

Cofnod y Trafodion The Record of Proceedings

Y Pwyllgor Menter a Busnes

The Enterprise and Business Committee

28/01/2016

Agenda'r Cyfarfod Meeting Agenda

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Committee Transcripts

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Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

The proceedings are reported in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included.

Aelodau'r pwyllgor yn bresennol Committee members in attendance

Mick Antoniw

Bywgraffiad|Biography

Jeff Cuthbert

Bywgraffiad|Biography

Labour

Labour

Labour

William Graham Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor)

<u>Bywgraffiad|Biography</u>

Janet Haworth Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor)

Welsh Conservatives (Committee Chair)

Ceidwadwyr Cymreig (yn dirprwyo ar ran

<u>Bywgraffiad</u>|<u>Biography</u> Mohammad Asghar)

Welsh Conservatives (substitute for Mohammad

Asghar)

Rhun ap Iorwerth Plaid Cymru

Bywgraffiad | **Biography** The Party of Wales

Joyce Watson Llafur <u>Bywgraffiad|Biography</u> Labour

Eraill yn bresennol Others in attendance

Pete Brunskill Rheolwr Rhanddeiliaid (Dros Dro) Rail North Limited

Stakeholder Manager (Interim) Rail North Limited

Roger Cobbe Cyfarwyddwr Polisi, Arriva Trains UK

Policy Director, Arriva Trains UK

Cynghorydd / Cadeirydd Cynghrair Mersi a'r Ddyfrdwy

Councillor Pat Hackett Chair, Mersey Dee Alliance

Rebecca Maxwell Cyfarwyddwr Corfforaethol yr Economi a Pharth y

Cyhoedd, Cyngor Sir Ddinbych

Corporate Director for Economy and the Public

Realm, Denbighshire County Council

Lorna McHugh Transport for the North a Rail North Limited

Transport for the North and Rail North Limited

John Pockett Rheolwr Cymru, Great Western Railways

Manager for Wales, Great Western Railways

Iwan Prys-Jones Bwrdd Uchelgais Economaidd Gogledd Cymru

North Wales Economic Ambition Board

Toby Rackliff Rheolwr Polisi a Strategaeth Rheilffyrdd, West

Midlands Integrated Transport Authority a West

Midlands Rail Ltd

Rail Policy & Strategy Manager, West Midlands
Integrated Transport Authority and West Midlands

Rail Ltd

Richard Rowland Cyfarwyddwr Cynghrair Rhaglen y Gorllewin a

Chynllunio, Great Western Railway

Western Programme Alliance and Planning Director,

Great Western Railway

Robin C. Smith Cynrychiolydd Cymru, Rail Freight Group

Welsh Representative, Rail Freight Group

Jim Steer Cyfarwyddwr, Greengauge 21

Director, Greengauge 21

Ben Still Cyfarwyddwr Gweithredol Awdurdod Cyfun Dinas-

ranbarth Sheffield, Transport for the North

Executive Director SCR CA, Transport for the North

Michael Tapscott Cyfarwyddwr Prosiectau, Trenau Arriva Cymru

Projects Director, Arriva Trains Wales

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol National Assembly for Wales officials in attendance

Martha da Gama Dirprwy Glerc Howells Deputy Clerk

Andrew Minnis Y Gwasanaeth Ymchwil

Research Service

Gareth Price Clerc

Clerk

Cynhaliwyd y cyfarfod ym Mhrifysgol Glyndŵr, Wrecsam. The meeting was held at Glyndŵr University, Wrexham.

> Dechreuodd y cyfarfod am 09:00. The meeting began at 09:00.

Cyflwyniadau, Ymddiheuriadau a Dirprwyon Introductions, Apologies and Substitutions

[1] William Graham: Welcome to the Enterprise and Business Committee. Today, we're going to look at priorities for the future of Welsh rail infrastructure. I've received apologies from Gwenda Thomas, Keith Davies and Dafydd Elis-Thomas—also Eluned Parrott. May I welcome Janet Haworth, who is our substitute for Mohammad Asghar today? The meeting is bilingual. Headphones can be used for simultaneous translation from Welsh to English

on channel 1 or for amplification on channel 2. The meeting is broadcast, and a transcript will be available later. May I remind Members and witnesses, and members of the public, please, to make sure that all devices are actually switched off, not just on any other mode—switched off—today? For the witnesses particularly, there's no need to touch the microphones—they'll come on automatically. In the event of a fire alarm, I ask people to follow directions from the ushers.

Ymchwiliad i'r Blaenoriaethau ar gyfer Dyfodol Seilwaith y Rheilffyrdd yng Nghymru

Inquiry into the Priorities for the Future of Welsh Rail Infrastructure

- [2] **William Graham**: So, now we're going to start our item 2. Can I welcome the witnesses? May I ask you to give your names and titles for the Record? We'll start with Rebecca.
- [3] **Ms Maxwell**: I'm Rebecca Maxwell. I am the work stream lead on connectivity and infrastructure for north Wales economic ambition board and I'm also a corporate director with Denbighshire County Council.
- [4] **Mr Steer**: I'm Jim Steer. I'm a director of Greengauge 21.
- [5] **Mr** Hackett: I'm Councillor Pat Hackett. I'm chair of the Mersey Dee Alliance, and also Wirral's cabinet member, or executive member, for business and tourism on Wirral council.
- [6] **Mr Prys-Jones**: Iwan Prys-Jones; I provide project management support for the north Wales economic ambition board.
- [7] William Graham: Thank you very much. I'm going to start the first question, which is on the condition of Welsh rail infrastructure in north Wales. The current condition and effectiveness of the north Wales rail network—perhaps I could ask you to comment on why you feel that there's been little investment in recent decades, and also the social and economic implications for Wales if investment in Welsh infrastructure does not match that planned for the north of England. Who would like to start?
- [8] **Ms Maxwell**: I'll make a start, and I'm sure my colleagues will add comments to that. In terms of the condition of the rail service—the rail network—in north Wales, the main difficulties we see are that services are too slow on the line. That leads to them being less frequent than they need

to be to encourage that shift from road to rail use. We know that north Wales has a significantly higher percentage of commuting by car, when there is actually a rail system there that should be better used.

- [9] In terms of the reason that services are so slow, it's to do with line/track condition and also signalling. We are unable to get more than, I think, four trains an hour onto the system, because of the length of signalling and because of the track speeds. That does severely constrain the pattern of services that we're able to provide, particularly along the coastline. There are other elements of the network that also have constraints on them. So, there are single-track sections between Wrexham and Chester, and also significant constraints on the line from Wrexham to Bidston, which then connects into the Liverpool area, which don't allow a reliable frequency of service so that passengers will feel confident about using that.
- [10] So, I think that's really our kick-off point, in terms of the condition. As I say, that leads to services that aren't frequent enough. There are also potential bottlenecks in trying to increase frequency of services along the line, because it's part of an integrated service through Chester, and there is a risk that Chester station itself acts as a bottleneck on that whole system. I don't know whether some of my colleagues might want to add from a more technical perspective.
- [11] **Mr Prys-Jones**: I think, from my perspective, a lot of travel to work in particular in north Wales is characterised by fairly long-distance commuting, and a lot of that commuting is cross-border commuting, particularly into west Cheshire, but also into Merseyside and along the M56 corridor. The reality is that the rail network as it currently is—or the services currently provided on the rail network—doesn't actually work for the vast majority of journeys that people are seeking to make to access employment, which inevitably then places immense pressure on the A55. And, as we know, when the A55 struggles, it certainly struggles.
- [12] So, from that perspective, as Rebecca said, what we really need are faster rail services. We need rail services that allow people to access, particularly, employment in places that are very difficult to access via the rail network at the moment. Importantly, from a business perspective, we need the rail network to allow businesses to be able to communicate effectively with one another. So, that means really good, direct, fast services to key destinations, such as Manchester, such as Birmingham, such as Liverpool, and places like Leeds, which are currently not served by direct rail services at

- all. Cardiff is important and so is London. London's reasonably well served by rail from north Wales, but many of the other destinations are not. Journey times are too long, trains are too crowded and people tend not to use them unless they have no real alternative. In the middle of all of that lot is a real package of investment in both infrastructure, rolling stock, and in providing better quality services, which we think would enable people to commute far more by rail than they currently do.
- [13] **Mr Hackett**: If I can just mention a couple of things, the Mersey Dee region itself generates £17 billion per annum and has massive and huge companies and major employers within that area, including Airbus, Tata, Toyota, Vauxhall, Unilever, SR and JCB, just to name some. But the rail journeys, as we've heard, and the actual transport links, generally, are poor.
- [14] If we just give you a couple of figures that are quite interesting, which I've only had today: over 17,000 commuters travel from north-east Wales to Cheshire West and Chester, with 10,000 in the opposite direction. But, more importantly, the rail share of journeys to work in a number of these areas is amazingly low—that's the number of people who use the train. In Flintshire, the number of people who use the train is 1.0 per cent; in Wrexham it's 0.9 per cent. In all of Wales, it says it's 2.1 per cent. The source is the 2011 census. But it's very, very important in terms of people getting to work in the sites on both sides of the border. The slowness of some of the trains, particularly on this side, really hampers that.
- [15] For instance, Wrexham to Liverpool can take as long as Birmingham to Liverpool, which is unbelievable. It shows you. And there's no incentive for people to get the train. I'll just give you one example, going to one of those sites from one side to the other: if you're going from the Wirral to the Deeside industrial park, where there's no station to go to, as we know, and that's one of the priorities, is it not? If you're on 06:00 until 14:00, on shift, on that site at Deeside, the trains don't start until 07:30, so you've got no chance of getting there by train and the fact that there's no station either, you know—. But they're just a few facts, Chair.
- [16] **Mr Steer**: I think it's been understood for a long time that the line speeds on the north Wales coast line are really below where they should be. This is a railway built as a main line. It used to have four tracks and ran lots of express trains and it's been allowed, for whatever reason, to deteriorate. So, I think that's understood very widely as being something that has long needed to be put right and potentially it will be in the near future. But I think

that what's far less well understood are some of the things that colleagues have mentioned, which are the lack of service frequency, the timing of trains, say, at the beginning of the day and so on, the access to where the jobs really are these days, which, of course, has shifted over time, and the connectivity to major employment centres in Liverpool, Manchester and so on and so forth—yes, in England, but that's where certain types of jobs reside, in those big cities, and the lack of connection to them is a serious issue, I think.

- [17] **Jeff Cuthbert**: I'll come in here if I may, Chair, as I think it's appropriate, with one of my main questions. You've alluded to a number of the problems in terms of the infrastructure. And, clearly, getting people back and for to work is of critical importance to the economy, as well as those individuals. So, can you outline now, in your view, what steps are being taken to improve the infrastructure, particularly, as mentioned, Rossett to Wrexham, the redoubling, Wrexham to Bidsdon, the airport connection, and, indeed, the Marches line? Are there steps being taken to improve the situation as far as you're concerned?
- [18] **Ms Maxwell:** I think it's a bit of a mixed bag. There are certainly some improvements in place, so the current work between Wrexham and Chester on the partial redualling of the line there is undoubtedly an improvement. But more is needed. Whether it's possible to dual the whole line or not I think is still a moot point, but, certainly, further dualling would be really beneficial to the region in terms of the increased capacity and the increased frequency that it would then allow. There has been some exploratory work on the ability to improve line speeds on the Wrexham–Bidsdon line, and we would like to see those implemented so that there can be a fully reliable half–hourly service on that line.
- [19] There's the commitment to reinstate the Halton Curve, which would allow direct services from Wrexham, and also from north Wales through the South Liverpool line, past Runcorn and close to Liverpool airport. So, there are a number of things that are, in infrastructure terms, in place. There's an opportunity through the new franchise to look at the service pattern side of that, and we're keen to engage with Welsh Government on what service pattern would suit the needs of north Wales, its commuters, its businesses and its residents.
- [20] There are also a number of other areas where further work is needed, so we are working in conjunction with colleagues in the Welsh Government

transport team on a business case for electrification of the north Wales line all the way through from Crewe to Holyhead, for submission to the Department for Transport. We're also supporting Arriva Trains in their application for some direct routes from north Wales and Cheshire into Manchester Airport. Currently, we're very poorly served, despite having quite a significant number of passengers at the airport starting their journeys in north Wales and Cheshire. So, we are underrepresented on that. And we lose out really to other markets, and we feel that that's something that could be done now, without any infrastructure investment, through a redistribution of train paths and services.

So, there are a number of things that are happening. Are they happening fast enough? Not really. We would like to see an acceleration of that. The big, significant investments are still undecided, and we certainly would like to be seeing the case for electrification of the line as the backbone to a lot of the improvements that we need in north Wales and the Cheshire areas. We would like to see that being promoted for the next rail industry investment period of control period 6.

[22] William Graham: Rhun, please.

[23] ganolbwyntio ar drydaneiddio, mae'r electrification, the ambition board bwrdd uchelgais yn ei gwneud hi'n has made it clear that it's difficult to glir bod hi'n anodd gwneud yr achos make busnes am drydaneiddio yn ôl meini electrification according to the usual prawf arferol yr Adran Drafnidiaeth. A criteria ealuro fuasech yn beth yw'r anawsterau o ran rhoi'r math yna o those difficulties are in terms of achos busnes at ei gilydd?

cystadlu yn erbyn nifer o rhanbarthau eraill yn y Deyrnas Unedig am

Rhun ap lorwerth: Os caf i Rhun ap lorwerth: If I could focus on business case a of the Department for Transport. Could you explain what putting that business case together?

Mr Prys-Jones: Mae'r broses yn Mr Prys-Jones: The process is a un gymhleth, ac rwy'n meddwl mai'r complex one, and the main challenge brif her ydy'r ffaith ein bod ni'n is the fact that we are competing against a number of other regions within the UK for investment. And, as fuddsoddiad. Ac, o'i gymharu efo compared with some of the other rhai o'r achosion eraill, yr wybodaeth business cases, the information that rydym ni wedi cael gan y Llywodraeth we've received from the Government yn Llundain ydy bod ein achos in London is that our business case is busnes yn gymharol wan i'w gymharu relatively weak as compared to some

achos yna. Ond mae'r pwyntiau mae Rebecca newydd nodi ynglŷn â'r diffyg gwasanaethau, diffyg gwasanaethau sy'n rhedeg i'r llefydd cywir, yn golygu bod y galw am drenau ar hyd yr arfordir yn enwedig yn is na ddylai fod efallai, neu gallai fod, oherwydd mae yna ffactorau eraill, nid jest trydaneiddio.

[25] gyfer trydaneiddio, yn amlwg mae mwy 0 wasanaethau. gwasanaethau gwell, a gwasanaethau cyflymach, sy'n dangos bod yna alw am drenau sydd ddim yn cael ei gyflawni ar hyn o bryd. Mae hynny'n ffactor bwysig iawn i ni.

efo rhai o'r lleill. Mae hynny'n ddigon of the others. That's fair enough, and teg, ac mae eisiau i ni rŵan gychwyn we must now start to work on how gweithio ar sut rydym ni'n gwella'r we improve that business case. But the points that Rebecca has just noted on the absence of services, and the lack of services running to the right places, mean that the demand for trains along the north Wales coast line particularly is lower than perhaps it should be, or could be, because there are other factors, not just electrification.

So, er mwyn gwella'r achos ar So, in order to enhance the case for electrification, clearly we need more services. enhanced services swifter services, which demonstrate that there is a demand for trains which isn't being delivered at the moment. That is a very important factor for us.

09:15

ydy, bod angen ewyllys gwleidyddol er mwyn gwneud i hyn ddigwydd? Wrth gwrs, mae Llywodraeth Cymru'n cefnogi trydaneiddio, ac mae'r bwrdd uchelgais yn mynnu bod yn rhaid cael y gefnogaeth a'r adnoddau er mwyn rhoi'r achos busnes at ei gilydd. Sut y byddech chi'n asesu'r cymorth sydd you Lywodraeth Cymru tuag at roi'r achos order to make that business case? busnes yna at ei gilydd?

Rhun ap lorwerth: Ac mae'n Rhun ap lorwerth: And it's accepted, I cael ei dderbyn, rwy'n meddwl, onid think, isn't it, that we need political will in order for this to happen? Of course, the Welsh Government does electrification support and ambition board insists that we have have the support and the to resources in order to put that business case together. How would assess the support yn cael ei roi a'r gefnogaeth gan provided by the Welsh Government in

Ms Maxwell: We've been working very much in partnership with Welsh [27] Government colleagues to pull together the business case. They've been leading that piece of work. We've also been able to provide information from Greengauge 21, and Jim who works for it, to show some of the economic benefits of the business case and other investment in the north Wales line. As you get into the more technical elements of the business case, and particularly the next round of business case work—we're at the strategic stage at the moment—as we get into the more technical areas, Welsh Government will, undoubtedly, need more expertise and support to help them work through that very detailed and technical appraisal.

- If I could just refer back to your first question, I think one of the other [28] things that makes it difficult for business cases that are on lines that are not as heavily used as some parts of the UK, is the concentration on quite assessment methods. It's recognised that there is an underrepresentation and an underassessment of wider economic benefit and economic growth potential in the current appraisal methodology. Certainly, a report in the last Westminster Parliament—the 'Northern Sparks' report recommended that the Department for Transport take greater account of economic benefit and economic growth potential when assessing cases for investment than they have done previously. Some of the work that we're doing is not just about identifying the additional demand that we think is there that would bolster the traditional assessment process, but also to show that the potential for releasing economic growth in north Wales and also north-west England from investment in this infrastructure would be significant.
- [29] Rhun ap lorwerth: What would be your—
- [30] William Graham: Before you go on, could I ask Jim to—[Inaudible.]
- [31] **Mr Steer**: Thank you. Just to say that the problem that you identify in the first place is that this is a very long railway—it's a 105 miles of railway from Crewe to Holyhead—and it doesn't have many services. In truth, the appraisal cases that the Department for Transport, Network Rail and others run for electrification really centre on improving the efficiency of running trains. So, if you've got a long route with not many services on it, I'm afraid that's simply why; it's not really a question of the wider economy, it's a question of the economics of running rail services, which is the central feature of appraisal of these things, and, of course, there are plenty of other railway lines, as I think Rebecca said, where the situation is different.
- [32] So, yes, the wider economic and, indeed, social effects, while people recognise are important to this question, there's much less confidence and

commitment to using those in appraisals. So, that's the area the ambition board had commissioned Greengauge to look at, and we've already established that there is a substantial value of wider economic benefit to businesses and through expanding journey-to-work area. The problem is going to be getting the support behind representing that analysis and having it influence decision making.

- [33] William Graham: Thank you. Rhun.
- [34] Rhun ap lorwerth: On the—I was going to say 'likely'—maybe, possible timescales, what would be, perhaps, your most optimistic guess of when this might be able to be delivered, given the barriers that we face, and, more worryingly, what would be your more pessimistic estimate about how long we might have to wait? And, what might the implications be if there isn't the driver that gets this delivered quickly?
- [35] **Mr Steer**: May I answer that and warn you that the railway moves rather slowly in these things?
- [36] **Rhun ap lorwerth**: As it does in north Wales in particular [Laughter.]
- [37] **Mr Steer**: I suspect the mid-2020s is the fastest conceivable date for bringing an electrification project of this scale to completion, and, one would have to say, in the context of a slipping programme—you'll be familiar, no doubt, with delays on the south Wales electrification project, as well as others across England—that would be really incredibly quickly. So, the risk is, I think—not to put a date on the other end of the timescale—the risk, in a sense, is that some sensible kind of interim arrangement is made that means it ceases to become a priority, having not been electrified. I think, ideally, it would be in the 2020s when expectation of HS2 to Crewe comes on stream and so on.
- [38] William Graham: Okay, thanks very much.
- [39] **Mr Prys-Jones**: Some of the risks to us, as Jim has just said—. The risk of north Wales not being ready when HS2 is complete to Crewe potentially is a fundamental issue for the north Wales economy. Equally, the risk that electrification schemes in England, particularly in the north-west, continue to gather momentum. I suppose the worst-case scenario for us is that, as part of the work under way in the northern hub and the Northern Powerhouse, electrification to Chester from Crewe and from Warrington takes place and

leaves us at the end of a non-electrified branch line, in effect, and not being able to be part of the rapid acceleration of rail services to Leeds, to Liverpool, to Sheffield et cetera, as part of the northern hub stuff, is also a fundamental risk to us economically as well.

- [40] William Graham: Pat, do you have a short comment?
- [41] **Mr Hackett**: Yes, it comes down to the priorities of the politicians, you know. The officers are doing all the work. The cases are going to be submitted, and a tremendous amount of work has happened so far, I know, with colleagues around the table, with their expertise in their particular fields. If the politicians don't move, the whole schemes don't move. It's as simple as that, in basic terms, in my opinion. One of the things that I've learnt, certainly, since I've been Chair of the Mersey Dee Alliance, and from the other side of the border, is the uniqueness of the Mersey Dee Alliance. The good point is that it is unique as a cross-border organisation working together, with politicians from both sides of the border, those transport bodies, local authorities and all those other organisations, including colleges and universities, all working together for the priorities that we all hold around this table.
- I think that the one thing that was striking was that we had various meetings, and we had a meeting with the Northern Powerhouse Minister, James Wharton, and Alun Cairns—and it was from all sectors from the Mersey Dee region, and even in that—[Inaudible.]—we were all singing from the same hymn sheet. They thought we'd met beforehand, which we hadn't, but we were all signed up to the same priorities. I think that's important. It's so frustrating that there are different structures, strategies and priorities on both sides of the border, and, dare I say, with both Governments as well. It seems to me, personally, sometimes that it gets in the way. I do think that we need to look at something that can streamline all this to make a lot of those priorities that we all share happen and happen quicker. Because we've got new boys on the block, have we not—the Northern Powerhouse devolution? Yet, it's on one side of the border and not the other. Again, it's more bureaucracy, isn't it, and never the twain shall meet? That's what I personally find very frustrating, you know. But I'm sure, where there's a will there's a way.
- [43] William Graham: Joyce.
- [44] **Joyce Watson**: That moves me nicely on because I was going to talk

about threats and opportunities in devolution, so you've started, so to speak, the ball rolling. So, what are the opportunities and what are the threats of further devolution in England and not in Wales? Then, going on from that, because you've already started, how do you think the Welsh Government and other key stakeholders are engaging with transport devolution in the north of England, and are there any specific actions that you think ought to be taken now to improve that?

- [45] **Mr Hackett**: Well, as you know, the Liverpool city region has won that devolution deal just recently, and that's the first round of a long journey, but, as I said previously, in terms of closer co-operation, I think we are all working together an awful lot more than, I would suggest, in previous years, and long may that continue. But in terms of specific examples of how we can work better together, I'm not too sure at this stage. Maybe my colleagues around the table could suggest more options and ideas.
- [46] **Mr Prys-Jones**: The reality, I think, from the Welsh perspective, is that there is some really interesting stuff happening, particularly in terms of the devolution around the north-west. It is crucially important that we are part of that debate and that discussion. If we're not part of that, then I think we run the risk of the consequences of being ignored, I suppose, from not being part of that discussion. The Northern Powerhouse is very much centred on the major metropolitan cities, in a string, from Liverpool, Manchester, Sheffield, Leeds, right across to Humberside and up to the north-east. Clearly, the whole project is based around improved connectivity between the cities.
- [47] We actually think that there's a lot that north Wales and west Cheshire in particular and the Wirral can contribute into the Northern Powerhouse, but it's essential that we are part of the improvement in connectivity into those areas if we're going to benefit from that economy. So, we're doing a lot of work, particularly with the Cheshire and Warrington local enterprise partnership, and with the Merseyside city region, to understand how we can better connect into those and make sure that the cross-border economy, which is actually really significant, even within the context of the Northern Powerhouse, benefits and contributes into the growth that's possible from there.
- [48] I think it is early days to assess just what impact devolution is going to have. There's clearly a very significant journey under way in England at the moment, with a much greater level of local autonomy—budgets being

transferred. The difficulty will be for us then in Wales to be able to match appropriate structures to what's happening in England so that we can actually deliver cross-border projects, cross-border services—whatever it may be. It's really difficult, I think, where what's happening in Wales is markedly different to what's happening in England at the moment.

- [49] William Graham: Quite so. Jeff.
- [50] Mr Steer: I think that really helps explain the point, if we think of it from the perspective of the Northern Powerhouse, which, as Iwan's just said, is very much city-focused. The transport theme is better connectivity between cities, and what's often been represented about the rail network at least, and indeed the road network, in north Wales is to think of it as a linear city. It's a rather ugly phrase and, of course, it isn't, but if you add all the numbers up, it is like a city—Chester to Holyhead. So, I think if there is some way in which that can be presented back to colleagues on the English side, working on these very big regions, sometimes—the north and then there's this emerging Midlands Connect notion—I think that would fit more easily with the agenda that they are finding successful in securing the funding and support from the Chancellor.
- [51] How that's done is clearly a matter for the Wales Government, but from my observation—and I've been working with Northern Powerhouse—the phrase 'North Wales Economic Ambition Board', for instance, fits very nicely. In truth, Wales as a whole—and I'm sure they'd be happy to work with Wales as a whole—doesn't seem quite such a natural partner for them as a regional agency, as something that is related to north Wales. I'm sure, within that, at a more local level, all of that excellent cross-border collaboration will be able to prosper.
- [52] **Mr Prys-Jones**: Sorry, one other thing, because you asked about threats as well: the threat, if we don't engage, is that I think, particularly on the rail network, investments and service pattern changes will happen and we will be left with fitting in around those as opposed to being an integral part of those changes. You can see that debate happening already around some of the problems that Arriva Trains Wales have had in gaining accessibility to Manchester airport. The paths are very carefully rationed and, if we're not engaging properly with those at the right level, then the north-west, the Northern Powerhouse, will carve up the opportunities that suit their way best and we will be left out, I suppose. That's the potential risk of not playing the game effectively.

[53] **Joyce Watson**: I'm in west Wales and one of the questions I want to ask is that—. You, quite rightly, are involved in north Wales, and then we've got south Wales, but we've got mid Wales. How do you see yourself positioned to work with mid Wales so that that bit doesn't get completely left out?

09:30

- [54] **Mr Prys-Jones**: In many ways, the position, I think, that mid Wales finds itself in is not dissimilar to where north Wales is. In rail terms, there's a strong reliance on connectivity towards Birmingham, so the comment that Jim made about the midlands city region, which is starting to emerge, I think, is directly relevant and hugely important as far as mid Wales is concerned. The reality is that the rail links between north and mid Wales are poor, really. It's a long way round, to put it mildly. Very few journeys, I think—not many people would choose to travel from north Wales to mid Wales by rail, I have to say, purely because of the journey time that's involved, which makes it very much more of a car-based relationship that we have between them.
- [55] There are ongoing, regular discussions between the economic ambition board and the Growing Mid Wales group. We have regular dialogue on how we're structuring our work, particularly in terms of transport interventions. So, we're trying our best, I think, to understand how we can effectively work together to make sure that messages are not lost.
- [56] William Graham: Good. Do you have a last question, Joyce?
- [57] **Joyce Watson**: That's fine. They've answered it.
- [58] **William Graham**: Could I ask the north Wales ambition board, really, about their comment that
- [59] 'devolution of rail may also happen in the West Midlands, which has ramifications for Mid Wales'?
- [60] Would you like to enlarge on that again?
- [61] **Ms Maxwell**: I think it's the point that Iwan has made—that there's the same set of risks around mid Wales as there is in north Wales if we aren't part of the discussions. We risk fitting around other people, rather than be seen as part of an integrated network.

- [62] William Graham: Thank you very much. Mick.
- [63] **Mick Antoniw**: We've talked a lot about infrastructure enhancement, and, of course, part of the whole franchise deal is going to be this very, very significant procurement. There's going to be, obviously, a lot of investment and, again, the whole issue of rolling stock, the type of rolling stock, compatibility cross border and all those sorts of things. What are your thoughts as to the key focus there and the key challenges around the whole procurement issues that are going to arise?
- [64] **Mr Steer**: I think it's instructive to look at what's happened with the recent TransPennine Express and Northern franchises. First of all, there was a great deal of lobbying and discussion before those specifications came out, pushing for replacement of very aged rolling stock and so on and so forth. I think, if you look at the outcome, it really is quite remarkable, and people across the north of England are rather delighted and, maybe, slightly surprised at how much has apparently been changed in those franchises. That, I think, is a useful signal as to what needs to happen in Wales.
- [65] I'd highlight one quite interesting feature of what's come out of the—one or two, maybe—TransPennine Express franchise. The first is that, in the end, the winning bidder put in some services that weren't even in the franchise specification, from Liverpool up to Glasgow, for instance, which makes me think, 'Well, that's interesting, because that means that's in the commercial interests of the franchisee to add that in.' That's got something to do with the economics of running longer distance services that connect reasonably significant places, and that may have some interesting lessons for Wales. I mean, there may be routes—partly in England and all that kind of thing, but Liverpool to Cardiff, for instance, might have a similar impact and be of great benefit to Wrexham if it did.
- [66] But the second thing I'd just flag that came up is—I don't think this is finalised yet, but it looks as if the TransPennine Express franchise will have dual-power bi-mode trains to run, for instance, electrified services from Liverpool to Newcastle, but also other places. In England, there's this problem in that you get bits of the railway electrified and then others not. In reality, there could well be a position in north Wales where parts of the routes are electrified and parts are not. So, having that kind of rolling stock is something that is becoming a possibility, and is something that you may want to think about in the context of a Wales franchise. After all, you'll have

Severn Tunnel Junction to Swansea, hopefully, electrified by the early 2020s, but trains run beyond that. That's great, but what about west Wales? Are you going to run diesel trains under electrified railways, or, at the boundary points, insist on everybody changing trains? There are some quite important choices ahead, I think, on that.

- [67] **Mick Antoniw**: Do you think that's complicated? Because you've got certain parts—taking the cross-border issues, you've got parts of electrification taking place there, and you've got the points you raised with regard to partial or whatever electrification within north Wales. There's also mid Wales, and so on. Do you think there is sufficient co-ordination and co-operation on the issue of procurement and common procurement, and of the type of procurement that's going to be necessary, both to deal with the cross-border issues, but also, as you say, the issue of how you deal with the non-electrified parts, and also the length of time over which this may all be happening?
- [68] **Mr Steer**: Well, I think for the future of Wales and Borders franchise, you just have to look at what the requirements are for that franchise. I wouldn't, quite honestly, be too worried about consistent franchises. We're quite blessed, dare I say, with the number of potential suppliers of rolling stock at the moment. It's controversial if they're not based in the UK, but several are. So, there are choices, and different things may suit different franchises. The point I would make is, in addition to the obvious focus that the Welsh Government will have on the Wales franchise, you do need an input into all these others, because there are several that have a huge impact on Wales.
- [69] **William Graham**: It's interesting, the comments you're making about a possible Liverpool service; in south Wales we benefit from a much better local service because of course there are routes to Birmingham, Nottingham, Portsmouth, et cetera. So, do you know of any studies that have been done that Liverpool route, which would be extremely beneficial to the Marches, but also for a connection to north Wales?
- [70] **Mr Steer**: Personally, I don't think it has been examined. There used to be direct services from Liverpool to Cardiff, but they've gone. So, somebody somewhere will be thinking that maybe they could come back.
- [71] **Mr Hackett**: If I could just say on that, Merseytravel, on the other side of the border, have set out their long-term rail strategy, and from a cross-

border perspective, the rationale is for the development of two key routes. That is, a new route between Liverpool and Chester, which is what you're saying-to Wrexham in north Wales and Cardiff in south Wales via the reopened Halton curve, as was mentioned by Rebecca—and looking at enhancements and long-term electrification of the borderlands line. So, they are looking at that. I think it's important as well that, following the rail summit that was held recently in Llandudno, a communiqué went out from the north Wales ambition board and ourselves, and others, setting out the principles that we're all working to in terms of priorities. I'm sure my colleagues can tell you a lot more. As part of that, a taskforce has been set up to get on with that work, and that's meeting shortly, in the next week. But I think what was important as well, at that meeting—a lot of interesting things happened at that meeting, but Claire Perry from the Government was there, the transport Minister, and she made the point at that summit that the M25, the Jubilee line and the Borders Railway all went ahead on weak business cases. I'm not saying that we're going to have a weak business case at the end of all this, but with the amount of work that we've put in, surely we must be confident.

[72] William Graham: Rebecca.

[73] **Ms Maxwell**: Just in terms of the taskforce, yes, we have established now, or are in the process of finally setting up, a cross-border taskforce to look at that whole issue of integrated transport. We have a cross-border economy. It's possibly unique in the UK in terms of its scale. We need cross-border solutions and transport has to be a significant part of that. Rail in particular, obviously, just because of the way the network works, needs to be planned on that cross-border basis. So, I think, in terms of devolution, both in terms of devolution to Wales, but also in terms of devolution to north-west England, it brings a lot of opportunity in terms of fashioning solutions that are right for the local area, but it does bring some risks if we can't get that integration between the two, and I think that's what we really all need to work on—how we mesh those two different types of devolution together to make sure we don't create silos rather than overcome them, and that we create solutions that are fit for purpose in the local circumstances.

[74] Also, just to pick up, if I may, on a point about the franchise. I suppose, for me, the single biggest message for Welsh Government in terms of the new franchise is that it can't just be a replication of what we have now; it needs to be one that is fit for purpose for modern society and for the economy that we have. It very clearly needs to be a franchise that promotes

passenger growth. We firmly believe that our service pattern and services in north Wales suppress passenger demand, and if there was a restructuring of that and services were more direct—a mixture of fast and semi-fast between key destinations and key employment locations—you would see a much bigger modal shift towards rail, and a much better use of the rail infrastructure.

- [75] William Graham: Thank you. Iwan.
- [76] **Mr Prys-Jones**: There's a common thread that runs through a lot of the comments that we've been making this morning. Rebecca talks about the kind of service pattern that we want to see happen. Jim talked about electrification being unlikely to happen until the mid-2020s at best, and yet, we've got a pressing demand to have more, better and faster services in north Wales. To link back to your point, all of that is currently constrained by a lack of available suitable rolling stock to provide any new services, even allowing for the fact that there may be money available to fund some of those services.
- [77] It seems strange that north Wales—certainly the north Wales coast—doesn't have any through services to Liverpool at the moment; everything involves a change in train. We have one through train an hour to Manchester. Those people who've travelled on that train will know that there are frequently people sitting in luggage racks and things, because it's crowded beyond capacity, and it takes far too long for an inter–city rail service. We know that the Halton curve is being improved and that's a huge blessing, as is the partial redoubling of the line between Wrexham and Chester. But, the reality is that both of those are kind of fallow investments unless there is more rolling stock available to provide new services on those routes.
- [78] So, there's a catch 22 in the middle of all of this. We want more services and faster services; electrification is going to be some way into the future before that arrives. We need to identify some rolling stock to allow incremental improvements in the meantime. And I'm struck by—back in 2006, Taith produced a rail strategy as part of the regional transport plan at the time. That included a series of 10 quick wins, I think they were called, for investment. And 10 years on, two of those have partially been delivered, in the Wrexham–Chester redoubling and Halton curve, but neither of them are yet in a position to be able to offer new services. So, in 10 years, we've actually achieved virtually no change whatsoever, other than some retimetabling around north Wales. Patronage in the industry has grown

enormously. Rebecca has already said that demand is being suppressed. So, you know, I'm trying not to become too frustrated in terms of what I say, but you can understand, I think, perhaps some of the issues that we feel we are facing.

- [79] William Graham: Rhun, you have a supplementary.
- [80] **Rhun ap lorwerth**: Yes. One of the threats to the next franchise, of course, is that some routes that begin and end in England might be taken out of the Welsh franchise. Obviously, we're talking about infrastructure today, not the threats to the viability of the franchise if that happens. But, what might the effects be on moves to secure proper investment in infrastructure if some of those routes are then not part of a Wales and Borders franchise, along a similar if not identical map to the one that we have now?
- [81] **Mr Steer**: I guess if the services disappear—I mean, there's a serious threat. If, in effect, there's an English-based franchise with a service running into Wales instead of the other way round, it shouldn't really make any difference; that's not to say that I don't understand the issue. The important thing comes back to the points that I think colleagues on the panel have made, which is about having the connectivity. In truth, the change in which franchisee runs it, so, I mean, if the more commercial routes are in an English franchise, then Welsh Government's got to demand, no doubt, the compensatory financial arrangements to address that.
- [82] To me, though, if I can just come back to the point that Iwan made, which could sound depressing, there is an opportunity, which hasn't been mentioned yet—although I'm sure colleagues are aware of it—from the north Wales re-signalling programme that's in hand. There's about a seven-minute journey time benefit out of that. A few minutes doesn't sound much, but it makes huge difference to travellers—you know, regular users will say 'That can make a difference; that's a quarter of an hour a day'. You know, multiply that and it's huge. And it improves the economics of the services and it will stimulate demand. So, that's something really I would suggest can and should be grabbed and is available in the next couple of years.

09:45

[83] **Ms Maxwell**: If I could just add to that, there is a risk that that gets pushed out of the investment period because of some of the overspends and overruns in other areas, and it is something that we are very concerned

about. Also, there is a risk that electrification is a big-ticket item and we are pushing that as the backbone for improvement, but they're not the only improvements that we would want to see and there is an incremental set of improvements that are around signalling and some improvements, track improvements, that could be pushed forward faster, even if the big-ticket item can't be progressed within the timescale that we would ideally like it to be. So, it's trying to keep that balance and keeping that pressure up in terms of investment in both the current control period and also the next control period, to make sure that north Wales doesn't lose out altogether in terms of funding. Incremental changes that would make an appreciable difference to people using the service can be made in terms of that infrastructure, which then also helps the service pattern and franchise issues.

[84] William Graham: Janet, please.

[85] Janet Haworth: Yes, thank you. Iwan, I'd like to come to you first. Returning to what you were saying about the business cases, I was interested in what you said about the Jubilee line, and there was another example you quoted: that really, all the jigsaw pieces were not there, there was somewhat a leap of faith that was taken, and I see that pointing at government really. It's not for smaller private operators to take those risks, that is for Welsh Government working closely with the Westminster Government, because as Rebecca said, these are very big-ticket items that we're talking about. This is long-term investment into the future. So, I'm interested in how you see that relationship working. Also, I believe in preparing those business cases. We could be at some disadvantage because we're needing to demonstrate that we've actually got the customers and it's a little bit of a chicken and egg, isn't it? If we have the infrastructure, we will then generate more customer flow and reap the economic benefits of having that connectivity.

[86] I was also interested in what Rebecca said, and I think it was Jim, or it may have been Pat, about the TransPennine tendering process, that in responding to that they didn't just respond to the brief, they threw a few free tyres in, didn't they? I think the customer experience—and these are not really big-ticket items—the customer experience of a comfortable train that does provide you with a seat, that is clean, that has clean and hygienic toilets, where litter collection and the cleaning of toilets takes place regularly, where there is Wi-Fi, where you can recharge your phone, and there are polite and well-uniformed staff: those make the experience of travelling much more pleasant and it's more likely to drive the choice, 'Well,

why would I get in my car when I can go on the train?' But then you've got to look at the ticketing price as well. It's got to be economically worthwhile to the customer. I was just interested in your views on that, and realising that we are at some disadvantage in building our business case, but that calls for, I think, the understanding to come from Westminster and the Welsh Government that if we don't get this, then these decades of lack of investment in northern infrastructure will just go on and we will pay the price economically in this area.

- [87] Mr Steer: May I just attempt to answer your first point, which was around the parallels with other transport investments that have been made with questionable business cases? The two that I think Minister Claire Perry mentioned, two of the three—the rail ones anyway—were the Jubilee line extension—couple of billion—the Borders Railway—several hundred million—and so on. I think the important thing about both of those is that while the conventional business case didn't look very good, there was a strong belief in what the wider economic gain would be. In the case of the Jubilee line extension, it was at Prime Minister level, and a belief that what she was hearing could happen at Canary Wharf would happen and would be hugely beneficial. It wasn't factored into the appraisal, because that was thought of as private–sector wishful thinking—who knows. Borders Railway—you had to believe that there's value in supporting the regeneration of a very isolated part of Scotland in the borders.
- [88] I think the test of these things is the evidence that you can provide on commitment to growing the economy in the area served. So, the things the Mersey Dee Alliance does, which is awkward—it's cross-border and requires people to work together—just demonstrating that this is important, this is significant. Or what's really happening on Anglesey and Wylfa, and so on, and how the potential is there, but it needs support, and how you've joined all of these things together—you know, there are lots of other things as well, of course, such as the tourism sector—you have a clear vision and you are starting to think about the complementary measures that will exploit this investment in transport. Those are, I think, to me, the lessons from those past experiences.
- [89] Janet Haworth: Thank you. That's very helpful.
- [90] **Mr Hackett**: In terms of a working relationship, we have—I think colleagues will bear me out—over the last 18 months to two years, worked tremendously hard with Westminster and with Cardiff. We've had regular

meetings over that time in both Cardiff and in London with cross-border MPs on a regular basis. As a result of that, a group of cross-border MPs have set up a group to work with us all and to help with the direction in which we're going. That's been set up; I think Ian Lucas is the chair of that with Justin Madders as the secretary. So, that's helpful in that respect. Obviously, as I say, we've met with the Secretary of State as well. We met with the Ministers responsible in Westminster and in the Assembly in Cardiff. It's important, obviously, that they're all on board. To be fair, with the meetings we've had—regular meetings over a long period of time—they are on board, but it's how you put that together, isn't it? That's the key, isn't it? That complexity on both sides of the border, I think, I have to say, as you said, it is frustrating. As I said earlier, it is very frustrating—.

- [91] **William Graham**: Equally as frustrating is our lack of time. I want to get on to Network Rail, please. [*Inaudible*.]—somebody, please on the effectiveness, you feel, of Network Rail in general, and, of course, particularly the Wales routes. Don't all speak at once.
- [92] Mr Hackett: Just ask that guestion again. Sorry, I didn't hear you.
- [93] William Graham: Network Rail—tell us about your experience of Network Rail and how effective you think it is. Particularly, the north Wales board have made a comment that the investment appraisal process needs to be less complex, completed over a shorter timescale and less costly—I'm sure we'd all agree with that—and also you might question Network Rail's ability to deliver projects on time and on cost.
- [94] **Ms Maxwell**: I think there are plenty of studies and reports that probably answer that second question more eloquently than we could. I'm sure the committee will look at that, in terms of your evidence search. In terms of our experience of working with Network Rail, they have been supportive at times and at times frustrating; it is, again, a mixed picture. I suppose, in some ways, they have the same difficulty that we have when we talk about devolution. Can you have a Network Rail for Wales when the routes are so interconnected with other parts? Do the regions that they have work effectively? We've had some debate with them about how they classify certain routes and how they then calculate demand on the back of that—whether they look at it as a local route or a long-distance route. Applying a 'one size fits all' doesn't necessarily give you a true picture. So, I think it's been a mixed experience. I don't know whether colleagues would want to add anything to that.

