

Enterprise and Business Committee

Meeting Venue:
Committee Room 1 – Senedd

Meeting date:
10 January 2013

Meeting time:
09:00

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



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Agenda

Pre-meeting (9:00 – 9:30)

1. Introductions, apologies and substitutions

2. Inquiry into Integrated Public Transport – Evidence session (9:30 – 10:15) (Pages 1 – 8)

Network Rail

Mark Langman, Wales Route Managing Director

Dylan Bowen, Public Affairs Manager

De-brief in private (10:15 – 10:25)

Enterprise and Business Committee

Inquiry into Integrated Public Transport

Summary

- Network Rail owns and operates the rail infrastructure across Great Britain.
- Investing in rail is one of the most effective ways to help grow Britain's economy.
- The devolved Wales route is responsible for the rail infrastructure in Wales and the borders area.
- Network Rail is delivering a significant programme of investment across Wales in the remainder of CP4 and CP5.
- Network Rail is working with stakeholders to assess and plan for future demand on the railway.
- Our investment programme provides an opportunity for funders and transport planners to align integrated transport improvements with railway investment programmes to achieve additional benefits.

Introduction

Network Rail runs, maintains and develops Britain's rail tracks, signalling, and other rail infrastructure including bridges, tunnels, level crossings and viaducts.

When Network Rail was formed in 2002 the railway was facing a number of challenges. There were major safety concerns and punctuality levels were falling well short of what passengers expect, with a Public Performance Measure (PPM) of below 80%. Today the railway is safer, whilst performance is at record levels with PPM above 91%.

This success is mirrored by demand. Today more people travel by rail than at any point since the 1920s - when the rail network was around twice its current size.

Every year 1.3 billion journeys are made on Britain's railway and 100 million tonnes of freight is transported by rail between ports, factories and retail distribution centres.

Demand is still increasing. Over the next 30 years passenger demand for rail across Britain will double and some estimates show freight demand rising by 140%.

The Wales Rail Planning Assessment (WRPA), published in 2007, indicated an increase in passenger demand of 35% by 2016 and up to 48% by 2026.

Network Rail's purpose is to generate outstanding value for customers and taxpayers. Our role is to provide a better railway for a better Britain. Our vision is to improve the rail network by providing faster, more frequent and more reliable journeys between Britain's towns and cities.

Rail investment helps to stimulate private sector growth by linking towns and cities and is one of the most effective ways to help grow Britain's economy. Improved transport and enhanced rail links create better connections between people and jobs and bigger customer bases for companies selling products.

The railway also performs a vital lifeline. It helps reduce isolation and strengthen communities by connecting people to health and education services and expanding other opportunities such as trips to leisure centres and shops.

Network Rail in Wales

The railway infrastructure in Wales and the borders area is managed by Network Rail's Wales route.

The Wales route was launched in November 2011 and its creation was aligned with Network Rail's drive to increase its responsiveness and accountability by devolving to a more local level.

The new Wales business unit directly employs over 1300 people and oversees the management and operation of the railway in south Wales, mid Wales, north Wales and the Marches – broadly reflecting the Wales and Borders franchise area - from a headquarters in Cardiff.

The Wales route is led by the route managing director who has responsibility for safety, operations, maintenance and asset management. This is a major step forward and offers opportunities to deliver tailored improvements and drive efficiencies on the route, as previously these functions were managed from a number of different locations including Swindon, Birmingham and Manchester.

Devolution and the creation of the new Wales route places the company closer to our customers and other stakeholders in Wales, enabling the company to be more responsive to local needs and demands.

The Wales route meets with a wide range of stakeholders, including assembly members, members of parliament and business groups.

We have a formal meeting schedule with the Welsh Government. We regularly meet with the Minister for Local Government and Communities and senior officials in the Transport Department.

There are also numerous meetings to discuss individual projects with Welsh Government officials. Additionally, we have engaged closely with the Welsh

Government over the plans for Valley Lines Electrification and electrification of the main line from Cardiff to Swansea.

We meet with the four Welsh transport consortia to discuss specific rail projects as well as wider issues and aspirations around rail services. We also engage with representatives from the individual Welsh local authorities. For example, we have had a number of meetings with Cardiff Council to discuss how Cardiff Central station can link with the bus station and surrounding area.

Railway Investment

Network Rail invests in the Welsh railway in a number of different ways. We invest a substantial amount in the on-going operations, maintenance and renewal of the railway in Wales. We also invest in the enhancement of the railway in partnership with our funders.

Investment in Wales has led to increased capacity, improved connectivity, reduced journey times and improved reliability. For example:

- **Newport Area Signalling Renewal** – the re-signalling project delivered performance benefits as well as improving the track layout in the Severn Tunnel Junction area.
- **Newport station re-development** – jointly funded with Welsh Government, the refurbished station opened in time for the 2010 Ryder Cup. The new station is almost twice the size of the original station and will cater for the expected growth in passenger numbers.

Passengers at the station now have improved accessibility, with step free access from both terminals onto all platforms. The station also benefits from increased and improved parking facilities.

- **Swansea station re-development** – a multi-agency funded (DfT, Welsh Government and Network Rail) project. The scheme delivered a larger concourse area to cater to future expected demand.

The station environment was significantly improved, with better and more accessible passenger facilities, as well as new waiting shelters, a new booking office and digital information boards.

Network Rail is also in the planning and delivery stage for a number of other projects that will deliver significant benefits for passengers:

- **Cardiff Area Signalling Renewal and Enhancements** – this £220m project, with a £20m contribution from the Welsh Government, will deliver significant capacity and reliability improvements.

The three-year programme, completing in 2015, will replace over 300 signals, 12 miles of track, 59 sets of points and build seven additional platforms across the

Cardiff and Valleys rail network. The scheme will remove the rail bottleneck between Cardiff Central and Queen Street, allowing 16 (four additional) trains per hour to run through the area.

Cardiff Central and Cardiff Queen Street will also be refurbished with new entrances and facilities to improve passengers' travel experience. These stations account for 67% of all passenger demand on the South Wales Valley network and cater to almost 12.5m passengers every year.

- **Valley Lines Electrification (VLE)** – this is a significant investment to electrify the entire Valley Lines network and the section of the Great Western Main Line between Cardiff and Bridgend (the remainder of the Great Western Main Line between Bridgend and Swansea is funded by UK Government).

Electrification of the infrastructure enables a more cost-effective train operation, with improved journey times through faster acceleration and deceleration, as well as a greener, quieter and more reliable railway. The project will allow the Welsh Government to specify in the next Wales & Borders franchise a fleet of electric trains and an improved timetable.

Network Rail has established a Stakeholder Group for VLE comprising Welsh Government, SEWTA, Arriva Trains Wales and the Public Transport Users' Committee to keep them fully informed about all aspects of the project. This will help enable them to consider, well in advance, the best ways of integrating the electric train service with other transport modes.

- **Electrification of the Great Western Main Line** – the project to electrify the Great Western Main Line from Cardiff to London Paddington was confirmed by the Secretary of State for Transport on 1 March 2011. The decision to extend to Swansea was announced in July 2012.

The electrification project, along with a re-modelling of the timetable, will help to deliver journey time improvements to London from both Cardiff and Swansea. The new IEP rolling stock will also offer more seats per carriage compared to the existing rolling stock.

- **North - South Wales Journey Improvements** – a Welsh Government funded project to redouble most of the single line between Wrexham and Chester in order to improve journey times and capacity on the North - South Wales route.

At the same time, Network Rail is investing in re-signalling the line between Chester and Llandudno by 2015 and between Newport and Shrewsbury by 2017. The re-signalling works will seek to regularise speed profiles by removing existing infrastructure constraints and provide signalling and track layouts better suited to current and future operating requirements than the existing layouts.

- **Swansea – West Wales Journey Improvements** – a joint project with Welsh Government to improve reliability and provide capacity to meet future demand west of Swansea.

The work includes; replacing Loughor viaduct with a modern structure, re-doubling 5.5 miles of track through Gowerton, a new platform at Gowerton station and the installation of new signalling.

- **Station improvement projects** – a significant number of stations are being improved through a variety of schemes and funding pots, for example:
 - **Access for All** – a Department for Transport funded scheme and delivered by Network Rail, designed to improve accessibility to a number of specified stations, including Wrexham General, Bridgend, Abergavenny, Prestatyn and Severn Tunnel Junction.
 - **Welsh Stations Improvement Programme** – a multi-agency funded programme to deliver improvements to stations, including; Pontypridd, Port Talbot, Rhyl, Ystrad Mynach, Aberystwyth and Llandudno.

Long Term Planning Process

Network Rail is leading the Long Term Planning Process (LTPP) in Wales, with input from the Welsh Government, regional transport consortia and train operators.

The outcome of this work will culminate in a new Route Plan for Wales. The next steps are to:

- Identify the economic factors that will influence changes in demand over the next 10 to 30 years
- Assess gaps between existing capacity and future demand
- Develop solutions to bridge the gaps, with a strong emphasis on optimising before enhancing
- Provide choices for funders
- Complete by end of 2016 to inform the next HLOS.

The LTPP provides the framework for government, regional transport consortia and other funders to consider the best ways of integrating public transport into the future development of the railway network in Wales.

The LTPP will also help inform the next Wales and Borders franchise, which is scheduled for 2018.

Additionally to the LTPP, Network Rail is currently examining the opportunities that exist for closer working with train operating companies, such as through deep alliances.

Committee Questions

- ***How can the creation of a Network Rail Wales devolved route support effective, integrated public transport in Wales?***

The establishment of the Wales route created an organisation that is far more focused on the needs of Wales as well as being more accountable and accessible to stakeholders in Wales.

Within Wales, we have established a Strategic Planning Team to work with government, industry and other funders to improve, enhance and develop the railway on a long term basis.

The management of all our assets is located within the Wales route and we have developed a Wales route modernisation plan, which aligns the renewal of signalling, track and other assets, so that we modernise one whole line at a time.

