a strategic view. I think there are real problems there. There are real identity problems. As I mentioned specifically in relation to the Bangor and Holyhead, there are development schemes—and there are other schemes in Wales where this would be equally applicable, but it is just that I am directly involved very much in those. We need Network Rail to give us the say-so and information and to help us make certain decisions, and yet they say they are not allowed to be involved until matters have moved further. Their role and their position needs a degree of definition and a degree of clarity. There are attitude problems there, but I think they are struggling a little bit.

Q515 Mr Caton: What you are saying about the partnership approach is quite helpful. Can I press you a little further on specific projects. We have mentioned Cardiff station already, and you quite rightly point out you do need a partnership involving the local authority as well as the railway players. At the moment we are seeing some work done at Swansea station, and it is very welcome—certainly the improvement in the toilets, which is well overdue. Hopefully, the layout changes and other enhancements outside will be a big improvement. It was not that long ago they changed things round before. Are you the voice of the passengers involved in those sort of projects?

Mr Williams: Absolutely. As a committee, we have been very proactive within the RPC network nationally in terms of engagement with the local authorities in Wales, certainly since local government reorganisation and the creation of the 22 unitary authorities. Even with our limited manpower resources, within the secretariat based in Cardiff and our members based throughout all parts of Wales, we have tried to get amongst the local authorities and our approach has been to get them organised on a consortium basis, where there has been real success. From a time management point of view, it is much more cohesive and more co-ordinated to get local authorities thinking on a strategic basis. I serve on the South-East Wales Transport Board, which represents ten authorities, representing over 50% of the population of Wales. I have involvement with SWITCH in south-west Wales, and TAITH in North Wales. We want more

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involvement there. We think there is a real need for catching up with what was achieved in south and mid Wales in association with Welsh Assembly Government, particularly through the provision of transport grant funding, particularly on station enhancement developments. Swansea is my home station, and we have been very pleased indeed at the proactive stance that that local authority has adopted, very much through our membership of the South-Wales Rail Forum, which involves all the local authorities in south Wales. We have had very good dialogue with Swansea, and we want to extend that concept to other local authorities in Wales.

Mr Goodwin: On the Swansea issue, it will be two years last May at a statutory meeting we held in Wrexham that we made Swansea station a major issue. We found that the SRA were not as helpful as they might have been. Their representatives did not even appear to know what level of facilities were required at a station of that size. They were not able to tell us whether there should be toilets or not, *et cetera*. That is where we set things moving on Swansea. I am sorry to keep mentioning Bangor and Holyhead, but in each case we called all the parties together and set the whole thing going. We called the various rail industry players, the WDA, local authorities and so forth. We do play a major role. We actually chair the Holyhead Transport Interchange, even though it is the local authority that has to lead on managing the project. We do try to be very proactive. Going back to a point I made earlier, we feel there should be a strategy for each station. We obviously cannot do them all at once, but where we see a need or are made aware of a need, we will do whatever we can. In north Wales, our next target station is Llandudno, to try to lift that up. If you have been there recently, that is terrible. Some time next year, sooner rather than later if possible, we shall be trying to get a partnership together to get something moving there.

Q516 Mr Caton: Perhaps naively, some of us thought until fairly recently that a passenger service requirement was there to ensure services are not removed. I understand that your committee considered legal action to enforce the passenger service requirement in respect of the Swansea/north-east England service. Can you tell us more about that, and if you did not proceed with legal action what that says about the passenger service requirements?

Mr Harley: That was at the time when there was one through service a day, run by Virgin Trains, from Swansea to Newcastle, at least north-east somewhere, which terminated at York. The SRA decided to instruct Virgin to withdraw that at very short notice. It did not consult the rail passengers and did not consult local authorities. It was not just our organisation that was upset about it; people all over the country were upset at the fact that services that they had seen running for years were suddenly being withdrawn. For example, there are no Virgin services at Blackpool, whereas there have been since time immemorial, at least since Virgin came into existence. We considered a judicial review of the

SRA's decision because we believe they should have consulted; it was a requirement that they should consult. We wrote to the Rail Regulator because we thought they were in breach of the Transport Act, and the advice we had back from various quarters was that in an emergency or in exceptional circumstances, the authority is allowed to make variances to what you quite rightly describe as a passenger service requirement, PSR. They can only do it for a limited time before which they then have to consult with all the interested parties. That is why we did not progress it any further. We were acting on behalf of passengers, many of whom were extremely irate that it was being withdrawn. Not only that, there was a principle here: people were not being consulted. Also, it might set a precedent as well. If that service could go at the drop of a hat, what else might have disappeared from the railway network? We understood that PSRs were there to protect what existed under British Rail. We think they are an essential part of the railway system. They might need changing here and there to take account of different travelling patterns and habits compared to, say, ten years ago; but there must be some mandatory minimum service level set down for all train operators. We are very diligent in protecting, where we can, PSR and similar facilities such as station services and also through ticketing, for example.

Q517 Mr Caton: It seems almost surreal that the body that finances a committee to provide it with the voice of passengers, then chooses on a major decision not to consult that body.

Mr Goodwin: We have been very surprised as well. Our robust stance, following the specific instance you mentioned, has not made us friends in certain quarters. We feel very strongly that the PSR, or something like it, needs to be in place to protect services on all routes to a certain minimum level. As my colleague Paul said, sometimes social needs and changes in circumstances means there has to be some fine-tuning. We have co-operated with the SRA and its predecessor organisation and with train operating companies in facilitating certain changes where we believe it would be of overall benefit to passengers. We do feel that it is terribly important, and the whole RPC network thinks it is very, very important that there needs to be the PSR or something like it. It cannot just be meddled with at whim, or certainly not just thrown on one side for an indefinite period of time.

Mr Harley: Our actions were successful in so far as more recently the SRA has consulted with us at an appropriate time. I think it has acted as a warning shot across their bows, and they now realise that they need to consult. They just gave the reason that at the time they had to act very, very quickly to sort out the Virgin cross-country network. There were just too many trains introduced on the network in what Virgin called Operation Princess. It needed expedient action and there was not time to consult. Now, they have changed quite a lot and do talk to us in advance. We input passengers' views on their proposals and hope that they will take them into account.

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Q518 Mr Caton: The rules have not changed, so if there were similar crises, there is nothing to stop them.

Mr Harley: Clearly, no.

Q519 Mr Caton: Do you think there should be a strengthening of rules to make sure at least consultation happens except in very exceptional circumstances?

Mr Williams: This is very much a case for ministers in the directions and guidance they give to the Strategic Rail Authority. Our committee made the stance that it did, and there were pressures from passengers. Rightly or wrongly, we proceeded on that basis, and it has had an impact in terms of relationships with the SRA, and indeed in reference to what the Chairman said about better consultation arrangements for other changes to the timetable.

Mr Harley: Most successful businesses should be customer-led and I think railways should be no exception. The passenger should take the lead and say what they want from the railways, and then it is up to the operators to discuss with the SRA as to how much of that they can provide.

Q520 Mr Caton: Were you convinced by the SRA's justification for withdrawal of this particular PSR service?

Mr Harley: I understood their reasons behind the need for quick action, and in terms of the Swansea service as long as there was a good connection at Cardiff into its replacement, then there would not have been too much upset. There was a principle that we had to defend here, and we also saw it as the thin end of the wedge effectively in terms of the fact that if Swansea to Newcastle goes, then the Cardiff to Liverpool or Carmarthen to Manchester might go. There might be further retrenchment from the four ends of the system. Unfortunately, of course, there has been further reduction since then, and Cardiff itself is only left with one Virgin train a day, which is extremely disappointing given the fact that there were seven or eight services under Operation Princess, and these, from my personal observation, were very popular and successful. People came and used the railways when they had a better service.

Q521 Mr Caton: You have mentioned Rail Passenger Partnership funding. Have you any indication when that might be reinstated?

Mr Williams: We understand there is a possibility of the Rail Passenger Partnership fund being reinstated, and we very much hope that that aspiration will be delivered. It is very much subject to the SRA getting the additional funding from the Department of Transport.

Q522 Mr Caton: What impact has its withdrawal had on rail services in Wales?

Mr Harley: It has stopped all developments dead effectively, because it was a prime fund for minor enhancements, or what you might consider minor enhancements for those who live in the particular areas that benefited from it. They were significant indeed.

Mr Goodwin: The sort of station developments you were talking about a few minutes ago—it is much harder. If you take station X and there is an identified need for better interchange with buses and a better taxi rank or better waiting facilities, that would have been the kind of scheme that would have ideally sat within the RPP funding initiative. It does not mean that it is impossible to do anything, but one has to chase around the houses an awful lot longer, and probably not get very far for a very long time. Another possibility on the kind of scheme that might have been put forward for RPP is on, say, a rural line, to try and fund an additional train unit and a couple of additional train crew to enable an enhanced service to run up and down the whole line. Was it not RPP that facilitated the improved late evening connection in south-west Wales from Carmarthen, a connection from London, meaning that people could get from London to the far west of Wales later than they had been able to previously? That was an RPP scheme, which funded the additional train crew or something. It is that kind of scheme which, as Paul said, makes a big difference. In the global scheme of things it does not seem very much, but to the people affected, it makes an awful lot of difference.

Mr Williams: In the context of social inclusion, the Ebbw Vale upgrading from freight to passenger services—people looking for new jobs—and also the upgrading of the freight line in the Vale of Glamorgan, for people in that community who want to get into Cardiff by rail rather than by car, are two major projects in receipt of RPP funding.

Q523 Chairman: The £2.5 million from the Government: has that replaced the RPP funding or has it gone in any way to replace it?

Mr Harley: It has been used in one of two places in place of RPP money, but it is not really intended for that. The Welsh Assembly Government had to step in and fund projects or parts of projects which, in my opinion, should really be funded by the SRA. It is money that could have been spent on other enhancements by the WAG, but being spent instead to cover projects that should normally be RPP funded.

Q524 Chairman: That is what I thought. That is a direct result of the UK Government—

Mr Harley: Sadly, yes.

Q525 Julie Morgan: What is your relationship with the National Assembly for Wales, with the Welsh Assembly Government?

Mr Williams: Very positive. The Minister has the Welsh Transport Forum, which we are represented on, and we have meetings with the Welsh Assembly Government staff and indeed we co-operated with them in drawing up our aspirations for the Wales and Borders franchise, when we introduced *Rail Users Must Have Better Services*. That was the subject of consultation we had with MPs, local authorities and Welsh Assembly members. There was regular dialogue.

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Mr Harley: That is with the Minister and also with officials. They consult quite widely on all sorts of strategies, some of which you would not have thought a rail passengers' committee would really comment on—green issues, for example. The consultations come out and we input the views of rail passengers. We point out that rail in some places benefits Wales. Rail could bring even greater benefits to tourism in Wales, and the income it brings into the principality, if only it were used more effectively and marketed better. All these comments on what might not initially seem to be direct rail issues we do input to the Welsh Assembly Government.

Q526 Adam Price: Dr Howells has been quoted as saying “there are no insuperable problems” to transferring rail powers to the National Assembly for Wales. What powers would the Rail Passengers' Committee see as being possible candidates for that transfer?

Mr Harley: Looking at Scotland, I feel that a similar arrangement to the Scottish Parliament would be nice, ie, the ability of the Welsh Assembly Government to issue directions and guidance to the SRA. It would be useful to some degree if we had a Network Rail zone that covered the whole of Wales rather than the present arrangement whereby there are two zones. Once upon a time, when there were three zones, we had various accounts of train companies having difficulty in planning through trains because you had to apply to one zone for timings, then to another and then to a third; and if one said “no”, it all fell through. There are all sorts of ways in which I think the Welsh Assembly Government could input more to the control, operation and management of the railways. As regards devolution of power and so on, provided the appropriate funding was earmarked for the railways in Wales, it would be an extremely positive thing. It would bring decision-making closer to the passengers and closer to the electorate of Wales. It would also result, I feel, in more pride in the railways in Wales, because we already have this new Arriva Trains Wales franchise, the All-Wales franchise; and I think the staff will associate themselves with a Welsh company. Tourism I have already highlighted. The fact that we will have one train company in Wales, apart from the intercity operators, will benefit the image of rail in Wales; and we can generally move forward. Also, the Welsh Assembly Government, in my view, interfaces better with local authorities in Wales and organisations like ourselves, Sustrans Rural Wales and things like that. Overall, it is desirable to move forward and devolve these powers to the Welsh Assembly, with adequate funds of course—which is a big factor in this.

Q527 Julie Morgan: It sounds as though you would support the idea of transfer of powers, but how would it make a more coherent transport system?

Mr Harley: It would make it more coherent, in my opinion, because the Welsh Assembly Government has already done some good work, as I have already highlighted, in terms of enhancing bus services through concessionary travel. It can also encourage and to some degree direct local authorities to do certain initiatives, for example entering into quality bus partnerships as some have done. I do not see any reason at all why you cannot have a quality rail partnership in one or two places. The Conwy Valley is one area where you could have such an agreement between the Welsh Assembly Government, the local authority and the train operator, with Network Rail support. It comes back to what I said earlier about bringing decision-making closer to the people. It is also about accountability to some degree. We have already discussed among ourselves the fact that infrastructure costs remarkable sums of money at the moment to renew and maintain. Perhaps if we did have one Network Rail zone for Wales and greater transparency on the costs, we could avoid the suggestion that there should be two or multiple tiers of maintenance on the railway lines in Wales. There is certainly lots of scope for enhancing the railway network, railway services and stations in Wales. With the Welsh Assembly Government at the heart of it, I think a lot of that can be delivered.

Mr Williams: It is very encouraging indeed that the Scottish Executive are able to give directions and guidance to the Strategic Rail Authority, and when you compare and contrast what has been achieved in Scotland on public transport, as against what has not been achieved in Wales, that teaches us some very helpful lessons. Indeed, the SRA has a member of staff in Scotland, and he gets his leg pulled that he has gone native. He is very much *au fait* with the needs of Scotland and is able to bat effectively for that country. We have made a suggestion in our submission to you that there should be SRA representation in Wales three or four days a week, and that would be a very positive move in the right direction to get a greater understanding of the needs of Wales. Perhaps that individual could bat more effectively for this country.

Mr Goodwin: I can bear that out with anecdotal evidence. Talking to various people at the SRA, who are probably doing very good jobs in their own ways, you tell them about problems here and then they tell you about their commuter journeys from Kent into London for example. I do wonder whether they are the best people, good though they may be in their own way, who should be making the decisions about the journey opportunities and journey methods for people living in our part of the world. There does need to be local accountability, both with the SRA and at the Government directive level.

Q528 Albert Owen: I agree that the SRA is closer to people who work better with representation, but can you give me a concrete example of how the railways are better in Scotland than in Wales, because our Scottish Members of Parliament seem

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to be denigrating the whole thing because of the impact south of the Border; and how would you get over that?

Mr Harley: One immediate answer I give to that is that Scotrail has new trains arriving right now, as we speak. There is nothing in Wales at the moment, not at least for the next 15 years, unless something pops up somewhere. That is an example of how the Scottish Parliament can have an influence. Also, there are new stations opening in Scotland. There is some business park on the outskirts of Edinburgh which is having its own rail station. It is large enough now to sustain its own rail service, which will take hundreds of cars off the road. The Scottish Parliament also looks to rail as an integral part of its transport policy. It recognises that with a 15-minute service between Edinburgh and Glasgow it

can attract people from off the motorway. If only we had the same service between Swansea and Cardiff, ladies and gentlemen!

Q529 Chairman: Yes. Thank you very much for a very useful session.

Mr Harley: Thank you, Mr Chairman, for inviting us. May I take the opportunity to publicly praise the work that this Committee has done, particularly on its last report on the railways in Wales, when the Committee saw that they were absolutely static. You took all our comments into account. You accurately reflected the views of passengers or the electorate, shall we say, and it is an outstanding piece of work. We certainly look forward to the report that will follow these hearings.

Supplementary written evidence from the Rail Passengers' Committee Wales

THE SEVERN TUNNEL

1. INTRODUCTION

RPC Wales is concerned that Wales–England rail services are increasingly constrained by the Severn Tunnel and considers that now is the time for a serious look at how additional capacity should be provided for the long term.

This non-technical paper is intended to identify four options, to introduce issues to be considered as part of the assessment of each option and to promote further consideration of the proposals by and further debate with the relevant authorities.

These authorities include:

- the Welsh Affairs Committee;
- the Welsh Assembly Government;
- the South West Regional Assembly;
- the Strategic Rail Authority;
- Network Rail.

No effort is made to estimate one crucial issue: cost. This would have to be an integral part of the next stage of assessment of these four and any other identified options.

2. BACKGROUND

The Severn Tunnel is four miles and 629 yards long and links the English and Welsh sections of the Paddington–South Wales main line.

Construction began in early-1873 and, after enormous difficulties which included two major floods from “the Great Spring”, was opened to passengers on 1 December 1886. In conjunction with the “Badminton Line” between Patchway and Wootton Bassett Junctions, it shortened the original London—Swansea route via Gloucester by 47 miles. It was then the longest non-London Underground rail tunnel in Britain and the longest underwater tunnel in the world.

Its benefits include:

- twin track throughout;
- reasonably graded approaches, (1/90 climb into Wales and 1/100 climb into England);
- electrified pumping stations, (and water sold for industrial use);
- every day, about 130 passenger trains and 80 freight trains passing through.

The tunnel, however, is not trouble free; constraints include:

- risk of flooding;
- long signalling sections which restrict train paths;
- confined drainage tunnels and shafts, hard to access and maintain;
- 75mph speed restriction;
- W8 freight gauge;
- inadequate alternative routes when closed for maintenance and renewal;
- no headroom for electrification.

Much work was essential in the tunnel in the late 1990's and the maintenance engineers gained some notoriety for closing the tunnel frequently and at short notice, causing serious delays to and disruption of regular services. Some of this work followed the numerous recommendations of the public inquiries in Bristol and Cardiff in 1992 into the collision between two trains within the tunnel on 7 December 1991, recommendations arguably made more numerous by the uncertainty as to the precise cause of the accident. Safety provisions were enhanced with considerable difficulty and expense.

In the last couple of years however, apart from a couple of serious and avoidable clashes with major sporting occasions at the new Millennium Stadium in Cardiff, the tunnel's reliability and availability is greatly improved, with a significant reduction in unplanned closures.

Nevertheless, taking all aspects of service performance into account, RPC.W considers the Severn Tunnel to be a significant constraint on existing rail services. More fundamentally and seriously, RPC Wales considers the tunnel will be unable to cope with the planned and anticipated increases in rail traffic along this vital route.

Better use of the Severn Tunnel can certainly be achieved by improvements within and near the tunnel, eg:

- safely reduce intervals between trains by installing additional signals within the tunnel which reduce the length of signalling sections—planned for years but still not implemented;
- raise the line-speed through the tunnel to 90 or 100mph;
- remove single lead junctions near Filton Junction, especially on the route to Bristol—promised for 2004;
- additional platforms at Filton Abbey Wood Station so stopping trains do not obstruct through trains—promised for 2004;
- reinstate two more tracks (to total four) between Filton Junction and Bristol Temple Meads, so trains to/from South Wales do not obstruct trains to/from Bristol Parkway Station and beyond to the North and East—no known plans.

As they are implemented, these projects will progressively enhance capacity through the approaches to the Severn Tunnel and therefore through the tunnel itself. It is however estimated that traffic growth will still exceed this additional capacity sooner rather than later; say, well within 10 years.

Within that period it is assumed that the following national schemes will be complete:

- WCML PUG 1 and 2 (at last);
- ECML bottle-neck removals;
- CTRL Section two, from Fawkham Jct. to London Kings Cross;

and that the Great Western Renewal will be making rapid strides in a westerly direction.

Meanwhile, the Severn Tunnel will become a more and more severe constraint on all services, especially on the key South Wales–Bristol and London services for which, unlike South West England and Bristol–London services, there is no effective alternative route.

Recognising that the right option to provide additional capacity between England and Wales will be a major project with lengthy lead time, probably over ten years to successful completion, RPC.W consider work should begin now to consider the options and to identify the preferred solution.

RPC.W reaffirms its suggestion that the options considered should include:

- the Second Severn Road Crossing;
- a dedicated rail bridge;
- a new rail tunnel;
- the Severn tidal barrage.

3. THE FOUR OPTIONS

Each option is now outlined in a little more detail.

3.1 *The Second Severn Road Crossing*

Road and rail have shared bridges over rivers and estuaries for years, especially in developing countries with limited resources and rugged terrain, eg Canada, India, NZ and Australia.

Examples in Britain are few, apparently because of a lack of strategic thinking, but perhaps also due to inter-agency indifference. The few working examples in Wales include the Britannia Bridge (as re-built) between Bangor and Holyhead and the Briwet Bridge on the Cambrian Coast near Penrhyndeudraeth.

Modern bridges however commonly have full provisions for both rail and road, eg Denmark–Sweden, Hong Kong Airport, etc. Such bridges are conceived, designed and built for this shared purpose.

Although not designed and built to include rail, the Second Severn Road Crossing, (SSRC) may hold potential for rail use. Merits include:

- its alignment, which is very close to that of the rail tunnel beneath, (indeed, great care had to be taken during bridge construction to control foundation works straddling the tunnel);
- its arrangement of long multi-span approach viaducts and short central span;
- the modern road freight loads for which the bridge is designed may well be comparable with the loads of modern medium-paced light-weight rail cars suitable for Bristol–Newport–Cardiff shuttle services;

The revised and additional loadings would certainly require significant alteration and strengthening of the crossing, just as almost every other road bridge has experienced as traffic intensities and permitted lorry loadings have increased since the bridges were first designed. It is considered that the design and construction techniques to modify the SSRC suitably are already available.

Rail connections to the existing network would be short on both Severn banks, and track grades and curvatures throughout should not be operationally onerous at all.

3.2 *A Dedicated Rail Bridge*

The original high-level rail bridge was completed in 1879 between Sharpness and Lydney but was badly damaged by a ship in 1960 and never re-opened before demolition. Its alignment is reasonably favourable for reconstruction on the West bank, but its Eastern approaches are unsuitable for direct and speedy access to either Bristol, to the GW mainline at Westerleigh Junction or to the Gloucester–Stroud route to Swindon.

The preferred option for a dedicated rail bridge would therefore be a new bridge on a new alignment.

The first choice option that the SSRC be a joint-rail crossing (by design) having been lost, the rail bridge alignment now has considerable freedom. Preferred alignment is likely to be somewhere in a band between a mile upstream and five miles downstream of the Severn Tunnel.

Opportunities exist of enhancing existing network connections by aligning the bridge with existing rail-lines, eg:

- to Avonmouth, making it attractive for Bristol and freight traffic, but less directly attractive for London trains, except by releasing capacity in the original tunnel;
- to Hallen Marsh Junction on the Severn Beach line from Bristol Parkway, making it attractive for high speed trains straight through Filton Junction.

On any alignment it would be prudent to design foundations and superstructure capable of accommodating a future road deck, perhaps particularly for an Avonmouth alignment.

3.3 *A New Rail Tunnel*

Thanks to the excellent experience already gained on the Channel Tunnel Rail Link to London, the levels of tunnelling expertise in the UK have soared and the costs have plummeted. Certainly the Severn geology and hydro-geology will always be more complex and challenging than English chalks and clays, but a new rail tunnel may well be the quickest, easiest and most cost-effective way of enhancing English–Welsh rail links.

In principle, the alignment of a new rail tunnel has the same flexibility as a new rail bridge.

In practice it will be more restricted by the geology and a bored tunnel in stable rock may therefore be impractical as far downstream as Avonmouth.

Estuary bed conditions may, however, favour an immersed tube similar to, but much longer than, the A55 under the Conway estuary on the North Wales Coast.

A new bored tunnel alongside the existing provides the additional and valuable opportunity to up-grade the old Severn Tunnel to modern standards of safety and services by cross-connections throughout their length, including:

- passenger escape routes in the event of emergency;
- controlled bi-directional ventilation;
- modern drainage and lighting.

The pair of tunnels in close parallel would offer greatly increased flexibility of operation and maintenance as well as increased capacity, with segregation by speed and power generally leading to passenger trains normally using the modern tunnel and the original tunnel restricted to freight traffic.

A new tunnel some distance from the old would not have many of these benefits.

Any modern tunnel should be sized to accommodate future electrification with UK standard overhead lines.

Modern train power units probably mean the new tunnel approaches could be steeper than present, hence reducing the tunnel length and cost. However, fuel costs would rise and/or train speeds would fall as a consequence, albeit for only a short section of their overall journeys.

3.4 *The Severn Tidal Barrage*

The Severn Tidal Barrage to harness the enormous energy of the rising and falling tides in the estuary was first proposed in the 19th Century—a contemporary engraving shows a train crossing it!

It is considered that in time and due to:

- continuing growth in UK electricity demand and of our economic and social reliance on it;
- the pollution from and relative inefficiencies of coal, oil and gas energy sources;
- the increasing political and technical risks of imported fuels and energy;
- the relative unpredictability and unreliability of many renewable energy sources, especially wind;
- increasing success in identifying the environmental impacts of large projects and of managing them acceptably;

active interest in the potential of tidal power in general and of the Severn Estuary in particular will revive sooner rather than later.

Sites for the barrage have been investigated on many alignments between as far upstream as Aust Cliff–Beachley Point (almost exactly under the First Severn Road Crossing) and as far downstream as Porlock (West Somerset)–Nash Point (Glamorgan). Most proposals have concentrated on the an alignment between Weston-super-Mare–Lavernock Head near Penarth.

Wherever sited and whenever built, it too provides an opportunity for rail and road crossings.

Current estimates suggest the barrage would be such a large project, and because it would not be available as a transport link until virtually complete, it will almost certainly not be available within the period necessary to supplement the Severn Rail Tunnel. Nevertheless, it is a project which could clearly contribute to cross-Severn transport links, and its development should be positively monitored.

Rail access for construction purposes on both shores should be aligned with permanent use in mind.

4. CONCLUSIONS

At this preliminary stage RPC Wales concludes:

- the Severn Rail Tunnel is old and difficult and expensive to maintain;
 - its alignment for train services between London and South West England and South Wales is most suitable for modern transport needs;
 - its usage is on the practical limits of capacity, and enhancements available cannot keep ahead of the growth in demand in the mid- and long-term;
- and that:
- additional and alternative capacity must be provided on this strategic route.

Therefore, the options, including the four outlined in this Note, should be assessed, budgeted, ranked and considered in further detail until the single all-round best-value option is identified for further detailed assessment.

5. RECOMMENDATIONS

This Note is issued to the Welsh Affairs Committee as supplementary evidence to its recent Inquiry into The Provision of Rail Services.

It is also issued to:

- the Welsh Assembly Government;
- the Strategic Rail Authority;
- Network Rail;
- the Welsh Transport Forum;
- the South West Regional Assembly;
- Rail Passengers' Committee for Western England;
- London Transport Users' Committee;

also to all other interested parties, including all Train Operating Companies using the Severn Tunnel; with an invitation to all to comment on, help to improve and to adopt and promote.

The Second Severn Rail Crossing

From time-to-time, RPC.W should review, revise and re-issue this Note to include additional facts, issues and options that emerge and that RPC.W considers strengthen the case to be considered for the Second Severn Rail Crossing.

6. APPENDICES

6.1 *Location Plan of Severn Crossings*

To be developed for the next issue.

6.2 *References*

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6.3 *Acknowledgements*

To colleagues in the industry and on RPC Wales for their advice and encouragement; however all errors remain those of the author.

Owen P Williams
Chartered Civil Engineer

Clive G Williams
Secretary

December 2003

Written evidence

Written evidence from Wales & Borders Trains

CARDIFF CENTRAL STATION

It was with interest that I read the feature in the “Western Mail” newspaper on 14 January 2003 regarding Cardiff Central railway station.

Please find below a response to some of the issues raised in the feature, which members of the House of Commons Welsh Affairs Committee may wish to observe.

You will recollect that I gave evidence to the Committee and outlined our plans to improve stations, many of which have since come to fruition. Indeed, the Health & Safety Executive and Rail Passengers Committee Wales have praised many of the initiatives that have been undertaken.

The feature in the “Western Mail” stated that there were problems with disabled access at Cardiff Central. We take our responsibility towards customers with disability very seriously and we are committed to providing an excellent quality of service.

Any passenger requesting assistance with their train journey can call the “Journey Care” line on 0845 400 4005 and arrangements will be made for a member of staff to meet and escort them safely onto their required train service.

A customer “Help Desk” is also available in the foyer and is open most of the day to assist anyone requiring assistance with their journey.

Access to all seven platforms at the station is available either by lift or level road access in the case of Platform “0”. We are also confident that our staff are alert to the requirements of the disabled and appropriate training is provided to assist customers with disabilities.

During the recent busy Christmas period, an average 60 customers a day, each with special requirements, were supervised at Cardiff Central. This figure does not include requests from the elderly or parents with pushchairs. I am pleased to advise that not one single complaint was received from any of our customers requiring assistance.

Parking bays for the disabled are available in the station car park, which is accessible from Penarth Road. Additionally, we are actively seeking to refurbish existing facilities and to provide increased car parking spaces at the station.

Following the refurbishment of the station in time for Rugby World Cup 1999, a dedicated taxi rank has been located in Central Square, adjacent to the front of the station. The rank is clearly signed, works efficiently and to date, we are not aware of any negative comments regarding this facility.

Wales & Borders Trains have been responsible for the management of Cardiff Central since 1 April 2002. Many initiatives have been introduced to enhance facilities and ensure that passengers’ experience is enjoyable and straightforward. We have significantly increased management and station staff, who undertake a variety of duties including revenue protection, customer services and environmental care. A new platform “0” has also been opened to increase capacity, which in turn improves performance by reducing potential delays.

Integration with other forms of transport is important and positive steps have been taken with Cardiff Bus and other operators to improve the availability of information to passengers.

A “Guide to Bus Links” booklet is available at the Travel Centre and bus service information posters are also on display at the station.

A direct bus link, with through ticketing to Cardiff International Airport departs from the bus stand immediately in front of the railway station. The dedicated bus deployed on this route has been re-livened to raise awareness and promote the service.

We have also worked closely with Cardiff Bus to produce the Cardiff “Capital Card”, which allows unlimited travel on Valley Lines and Cardiff Bus within the City of Cardiff.

Wales & Borders Trains has developed a good working relationship with the Welsh Assembly Government and a number of enhancement schemes aimed at improving facilities and services for passengers across Wales have been progressed using Transport Grant funding.

For example, work will shortly commence to install new and upgraded real time customer information systems at 46 stations in Wales and eight in the border counties of England. The Strategic Rail Authority, the Welsh Assembly Government and the County Councils of Shropshire and Cheshire are funding this £2.5 million initiative, which is the only bi-lingual system of its kind in the UK. It will make a very real difference to the quality of train running information available to passengers, especially at small-unstaffed rural stations.

Clearly, improvements to the rail network cannot be developed in isolation and a partnership approach from various organisations such as local authorities, regional and national Government is required.

In recent times, we have demonstrated our commitment to improving benefits for passengers with our successful track record in bidding for Rail Passenger Partnership funding from the Strategic Rail Authority and partnership working with regional transport consortia in Wales.

I would like to extend an invitation to the Welsh Affairs Select Committee to visit Cardiff Central and discuss any issues or suggestions you may have regarding any aspect of our operation with myself and other members of the team.

Chris Gibb
Managing Director

15 January 2003

Written evidence from the Rail Freight Group

INTRODUCTION

1. The Rail freight Group is the representative body of the rail freight industry in the UK. Its objective is to grow the volume of freight carried by rail in the UK.

2. RFG welcomed the target for growth of rail freight of 80% in the Government's 10 Year Plan and, at the time of its launch, we stated that the industry could deliver this growth, given proper support and policies from the Government, particularly through the Strategic Rail Authority.

3. Although the announcement earlier this year of suspension of new freight grants and the cancellation of many freight enhancement projects was a severe disappointment to the industry, at least the suspension of grants does not apply to Wales or Scotland. We are pressing the SRA to announce a resumption of grants in the autumn.

4. Apart from the flows along the south coast of Wales, the amount of rail freight in Wales is generally disappointing. RFG has been encouraging the development of rail freight to the port of Holyhead for some time, but this has not been helped by the gradual disposal of railway land suitable for road/rail interchange in the town, firstly for a supermarket and then for road developments.

5. We have also been disappointed by the lack of grants made for rail freight by the Welsh Assembly. This may be attributed to lack of demand, lack of interest or lack of commitment from the assembly; either way, it is a matter of regret.

6. Thus, when we heard of the potential for a major rail freight traffic flows from near Blaenau Festiniog to the North West and Midlands of England by rail, we welcomed this, particularly since the Welsh Assembly and the Welsh Development Agency were reported to support it, and to have offered grants towards the work necessary to enable the services to start.

THE BLAENAU FESTINIOG RAIL PROJECT

7. The project is to take up to two million tonnes of slate waste a year from Blaenau Festiniog by rail to the North West and Midlands. It has become economic to move this material because of the recently introduced aggregates levy on primary aggregates.

8. Alfred McAlpine Slate Ltd is leading a proposal to establish a loading facility near Blaenau and, with Freightliner Ltd, transport slate waste by rail along the Conwy Valley line to Llandudno Junction and thereafter to the North West and Midlands.

9. For the Conwy Valley Line, Conwy County Borough Council and the Welsh Development Agency commissioned a study from Parkman which was published in July 2001. The Report concludes that the general condition of the line is "fairly good" and that, in order to facilitate freight traffic, the following work is recommended:

- Improve elements of the current track system.
- Amend the track layout south of Llandudno Junction.
- Extend the existing passing loop at Llanwrst and increase train speeds there.
- Replace signalling.

10. It quotes an estimated cost of the works of between £11.2 million and £16.8 million, but it should be noted that some 75% of this is signalling.

11. Terminals will be required at Blaenau and at discharge locations and there will be the need for rolling stock. We are confident that these can be provided, with or without financial assistance. We are not aware of any other problems relating to the Network Rail lines between Llandudno Junction and destinations terminals, so this response concentrates on the Conwy Valley line, since this is crucial to the project's operation.

THE CONWY VALLEY LINE FOR FREIGHT

12. Since the above Report was published over two years ago, we understand that Network Rail has failed to respond to repeated requests to provide factual assessment of any improvement work which they believe would be required on the Conwy Valley Line. NR is reported to have rejected the Parkman report referred to above, even though Parkman is one of NR's approved consultants.

13. It was reported that some six months ago NR commissioned its own report that should have been completed by now, but that it is now evident that the consultants have not started work on it because they had not been properly briefed.

14. In the mean time, NR North West zone is reported to have said that the upgrade works necessary for rail freight on the Conwy Valley line could exceed £200 million; one senior manager is reported to have said that "freight will run on that line again over my dead body".

15. We understand that the SRA, WDA and the Welsh Assembly's Transport Policy Division have been involved with Alfred McAlpine in a succession of discussions with NR and believe that they will testify to the lack of co-operation and unsupported indications of costs.

16. RFG raised this with John Armit, Chief Executive of NR in June. He said he had taken it up with his North West Zone, but so far we have not had any response.

17. RFG considers that, two years after the publication of the Parkman Report, it is disgraceful that Railtrack/Network Rail has not by now come up with a credible scheme to allow rail freight to restart on the Conwy branch at reasonable cost.

18. Network Rail has a duty under its Licence Conditions to respond to reasonable demands of its customers in a timely manner; up to now, it has significantly failed.

NEXT STEPS

19. Following meetings with Alfred McAlpine Slate and Freightliner, RFG has recommended that Alfred McAlpine pursue this in at least three ways concurrently:

- (a) Apply to the Rail Regulator for a Direction under Section 17 of the 1993 Railways Act requiring Network Rail to enter into an access contract for the use of the slate facility and to operate trains on the Conwy branch line.
- (b) Apply to Network Rail directly to be allowed to develop the project and implement it under NR's supervision.

Alfred McAlpine are well capable of project managing such work and Network Rail has agreed that such small works can be done without NR's contractual involvement, but with a NR project manager being seconded to ensure compliance with standards etc.

- (c) Apply for the transfer the ownership and operations of the line from Network Rail.

Operation of the infrastructure would be by Alfred McAlpine. Freight train operations would be open access, but Alfred McAlpine intends that Freightliner operate slate waste trains. The obligation to operate passenger trains could be retained by the existing operator, or transferred to a heritage railway. One with local connections and roots may attract more passengers.

Ownership: we understand from discussions with the former BR Property Board and others that it may be difficult for the railways to fulfil their statutory obligations to maintain highway bridges when a line is sold to a private company. If this is the case, then the line could be taken over by the local authorities and leased at peppercorn rent to Alfred McAlpine, who would have an obligation to operate and maintain the line.

There are various options as to whether the line might be operated as a private siding, a heritage railway or whatever, and there are different levels of standards and rules applicable to each. None are as onerous as operating

THE PROJECT

20. RFG has noted the cost estimate and scope of the Parkman study. Clearly, the track and structure work recommended will need to be undertaken, and there are benefits in extending the loops and improving the layout at Llandudno Junction.

21. However, the need to spend over £8 million on signalling must be questioned. Network Rail's record in budgeting or undertaking signalling works is not good; they maintain that there is a shortage of signalling engineers nationwide at the same time as being reported to be making 300 redundancies in their Glasgow design offices due to lack of work.

22. We believe that a much cheaper signalling option could be provided, possibly directly by external designers and contractors. The exact scope will depend on options chosen for ownership and operations above.

SUPPORT

23. Any of the above options would require the support of the various agencies currently involved.

24. The Welsh Assembly must surely wish to see rail freight again on the Conwy Valley line, not only for environmental reasons (to avoid it being sent by road) but also for good economic regeneration reasons. Similarly, a revived passenger service, controlled and operated locally to reflect local needs must also be desirable.

25. The Welsh Development Agency similarly have demonstrated their commitment by an offer of a grant, and must see the reopening of the line to freight, as well as better passenger services, as being the key to economic growth in the Blaenau area.

26. The Strategic Rail Authority has a duty to promote passenger and freight traffic. It has temporarily suspended rail freight grants, but must surely support such a project in principle. Given the current concern over budgets, and doubts about the long term viability of branch lines, we feel sure that the SRA would look with favour on any project that preserved a line for passenger and freight use, and took away the high costs and risk which Network Rai currently appear to bring to so many projects. The community rail projects being developed by Community Rail Partnerships on the Esk Valley Line in Yorkshire is a good example.

27. Local Authorities have also shown their support by commissioning the Parkman study. We hope that this will continue, although we urge them not to demand too much at the start of the project so that the costs become impossibly high

28. Network Rail still has a monopoly in the provision of design, of contractors and of decision making as to what happens on the railway. Although some zones are showing flexibility, the route through the Rail Regulator in seeking a Section 17 Direction is the best available and, even then, there is no certainty of success.

CONCLUSION

29. The Rail Freight Group believes that this Slate Project is highly desirable both to the growth of rail freight but also to the local Blaenau Ffestiniog area. Grant offers have been made which should go a long way towards enabling essential works to be undertaken and financed.

30. However, the last two years since the publication of the Parkman Report have seen intense frustration at the lack of follow-up and progress.

31. Given a will by NR to encourage rather than discourage the project, and with the support of the SRA, WDA and other agencies, it is perfectly feasible to get the small amount of work undertaken quite quickly so that the services can start operating.

32. We urge the Committee to press for this to happen at the earliest opportunity.

Chairman

July 2003

Written evidence from the National Union of Rail, Maritime & Transport Workers

THE PROVISION OF RAILWAY SERVICES IN WALES

1. The National Union of Rail Maritime and Transport Workers (RMT) welcomes the decision of the Welsh Affairs Committee to hold the current inquiry into "the Provision of Railway Services in Wales". The RMT represents 65,500 workers in all sectors of the transport industry. Organising over 40,000 members on the railway we are the largest of the rail unions and have approximately 2,500 rail members in Wales.

2. Since the passing of the Railways Act in 1993 by the John Major Government the RMT has consistently opposed the increasingly fragmented nature of the network. Privatisation has meant that rail currently consists of 25 train-operating companies, six freight companies, three rolling stock companies, three infrastructure controllers and seven major infrastructure maintenance and renewal companies. In addition there is a complex spiders-web of contractors and sub-contractors totalling approximately 145,000 certified workers, employed by around 1,500 employers. Approximately two thirds of these firms employ less than 25 workers.

 THE ALLOCATION OF POWERS BETWEEN THE NATIONAL ASSEMBLY FOR WALES AND THE UK GOVERNMENT

3. It remains our view that the right course of action would be to for the Government to bring forward legislation that would introduce a publicly owned, publicly accountable, integrated and cross-subsidised railway network.

4. Public ownership however should not mean a return to Whitehall centralisation. Currently Passenger Transport Executives have a series of powers over local train services in the geographic areas for which they are responsible. With that in mind the RMT supports the recommendation of the Welsh Affairs Committee in January 2003 that “the Government bring forward legislation to grant the Assembly the power to establish, modify and wind-up by secondary legislation one or more Passenger Transport Authorities or Executives covering all or part of Wales”.

5. We further support the recommendation of the Committee that the Government should conduct a consultation exercise on the transfer of increased transport powers to the National Assembly for Wales. Our view is that the Assembly should be able to guide and direct the Strategic Rail Authority on the award of the Wales & Borders franchise. This would bring the powers of the National Assembly into line with those currently exercised by the Scottish Executive.

INFRASTRUCTURE INVESTMENT

6. Across the whole of Britain there have been recent significant increases in freight on rail and passenger numbers and passenger kilometres travelled. Indeed more journeys are now made by rail than since the early 1960s. This extra demand has placed increasing strains on an already fragile and ageing rail infrastructure. Unfortunately the maintenance and renewal programme in the pre and post privatisation eras has been wholly inadequate in meeting the challenge posed by the increased volume in traffic.

7. In only one year of the 1970s did the track renewals programme on the national rail network fall below 800 kms. Renewals declined in the 1980s under the Thatcher governments and by the 1996 privatisation of Railtrack they had fallen to around 300 miles a year. In 1996 the average age of track was 40 years old meaning that around 500 miles of renewals was required every year in order to maintain the integrity of the infrastructure. This target was not met, indeed in one year renewals fell to less than 150 miles. This has contributed significantly to the current 4,000 mile backlog in track renewals.

8. On track maintenance, expenditure fell away significantly in the early 1990s. The consequence of the underspend on maintenance and renewals is that on the national network in 2002–03 there were 14.7 million train delay minutes, accounting for 55% of all train delays, directly attributable to infrastructure problems.

9. Welsh railways have not been immune from this long-term neglect of the infrastructure particularly in regard to the Central Wales and Heart of Wales lines.

10. On a more positive note the RMT welcomes the fact that, in the space of only five years, the Assembly has spent the majority of its 10 Year Transport Budget on rail improvements including the re-opening of the West Valley Line (Ebbw Vale). The RMT also applauds the commitment to re-open the Vale of Glamorgan Line to passenger traffic. Whilst we understand the reasons for delay the RMT is disappointed at the progress currently made to actually complete the re-opening of the line.

WALES & BORDER FRANCHISE

11. Post privatisation the Wales & West, Cardiff Railways and the Wales & Borders franchises have received in excess of half a billion pounds in net SRA subsidies. In addition the First North Western, First Great Western, Central Trains and Virgin Cross Country franchises have received significant levels of public financial support for the services that they operate within Wales.

12. Even with these levels of subsidy the 2002–03 SRA annual report reveals that only 79.9% of Wales and Borders services run to time.

13. Arriva will take over the Wales and Borders franchise in late 2003. Their stewardship of the Northern franchise was been marked by the late arrival of one in five trains and poor industrial relations.

14. RMT drew attention to Arriva’s performance in our 2002 submission to the House of Commons Transport Committee Inquiry into Railways in the North of England. “A chronic driver shortage led to the cancellation of 80 services a day in September 2001 and the cancellation of the winter timetable, with trains replaced by buses for five months on busy commuter routes from Pontefract and Knottingley into Leeds. The SRA fined Arriva £2 million as a result of its poor performance in the aftermath of the driver shortage. In February 2002, Arriva was forced by the Advertising Standards Agency to withdraw an advert for new staff, which claimed they “provide efficient passenger rail services across the North of England.” The ASA demanded withdrawal of the advertisement “until it can be substantiated.”

15. Recent statements by SRA Chair Richard Bowker that the maintenance regime on secondary and rural lines should be cut by 50% could impact particularly sharply in Wales with its large percentage of rural routes. The introduction of potentially wholesale permanent speed restrictions would lead to increased journey times and create a two-tier rail system, that in turn would discourage the use of the network on

regional and rural services further marginalising people who currently rely on public transport for their day-to-day activities. Wales is already poorly served by the rail network and would disproportionately suffer if the SRA were to focus exclusively on inter-city and the south east of England commuter routes into London.

16. The RMT also believes that any moves towards “bustitution” will bring nothing but chaos and delay to rail passengers in Wales. Buses extend journey times and do not provide the same level of services for disabled passengers and those people travelling with young children. We fully endorse the comments made in the 2003 House of Commons Transport Committee report *Railways in the North of England* “The experience of Arriva Trains Northern brought home the value of rail. The bus services took twice as long as the trains they replaced and Mr Cameron (of Arriva Trains) accepted that bus services were not comparable to trains”.

CONCLUSION

17. The RMT welcomes the Committee’s current enquiry into the Provision of Railway Services in Wales. We believe that the issues that have been raised illustrate wider problems with the Government’s rail strategy: lack of coordination; lack of clarity on future plans; and over-reliance on private funding and discredited private companies. The current franchising process serves to institutionalise these problems rather than resolve them, and RMT’s considered view is that without a properly accountable public railway improvements, will be difficult to deliver.

18. RMT would welcome the opportunity to provide verbal evidence in support of this submission.

Bob Crow
General secretary
4 September 2003

Written evidence from the Heart of Wales Line Forum

THE PROVISION OF RAILWAY SERVICES IN WALES

1. INTRODUCTION

This submission is from the Heart of Wales Line Forum. The Heart of Wales Line runs from Swansea to Shrewsbury via Llandrindod Wells. It is currently operated by Wales and Borders Trains.

The Forum, first set up in 1991, is a consortium of local authorities, development and tourism agencies, the rail industry and user group, dedicated to the retention of the line and the improvement of its infrastructure, services and timetabling. The Forum works to promote greater use of the line by local residents and by visitors to Mid Wales.

Our submission responds to the issues set out in Press Notice 13, viz:

- the provision of rail services within Wales and between Wales and England;
- investment in rail infrastructure in Wales;
- the allocation of powers between the National Assembly for Wales and the UK Government; and
- the process for the award of the new Wales and Borders franchise.

Note: Whilst the comments we have made frequently relate to our own line, we believe that they have wider validity across most of the rural rail lines of Wales.

2. THE PROVISION OF RAIL SERVICES WITHIN WALES AND BETWEEN WALES AND ENGLAND

Strategic considerations

The Forum welcomes the creation of a franchise that will provide a Welsh focus to rail services and can build on the recent achievements of the current train operator.

We believe that the strategic importance of the Heart of Wales Line as provider of public transport between NW England, North Wales and SW Wales has not been sufficiently exploited.

It is important that plans for the provision of Welsh rail services also take into account English needs on our “international” line.

The nature of the service provided

There is a need to put more emphasis on the development of a rail service that meets user needs. At present, for example, the timetable on the Heart of Wales Line is resource led, rather than meeting passenger needs. (The timetable has been constructed to maximise the daily use of rolling stock, but this results in the running of some trains when few passengers are likely to use them. For example the 04.28 departure from Carmarthen to Shrewsbury—one of the four South-North daily trains, runs empty for half of its journey because of the need to provide an early morning arrival at Shrewsbury.)

Frequency of service also needs to be improved. A four hour gap between trains constitutes an unattractive and, in practice, often useless level of service, even for a rural area. “You can get to a hospital appointment, but you can’t get back”, as a man in Llanwrtyd said recently. The current timetable may make it possible to get to a longer distance destination, but not to be able to return the same day. A day trip to London from Llandrindod allows just over an hour in the capital!

There needs to be greater emphasis put on the integration of different forms of Welsh public transport, and this is nowhere more true than in the case of our line, which forms a 120 mile transport “spine” through the areas it serves. The public will be best served when this “spine” is properly integrated with bus, coach, taxi and community transport services with assured connections and end to end booking facilities.

The Forum, together with the Mid Wales Partnership, believe that in the medium term the service needs to comprise:

- six trains in each direction, Monday to Saturday throughout the year; and
- an all year Sunday service of at least four trains in each direction during the winter period, rising to six in each direction in the summer.

In the longer term, the Forum strongly supports the Welsh Assembly Government’s aspiration for rural lines such as ours to have a two hourly service.

The use of rail to boost tourism

The Forum believes that Sunday services on rural lines such as the Heart of Wales need to be greatly improved. Tourism is an important part of the traffic on our line and it is bizarre that on Sunday, the busiest day of the week for retail and leisure activity, rail services are currently minimal.

Rail is an important, but underexploited means of boosting one of Wales’ major sources of income—tourism. The Heart of Wales Line is a tourist attraction in its own right, and there is much opportunity to exploit it further by imaginative product development.

It is known that tourists visiting by public transport cause less pollution, stay longer and spend more than their car-borne counterparts. In addition the national nature of the rail network can be used to tap into a wider market, and to encourage foreign visitors without their own transport.

One initiative which the Forum is investigating, and which needs support, is the launch of a scheme of “Station Hosts”, whereby suitable community based individuals are based on the line. They will be trained to offer a welcome to pre booked tourists visitors to the locality, will ensure that services intended to connect actually do so, and will work to develop rail linked tourist packages, and to promote the use of local public transport.

Rolling stock issues

The Forum welcomes the work currently being undertaken by the SRA on this matter. We echo the comments made to the SRA by the Association of Community Rail Partnerships (ACoRP), to which we belong. There is a need for the SRA to take in lead in the provision of suitable rolling stock that meets the needs of lines such as ours. Such rolling stock needs to:

- be reliable (breakdowns on a lengthy rural single rail line take considerable time to deal with, and the current one engined “class 153” units used on our line have a poor record of reliability);
- appeal to passengers who are used to the comfort and ambience of modern cars and road coaches;
- be comfortable, with adequate room for luggage, hikers rucksacks and cycles (Mid Wales is a popular leisure cycling venue and “153’s” carry only two cycles);
- have good visibility (important on a line promoted for its scenic beauty, but “153’s” have high windows and low seats); and
- have the ability to provide extra train capacity to deal with pre booked group travel and special events—at present this is hard to achieve.

3. INVESTMENT IN RAIL INFRASTRUCTURE IN WALES

The Forum welcomes the work being undertaken by the SRA to define the most appropriate manner of maintaining and operating lightly trafficked, relatively slow speed lines such as the Heart of Wales Line.

The line currently operates under the terms of a Light Railway Order, and has only one staffed station between Llanelli and Shrewsbury. Most of the station buildings comprise very basic shelters. Overall, whilst the line has been a model of low cost operation, arguably this “stripping out” process has gone too far in that station facilities are unappealing to prospective travellers.

If rural railways are to attract the more sophisticated travellers of the 21st century, comfortable, secure facilities need to be provided, and further, appropriate investment will be needed.

Perversely, the application of UK wide Group Standards on our line has recently resulted in the spending of considerable sums of money to provide disabled access over two footbridges where once there were serviceable barrow crossings, and the replacement of recently installed solar powered lighting with expensive mains powered lights.

The Forum would like to see a more common sense approach adopted to such issues on low frequency, lower speed lines. We advocate a system of maintenance and renewal that is locally based and managed, to reduce the high costs currently incurred.

4. THE ALLOCATION OF POWERS BETWEEN THE NATIONAL ASSEMBLY FOR WALES AND THE UK GOVERNMENT

The Forum is a keen advocate of the devolution of management, decision making and resources to as local a level as is practicable. Thus whilst a UK wide strategic approach to rail services is appropriately provided by the SRA, we believe that Welsh transport issues need a Welsh input. We therefore hope that the Welsh Assembly Government will be able to enjoy the same level of authority over Welsh rail matters as does the Scottish Executive.

It is puzzling that—as has recently been announced—Merseyside should have total control over its local franchise, whilst Wales does not.