- [95] William Graham: Please. Iwan.
- [96] Mr Prys-Jones: The only point I was going to make is, obviously, across most of Wales, the route is devolved to the Wales route. The reality for us in north Wales, however, is that not all of the route is devolved. Chester, for example, which is the hub on which all north Wales services are based, is actually part_of the London North Western route. The line between Wrexham and Chester is also on the London North Western route, part of the north Wales coast main line is, and the Wrexham to Bidston line changes ownership about halfway along its length. So, even though it's devolved, it's not devolved, and I think there are still issues, particularly when it comes to maintenance and what have you with Network Rail, about how that partial devolution of the network in north Wales impacts on us and the services and improvements that we're trying to deliver.
- [97] **Mr Steer**: Yes. It's just unfortunate really. The strategic rail network, if you'll allow such a concept, is a big capital letter 'E' for Wales in reverse, and the north-south stroke is partly in England, partly in Wales. So, yes, exactly that problem. The Shaw report, which is looking at devolution for—of course, it's not called devolution, but the way in which Network Rail is structured, will be reporting shortly, and it is something, I think, very critical for Wales to look at.
- [98] William Graham: Thank you very much. Joyce.
- [99] **Joyce Watson**: Do you think there is greater scope for Welsh Government involvement in the oversight of Network Rail and the periodic review process without full devolution?
- [100] Mr Prys-Jones: I think the short answer to that is probably 'yes'. I think some of the issues that we've been talking around this morning would, I think, benefit—. For me, perhaps, though, the bigger issue is Welsh Government engagement with some of the things that are happening in the north-west at the moment around Transport for the North, Rail North and the projects there. I think there has been a significant improvement in terms of the liaison over the last couple of years. I think there is now a memorandum of understanding signed between Welsh Government and Transport for the North, and that's hugely welcome from where we're sitting because I think there were concerns a year or two ago that developments and changes were happening there and we had precious little voice, other than

through colleagues in the Mersey Dee Alliance or Merseytravel, to have an effective input to those discussions.

[101] **Joyce Watson**: If I can, Chair, this will be the final question. Having that engagement and that MOU that you've just talked about, and you've said it's improved it, but have you got any examples of where that has helped?

[102] **Mr Hackett**: Just briefly, the classic example is the Halton curve, surely. The Halton curve was a great example of a working relationship on both sides of the border, and that's the point we're coming to. There needs to be greater working together between both Governments and both sides of the border with all those complexities.

[103] **Mr Prys-Jones**: Arguably, the area that benefits most from the Halton curve is north Wales in terms of its connectivity through to Merseyside. So, it was actually a very strong partnership between Welsh Government, Merseytravel and organisations in north Wales, including the ambition board, to support and encourage the reinstatement of that crucial bit of infrastructure.

[104] Joyce Watson: It's nice to finish on that.

[105] William Graham: Rhun.

[106] Rhun ap lorwerth: Moving on from that—

[107] William Graham: Yes, please.

[108] Rhun ap lorwerth: —if that's okay in the couple of minutes that we've got left. We'll be taking evidence from the freight sector next. We've been talking this morning mainly about the movement of people. For those of you who are involved in economic development in north Wales, how important is it that we move to a period where we do see investment also in the necessary changes on gauge and other factors that can increase freight capacity and drive more movement of freight across north Wales? I'm thinking mainly about Holyhead port, obviously.

[109] **Ms Maxwell:** Certainly, freight needs to be part of the analysis and the exploration of improvement to the rail infrastructure and rail services. Looking at electrification actually allows you to look at that gauge change that does make it easier to move freight around on rail. It also requires Welsh

Government and the Irish Government to work very closely together to make sure that we are not building an infrastructure that doesn't actually suit what's coming through. Pat can maybe recognise the figure that's used by Councillor Robinson from Merseytravel of the amount of freight that comes into the UK currently that comes into the south of the UK and is then transported, mainly by road, up through to the north. I think it's something like 60 per cent of what comes in is actually transported to the north, and improving rail freight capacity in particular in north Wales, but also in the north–west of England, would bring something like 150 million HGV miles off the motorway network across the UK. So, there's undoubtedly an opportunity there that we shouldn't be missing around rail freight.

10:00

- [110] **Rhun ap lorwerth**: And on the development of Holyhead port in particular, how realistic, do you think, is the prospect of having a port there that handles rail freight in significant quantities?
- [111] Mr Prys-Jones: Rather sadly, I'm old enough to remember a healthy flow of freight through Holyhead and, you know, half a dozen trains a day carrying it along the coast. I think the point that Rebecca made very eloquently is the one to focus on. I think, as long as the Irish Government is heavily focused on road transport as its main means of access across their country, inevitably perhaps it's going to be difficult for us to persuade the Irish freight industry to use the rail network instead of the A55. So, it's a difficult question and one that requires, I think, significant cross-border involvement. I think we certainly see the link from Holyhead right through to Hull as being an essential component of the Northern Powerhouse, to be honest with you. That trans-northern Europe accessibility is something that we strongly support. It's a clear freight route that opens real opportunities for development, and Holyhead is absolutely at the centrepiece of all of that. We know that there's some detailed work under way around the reconfiguration and remodelling of Holyhead port to better understand the opportunities that are available within there, and it's something that we strongly support.
- [112] William Graham: Jim, a concluding comment from you.
- [113] **Mr Steer**: Yes, very briefly, I did ask the Irish Government about this question about a year ago. It's interesting—their perspective was, 'Well, this has been dormant for a while, but it's interesting in this sense that, really, we

rely on the A55 and the English motorway network. So, if you're telling me that's going to get congested and constrained, then that would be a worry for us.' Of course, there's always the worry about network resilience. So, the reality is that they look at it from the perspective of, 'Well, this is a road haulage sector at the moment', and so that's the reality that we have to face and work out where to go forward from there.

[114] **William Graham**: Thank you very much for your evidence today. It's most helpful to the committee. I'm most grateful for your attendance today. Thank you very much.

[115] The committee will take a 15-minute recess. We'll start again at 10.15 a.m.

Gohiriwyd y cyfarfod rhwng 10:02 a 10:17. The meeting adjourned between 10:02 and 10:17.

[116] William Graham: Can I welcome Robin Smith, the Welsh representative of the rail freight group? Robin, could I ask you to give your name and title for the record?

[117] **Mr Smith**: I am Robin Smith, Welsh representative for the rail freight group.

[118] William Graham: Thank you very much. I'd like to ask you the first question, if I may. Could you comment on trends in the rail freight sector? Do these differ at both a United Kingdom and a Welsh level, and if they do, how?

[119] **Mr Smith**: There are very few aggregated figures for Wales alone. They tend to be part of the UK figures. The industry is currently working on figures that have been developed as part of Network Rail's long-term planning process, as part of this round of the periodic review, and the figures that were undertaken by MDS Transmodal of Chester, show significant growth over the 30 years from 2013, which was the base year, up to 2043, particularly in terms of things like container traffic—both domestic containers for consumer goods and also for imported containers from deep-sea destinations.

[120] Balanced against that are falls in traditional rail traffic, such as coal and steel, and, of course, more recent Government announcements have pointed out the fact that those are both going to fall quite dramatically within

the next 10 years maximum. Therefore, the trend within Wales, particularly in south Wales, which is heavily biased at the moment towards coal and steel—if they diminish, then there is a challenge, perhaps, for freight in south Wales. But all the indications across the rest of the UK are that the long-term diminution of those two traffics, nationally, will be balanced by significant growth in other flows, not only containers, but also aggregates and some other flows that move by rail.

[121] William Graham: Thank you very much. Jeff.

[122] **Jeff Cuthbert**: Thank you very much. Good morning. Welsh rail infrastructure and the key connections in England—how well do you think they meet the characteristics of an effective rail freight network currently?

[123] **Mr Smith**: At this moment, not very well, but the electrification of the south Wales main line is going to bring with it what's called the W10 loading gauge¹, which allows most containers that are in use in international markets and in domestic markets to pass on ordinary wagons without investment. The last published figures, which was about six or seven years ago now, when the Wales route utilisation study was published as part of the last periodic review, show that the whole of the south Wales main line through to Haverfordwest, the line from Newport to Crewe, and the line from Crewe to Holyhead were all, in those days, W8 gauge, which is somewhat restrictive, but not as restrictive as the gauge on the other lines in mid Wales, for instance. Whether that is still practically possible or whether the gauge is still that, I don't know. But in order to take full advantage of the growth in container traffic at an economic rate, it will be important that the main routes throughout the network in north and south Wales, and mid Wales, possibly, are upgraded to W10 loading gauge.

[124] William Graham: Could I just make the point, Robin—? I'm sorry to stop you in mid-flow—

[125] **Mr Smith**: That's all right.

[126] William Graham: Could you just, for the purposes that this is being broadcast, remind us exactly what the W10 gauge—? It is not the width of the rail.

 1 Mae'r tystion wedi darparu gwybodaeth ychwanegol /The witnesses have supplied further information: pdf html

- [127] **Mr Smith**: No, the loading gauge is in terms of the width at the solebar and the height of the wagon. Also, very often, we've got bridges that are shaped—. That can be a problem, in that the square edges don't necessarily fit through the curve.
- [128] **Jeff Cuthbert**: A practical problem, no doubt.
- [129] **Mr Smith**: Yes, that's right. It has been known to happen.
- [130] **Jeff Cuthbert**: Okay. Apart from those upgrades or enhancements that you've mentioned about upgrading the gauge and, indeed, electrification, are there any other enhancements or upgrades that you think would be beneficial that are practically possible?
- [131] Mr Smith: Yes. As I put in my submission, you have two criteria. One is capability, which is in terms of the weight that can be carried and the size that can be carried, and the other is capacity. The capacity is limited by or is defined by the number of trains that can be passed along a route. Obviously, different types of trains consume different amounts of capacity, i.e. time limits or time events between specific locations, signal boxes or signals along the route. So, investment to enhance capacity, either as part of the current and planned resignalling procedures or a stand–alone investment will help. For instance, using this as an example, the line from Newport to Chester, on which I live—or to Crewe—. If passenger plans were such that—I'll just pick a number—there were going to be four trains an hour on that line, then where would the capacity be for freight unless you put more signalling in to allow more trains to pass along the line? So, if you're talking about expansion in one mode, you've got to look at the effect on total capacity—
- [132] **Jeff Cuthbert**: Yes, I can see that.
- [133] **Mr Smith**: So, the other thing is in terms of speed, not in terms of maximum speed, but, very often, in terms of the fact that if freight has got to be diverted onto a slow line, temporarily, to allow a passenger train to overtake, like on the south Wales main line, which has loops at Miskin, for example, the faster the turnout that takes the train into that loop, the quicker it's cleared out of the way for the next passenger train to pass, and if you've got a higher speed to get out—the quicker it can accelerate away to get to the next location. So, therefore, signalling enhancements and

improvements and track configuration enhancements, although small scale in of themselves, can actually yield big dividends in terms of capability and capacity.

[134] **Jeff Cuthbert**: Okay. If I may, Chair, just finally, that's very clear. Now, in terms, though—I assume, of course, you're making representations to both the UK Government and to Network Rail on these matters. What is the sort of response you're getting?

[135] **Mr Smith**: The national, UK Government recognised the specific needs of freight by setting up, as part of Network Rail's funding, a strategic freight network fund, which has been used over the last five, seven years to fund freight–specific schemes such as we have just been talking about, either as standalone schemes, or as add–ons to other schemes that are already planned. The principle was carried forward into the current control period, only there has been a 6.5 per cent cut, which has just been announced, from £253 million to £236 million, for the fund. But that's rather smaller than the cuts in some of the other specific funds, so that's indicative of UK Government's interest and support. The UK Government, through the Department for Transport, have also just engaged in a consultation process about setting up a rail freight strategy for the UK. Similarly, Transport Scotland are undertaking a rail freight strategy and are being extremely supportive of rail freight.

- [136] **Jeff Cuthbert**: Thank you.
- [137] William Graham: Rhun.
- [138] **Rhun ap lorwerth**: I'll just go on from there: and Welsh Government?
- [139] **Mr Smith**: I was part of a ministerial working group a couple of years ago on rail freight, but there is no specific rail freight policy or strategy. If you look in the national transport finance plan, there it does refer to providing support to schemes as appropriate in line with the task and finish group's report.
- [140] **Rhun ap lorwerth:** But is a lack of strategy concerning?
- [141] Mr Smith: Yes, it is. Yes, it is.
- [142] Rhun ap lorwerth: You've talked in some detail about issues on the

south Wales line. If we could look outside of the south of Wales for a moment, in written evidence to this committee, DB Schenker said

[143] 'there is little, or no, current rail freight activity on either the Cambrian or north Wales routes.'

[144] They went on to say:

[145] 'It is hard to see any substantive change to this in the foreseeable future.'

[146] Would you agree?

[147] Mr Smith: To introduce rail freight traffic in those areas is going to involve investment from both the public sector, through Network Rail, and through the private sector in terms of providing the resources and providing the terminals to handle that traffic, et cetera. Without some long-term assurances as to continuing capacity and capability, it is going to be difficult—not impossible, but it is going to be difficult—to encourage the private sector to provide that investment. It's not impossible, and I'm certainly very keen to see rail freight to Holyhead redeveloped, hopefully as part of any electrification plans, et cetera. Because electrification, as I said earlier, is likely to bring, or does bring, in general terms, an increase in loading gauge, which could be the key to rail freight traffic returning to Holyhead. If that were to happen, who knows what else could follow? Such as a domestic terminal somewhere along the north Wales coast, or such as a Deeside consolidation centre, as was talked about previously as part of a north Wales freight strategy, which is currently being revisited by the northeast Wales economic ambition board.

[148] **Rhun ap lorwerth**: Has there been enough discussion of the poten<u>tial</u> of increasing rail freight as part of the work on putting a business case together for north Wales electrification?

10:30

[149] **Mr Smith**: I understand that rail freight is being included as one of the add-ons to the bid to develop the business case for north Wales electrification. So, it is being considered as part of that case, so I understand.

[150] Rhun ap lorwerth: Would you expect it to be an add-on? I'm just trying

- to—. Maybe that's just the normal way of approaching things. Should it be more central to it, or is that just the way things are?
- [151] **Mr Smith**: The word that I use—and was interested to see some of the other submissions are now using the same word—is 'holistic'. It's been the word I've tried to bring to it for the last six or seven years. I think there is becoming within DfT—who have the lead on it because it's an infrastructure investment—a recognition of the need to consider freight alongside passenger at all times.
- [152] **Rhun ap lorwerth**: And how important, then, is it that Irish Government is closely, closely linked into this debate on freight in north Wales?
- [153] **Mr Smith**: I think it is very important. The Irish are developing their rail freight from a very, very low base. They're developing it quite significantly, both out of Dublin port and out of Waterford, with regular flows through both being moved by rail. And it is important that they are party to the discussions, et cetera, and should be involved.
- [154] **Rhun ap lorwerth**: Is it your feeling that they are?
- [155] **Mr Smith**: I believe so, yes; I've been involved in meetings recently in north Wales that Irish representatives have either been able to attend or have at least been invited. So, yes, there is a positive movement towards deeper involvement with the Irish authorities.
- [156] Rhun ap lorwerth: Okay, thank you.
- [157] **William Graham**: Janet, I think both of your questions have largely been asked—answered, rather.
- [158] Janet Haworth: Yes, they have. Thank you very much, Mr Smith. I just really wanted to make sure you've said all you want to say about national transport finance planning in relation to the opportunities to support rail freight in Wales, and perhaps to give you an opportunity to talk more about your holistic concept here, because you are now linking freight and passenger movements, but also there's the complexity of the cross-border element we need to take in. And it's good to hear that there are some positive moves going on in Ireland, which, of course, is very important for Holyhead. And, clearly, if we can develop Holyhead that's going to have an

impact on employment opportunities there. So, in terms of building business cases, you know, there are areas like Holyhead that have suffered in the past that could benefit from this sort of development. And, clearly, what you said about Deeside, where we have a lot of activity, but no freight terminal, no railway station—that doesn't seem to make a lot of sense.

[159] **Mr Smith**: The importance of a holistic approach is that it allows all factors to be considered in any specific process, not just passenger and freight on rail, but passenger and freight on rail, road and to an extent, with active travel as well, because if you look at creating a rail freight terminal—like the Deeside consolidation centre—you can look generally at the fact that's going to move traffic onto rail, modal shift, environmental benefits, but the traffic, having arrived at that terminal, has got to be moved for its last mile, as it's called, by road, because rail doesn't tend to serve private factories unless they're very big, like power stations or steelworks.

[160] So, therefore, there can be an effect on the local road network, so you've got to look at that. You can't just look at rail in isolation from road. But you can also look at the fact that, if you invest in the north Wales coast main line electrification, does that mean that you don't need quite so much investment on the A55 and the other connecting roads? So, therefore, again, you can't look at anything in isolation, necessarily.

[161] Similarly, coming back into the rail sphere, let's hope that a business case can be built for electrification on the north Wales main line and it's achieved, and the result is there are an awful lot of additional passengers attracted to rail and more passenger services are operated. But, then, all the capacity—using the word I was talking to the gentleman opposite about—is then used up for passenger services and there is no capacity left for freight. So, you've got to, again—in looking at the whole business case for something, you've got to look at all the implications for passengers and freight, for the road network, and all the other factors need to be considered as a piece.

[162] **Janet Haworth**: Is there a happy solution there in terms of looking at the times that passengers want to travel and perhaps moving freight at times when the passengers are not travelling—unless that freight is very time–dependent, of course?

[163] **Mr Smith**: It is true that the growth freight, particularly into domestic traffic—and even, in fact, in terms of some of the bulk freight—. I worked in

the steel industry for most of my working life, and even that is becoming more and more time sensitive as stocks. Instead of moving from one buffer stock to another buffer stock, you are now moving as part of a just-in-time process, so all freight—well, that's not perhaps quite true, but more and more freight—is becoming time sensitive. Added to this, while, traditionally, more freight has moved by night than by day for these reasons, as the amount of maintenance of the track has increased, so lines are more and more shut by night in order to allow for minimal disruption to the passenger services. I don't think the good passengers would take kindly to having the line shut from 12 noon to 5 p.m., whereas the freight has to cope with the fact that the line is shut between midnight and 5 a.m.

[164] Janet Haworth: Yes. Thank you very much.

[165] **Joyce Watson:** That leads me nicely on to some of my questions, and one of them is whether, in your view, the rail planning process, particularly delivery of rail infrastructure through a five-year control period, is effective, from your point of view.

[166] **Mr Smith**: There are two aspects of the five-year process: one is in terms of the planning, but the other one is in terms of the access charging regime. Now, for that, the five-year horizon works quite well, because it gives reasonable certainty to both the rail freight operators and to rail freight customers of the charges they're going to encounter over following years. In terms of the investment, one of the things that's coming out of the Bow Group report is that it may be that, for the bigger investment schemes, other criteria—they could maybe be handled outside the five-year process and with slightly different criteria, but with the charging regime still maintained at five years.

[167] **Joyce Watson**: We've talked with you already about some practicalities of accommodating passengers and freight, and, if it was the case that there was a presumption that you would like in terms of freight being favoured on particular routes and in business plans, do you think that might prove to be too costly when those business plans are being presented for those particular routes?

[168] **Mr Smith**: I think, as I said earlier, that treating investments holistically and looking at not only the implications of the investment but the spin-off effects on the road network or elsewhere will create a realistic business case—not necessarily an expensive one, a realistic one—and also it does

ensure that you don't invest in something today and then have to come back and invest in something tomorrow. By making passive provision for freight, or at least taking account of its requirements at the time, you will create realistic business cases, not necessarily expensive ones.

[169] **Joyce Watson**: Do you think that those people who need to be convinced of what you've just said—the holistic approach—are beginning to see that?

[170] **Mr Smith**: Certainly within the DfT, as I say, yes. They've set up a number of work streams towards the creation of a rail-freight strategy. Yes, there is a growing understanding of the need for freight to be treated not as an add-on to be considered when everything else has been done, but as part of the process.

[171] **Joyce Watson**: Just one final—. We're talking about freight and economic development. Where there have been in existence lines connecting previous business establishments that are no longer in use, are you aware of any proposals that have gone forward to link those—and they will have been freight lines, mostly—to reconnect to main lines and perhaps build businesses within existing infrastructure?

[172] **Mr Smith**: Well, I was reading the latest edition of *Modern Railways* last night, and something I hadn't even heard of and I haven't had a chance to follow up this morning is the fact there is talk of using the old Anglesey Aluminium site and its connections at Holyhead to service a biomass generating plant that is also going to be used to grow vegetables and other things that are, as part of their business case, going to be dispatched by rail. That was entirely new to me last night, I'll be honest; I hadn't picked that up in any of the discussions that I've been in and I shall be following that up with people tomorrow.

[173] One of the ideas for having a rail freight facility at Holyhead to connect with the ferries, talking about container movement, was to use those connections at the Anglesey Aluminium site to act as the transhipment point onto the trailers that would move the containers across the water. So, I'm glad to see there are people talking about using those connections et cetera. There are other connections into ports and some of the smaller ports that are slightly underused that could be used more as well.

[174] Joyce Watson: And that should all—sorry, Chair. I think this is quite

important. We talk about brownfield sites for other uses and these are sort of brownfield sites for railway and investment. So, in your opinion, when we're building a business case for rail infrastructure in Wales, do you think that that should be included within that business case?

[175] **Mr Smith**: Yes, as I say, the potential for freight needs to be investigated and incorporated into a business plan going forward.

[176] Joyce Watson: Thank you.

[177] William Graham: Mick.

[178] **Mick Antoniw**: Thank you very much for your evidence. I'm sorry to say I don't necessarily share the same evening reading, but—.

[179] Mr Smith: I'm very sad, I am. [Laughter.]

[180] **Mick Antoniw**: Absolutely. I'm just getting a little confused because the whole freight strategy is incredibly centralised, isn't it? There may be a logic to it, but do you see problems with the overcentralisation of it in respect of being able to actually implement this broader holistic freight strategy?

[181] **Mr Smith**: I would actually turn it round the other way and say there are more concerns regarding too much decentralisation, both in terms of the planning and certainly in terms of the operational control, where—as I've put in the paper—we have major concerns regarding too much devolution and we see the need, and we advocate the need, for maintaining a strong, central system operator.

[182] **Mick Antoniw**: That's what I really wanted to explore. I can understand the logic of what you're saying, but from our perspective—and not just within Wales but other parts of the United Kingdom—where you're developing particular economic strategies, part of which will be built around freight and so on, you actually see that the overcentralisation may actually be something that works against—. How do you overcome the need for the development of the regional economic strategies, which clearly will have significant focus on issues such as freight and transit and so on, and the fact that the overcentralisation may actually mean that it becomes difficult to incorporate them together? How well can the two work together?

- [183] Mr Smith: Again, sorry to keep on—
- [184] Mick Antoniw: No, please.

[185] **Mr Smith**: I commented earlier on Transport Scotland as being very supportive of rail freight. The Network Rail aspects of rail operations in Scotland are much more directly controlled within Scotland than other parts of the network in the UK are locally controlled. While that has brought many benefits, one programme that was delayed because they chose to invest in other things was the gauge enhancement of the East Coast main line north of Berwick. The English part of that line has been all converted up to W10 and W12 gauge; that stretch has not yet been done.

[186] We have a situation at the moment where there's a viaduct washed out at Lamington between Carlisle and Glasgow, for simplicity, that's going to be out for at least three months while they, basically, rebuild it; the river Clyde got a bit nasty one night. Therefore, the freight cannot get through; there is no suitable alternative route. Had that been centrally planned and the whole route had been considered, then we would have had a successful diversionary route we could have turned on—Network Rail and the freight operators—immediately. Therefore, having different planning rules and different planning criteria can cause issues. As I said in my submission, if you devolved all planning to Wales, you could have decisions on the line up to the Severn tunnel, but then freight couldn't go any further because the English Department for Transport hadn't made similar investments on the other side.

[187] Mick Antoniw: So, isn't the point that really arises out of that that the benefits that we might see, for example, from having greater devolution over the infrastructure and control over that, have also got to be complemented by the proper co-ordinating strategies working with all the other units that are involved? The point that you make there with the Scottish line is, really, clearly, a breakdown of communications. So, it's not insurmountable, but what you're raising, I suppose, are that there are very specific challenges if you don't get that right.

[188] **Mr Smith**: Absolutely, that's right. You've still got to have an overall central view to ensure that things are done on a full line of route, not on bits of a line of route. That's particularly important not only for freight, but also

for long-distance passenger services.

[189] **Mick Antoniw**: Yes. So, I suppose the perspective from which we should take the evidence that you've given—the concerns you have, which aren't insurmountable—is that unless there is a very specific strategy of cooperation and joint planning that works well, there are major obstacles to the decentralisation of what exists at the moment.

[190] **Mr Smith**: That's right, and that's true on both the investment level and on the day-to-day operating level, because the other thing you can have, if you don't have central operational control through a system controller, is that you can have one line shut for a period for a genuine investment programme. That's isn't a problem for freight, providing there is an alternative route, which has generally been provided these days for most flows. But, all of a sudden, if two different devolved parts of Network Rail are both pursuing their own policies, you could finish up with the main route and the diversionary route both blocked at the same time.

[191] **Mick Antoniw**: As these processes may move quite quickly, do you actually think the mechanisms and the structures are actually in place to achieve that level of co-ordination, co-operation and discussion, or is there work that needs to be done there?

[192] **Mr Smith**: They have been evolving very successfully over the years with Network Rail. Whatever other issues all these different reviews at the moment are looking at, that part is operating reasonably well. I'm not going to say it's brilliant and it's perfect, but it is operating reasonably well and has contributed to the significant growth in rail freight and passenger movements over the last 20 years since privatisation.

[193] William Graham: Thank you. Janet.

[194] Janet Haworth: Because of your vast knowledge and experience, which we're very appreciative of here today, I've got three areas I'd just like to touch on. The first is a bit of a kite. You mentioned small ports. Now, Anglesey also has another small port at Amlwch, and I just wondered if you had any thoughts about possibilities for developments there. The other question is around river management. You mentioned the problems with the Clyde. Interestingly, geographically in Britain, our urban settlements have tended to develop close to rivers because we used the rivers to transport things. So, maybe you have something to say about our river management,

given the events of this Christmas. Finally, because you think holistically, do we have anything to learn from air transport, which does carry passengers and freight, of course?

[195] **Mr Smith**: In terms of the smaller ports, I think you have to look at what traffic they might be developed to handle. There is another one in north Wales as well, which is Mostyn, and the manager there was at one recent meeting I was at in north Wales looking specifically at freight and logistics. I don't know what flows could go through somewhere such as Amlwch. The Chairman and I, in a previous life, were both Newport harbour commissioners, where river management was part of our activities. That's how I first met the Chairman.

[196] Mick Antoniw: It's all water under the bridge. [Laughter.]

[197] Mr Smith: Exactly.

[198] Janet Haworth: Yes, or over the bridges, as is happening today.

[199] **Mr Smith**: I don't think it's right for somebody who represents a rail freight group to comment on river management per se. It is important that rail structures that cross waterways and rivers are properly maintained and properly monitored to ensure that, when we have bad weather conditions, action is taken to ensure the safety of all users, but I don't think it would be right for me to comment on river management.

[200] On the third one, regarding air, what I would say is that, unlike road and rail, although we all use the same air, they've developed separately. In other words, in general terms, except for the very high-value traffic, people fly in passenger planes and freight moves on freight planes. So, there isn't that much mixed use, whereas if you go and stand on Wrexham station, just down by there, you will see passenger trains going through—a couple an hour—and you will see five or six freight trains, or maybe 10, passing through during the day, but all on the same rail network. Therefore, the reason for thinking holistically, I maintain, is that we have in the UK, generally speaking, a mixed-use network, both the rail network and the road network, which is why they need, I believe, to be treated as one and the same.

[201] Janet Haworth: Thank you very much for that.

[202] William Graham: Jeff.

[203] Jeff Cuthbert: I appreciate all that you've said about, of course, a national system of technical specifications. Great Britain is one island, and the three countries of Great Britain are joined to each other, particularly Wales and England. But, does that mean that you and your group have grave concerns about the principle of devolving responsibility for the infrastructure? Now, we know it's already devolved to Scotland, and you've made some references to a particular incident, but, in general terms, has it created difficulties for rail transport flowing from England to Scotland? Is the devolution to Scotland something that, professionally, and in terms of engineering, you would regret? There are suggestions, of course, that rail infrastructure funding—it's under discussion—could come to Wales. Would you have serious concerns about that?

[204] Mr Smith: I wouldn't go so far as to say 'serious concerns', but, for the reasons I've been setting out over the last half an hour or so, I would have concerns regarding the potential for different approaches to investment plans and investment criteria and, equally, the potential for a disconnect in terms of system operator control. I would also ask: how, for instance, would the line from Newport to Crewe and Chester be controlled? There's more length in England, certainly on the Crewe part of it, than in Wales, and you've got key interfaces such as Shrewsbury and Hereford, which are in England but which are absolutely key to the Wales rail network. So, there would need to be very, very careful delineation of roles and responsibilities as the amount of devolution increases, if I can put it that way.

[205] **Jeff Cuthbert**: Okay. I can see in what you're saying, obviously, that you have to have these agreements, and I'm sure rail engineers would insist upon that and the logic would not be lost on any Government, I trust. But where we have, say, lines for freight, or indeed passengers, that are wholly within Wales—take the Valleys lines, for example, and there are coal trains going down the Rhymney valley on a regular basis that will not cross into England—presumably then you would have fewer concerns, provided, of course, that the same rigorous standards were met.

[206] **Mr Smith**: Yes, but you take those trains—. I know most of those freight trains actually pass through Cardiff station and are going to Aberthaw. I'm not sure what sort of a life Aberthaw has, but let's say that the Cwm Bargoed facility has a longer life than Aberthaw—those freight trains will then come out onto the main line and could possibly be going towards a

power station in England. So, you've then got this interface again of two operators and two engineering overlords, for want of a better word. I can't think of a better word at the moment. There's this potential for disconnect, and what I would commend is that that potential is minimised in order to ensure that both passenger and freight are treated equally, fairly and with the opportunity to provide growth of their usage.

[207] William Graham: Okay. Thank you. Splendid. It's very good to see you again, Robin. Thank you very much for your evidence today. It's greatly appreciated by the committee. Thank you for coming today.

[208] Mr Smith: Thank you, Mr Chairman. Thank you all.

[209] William Graham: Good morning, and thank you for your attendance today. I don't know whether you've seen our agenda. Don't feel inhibited that you're all that is between us and lunch. [Laughter.] I'll start the first question, if I may, on the devolution of transport in England, could the witnesses provide a brief overview of transport devolution in the north of England and the west midlands, and particularly of the purpose, output and future plans?

[210] Mr Still: Shall I make a start?

[211] William Graham: Please.

11:00

[212] Mr Still: My name is Ben Still. I'm executive director of a body called Sheffield city region, and I also lead on rail for a body called Transport for the North. So, I can give a bit of a perspective from a north of England kind of potted history, I guess. In essence, the north of England have come together across the different authorities of the north, primarily to redress the fact that previous rail franchises, particularly the northern franchise, were issued and set over the last decade or so with very limited planned growth. In fact, the last franchise was based on a no-growth scenario in rail patronage and followed from kind of decades of underinvestment in rail and other infrastructure in the north. In essence, with the franchise coming up for renewal in 2016, northern authorities believed that if they didn't start making the case strongly several years ago that situation would carry on. So, it's really to redress that problem, to take greater influence over the franchise process, and greater influence over the business case-making process for investment in the north. That's really why Rail North and

Transport for the North were created and are taking things forward.

[213] In terms of outputs, looking forward, let me deal with Rail North first. So, Rail North is a body that is a partnership across authorities across the whole of the north of England. It is primarily concerned with the two franchises that operate wholly within the north—that's trans–Pennine and northern—and growth targets for rail patronage have been set in order to facilitate economic growth. It's those key outputs that are being looked at, or being sought, over the life of the franchise period. That's distinct from Transport for the North—it's a later creation—and that is a body that's primarily concerned with making the case for what you might call investment in transformational infrastructure across the north, and that's looking at a longer time frame, 30 years hence, in order to really invest in the kind of infrastructure that the north needs—to coin a phrase—to really play its part in the Northern Powerhouse and to drive economic growth. I'll stop there, Chair, but I'm happy to take further question on it.

[214] **William Graham**: Thank you very much. Any other brief comments from other members of the panel?

[215] Mr Rackliff: Yes. Thank you, Chairman. Speaking from a west midlands perspective, I suppose that there are probably sort of three strands that we're looking at in terms of devolution and its impact on transport delivery. I suppose the first one, on a local metropolitan level, has been the recent formation of the west midlands combined authority, which I will shortly be working for when it comes into existence formally next year. As part of that devolved settlement with Government, with the seven metropolitan districts agreeing to come together and co-ordinate their transport and economic planning going forward, that's actually led to and includes a funding settlement from central Government, and actually greater influence over what we actually spend some of that money on in a multimodal context—be that on bus improvements, on extending the midland metro services that we've got, or improvements for the existing rail network within that metropolitan area.

[216] I suppose the second strand to that—and, again, it follows very much on from the Rail North proposals—has been: we have our own proposal at the moment, which is part of the consultation, which we jointly launched with the Department for Transport on the west midlands franchise recently whereby, again, we have a consortia not just of the seven metropolitan area authorities and the West Midlands Integrated Transport Authority, but also

seven surrounding shires and unitaries across the whole of the west midlands, and also Northamptonshire in the east midlands, covering the travel-to-work area. The purpose of that very much is to have some direct involvement at the local level in the specification and the management of the next west midlands franchise, replacing the current London Midland franchise going forward so that we can actually—[Inaudible.]—of benefit, not just to passengers but also to wider stakeholders and, in particular, businesses—Birmingham Airport, for example—but also our growing economic centres where we are seeing growth in different regional centres. and actually, I suppose, trying to bring the local and regional rail network up to a place where it more closely reflects modern requirements, both of the passengers and businesses in terms of expanding their pool of potential employees, by making it easier for people to commute. Just as an example of one of the areas where, I think, we've fallen down in recent years, is evening and Sunday services in particular. Effectively, in a lot of areas, these are the same as they were 20 or 30 years ago, but, actually, the evening economy, and in particular, the Sunday retail economy in the urban centres has increased out of all proportion to where we were a couple of decades ago through the relaxation of Sunday trading laws.

[217] I suppose, thirdly, the impact of devolution that I wanted to touch on, similar to what's happening with Transport for the North, is that we're working now on a pan-regional basis with the east midlands authorities and local enterprise partnerships on something that we call the Midlands Connect initiative where we're trying to make that broader economic case for strategic transport investment to improve connectivity between the key economic centres, for example Birmingham and Nottingham or Coventry and Leicester, to try and support continued economic growth, and what the Government is now referring to as the 'midlands engine' to match the Northern Powerhouse.

[218] William Graham: Thank you. Does anyone else care to—? Pass on. Fine, no problem. Jeff.

[219] **Jeff Cuthbert**: Thank you. Good morning. Can you—? Indeed, all of you are welcome to comment on your assessment of the current effectiveness of the rail infrastructure along the border and in the west midlands, in particular, as it impacts on the efficiency of the rail service for, obviously, we're concerned about the people of Wales, clearly, and then, any priorities for further infrastructure investment that you might have.

[220] Mr Brunskill: If I can just respond to that on behalf of Rail North. My

name's Pete Brunskill, I'm on secondment at Rail North from my substantive role as the rail officer at Warrington Borough Council, so I have a lot of dealings with colleagues in north Wales, historically, and I've worked on the Rail North project for about two and a half years. Obviously, we're entering a new phase now with the franchises, which are actually going to be run from our office in Leeds from April, so devolution moving forward.

[221] I think, in terms of the rail infrastructure in Wales and the borderlands area, as Dr Still's explained, Rail North is made up of the 29 authorities across the north of England, and, obviously, the authorities in Merseytravel and both Cheshire and Warrington have a greater interest in connections with north Wales in particular. I'll leave Toby to comment in relation to the west midlands. So, I think in terms of looking at those key cross-border links, obviously the interest and concerns we would have and the support that we would look to offer the Welsh Government really would be in terms of those key links along the north Wales coast and through into the international port at Holyhead, and, clearly, the links to Bangor and the major higher education facilities in the area, and obviously a major attraction like Wrexham, particularly, in terms of the borderlands links through to Liverpool. So, clearly, there are key links linking particularly the north-west of England with the north Wales area, predominantly.

[222] I think, as has been highlighted in many reports over the years, we've certainly tried to assist and contribute with colleagues' issues around the north Wales main coast line in terms of line speeds, resignalling and the single track section of the railway into Wrexham. So, I think those were the sort of issues where, as much as we're able to, we would look to offer support for the Welsh Government looking to make improvements to that infrastructure.

[223] **Mr Rackliff**: I think, from a west midlands perspective, obviously we look towards Shrewsbury as our gateway to large parts of both mid and north Wales, and I think the importance of Shrewsbury, although it's in England, as an interchange hub for the rail network for the whole of Wales can't be understated from that point of view.

[224] We have specific issues in terms of how that connectivity is provided at the moment, though. One of the key problems at the moment is that we do have two different franchise operators providing the bulk of the services on that route coming in from Shrewsbury towards the west midlands, as well as the couple of new and very welcome Virgin services that now run directly

from Shrewsbury and Telford down towards London Euston. But the way that those services are organised at the moment is really quite inefficient, and I think it provides quite a poor passenger offer. To give just an example of that, the gaps between services in one direction is only about four minutes off arrival times and, again, I think, in the other direction, there's a gap of about 40 minutes, effectively. So, whilst you might have, normally, two services an hour, there's, effectively, a fast service and a slow service, and I think that distorts the market somewhat. In fact, one of the things we're looking at in terms of future options for the west midlands franchise is the art of the possible in terms of potential timetable improvements. One of those is looking at whether we can do something, from the west midlands point of view, with the west midlands service, that actually provides a better overall service offer to Shrewsbury and then for onward connections into Wales. Obviously, they're the wider discussions that I expect you will come into later this afternoon about the future shape of the Welsh franchise and whether services in England have a slightly different future to those that are largely or wholly within Wales, going forwards.

[225] But, I think, one of the key things that we would like to see in the longer term on that particular corridor would be the electrification of that route. Currently, it's diesel only. Almost all of the other regional services on that corridor that come out from Birmingham towards Wolverhampton are electric, at the moment. So, having this little island of diesel operation going out towards Shrewsbury is an issue in terms of the operational resource of the railway. Also, it would make it easier in future, given that the majority of Virgin's fleet going down to London is electric, to actually improve services direct to London from the Shrewsbury hub, going forwards, as well. But, obviously, they're bigger picture questions, and that wouldn't be a cheap scheme by any means, and it's not one that a great deal of work has been undertaken on so far, but I think it's probably in the ballpark of around £80 million to do the electrification and the associated line speed improvements on that.

[226] I think, if I could quickly touch on one other area as well, in terms of our Welsh connectivity, because also we do look, obviously, towards south Wales as well, and the connectivity there, which I think in some ways—. Again, there's an hourly service that is relatively slow at the moment that comes up from Cardiff through to Birmingham and then goes on towards Nottingham. One of the issues that we've highlighted in future is the potential to speed up that service through using HS2 post 2023, once phase 2 has been built, onwards towards the north of England, so you actually have

real potential to cut down on some of the journey times there, not necessarily into the west midlands, but certainly across the west midlands and then towards the north of England. One of the things that we had previously been petitioning Government on was for a connection between high speed 2 and the rail network in the west midlands, which is something that was part of the Government's thinking as an option back in 2013, from the UK Government point of view. But that's something that's now been formally dropped, as of November last year, in the command paper that was published. Because, I think, if you had had that piece of infrastructure in place, you might have the opportunity to take an hour off some of the journey times from Cardiff to Leeds or Cardiff to Manchester, whereas now we're in the situation where you have to go back to changing stations in Birmingham. Again, we've got a fallback position on that that might make things easier by focusing more services on Birmingham Moor Street, rather than Birmingham New Street, because Moor Street is much closer to the HS2 station, going forwards. But, again, that requires some major infrastructure intervention in the central Birmingham area to enable those sorts of interventions to happen.

[227] William Graham: I presume the Cambrian line to Shrewsbury doesn't altogether figure a great deal, does it?

[228] **Mr Rackliff**: I suppose not hugely. I think we're aware that, actually, there are substantial numbers of people who come in from that line. I have friends in Criccieth who, for example, take the train into Birmingham to go shopping—

[229] William Graham: It's two and a quarter hours, isn't it?

[230] **Mr Rackliff**: It is a long journey and it takes a long time, yet they can actually get on a train and it will drop them in the centre of Birmingham for the Bullring and the other shopping centres, rather than going anywhere else.

[231] William Graham: Thank you. Jeff, do you—?

[232] **Jeff Cuthbert**: No, that's fine. Well, does anybody else want to comment? If I may, before you come back, we have talked in previous sessions, then—. We know that the rail infrastructure—the planning and implementation—is devolved to Scotland, not devolved to Wales. The Welsh border with England is very different from the Scottish border with England,

and we've described those things. So, do you think, on balance, that there would be merit in devolving rail infrastructure to Wales, or would there be a lot of caveats with that?

11:15

[233] Mr Still: That's a very thorny issue, not just for Wales, but for other parts of England as well. So, I guess I can offer some thoughts, but please don't expect me to offer a definitive conclusion. I think there are always going to be caveats because you are trying to balance various competing factors. As political devolution and administrative devolution become more important, it makes sense to have funding and the same geography applied for types of infrastructure, just because that makes a lot of sense in terms of leadership and administration. However, you're trying to balance that with the fact that the railway is a national network. By its definition, it is about connectivity across the whole of the country—that includes Scotland—and you don't want to lose that through breaking up the way that infrastructure is planned. I guess there's a third factor as well, which is that you're also trying to look at ways that you can maximise and lever funding into infrastructure. Some of that's public sector, for sure, but we're all very mindful of the need to try and lever private sector capital and investment into the railways: so, whatever unit of devolution or infrastructure management you're looking at has got to be understandable and make sense from a private sector investment perspective as well. So, I fear the answer is: it may make sense; there are almost certainly going to be lots of caveats. That's just as true for the north of England as it would be for Wales.

[234] **Jeff Cuthbert**: Thank you.

[235] William Graham: Rhun.

[236] **Rhun ap lorwerth**: Looking at north Wales electrification from an English perspective, is it in the interests of rail in the north and north-west of England for the north Wales main line to be invested in, in electrification, in the medium term, rather than wait for the very long term?

[237] **Mr Still**: Shall I start with some overview comments, and then maybe Pete can come in with the detail? So, Pete and I were both involved in supporting a Westminster MP's group looking at rail electrification, and that MP's group proposed priorities for across the north of England around the electrification programme. There was a lot of interaction with the Welsh

Government as part of that, in particular looking at that north Wales route.

[238] But, some general observations first: the two key things that came out of that were the need to begin to look at electrification as a rolling programme—this is not about the bespoke and piecemeal implementation of electrification across bits of the network; it's actually looking at how you would electrify the whole of the network in due course—. We believed, and the committee believed, that you had to plan in that way in order to build the supply chain and the capacity in the industry such that it could scale up to be able to meet those needs. Now, if you're implementing an electrification programme, and we went through a process of trying to prioritise that on the basis, primarily, of wider economic benefit, the case for doing the bits that are left becomes stronger, for all sorts of operational and resilience reasons-Toby's comments about little pools of diesel trains don't make much sense for a connected, operational and efficient railway. So, although we didn't look at north Wales explicitly, I suspect the answer is that of course it would make sense if the rest of the railway's moving towards an electrified model.

[239] Mr Brunskill: Just moving on from what Ben's outlined there, we both assisted the independent taskforce with their work, and I think partly because of the very good connections we've already had with colleagues in north Wales we were able to get some involvement in what was essentially—you know, it was titled 'the independent north of England electrification taskforce'. The Welsh Government did actually come and present to the taskforce, and submitted various documentation. Andrew Jones MP, who actually chaired the taskforce, came to a meeting in north Wales and spoke at length to business people and Assembly Members. I notice our colleague John Rooney in the audience; John was involved in the technical and stakeholder work in relation to that. The final report that the MPs published, which was submitted, the 'Northern Sparks' report, while it was about electrification in the north of England, it did mention in at least four places in the report issues relating to north Wales, and did offer commentary on those.

[240] I think from the perspective of those of us working on rail in the north of England, in answer to the specific question about the medium term, yes, it's essential, isn't it? I think, presumably, in terms of the infrastructure issues, the priorities for the north Wales coast line in the shorter term are the resignalling, the line speeds and the capacity, but certainly what we're finding in the north of England is that the electricware is the future, really. I could illustrate this by an example. We've travelled from Leeds and

Manchester today on the services, and we've come through Newton-le-Willows and Warrington and Cheshire into north Wales. The line through Newton-le-Willows was electrified last year as part of the north-west electrification project, and the dreaded Pacer railbus trains were replaced by rolling stock cascaded from the south-east that hasn't particularly been refurbished. I remember going to the original launch when I was a university student, a very long time ago, and we're now relaunching it. But the initial patronage figures—we were talking to Northern Rail last week—and growth on the routes that have been electrified are—[Inaudible.]—per cent more than would be expected. So I think there is definitely a massive impact and benefits to the work, I think. The independent parliamentary group did look at the rolling programme that Ben has outlined; I think there's more and more evidence emerging that it is very much the way forward. Certainly from the perspective of Rail North now, as a body, which will be working with the new operators and running the franchises from 1 April, we've started to look again at how to revisit that work on electrification and how to build up the case. John and others have very kindly shared the work you've been doing in Wales on the north Wales coast line. So, I think, in terms of the perspective of the north of England and those critical links into north Wales, that would obviously be a priority for infrastructure.

[241] **Rhun ap lorwerth**: Back to something you said, I took from what you said that the north Wales electrification project might only happen, actually, by default, in that, 'Well, the rest has been done, so it kind of makes sense to do north Wales', not because a strong case has been made for north Wales. Everybody accepts, I think, that it's difficult to make a business case according to the yardsticks that the Department for Transport use. Does that suggest, therefore, that there's something wrong with those yardsticks, in that there's clearly a strong socioeconomic case for electrifying north Wales that really doesn't play into the way decisions are made by DfT now?

[242] Mr Still: Shall I try and respond to that? I guess I would characterise it slightly differently, in the sense that, one of the critical pieces of work that the taskforce was very keen to pursue was looking in quite some depth at how the rail industry did prioritise schemes and the criteria that it used. It's the reason that it switched away from what you might call criteria that were primarily based on operational and efficiency within the industry criteria, and complemented that as well with a wider business and economic case. That's why the taskforce came up with a prioritised list that was slightly different to that which Network Rail as an industry representative would come up with. But you cannot ignore the fact that the network is just that. So, if you do

implement electrification on any kind of a piecemeal basis, you will end up having inefficiencies in the deployment of rolling stock. So, I wouldn't say that you'll always get some bits that are left to the end, but the committee were trying to balance electrifying coherent blocks of routes of infrastructure with where on that you get the best economic return. But—and apologies—the last point would be that this wasn't about saying, 'Here are some lines that we will electrify and here are some that we won't', it was simply about timing. The assumption that the committee made is that they would want to electrify the whole of the network.

[243] **Rhun ap lorwerth**: And it's what those blocks are, what you decide to do and at what point, that's important for north Wales, in a way, and prioritisation suggests, 'Let's do as far as Chester', which we've heard other witnesses this morning suggest would be a disaster, because that would really knock back the case then and make it even more difficult to make the case to go on from Chester to Holyhead. Would you agree that it would be a mistake to do up to Chester as opposed to doing that part as part, at the same time, of an investment all the way to Holyhead?

[244] **Mr Still**: I would say that the remit from the committee was quite clear in that it was the north of England, so the committee didn't have a remit to then include the devolved administrations. We are looking again to refresh that work, less so from the taskforce but more from the perspective of Rail North, with the work that Pete is leading. So, it's probably too early to say whether we would recommend that or not, but, absolutely, there are some perversities. There are perversities wherever you end up saying 'That's where we'll stop the route'. It's how you minimise those, I think, is the key.

[245] **Mr Rackliff**: If I could pick up on some of the more general points around that, you mentioned the socioeconomic issues, and in fact, I think economic appraisal of transport infrastructure schemes in terms of making a case to Government for investment is increasingly important whatever the schemes are. I think one of the difficulties with that is you tend to get the biggest economic benefits by improving connectivity between some of the bigger regional centres.

[246] The other things is I think we're in a situation in the UK where, actually, in terms of the proportion of the electrified network that we've got, we're some way behind most western European countries and, indeed, some eastern European countries. So, we're actually starting from a relatively low base, and the fact that we're only even now just electrifying the main line

between London, Bristol, Cardiff and Swansea is probably something that would be quite surprising to some of our European counterparts there. So, I think because we are arguably somewhat behind some of the other rail systems in terms of our electrification approach, it means that there's an awful lot to do if we're actually going to make a real difference to the rail network and get all of the benefits from electrification, not just environmental but more efficient use of the network—[Inaudible.]—rolling stock going forwards, then actually there are probably some big pieces of infrastructure still to tackle across the UK, which, again, makes it challenging.

[247] We have seen what's happened when we've tried to deliver several major electrification schemes at once in England from a standing start—with Great Western, the midlands main line and trans-Pennine-and that's obviously led to some recent re-profiling of how those schemes are taken forward. But, I suppose the point I would like to make is that from a Welsh perspective, obviously the Great Western main line has huge benefits for south Wales, although the majority of the work is in England. And I think, similarly, back in 2011, the Government indicated that, after it had finished the current national tranche for electrification, it would then look at what they call the cross-country core network, so linking in the electrified east midlands main line at Derby with Birmingham, and then down to Bristol and south Wales. Again, although the majority of that electrification will be in England, there will certainly be some key benefits for Wales coming out of that, in particular if you electrify the Gloucester to Severn Tunnel Junction and Chepstow area that's part of that as well, to enable services to continue on that direct route.

[248] Rhun ap lorwerth: You wanted to make a point as well.

[249] Mr Brunskill: Just very briefly, just to help the Assembly Members and just build on what Ben had outlined, really. So, the taskforce was commissioned by the Secretary of State for Transport and was given terms of reference, so it was quite prescribed in that sense. What we've started to do in discussion recently is start to think how we could take that forward across the north and continue building the case. And, really, just to say that there are were a lot of factors that we were not able to consider in the timescales we had and the constraints we had. So, we were not sure of the cost of electrification—at the time, Network Rail were unable to give us figures, so we had no cost factor, which we do now. Although we were obviously working very closely with the Department for Transport when it specified the

new franchises, we weren't allowed to factor in what the new franchises would bring. Obviously, the awards were made and confirmed just before Christmas and we're now working on a daily basis with First and Arriva on those franchises. So, we know the increased services, we know the rolling stock plans; we have all that information which we can factor in.

[250] Additionally, I think it would be fair to say we can factor in some of the operational issues that Ben's referred to—diversion capability issues around freight et cetera. So, the plan we're working to at the moment is to go back and look again at that piece of work. I'm not saying to reprioritise, because I think the political feeling across the north was that the way the schemes were put into the tiers made sense, but to look again in more detail at how we can develop those further with the new information. And then, obviously, with CP6 looming and the initial planning process, how we can actually positively input into that, and whether there's some merit in Rail North, and probably Transport for the North as the more strategic body, commissioning some business casework for specific lines.

[251] So, I think as an Assembly Member, you'll probably recall that Warrington to Chester was in the top tier of routes and that Crewe to Chester was in the second tier. Obviously, with the announcement of the franchise, as you'll probably be aware, there are additional services heading west from Manchester.

11:30

[252] So, there is a new service from Leeds and Manchester Victoria through Warrington to Chester, which is a new service, and there are additional services on the mid Cheshire line as far as just west of Northwich at Greenbank. So, those links towards Wales are improving and I think we would all want to see those improve further. I guess, using the traditional DfT methodology, that's when the business cases become stronger as they build up, as those services are increased. Clearly no-one would want to see the services being broken at the border, because of the important links.

[253] William Graham: Just to revert back, the TEN-T proposals suggest electrification of the north Wales line by 2030.

[254] **Mr Brunskill**: I think, to be honest Chair, from a general perspective it would be difficult not to support it. I come back to the point Toby's making. You know, we would want Britain's rail network to be generally electrified.

Certainly, the taskforce and the work we did assisting them—their role was not to consider the merits of electrification, the Government has said that was taken as a given, that the railway should become an electric railway—they merely wanted some input from a regional perspective on what our priorities would be for timescales. So, the north Wales case, clearly within the European context, is very important in terms of access to the international port at Holyhead. So, that would seem—if one was looking at it from a Europe—wide perspective—that would seem to be along the timescale.

[255] **Mr Still**: I'd add to that that I think the challenge is not just around identifying the particular routes that need to be electrified: it's around providing that framework for the rail industry to gear up to be able to deliver electrification at scale and pace. Toby's indicated examples where arguably the rail industry was overstretched; we constantly hear that skills are in very short supply, but if you can map out a long-term programme that will allow industries and the supply chain and contractors to gear up, that is arguably a faster way to electrifying the whole of the network than us as officers constantly coming up with reprioritised lists.

[256] William Graham: I'll turn, if I may, once again, to cross-border working. Joyce.

[257] **Joyce Watson**: Talking about speeding things up, we all have to work cross-border—we know that the rail infrastructure is one, but there are different elements, and one of them is devolution, which you've talked about—. So, in your experience, what is your opinion of the current approach to cross-border working that you've experienced that we could perhaps take the learning from, if you like, to the Welsh Government? Are there things that you think that we could consider when we're looking at cross-border working in Wales?

[258] Mr Still: I could give some perspectives from what I guess authorities across the north of England have learnt through better partnership working. I guess my observations would be: common cause is absolutely critical, so sharing a set of objectives around what you're trying to achieve at a political level, and, in terms of the north of England and rail infrastructure, the need for that—the legacy of underinvestment creates a very clear case across political parties for that kind of investment. Sharing resources in order to do what you might call cutting–edge technical work has been very important in order to build an evidence base and to build the business case, and then as part of that, being able to prioritise what you would do first, or at least in a

first wave of interventions. Now, I wouldn't say that Transport for the North or indeed Rail North have got there completely yet, but what you do have are politicians that are working across their own boundaries—they are quite happy to support interventions in other places, partly because they know that the benefits of those interventions may well be felt much more broadly than where those interventions are being implemented, but they're behind that common cause. So, we see that across the north of England. Of course, there are local rivalries, but they tend to play second fiddle to those core objectives. Apply that, I guess, to the north and the Welsh Government perspective, I'd say that we are, as officers, certainly, working well together; there's good interaction. I guess that at the political level, there's a bit less of that, but, again, I'd defer, probably, to Pete, whose politicians locally might have a bit more to say.

[259] Mr Brunskill: Just building on what Ben said, the work we've done with Rail North—I've been involved in the project for about two and a half years. I think the key breakthrough was, using the evidence base Ben has referred to, we've produced a long–term rail strategy, which set out a clear plan across the north of England. Through some amazing governance work, we managed to get 29 different local transport authorities across the north of England to say, 'Yes, we agree; this is the plan; this is the plan around the growth that's needed; this is going to support our economies'. So, we've used that as our building block, really, in work with central Government over the last two and a half years. We've had colleagues embedded in the DfT working on the specifications. We're going to be jointly running the franchises from the office in Leeds from April, and there's obviously a lot of scope to build on the franchises that have been awarded and develop and grow those. The plan would be that next time we look to refranchise, it will be done entirely from the north, so we will not be involving Whitehall in that process.

[260] So, I think there have obviously been bumps along the way, as you would expect, but a key issue is that, at a political but also an officer level, there has been a coming together of the 29 authorities with a consistent view, which has been, I think, from a national Government perspective, very compelling. I think, again, clearly, within Wales, getting that consistency of view—. From the more local perspective, as an officer of a council that, perhaps, has more interaction, certainly with north Wales, I've worked very closely with John and others in north Wales. Certainly, I know our politicians—the leader of my council is very aware of those key cross-border links and is very keen on them. I know that with the taskforce I've already mentioned, obviously, Andrew Jones actually came and spoke at length in

north Wales to a meeting. When I've met him recently, he's actually referred to the situation in Wales. Obviously, he's now a Minister in the Government; he's an Under-Secretary of State.

[261] I think, going forward—Ben will be able to say, maybe, more about this—Transport for the North have signed a formal memorandum of understanding with the Welsh Government. Certainly, from a Rail North perspective, we've had meetings with colleagues from north Wales. We speak on the phone to Government officers. I think the relationship is positive, but, obviously, there's always room to build on that to a common cause.

[262] **Joyce Watson**: Is there a memorandum of understanding between constituent parts, or has it just evolved as a way of working?

[263] **Mr Still**: Between authorities across the north of England, no, there's no MoU between those authorities; that is common cause. Getting the governance right has been a key priority of the politicians. Rail North is probably a more developed example, where, essentially, different parts of the north—different geographic areas—nominate an individual to represent them. So, for example, from my patch in Sheffield city region, there will be one politician who will represent the whole of that area. There's a need to feed back, then, locally from the Rail North level back to the individual geographies. The governance there was formalised around a limited company in order to put some structure around that process. Transport for the North is more likely to be a statutory body convened in that kind of way, so we have needed some kind of governance in order to—I wouldn't say hold things together, but just to allow that framework in which members can have those conversations.

[264] **Joyce Watson**: Can I ask—? Moving on, because time's going to defeat us, I want to ask West Midlands Rail whether they've had any discussions with Welsh Government.

[265] Mr Rackliff: I suppose as West Midlands Rail, we haven't had any direct discussions with the Welsh Government. That said, I think West Midlands Rail is very clearly focused on the west midlands franchise, and most of our negotiations so far have been with the Department for Transport to getting to this stage where we are in the process, where we have a joint consultation. We've actually got officers now embedded in the franchising process with the department for that particular franchise. That's not to say that we don't have contacts outside of West Midlands Rail and that particular devolution

argument, and I would echo what Ben was saying—I think the regions have really woken up to the benefits of joint working, whether it is within the met areas for the purposes of rail devolution or for the purposes of securing wider transport investment. I suppose we're, in some ways, slightly behind where Rail North is and where Transport for the North is with our own West Midlands Rail and Midlands Connect initiatives at the moment, but we're certainly following very much in their footsteps and very much in the same vein.

[266] One of the things that I would say about joint working, though, is that, historically, there has been some but, equally, it doesn't always work out. I gave the example previously of the train services coming in from Shrewsbury to Birmingham where, actually, the service back from the two different franchises doesn't necessarily give the overall best offer for passengers. You would like to think that, in future, there might be better ways of organising those things through more joint working, but, equally, there have been some wins on that. Just as an example, when the West Coast main line was modernised and the new timetable came into force in 2008, one of the things that we secured was actually improved connectivity in the west midlands with that Arriva Trains Wales service by getting it to stop because there was effectively time for it to stop at a place called Smethwick Galton Bridge, which actually gives connectivity from a wide part of the region into that service for places like Kidderminster and Stourbridge, going out towards Worcester, down towards Solihull, Leamington and Stratford, which otherwise wouldn't have existed, and people would have had to change stations in Birmingham to access those services. So, I think we are going to continue, certainly, with the joint working approach, but I think there are opportunities for doing things better.

[267] **Joyce Watson**: So, if I can follow on from that, on this idea of connectivity on a single railway that runs round the UK, do you think that it might be beneficial to you to have some conversations with the Welsh Government—mutually beneficial, that is, for yourselves and for the people of Wales—because we do share those boundaries and we are trying to get connected?

[268] **Mr Rackliff**: Yes, certainly, I would agree with that. I think, as a first step to that, we will be responding to the consultation that's been launched on the next Welsh franchise, setting out where we see those interfaces being and, potentially, what we view as needing to work better in future.

[269] William Graham: Thank you.

[270] **Joyce Watson**: Thank you.

[271] William Graham: Mick.

[272] **Mick Antoniw**: There are a few things I want to follow up because we've sort of skirted around a lot of issues to do with cross-border cooperation, memoranda and agreements and so on, but, in terms of the northern transport strategy, what would you say is its sort of prime objective, its prime purpose?

[273] Mr Still: Its prime purpose is economic growth. Its overriding rationale is to improve the productivity and the economic growth rates of the north of England. Transport is seen as a key enabler and enhancer of that, but there is widespread recognition that it is not sufficient on its own. So, one of the reasons that we have Transport for the North but this wider concept called the Northern Powerhouse that kind of sits around it is because the Northern Powerhouse is about how you improve innovation, how you improve skills levels across the north, and how you exploit sectoral economic advantage. The role of transport is about how transport facilitates and enhances that. So, it's very much embedded in that kind of economic growth rationale. One final point: however, when you then get into how you plan an operational railway, other factors, other objectives—social inclusion, the environment et cetera—also have to play a role.

[274] **Mick Antoniw**: But in terms of that prime economic objective—and I completely understand it and it's very commendable—the interconnectivity between northern cities but also the interconnectivity of those northern cities with the south–east as well, as the major financial base and so on, that sort of economic triangle, is quite fundamental to what the strategy is about. Isn't that right?

[275] **Mr Still**: It is. I guess I would summarise that by saying that what Transport for the North is trying to achieve is to deepen the labour market across those northern city regions. So, it is much more about providing fast and frequent as well as the relevant levels of capacity to connect those key city regions together. We're not talking about huge geographic distances: Leeds, Sheffield and Manchester are 40-odd miles apart. That's smaller than greater London.

[276] Arguably, you should be able to connect these places together so that you can live in one and work in either of the others, and the same is broadly true when you look at Manchester, Liverpool, York, Newcastle et cetera. So, it's about deepening those labour markets to allow businesses to draw from a wider pool of labour to create business connections, because it's those networks that tend to lead to higher productivity.

[277] **Mick Antoniw**: The key financial decisions that are, of course, taken in terms of achieving that prime objective are very much centralised in terms of the Department for Transport, in terms of money being made available, but also the selection of the economic priorities is very much a London-based selection, but within those economic priorities. That's a fair comment, isn't it?

[278] **Mr Still**: It's an accurate historic observation. I think one of the things that we're trying to achieve is to shift that. So, we are looking at changing the way that rail schemes and economic interventions are appraised, looking at broader sets of benefits, relaxing some of the assumptions that traditionally tend to militate against investing, as Toby said, in areas where you don't just have the highest levels of existing demand. There's a bit of a self-reinforcing loop there, and we're looking to try to break that. So, we have a whole stream of work that's looking at changing that as well.

[279] **Mick Antoniw**: I think you see the point. The point I'm leading to is that I very much have appreciated all these sort of bon ami, good intentions and discussions in terms of where Wales fits in, but we actually have an economic structure and decision–making process in which, essentially, Wales is very much on the periphery. It's almost a second place in terms of those key economic decisions. Now, is that a fair follow–on from what you've said earlier?

[280] **Mr Still**: I guess I'd take a more optimistic position, which is that we're trying to move to a place where city regions and different groups of authorities can have more say and more influence over how those traditional central decisions are taken.

[281] **Mick Antoniw**: But you have to be optimistic to actually say that, don't you? So, the fact of the matter is, what I'm actually saying is actually quite right. The reason I'm going there is this: it seems to me that we actually have

a sort of two-tier series of developments that are coming as a result of what is happening, and there were grave dangers, actually, for where Wales fits within that particular structure, particularly as we develop the franchise. Now, do you share those concerns? Because there may well be all sorts of economic successes in terms of the sort of northern transport strategy, and you clearly have the priorities that are set for you, but is there not a graver danger that, in actual fact, what we're doing is beginning to isolate within that strategy the development within Wales?

[282] Mr Still: I would hope not because the political groupings, aligned around the common objective, are powerful no matter what the geography. Secondly, the very fact that we're interested in labour markets, business markets, products markets and economic linkages, they are no respecters of administrative boundaries. So, I can absolutely see there might be some challenges in the sense that different parts of Wales, for example, are connected to different parts of the English city region economies, but the fact that you will get commuting and you'll get business interactions means that it's in all of our interests to decentralise as best as we can the decision making and the investment decisions.

[283] **Mick Antoniw**: Do you think, then, that the political engagement from, say, the Welsh Government both, I suppose, at UK level, but also in terms of engagement with you and various others is actually strong enough at this stage? Do you think that the strategy is sufficiently strong? Because we talk about memoranda, agreements and so on, but at the end of the day it's little more than a piece of paper that's been signed. Do you actually think that the level of political and economic engagement is sufficiently strong to overcome the risks, I suppose, of division or two tiers?