The modernisation plan shows what we are doing up until 2025, and it allows us to engage early with government and other stakeholders to provide visibility of our plans, so that they can think about what enhancements, including integrated transport improvements, they would like to consider. This plan has been shared with the Welsh Government and the Welsh transport consortia.

Additionally, Network Rail Wales route meets regularly with a range of stakeholders in Wales (as outlined above) to discuss current projects and future planned enhancements and renewals.

Through closer engagement we are able to keep stakeholders updated on our investment plans so that they can better plan service enhancements and integration improvements.

- ***What are the implications of the England and Wales High Level Output Specification and Statement of Funds Available for Control Period 5, published by the UK Government, for the development of integrated rail services in Wales?***

The HLOS announcement confirmed electrification to Swansea as well as the Cardiff and Valleys network. Network Rail has been tasked with developing these schemes and delivering them throughout CP5.

Both schemes will help transform the railway by delivering the potential for a faster, greener, quieter and more reliable railway.

It will be useful to focus on the example of the electrification of the Cardiff and Valleys network to show how this investment could be the first step in developing a more integrated transport system.

Demand for rail is forecast to continue growing into the future, with issues such as the rising cost of motoring and road congestion being likely to increase the modal share of rail.

Electrification of the Cardiff and Valleys network, combined with the CP4 Cardiff area frequency enhancements, will help cater to the forecasted future demand. Additionally, improvements such as longer trains, journey time reductions and better reliability will help tap into the latent demand that exists along the network.

One of the main stated aims of the project to electrify the Cardiff and Valleys network is to improve the economy of the region. Electrification will help extend the labour market whilst making the area more attractive to inward investors.

Electrification will therefore deliver the potential to improve rail services and the wider economy. The challenge for transport planners and funders is to examine how to integrate other transport modes with the rail network to build on this.

By taking a holistic view of public transport services across the Cardiff and Valleys network area, the opportunity exists to maximise the benefits of an electrified network by examining how to more effectively integrate the railway with other transport modes, for example;

- integrated timetabling
- multi-modal ticketing ('Oystercard' type initiative)
- walking and cycle routes into railway stations
- bus routes with railway station interchange facilities
- park and ride facilities at existing railway stations
- and investigating the possibility of new stations with park and ride facilities.

Network Rail welcomes the recent Welsh Government announcement regarding the establishment of task forces South East Wales and North East Wales. Network Rail has been invited to join the South East Wales Integrated Transport Task Force and we participated in the inaugural meeting on 12 December.

We fully support the Welsh Government view that that rail electrification provides an opportunity to develop an integrated transport infrastructure in South East Wales. We look forward to working with stakeholders to ensure that electrification is the catalyst to delivering a modern, sustainable and integrated transport system for South East Wales.

We are also working with stakeholders in North Wales through the LTPP to examine what opportunities may exist to enhance railway services in the region to provide better journeys along the line as well as improved cross-border connectivity.

Long Term Planning Process

NetworkRail



The Long Term Planning Process (LTPP) is how Network Rail works with its stakeholders to predict future demand for rail services, agree priority uses for the capacity available and assess value for money options for investment

More people travel on the railway today than ever before. Demand for passenger and freight services is high and is expected to rise significantly in the future.

The LTPP has been developed to allow Network Rail and the industry to respond flexibly to the challenges posed by this growth whilst planning the long-term capability of the rail network up to 30 years ahead. This is in line with wider changes within the rail industry, such as longer and less prescriptive franchises and Network Rail's own reorganisation into ten devolved routes.

Predicting demand, setting priorities

The previous route utilisation strategy (RUS) process identified capacity gaps on existing services and proposed interventions to meet them.

However, aspirations for train services that support economic growth, for example connecting residential areas to labour markets, might require entirely new services and a new approach to creating capacity.

The LTPP comprises a series of studies that will support the industry, its funders and stakeholders to understand the capability of the network as a whole and what future interventions may be needed:

- **Market studies:** will forecast demand over a 10 and 30 year period for freight and for three passenger 'markets' - long distance, regional urban and London & South East. A series of priorities or 'conditional outputs' will be set - such as a minimum service frequency between cities - which will take into account stakeholder aspirations
- **Route studies:** will develop options for all future train services, local as well as long distance, based on the demand forecasts and priorities set by the market studies. The options will reflect the trade-offs between different stakeholder priorities, such as accommodating freight and passenger growth or the impact of more services on performance
- **Cross-boundary analyses:** will consider options for services crossing multiple routes and provide consistent assumptions for the route studies.

Network-wide issues, such as technological change will be addressed through a series of network studies.

Value for money investment

These completed studies are expected to provide the main source of proposals put to funders to secure the long term capability of the rail network. They will also inform franchise specifications and bids.

Consultation

Each study or analysis will be undertaken by a working group - including funders and train and freight operators - which will consult wider stakeholders such as local authorities and Local Enterprise Partnerships as part of their work. The first market study is expected to complete by the end of 2013 with the working groups active from spring 2012.

All studies will be published on Network Rail's website in draft form and subject to consultation for 90 days. The final study will then be established within 60 days of publication, subject to approval from the Office of Rail Regulation.

networkrail.co.uk/LTPP