5. THE PROCESS FOR THE AWARD OF THE NEW WALES AND BORDERS FRANCHISE

The Forum has found the last three years very frustrating: there has, in effect, been a “franchise blight” over many significant decisions due to the protracted franchising procedure. Even at the time of writing, the Preferred Bidder having been announced, the Forum has been given no significant opportunity to influence the nature of the service being specified in the franchise. This is not a satisfactory situation: there needs to be more transparency in the way in which such important decisions about public transport are arrived at.

David Edwards

Line Development Officer, Heart of Wales Line Forum
5 September 2003

Written evidence from the English Welsh & Scottish Railway

THE PROVISION OF RAILWAY SERVICES IN WALES

INTRODUCTION

The Welsh Affairs Committee is undertaking an inquiry into the provision of railway services in Wales. In particular the inquiry is focusing on:

- the provision of rail services within Wales and between Wales and England;
- investment in rail infrastructure in Wales;
- the allocation of powers between the National Assembly for Wales and the UK Government; and
- the process for the award of the new Wales and Border franchise.

English Welsh & Scottish Railway (EWS) believes the Committee should also focus on the major implications of the Strategic Rail Authority’s draft strategy on Specification of Network Outputs. EWS believes the Committee should take this into account during its deliberations as the impact on the provision of both passenger and freight services in Wales and between Wales and England could be affected by decisions made by the Strategic Rail Authority.

EWS would welcome the opportunity to provide oral evidence to the Committee if requested to do so.

EWS

EWS is Britain's leading rail freight operator moving over 100 million tonnes a year. EWS employs over 6,000 people and, as with other rail freight operators, owns its business and it is not a franchise. EWS receives no public subsidy and operates on a purely commercial basis.

Rail freight has been one of the successes of transport policy over the last seven years. Rail freight has enjoyed growth of over 50% since 1996.

The Government and the National Assembly for Wales has made rail freight growth a central part of their transport policies.

EWS IN WALES

The main business undertaken by EWS in Wales is the movement of coal for power station generators and steel for Corus.

For the power station generators, EWS has been able to meet their increased demand at short notice and now moves treble the amount hauled by rail over previous years. This has helped make them competitive in their markets and has removed up to 160,000 lorry movements from Welsh truck roads.

The change in the steel business with Corus saw re-working in the train movements of steel by EWS. Steel rail movements within Wales currently accounts for roughly 60% of all steel moved within Wales. This is therefore significant to the business of EWS and to Wales.

EWS also operates container trains out of the major South Wales ports and moves trains for Network Rail for their engineering track maintenance and renewal operations.

The Committee will be aware that the Royal Mail has stated that they will cease all rail movements for the distribution of mail by 31 March 2004. EWS is currently planning for the cessation of these services and the impact this will have on depots and jobs in South Wales. EWS has been meeting with Royal Mail since their decision was made and hopes that rail services continue to be used by them.

EWS as a business employs 850 people in Wales and contributes in the region of £80 million a year to the Welsh economy a year.

EWS has invested £750 million in rail freight since 1996.

SRA DRAFT STRATEGY ON SPECIFICATION OF NETWORK OUTPUTS

The SRA has published its draft strategy on specification of network outputs. If the SRA's proposals are adopted, the result will be devastating for rail freight, and for railways on secondary and rural corridors in Wales. Routes that are critical for freight will be downgraded, track renewals will be halved, Temporary Speed Restrictions increased and service performance destroyed. Although the SRA has failed to produce supporting evidence for its proposals EWS have been able to derive sufficient information to confirm that the SRA's proposals would undermine the rail freight industry. EWS urges the SRA to withdraw its proposals.

It is not open to the SRA to adopt its draft Specification as a strategy at present and the SRA should not do so. If the SRA seeks to make an input to the Rail Regulator's interim review on the basis of the document we will expect the views of EWS to be fully reflected in any submission made by the SRA.

The Rail Regulator foresees the access charges that an efficient network operator (Network Rail) would require to deliver its committed outputs would exceed what the SRA can afford. In these circumstances, the SRA should seek additional funding prior to adopting a strategy of reducing outputs.

In the context of the interim review, the next spending round and the practicalities of seeking additional funding, the SRA should take advantage of the Rail Regulator's proposed revision of Network Rail's funding requirements after April 2006. The SRA should maintain outputs until available funding is ascertained.

The draft specification does not match the requirements of the Rail Regulator nor the SRA's own description of it. The Rail Regulator has foreseen that the charges an efficient network operator would need to deliver its committed outputs may exceed the SRA's affordability constraints. He has invited the SRA to seek further funding and/or revise its strategies. The draft specification does neither. The SRA describes the draft specification as detailing the outputs that the SRA wishes to purchase. But it does not do so. Instead, in respect of the preferred network, it reiterates outputs specified elsewhere by other and refers to unquantified additional input expenditure leading to unquantified outputs. In respect of the deferred network, there is no specification of outputs. There is, instead, a "spend less, spend later" approach without any quantification of the impact on outputs.

The draft specification is not sufficiently developed for statutory consultation. It is unreasonable to expect, for statutory consultation purposes, a proposal that is complete save for due consideration of advice rendered by consultees. As the SRA's proposal frequently makes clear, it has the status of substantially incomplete work in progress.

The specification is inconsistent with prior strategies. The SRA is obliged to exercise its functions in accordance with its strategies (save for the purpose of revising strategies). The SRA has in place a strategy to enhance the freight capabilities of the network. The specification runs counter to this. The SRA is not in a position to adopt a counter strategy without first revising its earlier strategy.

The reasoning behind the SRA's proposals is opaque. EWS is not aware of any appraisal criteria available to the SRA that would have enabled it to assess the multiple trade-offs that led to the SRA's proposals.

The SRA's proposals are contrary to many of the SRA's duties, objectives and strategies including those relating to the promotion of the use of the network for the carriage of goods and to enable persons providing railway services to plan the future of their businesses with a reasonable degree of assurance.

The SRA is proposing that Freight-only and Secondary routes, vital for rail freight, are differentiated by reducing track renewals and placing Freight-only routes on a "minimum short term cost basis". 68 million tonnes of rail freight uses Freight-only route, 41 million tonnes uses Other Secondary routes. The SRA appears content that temporary speed restrictions and delays increase as a result of this policy even though EWS services already suffer the effects of the over 700 temporary speed restrictions across the whole network.

The SRA has made its proposals despite the strong economic and environmental benefits of rail freight. Key customers and key markets (particularly in Wales) will be adversely affected by the SRA's plans. Routes fundamental to the delivery of coal, steel, construction materials, petroleum, retail and international traffic will be downgraded.

The SRA has alleged that its proposals will save £600 million a year. This is highly doubtful and EWS has posed a number of questions regarding the underlying value assumptions and the accuracy of the SRA's base data. EWS has highlighted a number of discrepancies relating to the supposed cost of Freight-only routes that further undermine the SRA's expectations. EWS has also demonstrated that the SRA's anticipated savings will fail to fund the increased expenditure that the SRA is planning for Primary routes—thus defeating the objectives of the SRA's proposals.

There are a number of underlying themes within the SRA's proposals. These include:

- a focus on what rail does best;
- focussing effort on improving services to customers;
- improvement in performance over the most heavily used parts of the network; and

In respect of the rail freight industry the SRA's proposals do not address these issues. Rail is ideally suited to moving freight but the SRA's proposals will undermine performance to the extent that rail freight volumes will reduce. Service to customers will deteriorate as capability is diminished and temporary speed restrictions are imposed on parts of the network crucial to freight. Performance will deteriorate on the parts of the network that are heavily used by freight but which are classified in the SRA's second grouping. The deterioration will be exported on to the rest of the network as delayed freight services move from lower category to higher category routes.

From a broader industry perspective there is no evidence that the SRA's proposals will deliver its objectives, all the evidence that the SRA's proposals will deliver its objectives, all the evidence suggests that it will fail to deliver a better railway in a cost effective or value for money fashion.

From a freight perspective the strategy is ill conceived. Although there are elements that will be useful, such as the introduction of more productive possessions, the overall effect would be extremely harmful to freight on rail. Therefore, EWS does not support the SRA's proposals and urges it to withdraw its proposals and to focus on funding and efficiency solutions rather than downgrading the rail network.

If the proposals outlined by the SRA are implemented, much of the rail network in Wales would be used less by passenger and freight users as they reject trains with ever increasing journey times due to growing number of temporary speed restrictions. A step towards line closures.

FREIGHT FACILITIES GRANTS/TRACK ACCESS GRANTS

The Committee will be aware that the National Assembly for Wales has devolved powers to administer freight facilities grants and track access grants.

Earlier this year, the National Assembly for Wales awarded a freight facilities grant to Swansea Container Terminal plc and EWS for the movement of coal. Minister for Environment, Sue Essex, at the time said: "This scheme will remove over 140,000 lorry miles each year from Welsh roads. This is good news for people living and working near these routes, benefiting both the local and the national environment, and will help contribute to the UK Government's target to increase by 80% the amount of freight moved by rail."

The decision of the Strategic Rail Authority to suspend freight facilities grants and track access grants in England, has halted the planning process for all Wales to England rail traffics which would have required grants part funded by both the National Assembly for Wales and the Strategic Rail Authority.

The National Assembly for Wales should apply pressure on the UK Government to seek an immediate re-instatement of these grants in England in order to gain the best economic and environmental gains for Wales for cross border traffics.

CONCLUSION

The future of railways for passengers and freight in Wales, and its funding and level of service provision, rests upon the SRA's Specification of Network Outputs.

The Committee should firmly consider the SRA's views at the heart of its deliberations.

Wales is an important user of rail freight services and many parts of its economy depend upon these services. These, and their economic value to Wales, are at risk thanks to the SRA's draft Specification of Network Outputs.

September 2003

Written evidence from the SWWITCH Steering Group

1. INTRODUCTION

1.1 SWWITCH comprises the unitary authorities of Carmarthenshire County Council, Neath Port Talbot County Borough Council, Pembrokeshire County Council and the City and County of Swansea Council. The consortium covers 20% of the total area of Wales and approximately 25% of the resident population of the Principality.

1.2 The region is on the periphery of the UK and EU and has higher than average rates of unemployment and lower than average GDP than Wales and the UK as a whole. The area also has EU Objective 1 status.

1.3 The EU Trans European Rail Network (TERN) for high-speed trains terminates at Cardiff and InterCity High Speed Trains (HSTs) from Paddington operated by First Great Western terminate further west at Swansea. Line speed between Cardiff and Swansea is much lower (90 mph) than further east, particularly the sections of the route in England, where the full 125 mph design speed of these trains is permitted over most sections of track. The Severn Tunnel is also a potential rail service bottleneck.

1.4 The EU Trans European Rail Network (TERN) for conventional trains continues westwards via Swansea to Carmarthen and Fishguard Harbour and links with the Irish RoRo Ferry Service to Rosslare in the Republic of Ireland. The lines west of Swansea are generally circuitous and line speeds are low (generally 50–75 mph compared to train capability speeds of 75–90 mph). Consequently the rail passenger services to this part of West Wales (which involve connections at Carmarthen, Swansea or Cardiff and many potential station stops) find it difficult to compete with journey times by road.

1.5 A major concern of SWWITCH in this regard is the planned replacement of the Port Talbot Control Centre Signal Box in 2008. The Centre controls a significant part of the South Wales Mainline, and SWWITCH is concerned that its replacement does not preclude the ability to increase line speeds between Cardiff and Swansea. (see also sections 2 and 4 below)).

1.6 In conclusion, although the rail network west of Cardiff is subjected to a number of local speed restrictions and a small number of bottlenecks restricting train-scheduling flexibility, the network generally has spare capacity.

2. FUTURE INVESTMENT REQUIRED IN SOUTH WEST WALES'S RAILWAY INFRASTRUCTURE—MAIN REGIONAL ISSUES AND ASPIRATIONS

2.1 SWWITCH recognises that enhancement of the regional rail network will be assisted by line speed and service improvements on the Great Western Mainline and elsewhere east of Cardiff and particularly in England. It is concerned however that, notwithstanding the greater problems and pressures on the rail network in England, particularly in the South East and London, planned investment in South and South West Wales by Railtrack, the SRA and the train operators is disproportionate to the problems of peripherality in Wales. Rail investment in Wales therefore lags far behind the investment planned for England. It believes that there needs to be greater focus on the problems of the Welsh rail network so that it can play a key role in providing a realistic alternative to road transport for many inter-regional, national and international movements and assist in encouraging inward and indigenous investment in the Welsh economy.

2.2 The main aims of SWWITCH are geared to achieving these outcomes by encouraging, promoting and assisting greater and earlier investment than currently planned to fulfill the following key aspirations:

- (ii) in the short term, the restoration of customer confidence in train service reliability in terms of punctuality, stabilisation of scheduled journey time variability and better management and standardisation of train connections;

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- (iii) in the medium and long term, the enhancement of train speeds by:
 - (a) removal of local speed restrictions generally west of Cardiff to permit 125 mph passenger train operation to Swansea;
 - (b) implementation of the Port Talbot Signal Control Centre project, incorporating the ability to raise current line speeds between Swansea and Cardiff;
 - (c) removal of local speed restrictions to permit 90 mph passenger train operation west of Swansea to Milford Haven and Fishguard;
 - (d) removal of train scheduling bottlenecks west of Cardiff to permit hourly clockface local passenger train operation;
 - (e) rationalisation of passenger train service stopping patterns west of Swansea;
 - (f) the introduction of faster, better quality rolling stock for passenger train operation;
 - (iv) in the medium and long term, the introduction of 30 minute services between Paddington and Swansea with cross-platform connections to Haverfordwest and Milford Haven in South West Wales with at least one through train (Monday to Friday) from Milford Haven to London and return for business users;
 - (v) the enhancement of key stations as “gateways” to the region from the rail network for visitors and tourists connecting seamlessly into the local transport network by road and the international ferry services at Fishguard and Pembroke Dock;
 - (vi) in the medium and long term, the enhancement of the rail gauge to permit initially the movement of standard international sized containers as far west as Swansea.

3. WALES AND THE BORDERS FRANCHISE

3.1 SWWITCH therefore sees the establishment of the Wales and Borders Rail Franchise as a welcome and essential initial step to provide greater focus on the issues and problems facing the Welsh rail network. In particular it sees its establishment as an opportunity to develop partnership arrangements with Government, the Assembly and the local rail industry to achieve more timely and increased investment in the rail network infrastructure and services. It concurs with the Assembly in its view that the Franchise is an important first step to the establishment of a Strategic Rail Authority for Wales in the long term.

3.2 The current and previous structure of the rail industry encompasses parts of England and Wales. As a result there is a tendency to focus on commercial opportunities in England and certainly to the east of Cardiff, often to the detriment of the peripheral regions of Wales. Important, albeit less impressive opportunities, for enhancing community benefits in the Welsh rail network are therefore neglected. If the real and significant problems of the Welsh economy in relation to the railways are to be addressed and funding opportunities taken advantage of, the Assembly and regional interests (expressed through the consortia such as SWWITCH) must play a fuller part. Only in this way does SWWITCH believe that improved investment in the Welsh rail industry can be achieved in an earlier time frame than that currently envisaged.

3.3 SWWITCH therefore believes it is important that the National Assembly for Wales is given a voice on the board of Network Rail, so that the problems of the Welsh rail industry are given due weight.

3.4 Additionally, SWWITCH believes that the SRA should pay particular attention to retaining the existing Public Service Requirements for rail passenger services in Wales and that particular weight should be given to the Additional Service Commitments (ASCs) offered by the Franchise bidders in the SRA’s evaluation of the bids received. In this regard, SWWITCH draws the Select Committee and SRA’s attention to the regional aspirations for South West Wales set out in Section 2 above and the need for passenger train service frequencies to match the infrastructure improvements aspired to.

3.5 In particular SWWITCH is concerned that the Franchise bidders have been asked to set out service options corresponding to 10 and 20% cuts in the cost of providing rail passenger services in Wales. SWWITCH believes that if either of these options are implemented, there is likely to be a significant cut in service levels in the South West Wales region, which would seriously undermine its efforts to promote more attractive services to the region and a more balanced regional transport strategy.

3.6 Furthermore, SWWITCH is disappointed that the SRA has recently suspended Rail Passenger Partnership (RPP) funding for additional rail schemes. SWWITCH draws the attention of the Select Committee to this issue, which is the major source of funding for many local rail schemes, some of which are referred to in section 4 below. SWWITCH encourages the SRA to lift the current suspension as soon as possible and to continue and increase its funding for Welsh projects which fulfill the objectives outlined in Section 2 above for the South West Wales region.

3.7 SWWITCH draws the attention of the Select Committee to its commitment to the enhancement of the South West Wales regional rail network. A positive expression of this commitment is the SWWITCH Regional Rail Study recently completed. The consultants, W S Atkins, reported earlier this year with a detailed and prioritised list of rail infrastructure projects for the region designed to enhance the regional rail network broadly in accordance with the regional aspirations set out in Section 2 above. SWWITCH intends

to build on this strategy by undertaking further work to identify further long-term rail projects, which it believes will benefit the region. The particular projects identified in the study are set out in section 4 below. SWWITCH intends to evaluate these projects in partnership with the SRA, the Assembly and the rail industry, and to seek additional funding for the implementation of those projects that would produce the greatest benefits to the region. The resumption of Rail Passenger Partnership (RPP) funding is therefore key to this strategy.

4. SWWITCH REGIONAL RAIL STRATEGY

Vision for Rail in SWWITCH Area

4.1 The Vision for the rail network in South West Wales is as follows:

- To develop the full potential of the local and regional rail network services and interchanges and to ensure that the rail network is at the core of an integrated and accessible transport network for the SWWITCH area supporting the needs of residents, visitors and businesses.

Developing a Regional Rail Strategy

4.2 In combining the outcomes of the evaluation process and the vision for the network the following emerged as the main components of the Strategy:

- The need to build on the South West Wales identity—namely SWWITCH.
- To provide a faster and enhanced service between Swansea and Cardiff.
- To provide an enhanced service on the main line through West Wales—between Swansea and Haverfordwest.
- To provide an improved service on the branch line to Milford Haven and Pembroke Dock including limited stop services.
- To upgrade where necessary station facilities, particularly with regard to personal security and accessibility for all.
- To ensure a fully integrated ticketing system becomes available.
- To identify key stations on the east-west rail axis that can be developed as bus/rail interchange points—Port Talbot, Carmarthen, Whitland, Haverfordwest.
- To provide various levels of park and ride facilities at the above key stations on the east-west rail axis.
- To ensure that the Port of Fishguard has appropriate connections to all its ferry services.
- To establish a formal liaison and partnership mechanism with the rail industry to pursue development initiatives.
- To establish a Community Rail Partnership, in liaison with community and business interests for West Wales.

Proposed Regional Rail Strategy

4.3 An action plan for the development of the rail network/services in the SWWITCH study area was drawn up with numerous different options identified. SWWITCH should use the opportunities afforded by the re-franchising process to press for improvements to the level and quality of train services in its area. This might reasonably include:

- Regularisation of headways to achieve consistent patterns of service through the day, including clockface timetables as far as possible.
- Supplement existing services on various parts of the SWWITCH area network with limited stop trains serving principal stations to secure journey time reductions for a significant majority of passengers. Specifically, service frequencies of local trains should be improved between Cardiff and Swansea. The above could be achieved by the introduction of a Cardiff to Haverfordwest/Milford Haven limited stop service calling at Bridgend, Port Talbot Parkway, Neath, Swansea, Llanelli, Carmarthen, Whitland, Haverfordwest and Milford Haven.
- Reorganisation of train service patterns in the SWWITCH area to increase the proportion of trains operating wholly within Wales. This would reduce the risk of “imported unreliability” to train services in the SWWITCH area due to the disruption caused by problems on distant parts of the UK rail system.
- Major refurbishment of rolling stock.

4.4 Other service improvements that should be considered include:

- The continued development and improvement of Swansea Station as the hub station for West Wales.

- The improvement of facilities (or continuation where work has already started) at key stations on the east-west axis through West Wales, including their role as interchange/integration points. (Port Talbot, Carmarthen, Whitland and Haverfordwest—Phase 1. Llanelli, Neath, Tenby and Pembroke Dock—Phase 2.
- Undertake detailed work with regard to the proposed improvements at Milford Haven station.
- A rolling programme of improvements and enhancements at other stations to bring them up to the required level of facilities commensurate with their status.
- To provide an appropriate public transport connection to all ferry sailings from Fishguard.

4.5 With regard to infrastructure improvements, the following are seen as important for the development of the network and improved service levels:

- The implementation of the Swansea Loop East scheme.
- The implementation of the Port Talbot Signal Control Centre project, incorporating the ability to raise line speeds between Swansea and Cardiff.
- The removal of unmanned crossings on the branch lines.
- The doubling of the single-track sections of the main east-west rail line (except for Loughor Viaduct) to facilitate the service frequency enhancements, although priority is lower than for the above projects.

4.6 Other projects include:

- The instigation of a discussion with possible partners to establish a Community Rail Partnership.
- Discussion with bus operators on how to improve integration at the key stations identified.
- Entering into discussions with bus and rail operators to investigate the scope for the creation of through fares and intermodal ticketing systems which reduce or eliminate the fare penalty of interchange.
- To consider, in order to assist social exclusion of low income groups, issuing qualifying SWITCH area residents with passes, entitling them to concessionary rail fares. This would almost certainly require additional payment to the train operator using similar mechanisms to those adopted for remuneration of bus operators for revenue losses associated with free travel on bus services. It may be that the above is only appropriate to certain parts of the SWITCH area.
- Establish a marketing campaign including branding, for the promotion of the rail strategy.
- Establish a marketing campaign to encourage rail use and integration of travel modes.

1 August 2003

Written evidence from The Welsh Liberal Democrats

THE PROVISION OF RAILWAY SERVICES IN WALES

1. INTRODUCTION

1.1 Wales is one of the few nations in the world where it is impossible to travel by rail from north to south without having to travel through another country. Welsh rail links are predominantly east to west, a historical vestige of when Wales' railways were built to transport raw materials out of the country to power the industrial revolution. Geography also makes internal north-south links difficult, with the mountainous mid-Wales mitigating against effective links. Consequently, Welsh regions are disconnected and poorly serviced by the existing rail network.

1.2 The Welsh railway system is plagued by delays and cancellations and is simply inadequate. Moves to encourage more people on to the railways have been limited, and efforts to integrate rail with other forms of transport have been poor.

1.3 Welsh Liberal Democrats seek to reconnect Wales with itself through a viable and reliable public transport network. An effective railway network is an important part of that reconnection.

1.4 This submission will focus upon the provision of rail services within Wales, the need to increase investment in rail infrastructure and the need to allocate additional powers to the National Assembly for Wales in relation to rail provision in Wales. Although this submission will deal primarily with rail, it is important to stress that the rail network cannot be viewed in isolation from other forms of public transport.

1.5 Welsh Liberal Democrats have long had a political commitment to enriching the nation, without harming the environment. Encouraging rail use is a key aspect of delivering on that environmental commitment.

2. WELSH LIBERAL DEMOCRAT SURVEY OF RAIL USERS ACROSS WALES

2.1 On Wednesday 15 January 2003 Welsh Liberal Democrat activists descended on railway stations across the whole of Wales to gauge the views of commuters on Welsh railway services. Almost 1,200 responses were returned from a diverse cross-section of rail users enabling us to build up a good understanding of the rail service in every part of Wales. Our findings were published in a document entitled "Off the Rails" in March 2003.

2.2 Half the respondents were unhappy with the number of trains that were running on the line that they were using. Three quarters were not satisfied with the time keeping of trains.

2.3 A lack of train information was also a significant issue for most. Over two thirds of respondents said that they did not feel well informed about train delays and a quarter said that they had difficulty finding accurate information about their journey.

2.4 Commuters also expressed mixed feelings with regard to the safety of railway stations. Many felt less than secure at railway stations, and their unease highlights one major reason as to why people are reluctant to swap their cars for the train when such an option is available. A third of respondents argued that more staff at stations would make them safer and more likely to travel by train, with a fifth stating that the installation of CCTV would make them feel more comfortable. A considerable number of commuters expressed considerable unease when using late night trains, with one quarter calling for more security guards at that time.

2.5 Reliable and frequent services, coupled with a safe and secure travelling environment, are the prime concerns of those who responded to our survey.

3. INTEGRATED PUBLIC TRANSPORT

3.1 The National Assembly lacks the power to implement an effective integrated transport strategy. The delivery of transport policy in Wales is characterised by a fragmentation of responsibilities between Westminster, the Assembly, local government and private companies. Unlike many other EU regions, Wales has no single body for integrating and co-ordinating transport policies at the Welsh and sub-Welsh level. In particular, there is no single and accountable authority with funding to deliver public transport. Consequently, the capacity of Wales to deliver policies and schemes in accordance with transport strategies such as the Transport Framework for Wales is limited.

3.2 Segmented responsibilities hinder the National Assembly's ability to determine a distinctive transport policy agenda. Without the power to direct its own transport agenda, transport aspirations are in danger of becoming little more than wish lists. In the absence of an empowered Welsh political institution, transport policy becomes an *ad hoc* by-product of incremental government decisions and disjointed local policy actions and decisions.

3.3 In relation to rail provision within Wales, the National Assembly needs to have the power to direct the Strategic Rail Authority in matters relating to Welsh railway services. The Assembly is better placed than Westminster to influence decisions relating directly to Welsh transport considerations for the reasons given above. Consequently, it is better placed to consider rail provision in the context of an integrated public transport policy for the whole of Wales.

3.4 To oversee the development and maintenance of an integrated transport system in Wales, there should be an all-Wales body to provide strategic vision, a Welsh Passenger Transport authority (WPTA). Such a body should be responsible for overseeing the whole of the public transport network in Wales, co-ordinating services and ensuring that integration actually occurs. It would be the guardian of public interest and would have the power to set required service levels and to punish operators that failed in their commitments.

3.5 Such a body should also have the power to enforce transparency on operators, to administer travel concession schemes and to carry out public transport capital infrastructure projects. The body should also have the power to run bus and rail services.

3.6 National and local needs must be balanced and it is important that this all-Wales body has a regional sub-structure to ensure that local as well as national need is met.

3.7 Welsh Liberal Democrats believe that that a Welsh Passenger Transport Authority (WPTA) with four regional divisions consisting of north Wales, mid and west Wales, south west Wales and south east Wales is the answer. The WPTA would be responsible for both passenger and freight traffic and would cover air transport and sea ferries, as well as trains and buses.

3.8 To establish a WPTA would require primary legislation.

3.9 To have the power to direct rail services in Wales, an act of primary legislation would also be required to allow the National Assembly to have the power to direct the Strategic Rail Authority (SRA) in matters relating to Welsh railways. Wales should also have its own representative on the SRA to enable it to ensure that Wales remains integrated with and connected to the UK rail network where appropriate. As such, there should be an SRA office in Wales.

4. EASY AND ACCESSIBLE PUBLIC TRANSPORT

4.1 At present, integrated ticketing generally only occurs where local agreements exist between transport providers, such as the Valley Lines Day Explorer, which can also be used on certain local bus services in the locality. Such initiatives allow individuals to move effortlessly from one form of public transport to another without the need to purchase several tickets if travelling over longer distances. As such, integrated ticketing must be made as easy and accessible as possible. It should be flexible, and information should be readily available to the commuting public. Schemes that allow bus and train tickets to be inter-changeable must therefore be considered.

4.2 As part of an integrated ticket system, linkage between rail tickets and cultural or leisure activities could be promoted, for example. At a national level, there could be combined train and sport tickets for events being held at venues such as the Millennium Stadium, for instance.

4.3 A WPTA should be responsible for negotiating interchangeable ticketing schemes across Wales and for administering them.

4.4 A WPTA should also have responsibility for the running of a National Transport Information System for ticket information and sales. Such a system would be of huge benefit to the travelling public who could not only acquire information on all journeys on public transport in Wales, it could also provide integrated ticketing options. This should be a one-stop shop with a national phone number and web site. We would use the existing Traveline Cymru information line as a building block upon which to base the new system. Post Offices could also take on the role of transport information outlets.

5. IMPROVING THE WELSH RAIL NETWORK

5.1 Welsh Liberal Democrats support the single Wales and Border Franchise as a positive step towards providing Wales with an integrated railway network. The previous fragmentation was not conducive to providing a seamless service.

5.2 Initially, we believe that there should be provision for a direct hourly service between Wrexham and Cardiff and that there should also be hourly services running through mid Wales between Shrewsbury and Swansea and Shrewsbury and Aberystwyth.

5.3 We welcome the progress that has been made by the Strategic Rail Authority and the National Assembly in providing funding to reopen the Ebbw Vale and Vale of Glamorgan Lines to passengers but believe that such initiatives should be extended to other lines currently only used for freight purposes, and indeed to those lines that are currently not used.

5.4 The reopening of the Vale of Glamorgan line should also be viewed as an opportunity to provide direct rail access from Cardiff City Centre to Cardiff International Airport, with the ultimate aim being a purpose-built station and track to the airport itself. In the short-term, a regular shuttle bus should connect the line with the airport.

5.5 In the north, a new Shotton line should be created to link the existing West Coast line to the Wrexham-Bidston line. This area is home to many commuters who could be persuaded to swap their car for the train if reliable services were available. A successful line would greatly reduce traffic in the area and help to ease congestion.

5.6 The building of roads upon disused railway lines should be prohibited without there first being an investigation into the feasibility of reopening the line first. The re-opening of disused railway lines should be seriously considered in the long term, especially in "travel to work areas".

5.7 Small local lines could serve both the local community and provide tourist potential, as is the case with the Llangollen Steam Railway. The Llangollen steam railway has the long-term ambition of reconnecting the Dee Valley to Ruabon and the former Barmouth line. Welsh Liberal Democrats believe that grants should be awarded to such small local lines, which could be run as community transport organisations, trusts or networks. Such grants should also be made available to those communities seeking to re-open disused local lines to serve both the community and local economy. (See also section 6.)

5.8 Through our proposed Welsh Passenger Transport Authority, the services provided on local community lines should be integrated with those services to be provided by the new all-Wales single rail franchise.

6. BETTER MANAGEMENT OF THE NETWORK

6.1 The costs associated with operating, maintaining and developing the rail network have escalated well above inflation since privatisation. The bureaucratic, financial, legal and safety costs of interface between the numerous organisations that were once British Rail has undoubtedly contributed significantly to this rise. The conventional management structures issuing considered orders under the auspices of British Rail have been replaced by a series of negotiating committees that fight the corner for each organisation rather than the rail network.

6.2 It is possible that some money could be saved from a more appropriate organisation and management structure. At the very least, the National Assembly, SRA and UK Government should consider a review of the management structures of the rail network and rail services with a view to promoting both efficiency and joined-up service provision. In the longer term, Welsh Liberal Democrats believe that our proposed WPTA, accountable to the National Assembly, would be the best vehicle for achieving this aim. Such an “umbrella” organisation would provide a forum for the necessary interface between the various private companies involved.

6.3 The creation of a Wales and Borders single rail franchise will also help to address this problem, but the relationship between the contractors, sub contractors and the franchise should also be considered. The possibility of “micro-franchising” should also be explored whereby secondary lines could be run with a degree of autonomy, but under the auspices of Wales and Borders and the WPTA, so that local lines meet local needs, as well as being part of an integrated wider network.

7. IMPROVING THE EXPERIENCE OF TRAVELLING BY RAIL

7.1 The Welsh Liberal Democrat survey of rail users in January 2003 clearly indicated that there is widespread dissatisfaction with regard to the facilities provided at railway stations. From our research, it is clear that if we are to successfully encourage individuals onto the railways in Wales we must make stations more welcoming places.

7.2 To encourage greater use of the Welsh rail network, stations must be clean, hygienic, family friendly and welcoming. All must have disabled access and information services must be improved. We welcome the recent grants announced by the Welsh Assembly Government to improve Welsh railway stations, to fund essential facilities such as toilets, waiting rooms, shelters and much needed CCTV and lighting to improve station security.

7.3 However, £2.45 million is not enough. Whilst appreciating that the National Assembly only has a finite resource, this is small change when one considers the work that needs to be carried out across Wales. Many stations are crumbling, plagued by years of neglect and a lack of security.

7.4 We believe that railway stations should be viewed as community gateways, providing community information as well as travel information. The whole experience of travelling by train often starts and finishes with the train station, although the successful integrated public transport system that we aspire to might change that. It is imperative that passengers feel safe and comfortable whilst waiting for their trains.

September 2003

Written evidence from Chamber Wales

GENERAL

Chamber Wales is the umbrella organisation for the Chamber of Commerce network in Wales. The Chamber consists of 40 member “Chambers” representing some 5,000 business members throughout the Principality.

The Chamber welcomes the opportunity to submit evidence regarding the provision of rail services in Wales.

Transport is a key issue for all of our members. To meet the aspiration of a robust Welsh Economy an efficient transport system will be critical. Without an effective transport system, the creation of wealth and jobs will suffer.

An efficient reliable rail service is central to a successful integrated transport system and has been identified by business as a key element in sustaining business competitiveness and is a top priority for transport spending.

PROVISION

Much of the comment from Chamber members regarding rail provision is negative, with a wide perception that services are unreliable. However, that concern is widespread demonstrates the reach of rail services and the levels of demand.

First Great Western services between London and South Wales have been widely condemned by business users in terms of cost, reliability, cleanliness and service. Several companies have highlighted their use of chauffeur services at equivalent cost and vastly improved convenience.

The image portrayed earlier this year, when the England V Wales, Six Nations Rugby match took place in Cardiff at the Millennium Stadium without supporting rail services, was poor for Wales and poor for the railways position within Wales. It gave the impression that the train operating companies do not see themselves as providing a service to the wider community, but are merely a commercial operation that can be withdrawn at will.

Nevertheless, the half hourly service from South Wales to London has been welcomed and businesses wish to see it maintained. Businesses have also welcomed recent engagement with First Great Western as operator of these services and their commitment to getting the basics right.

In terms of services within Wales, 36% of daily commuters travel to Cardiff by train, one of the highest volumes of rail commuting outside of the South East. These commuter services are vital to both businesses in Cardiff and to the individual communities which provide the Labour Force. However, the quality of service needs to be improved, both in terms of reliability and quality of rolling stock.

Despite the importance of the Valley Lines Services to commuters, the changing nature of the economy is not supported by rail services, with a lack of provision during the evenings and on weekends, adversely affecting many engaged in the retail, leisure and hospitality industries. These are all dynamic and growing sectors that need to transport both staff and customers.

The Chamber would welcome increased capacity on the Valley Lines services to facilitate the movement of these staff and customers. This means not just adding additional services, but also addressing issues such as secure parking at stations, up-to-date, real-time information and individual safety and security. Such measures increase passenger's confidence in the service that they are getting and are crucial encouragements to modal shift.

The North Wales Rail Line forms a strategic link between Ireland, North Wales, Chester, Manchester, the Midlands, the North, London and the South, and Europe via the Channel Tunnel. It is essential therefore that a service level, equal to or better than currently exists, should be provided for the business community in North Wales. (Business in this context covers commerce, manufacturing, retail and tourism). In particular a high level of direct service should be provided between Holyhead (Ireland), North Wales, Chester and London and consideration should be given to providing direct services between North Wales and Manchester Airport.

Station facilities on the North Wales lines are generally perceived to be poor and are in need of improvement. Specifically, Chester Station needs upgrading in line with its status as a significant business centre in the North West and as the gateway to North Wales.

Beyond the main strategic and commuter routes, rail services in Wales appear not to serve the business community. Services in rural Wales are perceived as not adequate for either visitors or commuters.

The Chamber welcomes the aims to encourage greater movement of freight by rail, but we are concerned about the capacity of the network to achieve the aspirations of greater passenger numbers at the same time as increased freight volumes—particularly when maintenance and repair of track is a priority, curtailing one assumes the potential of moving freight at night.

INVESTMENT IN INFRASTRUCTURE

The priorities outlined by the SRA in their Strategic Plan have led to the view that there is a lower spend in Wales than could be expected.

We acknowledge the significant levels of subsidy that support services in Wales, but in spite of this, the quality of rolling stock and persistent disruption demonstrates the need for further investment.

The increasing levels of road congestion in Wales, around Newport and Cardiff in particular need to be addressed by an integrated approach to transport. The Chamber considers that there are roads programmes that need to be implemented, there is a significant role for road-based public transport, but there is also a huge contribution to be made by encouraging the switch of traffic both passenger and freight, from road to rail.

For this switch to occur, and for passenger numbers to be increased, there needs to be a greater emphasis on investment in the Welsh section of the network, than is the case under current SRA plans.

The Chamber also believes that there is a need for the funding of public transport to be considered in a much more transparent way, so that there can be a clear emphasis on value for money and investment where the highest impacts can be achieved.

For example, if there are major investment projects needed on the Welsh railway network to substantially increase passenger numbers, should these be given priority funding over smaller projects which are opening more routes but with limited impacts? These smaller scale services could potentially be provided by buses on a much more cost-effective basis.

Nevertheless, the overall issue is that Wales needs high levels of investment to achieve the infrastructure that we want to see. Chamber members are keen to see improved levels of transport investment for Wales *per se*.

ALLOCATION OF POWERS

Members who have commented on the allocation of powers believe that the Welsh Assembly Government should have a greater influence on rail services within Wales.

It is felt that the current structure of the SRA leaves Wales at a disadvantage. The Welsh Assembly Government needs to be able to operate in a similar way to the Scottish Executive, directing the SRA on internal passenger services and providing strong guidance in relation to services that begin or end in Wales.

PROCESS FOR THE AWARD OF THE WALES & BORDERS FRANCHISE

Chamber members have less comment on the process of the award of the Franchise, more regarding concerns that the franchise should not be used as an opportunity to reduce support needed for Rail services in Wales.

There was much concern that the potential franchisees were asked to put forward proposals based on 10% less funding than is currently the case.

The other concern was the length of time taken for the award of the franchise which was much prolonged.

August 2003

Written evidence from the Wales Railway Development Society (Railfuture)

Regarding your inquiry into the Rail Services in Wales, we would like the Select Committee to look at and consider:

1. The need for an 11.45pm Paddington–Swansea train, which should be introduced as soon as possible, in order to cater for late night passengers returning from London to South Wales.
2. More trains should be provided from Severn Tunnel Junction to Newport, Cardiff and Swansea, during the daytime. The evening services also need to be increased along this route, serving all stations.
3. An expanded Parkway Station should be provided at Severn Tunnel Junction.
4. The development of bus/rail links to serve Porthcawl and other key destinations should be top priority.
5. Buses of a much higher standard are required, particularly on routes which serve Monmouth, Chepstow and Newport.
6. Stagecoach/Virgin promised to provide additional bus links in Monmouthshire as part of their Gateway to Wales Service, but these services have failed to appear.
7. We need to ensure that strict regulatory standards are set by the National Assembly regarding bus and rail transport in Wales. Full control is an absolute necessity—as in Scotland.
8. Sea-link services to Ireland from Swansea, Pembroke, Fishguard and Holyhead should also be further developed.
9. Fast ferry services along the Bristol Channel should be considered.
10. We would also like to see the retention of the Mail Trains from South Wales to London and other destinations.

Ian Murray
Vice Chairman

David Redgewell
Transport 2000

11 October 2003

Written evidence from the North Pembrokeshire Transport Forum

The North Pembrokeshire Transport Forum has paid close attention to the proceedings of the Committee's recent inquiry into the provision of railway services in Wales. This has included an examination of the evidence provided to the Committee and the questions raised by members of the Committee during the proceedings.

We note that, with one exception, no questions were raised about rail services or infrastructure west of Carmarthen, with regard to Fishguard or other parts of Pembrokeshire. We find this surprising as our forum provided a considerable amount of evidence regarding the inadequacy of rail services to the area to the Committee's Transport in Wales Inquiry in 2001. (Additional supporting material is attached.) Moreover, the Members of Parliament who represent Pembrokeshire have recognised the need to improve rail services to the area.

The lack of any expression of concern, let alone interest, in services to Pembrokeshire by the Welsh Affairs Committee during its meetings with representatives of the Strategic Rail Authority, Network Rail and Arriva Trains is extremely regrettable. We fear that the Committee's silence may be interpreted by these bodies as an indication that services to the area are considered to be satisfactory; presenting great difficulty in future for those who will be pressing these same bodies for improvements.

Cllr Hatti Woakes
Secretary

8 December 2003

Annex

The North Pembrokeshire Transport Forum is supported by the Sustainable Development Fund, a scheme funded by the Welsh Assembly Government and managed locally by the Pembrokeshire Coast National Park.

PLANNING FOR A SUSTAINABLE FUTURE

Data regarding poor rail services to Fishguard and Pembrokeshire

1. *Fishguard, Goodwick and Pencaer Community Appraisal, 1999*

- Evaluation of the train service: 55.1% not satisfied, 19.9% satisfied, 18.3% didn't know.

2. *Rail Passengers Committee for Wales—12 Point Plan to Improve Rail Services in Wales, 27 November 2001*

- The two trains in both directions some 12 hours apart running in connection with the ferry sailings are of no real value to travellers to/from north Pembrokeshire.
- All candidates for the Wales and Borders franchise have agreed with RPC Wales that Fishguard Harbour is seriously under-served.

3. *Pembrokeshire County Council LTP Consultation Responses*

- Transport users, town and community councils, and organisations representing business called for an increase in the frequency and speed of passenger rail services to and from the County.

4. *North Pembrokeshire Transport Forum Surveys and Reports*

4.1 Survey of rail services to Fishguard, June–October 2000.

- 55% of comments negative, 20% positive, 15% adequate/OK and 10% mixed or neutral.
- Frequency of service received the greatest number of negative comments.

4.2 Presentation on the role of public transport in the sustainable development of peripheral rural areas such as North Pembrokeshire, WAG South West Wales Regional Committee, Port Talbot, 28 November 2003.

- Pembrokeshire's isolated geographical location is further highlighted by being poorly served by rail links, which worsens the perception of remoteness. SWOT analysis of transport/rail services to North Pembrokeshire.

4.2.1 Strengths:

- Integration. There are bus, taxi, cycle track and coastal path links to the station at Fishguard Harbour.

4.2.2 Weaknesses:

- Integrated transport facilities at Fishguard Harbour undermined by the poor rail service which is of no value to the local community, or to visitors to/from Fishguard and North Pembrokeshire.
- A survey regarding transport problems in the tourist industry in the county revealed that 34 out of 50 (68%) organisations identified transport as a barrier to recruitment.
- Emphasis on road building as a primary transport strategy. The emphasis on dualling the A40 deflects energies away from developing and implementing strategies to counter the dominance of the car culture.

5. *Opportunities:*

- Integrated rail-ferry-bus-taxi services, the cycle track, coastal path and a car park are located at or within close proximity at Fishguard Harbour.
- The proposed Goodwick marina could be closely linked with the rail-bus-walking-cycling facilities in the Fishguard Harbour area.
- The railway line could be the corridor for sustainable development and tourism in the area. Rail enhancements should aim to facilitate travel to as well as through or away from Pembrokeshire.
- The forthcoming Wales and Borders Rail Franchise and plans to introduce a Community Rail Partnership for West Wales offer potential to provide improved rail services to Fishguard and North Pembrokeshire.

- “Green Tourism” has been identified by the Wales Tourist Board as the major growth sector in tourism for Wales and Pembrokeshire in particular. “Green tourists” already have a desire to use public transport.

6. *Threats:*

- Limited funds for the expansion of public transport services.
- No proposals to increase the frequency of rail services to Fishguard to meet the needs of locals and visitors.
- Emphasis on road building as the transport solution to economic development.

Letter from Geraint Morgan, Welsh Assembly Government Liaison Manager, Arriva Trains Wales to Mrs Betty Williams MP

Thank you for your letter of 9 January 2004 (not printed here) and the further issues raised by a constituent of yours regarding the provision of train services south of Crewe.

The Strategic Rail Authority is directing the renewal work currently being undertaken by Network Rail on the West Coast Main Line and the future specification of the Virgin Trains timetable for this route. The timetable for this route is expected to be announced in April 2004.

As stated previously, we compile our timetables with great care and experience and look to make as many connections as possible at stations such as Crewe. Where we can't schedule them all, we prioritise them according to greatest demand, greatest potential demand and alternative connections.

For example, on the North Wales route, we must consider maintaining ferry connections at Holyhead, the provision of services for school children on Anglesey, providing connections at Llandudno Junction for the Conwy Valley Line, maintaining connections at Chester for Manchester in addition to retaining connections at Crewe for the West Coast Main Line and the Cardiff to Manchester route.

We also seek to make connections achievable and dependable therefore we won't timetable very tight connections out of long distance services in some circumstances.

Consultation is undertaken with other train operators and Network Rail and we all make changes regularly to make connections. We judge each case individually and very often it's impossible to please everyone, so we try to please the largest number.

You will be aware that the through daytime services between Birmingham and the North Wales Coast have been suspended for the duration of the West Coast Route Modernisation work, which is restricting line capacity south of Crewe.

The Strategic Rail Authority (SRA) decided that priority for the limited number of timetable paths available should be given to Virgin Trains and Central Trains passenger services (London and Birmingham to Liverpool and Glasgow), and to Freightliner and EWS freight services.

Arriva Trains Wales daytime services for the North Wales Coast are therefore not operating south of Crewe, although we have tried so far as possible to ensure reasonable connections are made there.

The alternative of diverting ATW services to run to Birmingham via Wrexham instead of Crewe was investigated, but this proved impractical due to limitations of rolling stock availability, and to the constraints of the single-track line between Chester and Wrexham.

In the medium term there are no options for the resumption of through services from the North Wales coast to Birmingham via Stafford as the recasting of Virgin Trains and Central Trains timetables (leading in both cases to an increase in train service provision) from September 2004 means there will be no available daytime pathways for the service—particularly between Wolverhampton and Birmingham New Street—on a 2 hourly basis.

SRA capacity allocation has led to a concentration on the longer distance services and on the important (Centro) local services throughout and across the West Midlands conurbation.

There will however be a frequent and high capacity service between Birmingham and Crewe of up to four services an hour, with ample opportunities to connect into Crewe and Holyhead services.

26 January 2004

Note from Chris Green, Chief Executive, Virgin Trains

NORTH WALES—LONDON SERVICE

1. VOYAGER (DIESEL)

Our full fleet of 78 Voyager diesel trains were delivered as planned on 5 October 2002. We have honoured our commitment to dedicate two of these five-car Voyager trains to the North Wales service from September 2004 where they will operate three trips each way. These are now written into the new September timetable and driver training has already started.

2. PENDOLINO (ELECTRIC)

Our full fleet of 53 Pendolino (note spelling!) electric trains will be delivered by December 2004 and we have allocated one Pendolino to the North Wales service. These are nine-car trains with full catering facilities and the plan is to run two trips per day with the single set.

3. ROUTE CLEARANCE

The outstanding problem, is that we are still awaiting route clearance from Network Rail for the Pendolino train Crewe and Holyhead (the Voyager fleet is already cleared). We asked for this clearance last autumn and are still awaiting the results of the survey. We do know that the Christleton tunnel south of Chester will require some work, but have no knowledge beyond that.

4. CONTINGENCY PLANS

We know that the Voyager trains will be able to run in September 2004 and these will provide three direct services a day between North Wales and London.

We are still hopeful that the Pendolino may be cleared in time, but if it is not we shall run the Pendolino from Euston to Crewe and then provide a connecting service to Holyhead until Network Rail have cleared the route.

8 March 2004

Written evidence from First Group

11 DECEMBER 2003

1. The numbers of trains required to move customers will vary from event to event given the spread of customers and the type of event. For most events for example involving the national rugby team FGW would expect to move 2–3,000 people towards Swansea in the *first* couple of hours after the game and up to 5–6,000 by the end of the day. The seating capacities of the various trains are as follows:

HST: 469–475

Pacer: 106

150 : 130

153 : 72

158 : 134

LHCS: 64 seats per coach (Arriva TW run between four and 12 coaches depending on route)

On an events day we would expect to load to 120–130% of seated capacity as a matter of course, so for the FGW journey to Swansea in the first couple of hours, at least five services would be required. This is normally provided by three timetabled service trains and two additional services.

2. At Cardiff Central station there is very limited canopy and the queue system is normally set up to make the best use of this. Due to the confined nature of the station it would be unsafe and unmanageable to allow fans to queue in the station and without a permanent canopy being erected across the whole of central square there really isn't a lot that can be done for fans in the event of bad weather.

3. Unfortunately there is very little that can be done in terms of marrying engineering decisions to football fixture etc. We do try to impress on Network Rail the impact of the long-term planning on rail services to these major events but the best that we can get is that for example Cardiff to Paddington will not be closed during May, or if it is a diversionary route is available to us. When it comes to football league fixtures because these cannot be announced any sooner we have to work around engineering work. And in fairness where no train service can be provided the fans tend to work around it.

4. Yes we do mean the games two years ago, although the games of last year tend to give us the best indication. Similar games are used to gauge demand ie Wales v Ireland is likely to be similar to Wales v Scotland, and Wales v Italy, similar to Wales v France.

5. When it comes to alteration to football league fixtures or fixture away from the Millennium Stadium any alterations tend to be communicated to us through the Transport Police who we meet with every two months or so to discuss football events, or through our own checking of web sites etc. The distinction should be made between events at the stadium and events outside of that. From the stadium the events liaison group on which the TIC's have a representative tends to be fairly forward with information. Outside of that the links with the various football clubs tend to be fairly tenuous and could and should in truth be improved.

8 DECEMBER 2003

The process for setting up the train service has become well established over the last couple of years. Two or three times a year all the TOCs involved (Ourselves, Arriva TW, Central, Virgin and Wessex) are invited to attend a meeting where the known forthcoming fixtures and events are discussed. On the whole these meetings decide little but do flag up areas of concern ie late kick offs, engineering work etc. Arriva TW also provide copies of reports from previous similar events which give everyone a good indication of what to expect.

On the whole most events will be catered for by "rolling forward" successful plans from the past. Example the Wales v Russia in November train plan was a roll forward of the Wales v Italy one from the year previous with a few minor alterations for kick off time etc. This technique tends to work extremely well especially for 6 nations rugby etc. We also use the same plans for major football events, ie a plan for Southampton v Arsenal will draw heavily from the previous year's Arsenal v Chelsea.

Where we are unable to do this (Bristol City v Carlisle in the LDV Vans final earlier this year) TOCs rely on getting accurate information from the stadium or the clubs regarding ticket sales and a judgment is then made from that (we expect about 15–20% of fans to travel by rail as a rough guide). FGW is unlike most of the other TOCs in that where we perceive there to be a significant shortfall in train service provision for a major event (anywhere not just at Cardiff) we will cancel passenger services on less busy routes to provide additional capacity.

Ten days prior to every event all the TOCs, the BTP, and AvonAnglia (the railway representative on the Stadium Liaison group and provider of security for Cardiff Central station) meet to discuss in detail the train plans which are being put in place. This gives time for any alterations or problems to be sorted out, and given that the additional services are seldom advertised to the public in anything more than very general terms, the late notice makes little difference to the advertising of the event. At these meetings the TOCs tend to co-operate to a very high degree. An example would be in the Cardiff to Newport shuttles on a 6 nations day.

Normally they are provided by Arriva TW but we will often run an HST in the place of their first service to clear a "bulk" number of customers. The list would normally run up 45–50 mins later to Cardiff from Swansea to form the an additional back to Swansea, but we run it up earlier to add some weight to the clearance to Newport.

With regard Network Rail and relationship with the TOCs on these big events, most major engineering possessions are agreed up to a year or so in advance, thus when an event is agreed within this timescale (as with the Stereophonics or Millwall at Cardiff) the possession cannot be altered or moved in any significant way. We do on a regular basis work with Network Rail to gain minor alteration which make life easier for service provision (recently they helped move a possession limit to allow access to platform 2 at Cardiff during an event when only platform 1 was supposed to be open) and this sort of co-operation very effective and has become more so since they regularly attend pre-event and post-event briefings.

At this point there are no detailed plans for the March 6 nations games or anything like that at this stage but they will all be similar to last year's games (one additional am to bolster the 0930 Carmarthen to Paddington which is always very busy) and two additional back to Swansea after the games). Other events will depend on the clubs etc involved so cannot be planned.

Andrew Hughes

Integration and special events manager

8 and 11 December 2003