[284] Mr Still: I would say that we're at an early stage in the development.

[285] **Mick Antoniw**: So, that though, for you, is a fundamental part. How it develops is going to be very much dependent on the quality and strength of the political engagement across border, with Welsh Government and with you.

[286] **Mr Still**: In exactly the same way as it is across northern authorities as well. Yes.

[287] Mick Antoniw: Okay. Thank you.

[288] Mr Brunskill: Could I just briefly mention an opportunity? I think Ben said 'optimism' and I suppose, as an optimist, I would say this. On our relationship with the Scottish Government—obviously, as a collection of northern authorities, we have borders with Scotland—and we work very closely with Transport Scotland and they've been involved, to some extent, with us in the re-franchising process. The TransPennine services run into Scotland. Through the re-franchising, working with our colleagues from the Department for Transport, we've been able to provide a substantial uplift in both the quality and the quantity of services connecting the northern city areas to Scotland. Obviously, that's very much welcomed by politicians and colleagues in Transport Scotland. We continue that sort of dialogue on a daily basis. I would have to be honest and say to the committee members that we don't have that same sort of interaction -. I mean, I would attend the crossborder meetings with Arriva Trains Wales and the DfT that happen a couple of times a year, we have contact with the officers and we occasionally have political dialogue, but it's not, at this stage, as developed as the interaction we would have with our colleagues in Scotland.

[289] That's not to say it can't be or it shouldn't be, and, hopefully, it will be, so I would agree entirely with what you're saying that from a Rail North perspective, in the same way that we have a good relationship in terms of operational matters and franchising with Scotland—. I think, a bit like Toby, we would plan to respond to the documentation on the re-franchising in Wales. Obviously, certainly, I suppose, from our perspective, north Wales and the north-west of England, there are massive links there. The border is just a line in the map in terms of the economy and the social interactions.

[290] **Mick Antoniw**: If there was one thing that you would want to see happen to achieve that, what would it be?

[291] Mr Brunskill: I think, to be honest, it depends on what happens with how the re-franchising goes in Wales in terms of what you specify with the franchise and what its interaction would be with those key, cross-border services into the Liverpool city region, into the greater Manchester area and into the Cheshire area. That will be the key thing, really, seeing how that's mapped out, what your aspirations are and what the interactions are. There are clearly opportunities, going forwards. I tend to focus more on opportunities rather than concerns. There are clearly opportunities for you to upgrade your services running through into England and, potentially, there might even be scope in the future for English franchises to run into Wales with the business opportunities.

[292] **Mick Antoniw**: I'm not trying to be negative or pessimistic; I'm just really trying to get clarity over what the opportunities and the challenges are. But, really, the nub is all going to be the actual quality of the franchise, the direction of the franchise and its interaction.

[293] Mr Brunskill: Yes.

[294] William Graham: Quite. Toby.

[295] Mr Rackliff: If I could perhaps just briefly add to the debate a little bit, I think one of the issues, potentially, for the Welsh Government, has been, actually, who do they talk to. Obviously, you've got the national Government down in London, but, actually, it's only relatively recently that the regions have really started to get their acts together with these new devolved structures in the metropolitan areas and the wider regions. So, again, I'm quite optimistic, because whereas before there might have been things—they had core cities groups and things where there might have been some opportunity for dialogue—actually, the very existence of there being new combined authorities in the metropolitan areas in the midlands and the north, and there being a new devolved franchise for the west midlands and the north, going forwards, and much greater involvement from the regions in those franchises, that all gives the Welsh Government new opportunities to engage with the regions that didn't hitherto exist, and the same for Transport for the North, and, in future, Midlands Connect.

[296] Again, Midlands Connect, we've looked at corridors across the east and west midlands, but, actually, those corridors don't stop at the regional boundaries by any means. You know, the corridor going out towards Shrewsbury obviously continues, as I said, in the gateway to Wales. The one that goes down through Worcestershire towards Gloucester, again, you've got Cardiff and Swansea further down that. So, there is this wider regional perspective, but, actually, I think devolution in England is a good thing in terms of giving the Welsh Government the right people to talk to, going forward, from the regions, who didn't previously exist.

[297] William Graham: Thank you. Jeff.

[298] **Jeff Cuthbert**: Thank you very much. Freight—I don't know if you heard the previous session—. Right, okay. It was very interesting. How do you see the role of freight travel on the railways in terms of, particularly, the

development of the northern transport strategy and the link with the Welsh Government, but I'd be interested to hear from the west midlands as well? Would you want to see further development of freight facilities? Do you see that as a key investment issue?

[299] Mr Rackliff: If I take that first. I did hear Robin's evidence session earlier. I think the short answer is 'yes'. What Robin was saying earlier about the importance of getting both private and public sector involvement in that is absolutely crucial. Again, to take a recent example, the rail freight terminal that was provided, largely with public money, in the Telford area around about five years ago—the anticipated growth in traffic through that new terminal, which you might have thought, geographically, was ideally placed for onwards shipment, both towards the Shrewsbury area and onwards into mid Wales, hasn't actually taken place. So, I think, in a lot of ways, you really have to understand what the market wants and have that private sector involvement in that when you're talking about future rail freight facility planning going forwards.

[300] Again, it's a difficult one to predict, because some of the traditional coal and, more recently, steel flows are declining, or set to decline, because of what's happening in the wider global economy, and that has quite a profound impact on the need for rail freight and the type of rail freight. I think the future is certainly, as Robin hinted at, more towards the intermodal container market going forward, but again, it depends on where those key deep-sea inter-modal container terminals are. Whilst we're aware that Avonmouth had ambitions, certainly, to increase its role in the deep-sea market, we haven't necessarily seen the growth there. We have seen growth, obviously, in the south-east of England, with London Gateway, with Southampton, with Felixstowe and Harwich increasing in importance, and, to an extent, Liverpool up in the north of England as well. But it really is a question of where those facilities are and where you need to connect to going forward. We are in a global logistics market now. Actually, influencing that as a regional authority, or even as national Governments, can be quiet challenging sometimes.

[301] **Mr Still**: Just to add a couple of comments from a Transport for the North perspective, the first thing is that we have a number of work streams under way in Transport for the North, and freight logistics is one of those. The second point is that we are looking to make sure that is very integrated with other work that's under way, looking at passenger railways, because, obviously, the two on occasion share infrastructure and have to be planned

together. That in itself can be very challenging. The third is one where I don't think Transport for the North is quite there yet, which is, actually, what matters—coming back to our original thought around the importance of economic growth—is that it's not so much the movement of freight that's critical, but it's whether you can add value to the shipments in the north. Can, somehow, enhanced facilities lead to increased value added for those goods in the north, and hence more jobs and more productivity? So, there are a number of angles that TFN and the Northern Powerhouse work is interested in with freight, but it is critical that we integrate it into looking at rail work more generally, and that's the plan.

[302] Janet Haworth: Toby, I was interested in your phrase 'we now have the right people to talk to'. As I've listened to your presentations this morning, it has seemed to me that you are, as a group, interfacing with Wales in three critical places. There's the north, there's mid Wales, and there's also the south, because you mentioned the routes into Nottingham. There was reference to decisions being taken in London and not taking account of the kind of local insight and knowledge about how things worked. I think that would be shared here in north Wales, because of the same thing about Cardiff. So, I think what is interesting is that, because of your interfacing on the Welsh border in those three places, that does underpin how important it is for the Welsh Government to have those conversations, particularly because we need your support for the business case for electrification. Also, we need the people. Your populations, just in your groupings, far outstrip our population here in Wales. But of course, because of these rail links, we have hundreds and thousands, if not millions, of visitors who stay two or three nights, who come from here—[Inaudible.]—rather than in Birmingham, so, we actually economically profoundly need that to continue.

[303] I also just wanted to ask, while all this exciting economic development is going on, and I'm getting a sense of the busyness of that, how important the digital connectivity is to this work and whether that is working as well as it should be doing.

12:00

[304] Mr Rackliff: I suppose digital connectivity is an interesting one, and there's a concept that's very alive in the industry at the moment around the digital railway, but I think it means different things to different people, depending on who you talk to. I think there are some core things around what you can do to improve the efficiency of the infrastructure around

improved signalling systems, and particularly moving towards the European train control systems, the European rail traffic management system and management systems, but there is also, critically, the customer-facing side of that as well in terms of improved information for passengers or for people who use the railway for freight purposes in terms of tracking where their shipments are and actually improving the overall offer of the railway. I think it's quite an exciting time, because you're not quite sure what's going to happen next. I don't think we could have foreseen the rise of Twitter and its increasing use by commuters to try and find out what's going on on the rail network. But, obviously, you've got to keep the company apace with the scale of the change as well, because actually you've suddenly got this situation where in certain parts of the rail network, the customers were better informed than the staff, who were meant to be telling them what was going on. It's an issue that the industry is alive to, but actually, I think, yes, there are some huge opportunities there for the digitalisation of the network, going forward, but it's one where it's increasingly difficult to predict what that next big step is going to be.

[305] Janet Haworth: And your role in helping us promote the case for the electrification of the network here in Wales, and particularly the role that you could play in ensuring that we do get good access to Manchester Airport and Liverpool airport. Again, among our visitor populations, we are seeing increasing numbers of people coming from France and Germany, for instance, who have good access to both those airports.

[306] **Mr Brunskill**: I think this is certainly one of the key points to pick up on, really. The population of the Rail North area is between 15 million and 16 million, and in the work we've done to deliver the new franchise, a lot of the digital issues that Toby's pointed to will be delivered by the two new operators. So, both operators will provide high-quality free superfast Wi-Fi broadband on all the rolling stock; a lot of the rolling stock will be new and will be equipped to the latest standards in terms of USB plug sockets, et cetera. The way ticket retailing and ticket sales are done will change, and that's our link in to our colleagues in Transport for the North, through the smart ticketing project across the north of England.

[307] Clearly, there are massive links. As someone who grew up in north Cheshire, north Wales is basically home, really. So, there are massive links between those areas, and that's not just the social and recreational links between the two, but the economic links. The cross-border area—if we forget that the Deeside area is Wales-England—as an area is a very powerful

economic proposition, and I think the connections—. Ben's alluded to the driving force behind the northern transport strategy. A regular journey for me now is Manchester to Leeds, which should be quite straightforward, but tragically isn't. On a more recent journey, I went to a meeting in Holyhead; Manchester to Holyhead was basically a day gone to go for a two-hour meeting. That doesn't seem right, when you look at the distances. So, I guess the work we've all been doing is around aspiration and is around delivering the best for people in our areas, which, when the central Government is in London and has a specific national view, maybe some of that's lost in the fine detail. So, I guess that's what we're trying to do, really. So, I hope that illustrates it.

[308] Janet Haworth: Yes, thank you.

[309] William Graham: We're just coming to the end of our time, more or less, but I'd just like to ask one additional question, if I may, on capacity to accommodate service overlaps between the Wales and Borders, Northern and TransPennine Express and west midlands franchises—quickly.

[310] Mr Brunskill: In terms of Northern and TransPennine Express, we've obviously, with the DfT, worked to let two generally transformational franchises, which feature over £1.5 billion of investment, vast amounts of additional brand-new and upgraded rolling stock, new services, a massive increase in Sunday services and evening services. As you will be in Wales, we're critically dependent on infrastructure inventions, we're critically dependent on our colleagues in Network Rail delivering all the key elements of the northern hub, the Ordsall Chord, the extra platforms at Piccadilly, the reconfiguration at Oxford Road, work in the Hope valley. We're assured that that work is on schedule, and it needs to be to deliver it. Those are routes used by cross-border Wales services that, obviously, are fairly critical for you. Going forward, there are indications or suggestions of interventions like a flyover to the north of Warrington to provide better connections through on to that link off the west coast, which, again, is useful for Welsh services. So, these are all essential and, obviously, we work closely with Network Rail and I think, from 1 April, we will work even more closely with them.

[311] **Mr Rackliff**: I think, from a midlands point of view, in some ways there's arguably sufficient infrastructure in place on the links into south Wales and mid Wales, but actually we could use it more efficiently through changes to the way that we operate, but also through changes in things like digital signalling and move towards that, plus electrification, in the use of the

network. But, actually, I think the rail network has—. The services terminate at either ends, so, actually, from our point of view, one of the issues we're struggling with generally is actually that it is coming to be increasingly clear that it's the capacity in central Birmingham on the rail network that is actually the real constraint to expanding services to all points of the compass, including south Wales, as well as catering for our own regional growth going forward.

- [312] There is massive demand for rail services, and just to give you, I suppose, a final example, we've seen rail's modal share into central Birmingham—again, from all points of the compass—go up from around 17 per cent of the market to 30 per cent of the market, so almost doubling in effectively a decade. And even with the economic downturn, we have not seen any signs of that demand for growth slackening off. And as has been pointed out by Ben, actually being able to accommodate that growth, as well as provide the new connectivity, is going to be crucial to maintaining our ability to continue to grow as regional economies.
- [313] **William Graham**: Just in the last few minutes, if I may, just on the periodic review process of Network Rail and the effectiveness, do you have any particular comment on that? You've touched on it a bit.
- [314] **Mr Still**: So, Transport for the North and Rail North have fed comments particularly into the Shaw report looking at Network Rail. I think they have a terribly difficult job to do in the sense of the scale of investment that is required in the rail network. Such conversations can tend to get wrapped up into, 'Should you look at restructuring Network Rail in some way?' but I think actually the position to start from is, 'What's working well within Network Rail and how do you build on that? And how do you balance'—as we discussed earlier—'the more complicated governance that comes from devolution with the need to manage a national network and with the need to get private sector funding and capital into there?' There are some really difficult challenges, and we're looking forward to working with Network Rail and Peter Hendy and others on this going forward.
- [315] William Graham: And our last question—Rhun, a last question.
- [316] **Rhun ap lorwerth**: Obviously, Welsh Government and the transport Minister have been very critical of Network Rail on their track record—excuse the pun—in delivering on time and on budget, and one possibility, obviously, is to look at ways of devolving Network Rail and its funding to Wales. There

are pros and cons. What would you think, on the whole?

[317] Mr Still: So, from Transport for the North's perspective, we have direct experience of working with Network Rail in terms of handling funding that would have gone direct from Department for Transport to Network Rail, but instead comes through TfN, and our observation would be that it's the transparency that's been the challenge. Network Rail is a very large organisation and it's got some very complicated processes that make a great deal of sense to itself and to the regulator, but are often quite opaque to those of us that just want to understand what you will do for a certain amount of money for a certain deadline. So, actually, what we are seeing is that it's not so much necessarily about devolution and control, but it is around transparency of what they're going to do, by when, and whether their cost estimates sensible.

[318] **Rhun ap lorwerth**: Anybody else on that particular issue?

[319] Mr Rackliff: I was just going to comment on the point about the periodic review and the business planning process going forward, and I think the Bowe review, whose recommendations the Secretary of State effectively decided to accept in full, is quite interesting from that perspective in terms of actually acknowledging that rail investment, particularly in these big schemes that we're talking about, doesn't come in convenient five-year control period chunks. Actually, when you're doing the business planning process for the next five-year plan going forward, it's not just going to be about control period 6 and 2019-24; it's going to be about taking a wider, longer term perspective of that in order to better deliver these projects where they are going to overlap the previous periodic review control period timescales, and actually making sure that the industry structures and planning processes, both within Network Rail and within Government, are geared up to accommodate that.

[320] William Graham: Thank you very much for your evidence today. Could I just ask you to give your names and titles for the record? Ben.

- [321] **Mr Still**: Certainly. I'm Ben Still, I'm the executive director of Sheffield city region, and I'm also rail lead for Transport for the North.
- [322] **Mr Brunskill**: My name's Pete Brunskill. My substantive role is I'm the rail officer at Warrington council, but I'm currently on secondment at Rail North as their stakeholder manager.

- [323] **Ms McHugh**: I'm Lorna McHugh and I'm involved in Rail North and Transport for the North.
- [324] **Mr Rackliff**: I'm Toby Rackliff, I'm the rail policy and strategy manager at the West Midlands Integrated Transport Authority, and soon to become part of the West Midlands Combined Authority, but also involved in West Midlands Rail and Midlands Connect.
- [325] **William Graham**: Thank you very much to everyone today. Much obliged. The committee now will recess until one o'clock.

Gohiriwyd y cyfarfod rhwng 12:11 a 13:00. The meeting adjourned between 12:11 and 13:00.

- [326] William Graham: Good afternoon, and welcome back to the Enterprise and Business Committee. May I welcome Members, witnesses and any members of the public? I remind you that the meeting is bilingual, and headphones can be used for simultaneous translation from Welsh to English on channel 1 or for amplification on channel 2. The meeting is being broadcast, and a transcript of proceedings will be published later. Could I remind Members, witnesses and members of the public to switch off all electronic devices that would interfere with our broadcast?
- [327] William Graham: This afternoon, we welcome members from the rail operating companies. Could I ask you to give your name and titles for the record, please?
- [328] **Mr Cobbe**: Yes, certainly. I'm Roger Cobbe; I'm the policy director of Arriva UK Trains Limited.
- [329] **Mr Tapscott**: I'm Michael Tapscott; I'm the projects director for Arriva Trains Wales.
- [330] **Mr Rowland**: Richard Rowland; I'm the alliance and planning director for Great Western Railway.
- [331] **Mr Pockett**: I'm John Pockett, Mr Chairman, and I'm here in my capacity as manager for Wales for Great Western Railway. My colleague, Richard, will deal with any technical things, but I'll be happy to help you with anything, as always, that I can.

[332] William Graham: Thank you very much, John. So, this afternoon, I will start with the first question, when I find my papers—excuse me for one second, says he, trying to find them. Back we go. I'm going to start with questions on the ability of the Welsh network to cope with future trends, and the current condition of the rail network and its ability to cope with the future passenger demand already identified in Network Rail's draft Welsh route study. Anybody to start?

[333] Mr Cobbe: Well, Chairman, I'm quite happy to start first. I think on the Welsh railway network at the moment, a great deal has been spent improving the quality of, for example, the track, and there has been investment in signalling, but I believe your question is particularly geared towards capability for the future, and I suppose the issues we would identify are of a number of pinch points for capacity purposes, particularly in and around Cardiff, and on the single-line sections we have limitations on line speed where there has been much less progress in improving line speed than there has been in quality of track, and that's a significant limitation on our ability to offer faster services between the communities in Wales. We've been successful in the Arriva Trains Wales franchise now in achieving a very large growth in passenger numbers. I believe that by the time we finish, we will, in fact, have doubled them. But that, in turn, brings some challenges of success, for example, the capacity of Cardiff Central station to cope with the flow of people as well as the flow of trains that will be pushing to the limit. What we really need to see are plans for the future that will address these problems, to enable the sort of growth rates that we've demonstrated are possible to be sustained into the future.

[334] William Graham: Thank you.

[335] **Mr Rowland**: From Great Western's point of view—[*Inaudible*.]—obviously, we run across the country, our key concern is Cardiff and Cardiff Central, both in terms of everyday custom, because that's likely to increase by around 70 per cent over the next few years, according to the Network Rail studies, but also events, as well. We saw in the Rugby World Cup that the station wasn't sufficient for dealing with the flows of customers that came out of the stadium. I think the key thing for us is to make sure that we have a station there that can cope with the flows around the station and that can cope with the flows of additional trains that we need, so that we can get some punctual departures, as well as a large number of departures out of Cardiff very quickly, and also the space on the platforms for when we're

loading. Certainly, in our experience of the World Cup—I spent the quarter finals weekend there—we need more room on platforms as well. So, for me, in terms of the infrastructure, that's the pinch point.

[336] **Mr Pockett**: I think we were pleased to see the report that you did on the Rugby World Cup, where we gave evidence obviously. I think you identified the same as everybody has done—and Richard's emphasised that now, and Roger. I think the more voices that echo that the better it is.

[337] William Graham: Quite so. You'll know that the Welsh Government accepted all of our recommendations, which is helpful. Mick and then Jeff.

[338] Mick Antoniw: You've come straight in to the issue of Cardiff station, so rather than just talk about the lessons from the Rugby World Cup, what was interesting about the short inquiry we had, of course, was that it began to explore the issue of the structural capacity of that. Within the evidence there, one of the things that is said is that there's concern that lessons from the Rugby World Cup and the general day-to-day increase, et cetera, are not being incorporated into Network Rail's plans for Cardiff Central station. I wonder if you could perhaps update us on what the state of those plans actually is, and then we can explore why you think they're not adequate.

[339] **Mr Tapscott**: We understand that Network Rail at the moment are putting together a master plan for the station, obviously subject to funding, which actually develops the station to a bigger environment. I think our biggest concern with this is the capability of the track either side of the station. We understand that relief lines are being developed or are part of that development, but our concern is that we will have a nice station but that having those pinch points outside Cardiff is still going to be a big issue for the future.

[340] **Mick Antoniw**: So, the pinch points you would identify as being—?

[341] **Mr Tapscott**: East and west of Cardiff, so the actual track rather than the actual station. The station development and the master plan are still being worked on, so, obviously, we're engaging with that and giving our views on how we operate the station during events, but that's certainly one of our biggest concerns still.

[342] Mr Rowland: Could I add to that?

[343] Mick Antoniw: Please, yes.

[344] **Mr Rowland**: When you look at what's proposed at the moment, it's a west-facing bay and an extension to platform 0. That's what's in the master plan at the moment. That, for me, will not be sufficient. When you look at the volumes of people that you need to move after an event, that just will not be sufficient. The example I use is Reading. I don't know whether you've seen Reading since it's been remodelled.

[345] Mick Antoniw: Yes, I have.

