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Llyr Gruffydd MS
Chair, Climate Change, Environment,
and Infrastructure Committee

9 November 2023

Dear Llyr Gruffydd MS

As requested by the Climate Change, