

Fishguard Passenger Rail Service Enhancements – Business Case Refresh

The Welsh Assembly Government has undertaken a refresh of the business case for additional train services to Fishguard, following an initial appraisal by Jacobs consultants for SWWCRP/SWWITCH in 2007. This refresh was undertaken in discussion with the regional transport consortium – SWWITCH – and Arriva Trains Wales.

The refresh has been undertaken using the Welsh Transport Appraisal Guidance (WeITAG) to calculate the economic, social and environmental benefits of the proposal. In terms of economic impacts there is a calculation of benefits to cost ratios. These only represent those impacts that can be monetised and, there are broader positive social and environment impacts that would provide further benefits (but which can not be monetised). The appraisal methodology embraces environmental and social benefits so as to broaden the basis for decision making beyond narrow economic value for money.

The overall conclusion of the refresh is an appraisal result for an additional 5 services per day to/from Fishguard (additional to the current daytime and night boat train connections) with the following key outcomes -

In terms of economic appraisal, a Benefits to Costs Ratio (BCR) of 0.91 to 1 in terms of forecast economic costs and benefits, *excluding* benefits accruing outside Wales. In other words, for every £1 invested the value of the benefits forecast as realised within Wales is 91p. This is a slightly negative business case economic appraisal result;

Additionally in terms of economic appraisal, a Benefits to Costs Ratio (BCR) of 1.57 to 1 in terms of forecast economic costs and benefits, *including* benefits accruing outside Wales. In other words, for every £1 invested the value of the benefits forecast as realised within *and*

beyond Wales is £1.57p. This is a moderately positive business case economic appraisal result;

With reference to social and environmental factors, the refresh indicated other overall moderately positive WelTAG benefits ranging from slight adverse environmental impact to moderate beneficial in terms of economic, locational and social impacts. These anticipated non-monetary benefits add to the value of the return on investment but in a way which may not be quantified.

The appraisal is based on actual costings provided by ATW for additional services provided by a two-car Class 150 train. It includes standard discounting to Net Present Value over a ten-year discounting period.

A summary of the economic appraisal results is set out in the table below.

Updated Economic Appraisal Results (Class 150 unit) £000s

	Excluding benefits outside Wales	Including benefits outside Wales
Costs £PV	10,720	10,720
Revenue £PV	470	470
Net Financial Effect £PV	10,249	10,249
Indirect Govt. Impact £PV	-402	-402
Present Value Costs	9,847	9,847
Passenger & Decongestion benefits £PV	8,926	15,154
Net Present Value £NPV	-921	5,509
Benefits to Costs Ratio (BCR)	0.91	1.57

The appraisal results, in terms of the range of forecast economic return on investment do not amount to a compelling justification for present investment. The other overall moderately positive WelTAG benefits add to the value of the benefits forecast, but not in a monetary way. Furthermore, it is worth noting that it is sometimes difficult accurately to estimate potential demand for some types of new train services, and we believe that Fishguard falls into this

category as it has a very limited train service at present which is timed to connect too/from the midday and midnight ferry services.

In some cases, we have seen rail services outperform all expectations of demand, and a good example of this is the start of passenger services on the Ebbw Valley Railway in 2008.

In order for the refresh calculations to be undertaken, ATW submitted a draft timetable and costings. The timetable is workable, but indicative only. A proposed community and user group consultation would allow consideration of other timetable options and inform the final detail. The indicative draft timetable is set out below –

Fishguard Harbour services – draft timetable*							
	new	new	new	ferry	new	new	ferry
Swansea	-	-	07:50	(11:00)	<i>(13:02)</i>	17:35	23:45
Carmarthen	05:53	<i>(05:58)</i>	08:40	-	<i>(13:44)</i> 14:12	18:27	00:33
Clarbeston Road	06:21	<i>(06:27)</i> 07:33	09:32	-	14:44	19:02	-
Fishguard	06:43	07:55	09:59	13:21	15:07	19:29	01:29
Fishguard	06:53	08:05	10:04	13:30*	15:28	19:34	01:50
Clarbeston Road	07:14 <i>(07:26)</i>	08:24	10:23	-	15:47	19:53	-
Carmarthen	<i>(07:57)</i>	08:56	10:57 <i>(11:04)</i>	14:25	16:20	20:29 <i>(20:39)</i>	02:44
Swansea	<i>(08:48)</i>	09:50	<i>(11:51)</i>	(15:23)	17:22	<i>(21:33)</i>	03:29
<p>*Note 1. - times in brackets and italics are connection times *Note 2. – For Swansea from 1330 Fishguard boat train, change at Whitland (arr14:02 dep 14:11) for 15:23 arr Swansea.</p>							

The additional services could be launched from September 2011. There would be a review after the third year, which would again seek community and user views, to identify demand and passenger numbers and the nature of trips taken.