[346] **Mr Rowland**: That had 50 per cent more platforms and a significant transfer deck of 30m in width. Our experience, because we have Reading Festival to deal with—. That's not exactly the same as emptying the stadium, but, certainly, we have large numbers of people. Previously, we had a queuing system in place and we had to make sure that we were looking after people and we had to control people's access onto the platforms and onto trains. Since Reading's been done, the queuing system is empty. The station is big enough for additional trains and it's big enough to accommodate the number of people. It is a big, big station.

[347] When you look at what's proposed at the moment for Cardiff—and I mentioned the additional west–facing bay and the extension to platform 0—that won't be sufficient in terms of the platforms, in my view. The transfer deck that is proposed is 9m wide versus 30m for Reading. So, again, that won't be sufficient. As Mike said, on the actual infrastructure each side, there is nowhere really to accommodate trains whilst you wait to move people out of the platforms. At the Rugby World Cup, we had them back in Swansea, so an hour away. You need somewhere you can accommodate trains, and then you need to be able to get trains out more quickly than you can at the moment. In the eastbound direction, the three main eastbound platforms all go through the same set of points, so you can't then get things going out more quickly.

[348] **Mick Antoniw**: Aside from the issue of festivals and so on, one of the things we're obviously concerned about is getting trains out, getting it done speedily, whether it be down to the connection points, or whether it be down to London, up to Birmingham or whatever the other routes are. So, you've identified that there are structural capacity issues in terms of being able to accommodate that. In terms of the problems that you foresee, presumably you've made your own representations to Network Rail in that respect. What

is the actual process now that is under way?

- [349] **Mr Rowland**: Network Rail are going round and consulting. For me, we've given our views. I think the more people who join that consultation—
- [350] **Mick Antoniw**: You say they're going round consulting. What does that actually mean?
- [351] Mr Rowland: Certainly with us and with Arriva.
- [352] **Mr Tapscott**: Also, because of the relief line potential, one of the pieces of work we've agreed to work with Network Rail on is understanding how we can utilise those in an event. So, that work still needs to be worked through. So, at the moment it's debatable whether that will give us the infrastructure. I'm not entirely convinced, but we have to go through that piece of work to understand. I think that's probably—.
- [353] **Mick Antoniw**: But your view is that the concerns that you've expressed are not being taken on board.
- [354] **Mr Rowland**: I think a lot of the master plans were put together without the experience of the Rugby World Cup, and I think Network Rail have said that they're going to take that into account in future iterations. But, for me, it needs to be quite a significant change.
- [355] **Mick Antoniw**: But isn't it the case that even aside from the issues that arose with the Rugby World Cup and perhaps other events, what we're identifying is actually an in-built structural deficit or capacity deficit? Is that—?
- [356] Mr Cobbe: Yes, I think we would certainly agree with that. I mean, our experience over the years with the Wales and borders franchise we won, and our attempts to introduce various ideas, is that the infrastructure all around is insufficient for future growth. We certainly have a vision of Cardiff as the hub of a national railway network. That's precisely what Cardiff Central is and should be, but we're bumping up against the limits of the number of trains that can be loaded simultaneously, the intervals and time between successive departures on the different routes, and the ease of movement. Cardiff Central is served by two relatively narrow subways, both which create bottlenecks into the main concourse, which itself is very small. So, I think the example quoted of the rebuilding at Reading is very instructive. I'd also,

given that our cross-country operation runs not only through Reading but also through Birmingham New Street, say it's instructive to look at the relative priorities of those two rebuilding schemes. In Reading, clearly a very substantial amount of additional capacity for trains and passengers has been created, whereas in Birmingham primarily a shopping facility has been created. I guess that our aim in the development of Cardiff Central is to push it to more of a Reading outcome than a Birmingham New Street outcome.

[357] **Mick Antoniw**: Yes, I suppose the actual point being: it's all very well having a nice building, but if you want it to be a twenty-first century modern railway that has the capacity to provide a proper railway service, you've got to have the line and all the other capacity that goes with it.

[358] William Graham: Thank you. Jeff.

[359] **Jeff Cuthbert**: Yes. Thank you. Can I talk about the other potential pinchpoint—Queen Street station? This is for Arriva. Clearly, I represent—as does Mick—a Valleys community; Caerphilly in my case, in the Rhymney valley. Can you explain: why is it, on big event days on a Saturday, that Queen Street station is closed? Why isn't it used to funnel people who wish to travel on the Valleys lines, therefore liberating space in terms of patterns of pressure on the central station? And do you remain satisfied that just having two tracks across Queen Street bridge is sufficient, given the expansion that we expect that could be there, and even perhaps more so with the metro?

[360] Mr Tapscott: Okay. So, certainly safety is a key facet of managing events, and that's something we have to be mindful of when we've got people leaving the stadium. That was one of the reasons why we decided that Queen Street was untenable in terms of having the two stations open, particularly when you've got a full train leaving Cardiff Central and then you've got people trying to get on at another station. And due to the close proximity of those two stations, that was one of the major drivers of that. It's much easier to manage the one station from that event point of view. Also, the Valleys lines queue at the back of the station. So, they're actually moved away from that pinchpoint at the front. In fact, with the six nations, what we're seeing, with the spread of queues, is that it's much easier to manage. The difficulties that we came under were when we had a lot of people heading east to London and Bristol, and that's when the difficulties started to arise.

[361] In terms of capacity, yes, it would be great to have more lines. There's

absolutely no doubt about it, but we understand the constraints of funding as well. I think, just echoing the point that Roger made earlier about the condition, flexibility is key for us to be able to manage our train service, and we are restricted by single lines and limited lines going through those routes.

[362] **Jeff Cuthbert**: If I may, Chair, just very quickly, I don't quite understand—. I mean, what is actually stopping you, on those big event days, utilising—? Obviously, I understand the issue of safety, but surely that's a manpower issue as well, and maybe design to a degree, but if you used Queen Street station to funnel people wishing to use the Valleys lines, then why wouldn't that result in the easing of pressure, overall, in terms of the central station?

13:15

[363] **Mr Tapscott**: The layout of Queen Street at the moment—it's one road going across Queen Street and we don't think it's safe queuing people along that road, but also we don't think it's a particular issue with the crowd and the queue control at the back of the station. So, with the Valleys lines, we have a free–flow system that customers, when they come out of the stadium, can go to the back of Cardiff Central and actually get onto the train.

[364] Jeff Cuthbert: Yes, I've done it many times myself.

[365] **Mr Tapscott**: I think you asked about whether we were happy. We review all the time every event and try to understand whether, actually, there's a better way of doing this, and, certainly, we keep on doing that and we think this is the best way to manage the situation.

[366] **Jeff Cuthbert**: Okay. Thank you.

[367] **William Graham**: Do you want to lead on to your electrification questions?

[368] **Jeff Cuthbert**: Yes, if I may. Back to you. [*Laughter*.] You made a comment in terms of Valleys electrification that you hope that funding can be found for the whole of the current system to benefit. So, which part of the Valleys network do you think might not benefit from electrification under current proposals?

[369] Mr Tapscott: I suppose it all depends what the outcome is and what

you're trying to achieve. We know electrification will give us higher line capacity in terms of fast acceleration of trains. It's much easier for us to have a fleet of trains of the same type to maintain and to manage. So, we also understand that there's the actual cost versus the benefit of this. So, from an operator's point of view, it's much easier to have all the Valleys lines electrified for us, but we also recognise the cost and the reasons behind that.

[370] **Jeff Cuthbert**: Right. So, you haven't got anywhere in particular in mind, geographically speaking, that might not benefit.

[371] William Graham: I'm sure it won't be Caerphilly, Jeff [Laughter.]

[372] **Jeff Cuthbert**: Well, it better not be. [*Laughter.*] Not in the next few months anyway.

[373] **Mr Cobbe**: Chairman, perhaps I could answer on a more general basis about electrification. Typically, the business case is strongest when there's the most number of passengers and the number of carriages per hour along a particular section of line. So, clearly, if you were looking at a range of potential electrifications, you would find the strongest business case and the strongest return for investment where, for example, there are four trains per hour and all the trains are four carriages or more, and you would find a much weaker case where you come down to half-hourly or hourly and there are only one or two carriages per train. So, I think, what we're really saying is we recognise there's inevitably a spectrum of business cases. We don't know how much of the Valleys lines there will be funding available to electrify. But, clearly, it's sensible for the passenger and the taxpayer to do the ones that are of the highest value. We're very open to helping the Welsh Government to find the right package.

[374] **Jeff Cuthbert**: Okay. So, you need clarification on that in terms of financing. I can understand that point. If I may, Chair, just to finish this section—as we know, all the intention is to plough ahead with the south Wales metro, which could involve light rail as well as heavy rail. Do you see practical difficulties or risks with that sort of approach?

[375] **Mr Tapscott**: I think, certainly, the jury's out in terms of what light rail will bring us, compared to heavy rail. For me, what's most important is what we're actually getting or what we're trying to achieve. So, capacity—you know, making sure that we meet the capacity needs of the Valleys, and that's a particular challenge for us at the moment. We understand the debate for

light rail in terms of the cost based on maintenance, but also potentially moving the cost away from investment in the maintenance of the infrastructure, rather than with heavy rail to light rail. So, at the moment, I'm still uncertain of the pros and cons of what that will bring, but until—

[376] **Jeff Cuthbert**: Have you been able to look at other areas like Manchester, for example?

[377] Mr Cobbe: Perhaps I could comment, Chairman, on the wider debate. I guess a lot of it depends on what are the objectives of the scheme. Certainly, a key driver on the Manchester scheme, which is clearly a very successful light rail project, was to have new sections of route that weren't previously railway. Most specifically, the section across central Manchester with street running between the existing railway networks to the north and south. So, that, really, was the fundamental reason why light rail was the right choice for the Manchester network. Subsequently, it has enabled them also to open some lines in corridors that were never previously railways, because it's typically cheaper to build a line from nothing with a light rail technology than a heavy rail technology. I think we're still looking for the clear messages for the overall metro concept of, 'Is street running intended? If so, how much?', 'Are any new lines intended?' or 'Is this merely a choice of which technology should run along the existing railway corridors?' I think the optimum outcome might depend on the answer to those higher level questions, which aren't really ones for us to answer.

[378] **Jeff Cuthbert**: Thank you.

[379] **Mr Tapscott**: Probably the biggest risk with this is actually time, so actually deciding on where we're going to head towards, what the configuration of light rail, heavy rail or whatever that's going to be—. Because that's key. We've got to make sure we understand in what direction we're going.

[380] **Mr Cobbe**: I think there's a very, very particular issue to do with the Welsh diesel fleet that we have for the persons with reduced mobility technical specifications for interoperability regulation in 2020, and we need a clear direction whether the existing trains should be modified to meet that standard, whether new trains should be purchased—should they be diesel or should they be electrics, or will some light-rail vehicles be purchased? The longer we sit not knowing what to do, the less likelihood there is that that deadline can be met.

[381] William Graham: Thank you very much. Rhun.

cliriach, wrth reswm, ynglŷn â beth naturally, linell y Great Western. Yn anffodus, beth mae hynny'n golygu ydy ein bod ni'n gwybod bellach fod yna ohirio ar y llinell i'r gorllewin o Gaerdydd. Beth sgil adolygiad Hendy?

[382] Rhun ap lorwerth: Prynhawn Rhun ap lorwerth: Good afternoon to da ichi i gyd. Mae pethau'n llawer you all. Things are much clearer, in terms of what's sy'n digwydd efo trydaneiddio prif happening with the electrification of the Great Western main Unfortunately, what that means is that we know now that there will be delays for the line to the west of ydy goblygiadau'r oedi yna rŵan yn Cardiff. What are the implications of that delay in the wake of the Hendy review?

[383] Mr Rowland: The trains that we're purchasing that will run on that route are both electric and diesel. They are on time, and we've got one on our network at the moment on test. We expect to be able to run those in service towards the back end of summer 2017 and we expect them to be able to run as we plan to run them through to Cardiff and through to Swansea. So, in terms of the output—the train—we expect that to be largely as we planned it to be.

[384] **Rhun ap lorwerth**: And from Arriva's point of view?

[385] Mr Tapscott: Sorry, I missed the question—

[386] Mr Cobbe: It was about the delay in the Great Western electrifying—

[387] Rhun ap lorwerth: And the implications of that. Even though it's clear now what is happening—we've got a pretty good idea on the splitting of it, the east and west of Cardiff—. How will it effect you, the fact that we're not going to get what we wanted, which was a completion in control period 5, or at least real progress?

[388] Mr Tapscott: In terms of Great Western electrification, we obviously keep a close eye on the programme in terms of how the timetable gets developed and how our services actually connect with the Great Western services. Although we won't be utilising, at this point, as far as I'm aware, the Great Western electrification, any changes in the future—. The other thing to be mindful of is the programme of how the Valleys electrificationwhether that goes. So, whether the impact of the Great Western delay actually impacts, or if there are any decisions to be made on the Valleys lines electrification. So, we're just keeping a watching brief at the moment, just aware of the impact in Wales and Cardiff. But, also, in terms of capacity and moving people through Wales, the new, longer trains are obviously key.

[389] **Rhun ap lorwerth**: In more general terms, does the delay create a little bit more insecurity in your minds, perhaps more than Great Western, in terms of a commitment to move things forward as quickly as they could be in Wales, as opposed to what are identified as other priority areas in other parts of the UK?

[390] Mr Cobbe: Shall I take that?

[391] Mr Tapscott: Yes, if you want to.

[392] **Mr Cobbe**: It's very clear from the Hendy report and the Government's reaction to it that nothing has been cancelled. So, from that point of view, does this undermine confidence in the future? Well, no, it doesn't. Does it lead to some replanning? Inevitably, yes. But, as Mike said, there is no immediate agreed plan to make use of the Great Western wiring for trains within the Arriva Trains Wales franchise. Clearly, lots of people have got ideas about what we could do. As the scheme crystallises, those ideas might crystallise as well.

[393] I think the implications for the Valleys electrification—we're hopeful there aren't any implications, and the indication from Network Rail is they are proceeding with one of the most critical issues, which is of power supply, because, essentially, the power supply being put in for the Great Western south Wales section would be the same power that would be needed to run trains on the Valleys line routes. So, we're obviously very keen to ensure that the work continues on wiring in and around Cardiff Central and provision of a power supply. Then I think it's open to a Welsh Government to reach agreement with Network Rail on taking forward whatever technology it wishes to for the Valleys services, which either we or our successor would operate. We are engaged in similar projects elsewhere in the country. Our new northern franchise, for example, is working closely with Network Rail on the roll-out of north-western electrification, where again, regrettably, there are some delays compared with timescales previously announced, which is always unfortunate. But the programme is still under way and we've just signed a contract to buy a large number of new electric trains, showing our

confidence that those wiring schemes will be delivered and we'll make use of them.

[394] William Graham: Joyce.

[395] **Joyce Watson**: I want to ask whether there's any potential, or if you see any potential, in opening up the Aberystwyth to Carmarthen line.

[396] **Mr Tapscott**: There's every potential to open it up from the report I've seen. Obviously, there's a massive cost, and if a decision ever gets made on actually doing it, it would certainly be around social inclusion rather than as a commercial entity. I understand the balance of the amount of money having to be spent on something like this and the returns on it. So, from our point of view, from an operator's point of view, yes, we can more than manage our train service and be able to run services over that line if it ever got built. There's every potential, but it's certainly down to the cost and whether the Welsh Government feels it's worth the money.

[397] **Joyce Watson**: So it's an in-principle 'yes'.

[398] William Graham: John.

[399] Mr Pockett: I was just going to say, Chairman; I know there are studies being done, and as Mike said, there's always potential, but you have to balance the cost. Of course, I think there are a number of things that need to be taken into account: the mass of potential customers, the alternatives—I think we all know there is a good TrawsCymru service—and the potential speed of any rail service that would be put on. I think there are all these things. It's not just simple social inclusion or a simple longing to reopen the line, whether it's on the existing bed or not—it's been built on for large sections. But I think it's part of the whole mix of transport priorities for all of Wales.

[400] **Joyce Watson**: Thank you for that. I do see that Arriva trains did comment that it might be the case that providing longer trains could be better value for money than infrastructure enhancements in solving the capacity challenge. Do you want to say something about that?

[401] **Mr Tapscott**: I think it was more about bringing out of the debate the fact that there is more than one way to skin a cat. So, it has to be looked at on a route-by-route basis in terms of what we're trying to achieve. So, it

might be about longer trains, it might be more frequent trains, it might be improving the infrastructure, or it might be a different signalling system. There are different ways to actually get fast, frequent services, or to meet the challenge of capacity. It was more about the debate about not being constrained, necessarily, about frequent services, because it might not be the solution for a particular location. But we also understand the metro concept about fast, frequent trains, and a 15-minute frequency, and that's driving that. But also, on other routes, there might be a different way of doing these things.

[402] **Joyce Watson**: Well, I certainly don't understand trains every 15 minutes, living in Haverfordwest. That's not ever entered my thinking.

[403] But what would enter my thinking is that, if we had longer trains, I would welcome them, and you would expect that, but you also have to be able to get on and off longer trains, and you might not have the facilities in place to do that. So, while you're thinking about longer trains being a solution—and obviously it would be cheaper in some respects—how are you going to put the budget towards the infrastructure, then, that would have to be put in place? That is, in some cases, not every one, I understand, before you say it.

[404] **Mr Tapscott**: I assume you're talking about potential longer platforms to accommodate the longer trains.

[405] **Joyce Watson**: Absolutely.

[406] **Mr Tapscott**: Again, there are other ways to cut this. With new trains now, where you have through carriages, there's a potential to actually have select door opening. So, you don't necessarily have to improve the platform lengths just to accommodate longer trains, depending on those locations. So I think certainly it's a real opportunity now for Welsh Government to get a handle on how they see their strategy taking us forward in terms of infrastructure and rolling stock.

[407] **Joyce Watson**: And in that case, do you think that they are getting a handle on it, as you say? And are they, in your opinion, looking at a clear policy for the rolling stock? Because that's ultimately what will drive this.

[408] **Mr Tapscott**: I don't think that that's for me to answer. I do know we've been supporting Welsh Government—[Inaudible.]—views on certain

subjects. Certain things will come out in the very near future in terms of how they see this strategy being taken forward.

13:30

[409] Joyce Watson: Okay.

[410] **Mr Rowland**: Sorry, could I just support Mike? They're obviously having longer trains on the route, and a lot of longer trains up towards London as well, and the new trains all do have selective door opening, so we will be stopping at platforms that aren't as long as the train. You have to have a process in place to make sure that that's okay, to do it safely, but that's not uncommon.

[411] **Joyce Watson**: Okay. Do either of you have any concerns whatsoever about enforced changes to services as a result of competition from adjacent franchises? If you do, do those result from infrastructure limitations or franchising policy?

[412] **Mr Tapscott**: I think the most important thing for me is understanding what our customers' needs are. Cross-border, certainly for us, is a big driver of our business. I think it's about one third of our revenue that's actually from cross-border services, so for me it's key to understand the impact of how Arriva Trains Wales, with its current network system, works. So, certainly, I would have a concern about how that might look in the future, but obviously we just need to take it in the round, because there may be other opportunities compared to how the network looks now for the future.

[413] **Mr Cobbe**: Perhaps I could add, Chairman—. Clearly, as franchise operators, it's not exactly our role to decide what should be in each franchise. In the 20 years since the process was put in place, there have been a number of what we in the industry tend to call 'remappings', where services that were in one franchise are subsequently put in a different franchise. There's no basis for us to object to that. I think all we would do, as Mike has said, is say that the prime interest should be that of the passenger and that the services that are provided should maximise passenger satisfaction and also maximise the revenue earned by the railway companies, because that all flows back into the national Exchequer, effectively. If the network of services earns more, then the franchises are offered on better terms to Government. So, we would always assist the franchising authorities, whether they are central or devolved, to think about the issue of mapping in

a way that doesn't destroy value and does provide the network that people want. In the end, we will end up co-operating between companies that are under different ownership. That's why the network works very successfully.

- [414] **Mr Rowland**: I'm going to agree. [*Laughter*.]
- [415] **Jeff Cuthbert**: I'll write this down. [*Laughter*.]
- [416] Mr Rowland: It is all about what our customers want and what service provision is needed to deliver their needs. So, we have a lot of cross-border flows—Bristol, and then out towards Swindon and London—and it's about putting a service in that is appropriate for the needs of those customers. So, obviously, we've got the main line into London; half-hourly, we're putting on longer trains there, and faster trains there. On the Bristol route, we're looking closely at the moment at how we might add capacity there. So, that might be by more trains, it might be by longer trains, and it might be a combination of the two. Indeed, with the rolling stock that we are getting in this franchise, alongside our Intercity Express trains, we have EMUs, electrical multiple units-of four cars. They are generally going to be used in the Thames valley, but once electrification comes all the way up to Cardiff and, indeed, to Bristol, then that might be an option for us across from Cardiff, Newport into Bristol, to add some significant capacity through our electrical multiple units as well. So, it's more around the service that customers want, and that's what we as train operators provide, and we do that in conjunction with each other as well, in terms of getting a frequency of service in place.
- [417] William Graham: Jeff, you had a supplementary.
- [418] **Jeff Cuthbert**: Yes, a very quick point, and some praise for Arriva trains. As you know, on the Rhymney Valley line, we've had longer platforms for many years, and I'm pleased to say that I've seen, on quite a few occasions now, trains of six cars, which is what they were designed for. So, well done. A little bit of praise, anyway. [*Laughter*.]
- [419] William Graham: Thank you, Jeff. Janet.
- [420] Janet Haworth: I'd like to ask you—well, GWR, really—to comment on the new Transport for Wales company. Will this be crucial to developing a rolling programme of all rail projects? And the suggestion from the mid Wales transport partnership that Welsh Government policy focuses on north and south Wales, and that large spending requirements such as the proposed

rail electrification does not consider the impact upon mid Wales in its assessment, and that might get left out of the planning process.

[421] Mr Rowland: In terms of Transport for Wales, where we've seen and been involved in organisations that are similar to that-Transport for London, obviously, is the closest one to us—what you see is a significant investment programme and a significant change in terms of the product. And if that's what Transport for Wales is designed to deliver, then for us that's a good thing. We have an involvement in there with Transport for London; it's becoming a much larger involvement because of Crossrail. We will transfer some of our stations over to Crossrail in due course. And I think having that single guiding mind that's dealing with transport and is looking very much long term allows different stages of planning and projects to take place over time. So, we're not constrained by either our franchise length or a control period for Network Rail of five years. We've got an organisation that can look much further ahead and say 'In 20 years' time I want to be able to do x, and I can start my planning to achieve that now and make sure that I've got the funding in place to deliver that in due course'. If it's an organisation that can achieve that, then we would support it and welcome it.

[422] Janet Haworth: Any other comments on that?

[423] **Mr Tapscott**: I'd just echo Richard's point. What's important is we have focus on Wales and rail infrastructure and we get the best we can for Wales, and if Transport for Wales is a company that can achieve that, then that's a good thing. So, I look forward to how that develops.

[424] You talked about investment in mid Wales as well; I think you mentioned it in one of your questions. We have seen quite a bit of investment, certainly, on the Cambrian line, particularly around the new signalling system from radio electronic token block to the European train control system. That's particularly made a step change, in my opinion, in terms of the performance on the Cambrian; although we did have a few years of some problems initially, it seems to have settled down remarkably now and they're really confident with the system. We've obviously recently had the—[Inaudible.]—to achieve a full hourly service. Obviously, that would be great; that will depend on the business case and funding. We've also had 158 refurbishments in the last couple of years to bring them up to a new sort of feel inside, and also Machynlleth depots has had a lot of funding. So, there is a lot of funding—[Inaudible.]—still like more to come into rail in Wales, but I understand the difficulties around making sure that we're targeting the right

areas.

[425] Janet Haworth: Anything to add to that? No? I'd just like to take the opportunity, though—. Occasionally, I have occasion to write to rail operators. I've had occasion to write to Arriva, and I've found you very responsive. And I've also witnessed some very professional behaviour on the part of your staff when dealing with quite vulnerable customers as well. So, I know you get a lot of complaints; it's nice to—

[426] Mr Tapscott: That's very good to hear; thank you very much indeed.

[427] Janet Haworth: It's nice to give some praise, yes.

[428] **Rhun ap lorwerth**: Cross-border matters; if we can have a look at that. What are the dangers that progress made—especially, I guess, in the north of England, which, of course, Arriva is involved in there—that progress on matters of electrification or other investment decisions there will go ahead without full consideration of how that should play into and integrate with what's needed to happen in north Wales?

[429] **Mr Cobbe**: Perhaps I should answer that one, because I'm closely involved in our northern franchise. I think, whilst I totally share in particular what Richard said about devolved bodies—[Inaudible.]—close to the action and more focused on what to do locally, there is inevitably always an issue that they will have a boundary, and you may have two devolved bodies which then eventually do have a boundary, and getting co-ordination across them is something which needs a real and genuine effort by both parties. So, we're certainly very keen that Rail North, who will be taking an increasing role in managing the northern franchise, do work very closely with the Welsh Government, and do address what are very substantial flows of passengers between north Wales and particularly the Manchester and Liverpool hubs within the northern conurbation. I don't see that the northern franchise is in any way detrimental to north Wales; I think there are some real positives. The services don't actually go into Wales, but it does involve, for example, increasing to half-hourly all day the Manchester service, which gives rise to various connection opportunities from Chester into Wales, and the services in general will be improved within the Rail North boundary. And it was a specific instruction that bidders shouldn't look to go out of a specified area for a franchise. In a way, that's the way franchises have to be done, but you don't want a situation where every franchise let starts having creative ideas all over the areas of all the other ones; it wouldn't be a very practical system going forward.

[430] So, franchising is let in a way which is, in my opinion, in no way detrimental to Wales. There are some issues about track capacity to Manchester Airport, which I think do need to be addressed, but, certainly, in our work on designing a new timetable, we're very keen, obviously, because their sister company fund Arriva ownership, to reach an accommodation so that there are paths to and from Manchester Airport for the service from north Wales to continue to access it, as it does to some extent now, and as we're proposing that it should do more frequently. I don't see anything happening that intrinsically prevents that.

[431] **Rhun ap lorwerth**: No. Those are contractual issues using infrastructure as it is, in a way, and what agreements different companies can come to on the use of stations. But there are considerations about the need for close co-operation when it comes to infrastructure too, and, for example, when we see Warrington to Chester being highlighted as a tier 1 project, and Crewe to Chester being highlighted as another electrification project in tier 2, when, actually, surely it makes sense that electrification of those tracks is part of electrification all the way through to Holyhead. I don't know what your thoughts are on how those kinds of synergies can be found.

[432] **Mr Cobbe**: Well, I think there's probably several different initiatives linked together in your question, so I'll try and unpick them a bit. But the rolling programme of electrification is now recognised as the right thing to do for the country in terms of both transport and energy policy. There's a transport policy case in that, as was mentioned earlier, electric trains are typically cheaper to operate and generate higher revenues, and there's an environmental case: they attract more people from the roads, they, with the right electricity generation, will reduce the carbon footprint, and they reduce certain types of pollution too. So, I think the principle of the electrification programme is established nationally. Clearly, there have been some delays in what the UK Government wished Network Rail to do, but, as I mentioned a little earlier, no schemes have been cancelled at all, and our view is that they have just been reordered slightly, with slightly later completion dates, and that the debate will resume on what follows next.

[433] There was a very useful report prepared by the north of England taskforce on electrification priorities, looking at many lines within the northern franchise area to see what might be the appropriate ranking. My understanding is that that will all be considered by the Government, with a

view to looking at it as HLOS for the next control period—that's 2019 to 2024. And I think the lines you mentioned will all be up for debate. I'm not sure that they are actually so high up that they are going to make the next cut—so back to, as I mentioned earlier, the case tends to be strongest when you've got four trains an hour and they're of some length, whereas the lines you were describing were around the two trains an hour mark, so you might see them as secondary priorities rather than top priorities. But I know there is a very strong ambition to move the north Wales main line into the electrification programme, and that's something we will be very supportive of with all our different railway businesses. But it does need a business case, and it will have to fight for its place with funding.

[434] The other key comment I would make here, which I think relates to many of the lines we've talked about this afternoon, is that we would always suggest that it's far better to optimise the infrastructure first and then electrify, because, if you electrify first, you tend to trap yourself with line speeds, junction capabilities and the like that may not be what you want later on. So, we think you need a holistic future plan, which recognises the ultimate ambition and then says what steps we shall go through to achieve those services and that technology on a planned basis in the future.

[435] **Rhun ap lorwerth**: Just one point: a point was made by a witness earlier today that devolution, and the formalisation of devolution in England will make it easier, perhaps, for co-operation to happen, because there will be an authority, a strategic body, for, say, Welsh Government to deal with. Do you think devolution could actually help Wales in terms of building those more formalised cross-border relationships?

13:45

[436] **Mr Cobbe**: I think so, based on Arriva's experience throughout Europe: in a great many cases, our client bodies are devolved bodies. The UK has been quite unusual in how much has been centralised in recent years, so I think we generally feel the devolved bodies are closer to what their communities actually require, and they generally form some commonality of interest. I mean, we see—. Particularly Rail North: Rail North has involved the coalescence of passenger transport executives, county councils, borough councils—there's a huge range of bodies that have decided, actually, they will achieve much more by working together through a single unified entity, which has involved them co-operating on what were previously cross-boundary issues. I think they are now intrinsically more minded to think

wider, and would naturally then think, 'Well, how do we relate to the Welsh Government for our key issues?', such as the proposed additional services into Liverpool, involving the reopening of a currently almost disused line. Those are cross-boundary issues to resolve. They're neither Welsh issues, nor are they Rail North issues—they are combined, cross-boundary issues.

[437] **Rhun ap lorwerth**: And, of course, in Great Western's case, the big political row about who was going to pay for electrification of the Great Western main line was a good example of how not to have dealings between two Governments. What was learnt from that, do you think, as a franchise working cross-border?

[438] Mr Rowland: I guess we use the infrastructure that's given to us. But, in terms of devolution, we've got some good examples where funding has been devolved—local enterprise partnerships, things like that, in England, are very useful partners. Where we've been able to put some money in, the local enterprise partnership has been able to put some money in, and that means that we get something that, locally, is important to both of us. A good example is Didcot Parkway carpark: a significant scheme, £20 million. Through our franchise, we've got £10 million; through the LEP, there's £10 million. So, that's something that we can do through a devolved funding process. For me, and for Great Western, it's about making sure that we can get the right outcome in terms of what we need for our customers, and that has worked in terms of the devolved example I've just given you there. But, if there's different ways of doing that, and of funding in different ways, of getting the money, then, equally, that will work as well.

[439] If I can go back to Reading as an example, it was the local authority there that was the key driver to getting Network Rail, and, indeed, the department, on side to get the money there. They put some money in themselves. You could argue that that was nothing at all to do with them, and that that's a Government issue or a Network Rail issue, but they took it on themselves to say, 'No, this is our issue, it's our city, we need to do something about it, we'll put some money in.' And it was them, through that, and through a continuous drive, who actually achieved what was achieved there. So, I think there's a number of ways of getting the money in place, but, if there's local money, it's much more powerful and much more likely to be successful.

[440] William Graham: Okay, thank you. Janet, you had a short—?

- [441] Janet Haworth: Yes, just a couple of short questions.
- [442] William Graham: Well, one short question, please.

[443] Janet Haworth: I was interested in your comments about Cardiff station. I'd just like to quickly take you back to that, and ask whether you had the opportunity to actually put on the table outline sketch plans of how you see it. As users, you gave a very accurate description of what you think needs to be there. Sometimes, these things need to be drafted out before people actually see it. And is it an opportunity for a national design competition? Looking at what's happened with some of our other railways up and down the country, some of our stations have been transformed.

[444] **Mr Rowland**: I think there's two elements to that. There's the station element, and having the design around the station is a good thing; there's the infrastructure element, on which Network Rail are the experts. And, if I was going to enter a competition to design a new solution, I would take the Reading plans, and say, 'There you go—do that.'

- [445] Janet Haworth: [Inaudible.]
- [446] William Graham: Of course, it's not presently possible.

[447] **Mr Rowland**: No, quite. But I think that that's the kind of ambition that we need. But, certainly, in terms of how a station looks and how it functions for a customer, design competitions are great for that, to get ideas.

[448] **Mr Tapscott**: We have had the opportunity, so we have been working with Network Rail to give our views on how best to get a station that we can operate well, certainly from a day-to-day perspective, but also when we have event management. Network Rail have been looking at potential designs, in terms of a master plan, and we've engaged in that process, and that's where we come to the conclusion in terms of trying to get the infrastructure within that consideration, rather than just focus on the station. So, we have been involved, and, yes, I agree, maybe there is an opportunity for someone, that it's actually a design competition, but we've also got to be mindful that it may look good, but will it actually be good to operate? And that's a real consideration that we need to make for a capital city, Cardiff.

[449] Janet Haworth: I'm just filing a plea from north Wales, here, about the fact that, when we come up from Cardiff, and people come up from Cardiff,

they get decanted out of three or perhaps four carriages into two to come down the line, down to Bangor, as to—. What is the problem? I mean, that is the most common complaint I receive.

[450] Mr Cobbe: I guess perhaps there are two things linked together there, but, taking the second one first, clearly, we've now—it's guite a number of years ago we put together our bid for the Wales and borders franchise, and one of the things that we undertook at Arriva's commercial risk was to implement an all-day, two-hourly, north-south train service. It wasn't required at all—we didn't have to do that—but we thought it was the right thing to do and that it would be a commercial success. We are absolutely delighted with how successful it has been, and one of the very issues of success is that, sometimes, it would be nice if the trains were bigger. There is, at the moment, a very severe national shortage of diesel rolling stock, so there are no immediate early answers, but we have done several initiatives with the Welsh Government, one of which was to introduce another locohauled train. That actually goes to Manchester, but it frees up DMUs. I think we'll be looking at short-term palliatives like that for that extra capacity, but I just think it is wonderful that something that wasn't there at all at the beginning of our franchise, when we come to look at our next franchise, I'm sure people will be looking to reinvest with bigger trains to run a service like that.

- [451] Janet Haworth: Thank you.
- [452] Mr Cobbe: If I revert to Cardiff Central—
- [453] William Graham: Be very quick, because we've run out of time, now.
- [454] **Mr Cobbe**: I think one aspect that is worth noting—and I don't think it's an easy one—is that's it's a listed building, and it's a fascinating piece of 1930s architecture, sadly designed for a much lower throughput than now. And maybe Janet's point is correct in terms of a competition: 'How do you it without flattening it?' is the challenge, because Reading was, essentially, flattened.
- [455] William Graham: Mick.
- [456] **Mick Antoniw:** A series of sharp questions: the periodic review process, how well do you think that works?

[457] Mr Cobbe: I'll try that one, I think. I think it was originally envisaged as doing two things, in a way. It was to set a regulated spend and programme for a regulated utility, broadly in the model of the other regulated utilities, and it was also to provide a basis on which businesses like ours and the freight operators could run their operations. The world's turned out slightly differently, now, in that the infrastructure manager, Network Rail, is actually a nationalised industry. So, I think there are elements of the periodic review process that were put in place that may no longer be appropriate. But, on the other hand, there are elements of it that are still absolutely vital, because, for example, if you are a freight operator who has invested in long-term flows at your own commercial risk, you want to be sure that the infrastructure manager will behave in a way that enables you to continue to do your business. So, I suspect the current—I believe there are about four different reviews of Network Rail, in total. I'm sure they will produce some alterations, but the concept of somebody having an overview that the amount of renewal and maintenance is correct is probably a good thing and shouldn't be lost. Whether it's the right mechanism for enhancement projects is perhaps more debatable now, because, essentially, we've got a clearer mechanism where client bodies—primarily the Government, but, equally, devolved bodies—are essentially buying infrastructure improvements off Network Rail. There's no particular need for those to be bundled into five-year doses, and there's some evidence that the current problems actually arose because things were bundled in to the present periodic review process before they were ready, because people thought, 'Oh, gosh; if we don't get it on the bus this time, we've got to wait five years for the next bus to come along'.

[458] **Mick Antoniw**: Yes, well, the transport Minister's been particularly scathing in evidence that she's given from time to time about the way in which Network Rail operates in terms of delivery, in terms of cost and also responsiveness to projects within Wales. I think, in general evidence that we've heard, that seems to be supported by a lot within the industry. Of course, you have the Shaw review, and there's certainly a very serious consideration of devolution of the structure in some way to Wales. What are your views on that, on whether there are merits to the actual decentralisation, the devolution of Network Rail or parts of the structure to Welsh responsibility?

[459] **Mr Cobbe**: I guess the views we've expressed to the Shaw review are less specifically about devolution to Wales but more about the structure of Network Rail overall. Certainly, we have suggested that there is no evidence that having a single monopoly supplier of all the functions Network Rail

currently carries out is the best or most efficient solution. We have said there is a core of activities, which may well be a national monopoly, but there are other things Network Rail does where it might be beneficial if there was more than one body carrying out those activities. One such areas is major projects—there's clearly a scale of railway investment going on in this country that is foreseeable many years into the future, which perhaps means a more plural structure with more than one project–development body might be beneficial for all concerned, introducing an element of both competition and comparison.

[460] **Mick Antoniw**: But the written evidence you've given us is actually quite more specific. I think you say you've

[461] 'seen and experienced significant poor delivery from project teams brought into the Wales Network Rail route'.

[462] So, you've actually got examples of very specific concerns and problems. The logical development surely must be that there is certainly greater local control over that and also a far more efficient planning and strategy process, isn't it?

[463] **Mr Cobbe**: I think we've also seen the example in the original reopening of the Ebbw Valley line, where Network Rail would not have been able to do that project for several years later. So, although the implementation done on a devolved basis wasn't without problems, I think it achieved a reopening many years sooner and at a lower cost than had the project been continued with Network Rail. But, on the other hand—a comparable case in Scotland—the Borders Railway actually was intended to be done as a devolved project and ended up being done by Network Rail. So, some of the evidence is a little contradictory.

[464] **Mick Antoniw**: But, of course, we do get also the evidence we've been having when we're talking about Cardiff station, where there's a clear recognition of key infrastructure requirements and a lack of confidence or certainty that those are necessarily going to be taken on board. So, you've got sections pulling in different directions, which is obviously not a healthy situation, is it?

[465] **Mr Cobbe**: No. I think, again, going right back to the beginning of the franchise, one of the very first things we did was to say that we believed very strongly that Network Rail should have a Welsh route. It took us seven years

before they did actually implement that. So, almost half of our 15-year franchise was spent persuading Network Rail to devolve to a Welsh route. I believe it has been very beneficial, but there are elements—and those do include the major projects and the planning—that haven't been devolved, and it might well be that some of the difficulties that have arisen with the Cardiff resignalling might have been avoided had responsibility for the projects also been devolved when the operations and maintenance were devolved.

[466] Mick Antoniw: Okay.

[467] William Graham: Our last question—Jeff.

[468] **Jeff Cuthbert**: The relationship between Network Rail and the train operating companies, but particularly GWR's comment that there remains potential for future efficiencies to be realised from closer co-operation between the TOCs and the Network Rail routes—. So, would you like to expand on that briefly?

[469] Mr Rowland: Yes, I can. Roger's given a good example in terms of getting routes opened and working together to get that done quickly and more efficiently. For us, there are two elements to this. There's a back office element, where, for things like performance, we have a joint performance team rather than there being a performance team in our organisation and one in Network Rail. So, there are other areas like that, and train planning. We have an organisation within our business that I'm the lead of, where we work very, very closely with Network Rail to help them deliver the projects that they need to deliver whilst also looking after our customers, because we still need to transport our customers around the network. That works well, because we can discuss when access is going to take place for them to do the work and which is less damaging to the business and to the customer flows.

14:00

[470] I think we can still work better at that and work closer on that to be more efficient and more economic. So, there are those, and then a further good example is—FirstGroup had ScotRail for a number of years—Paisley Canal and the electrification there. That was put in, Network Rail were looking at that, and it was a very substantial scheme and an expensive scheme. Through working together, we reduced the cost of that significantly,

and I think there's a lot more of that that we can do together, as well, to make sure that we're delivering the right level of infrastructure for the service that's going to be provided. You don't necessarily want a gold-plated railway when you've got a relatively light usage; certainly, you do if you've got heavy usage. So, it's horses for courses, and I think, together, as an operator with the infrastructure owner, Network Rail, we can work through how that is best done and how what are very scarce resources are used most wisely.

[471] **Jeff Cuthbert**: I'm sure you don't mean it, but it sounds as if you're recreating British Rail, but there we are. [*Laughter*.]

[472] Mr Tapscott: I think I'd echo Richard's points. We have had synergies with Network Rail, there's absolutely no doubt. We've worked very closely with Network Rail's Wales routes on a lot of issues. I really do think that major projects are one area that, maybe, we could actually get better at in terms of lining that up. The reality is we have different motors and goals. For us, customer experience is key—so, making sure we limit the amount of engineering on the rails and making sure we don't get overruns when difficulties arise, but also benefiting from the outcome of the actual works that are taking place, whereas a centralised project team are coming in with a fixed resource and a fixed sum, and maybe they have a different alignment of what they're trying to achieve. There may be a real opportunity, I think, for us, as an industry, to actually do more in that area.

[473] **William Graham**: Thank you very much for coming today. We're most grateful for your evidence.

[474] Mr Pockett: Chair, could I just say—?

[475] William Graham: If you're very, very quick, John.

[476] **Mr Pockett**: This is the last inquiry that you'll be doing on transport. I know I speak on behalf of GWR, and on my behalf I would like to say 'thank you' to you, Mr Chairman, particularly, for the courtesy and the interest you've shown, and to all the Members, as well, who've shown great interest in transport. This is the fifth time, I think, I've appeared in front of you, and I'd just like to say

[477] diolch yn fawr iawn i chi i gyd, thank you all very much, and I look ac edrychaf ymlaen at y dyfodol. forward to working with you in the

future.

[478] So, thank you very much indeed.

[479] William Graham: You're most kind. Thank you.

14:02

Papurau i'w Nodi Papers to Note

[480] William Graham: Members, could you look, please, at item 3, which is papers to note? Thank you very much.

Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o Weddill y Cyfarfod a Dechrau'r Cyfarfod Nesaf Motion under Standing Order 17.42 to Resolve to Exclude the Public from Remainder of the Meeting and the Beginning of the Next Meeting

Cynnig: Motion:

bod y pwyllgor yn penderfynu that the committee resolves to gwahardd y cyhoedd o weddill y exclude the public from the cyfarfod a dechrau'r cyfarfod nesaf remainder of the meeting and the yn unol â Rheol Sefydlog 17.42(vi). beginning of the next meeting in accordance with Standing Order 17.42(vi).

Cynigiwyd y cynnig. Motion moved.

[481] William Graham: I move a motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the remainder of this meeting and for the first 15 minutes of our next meeting, which is on the Active Travel (Wales) Act 2013. Thank you very much.

Derbyniwyd y cynnig. Motion agreed.

Daeth rhan gyhoeddus y cyfarfod i ben am 14:03.

The public part of the meeting ended at 14:03.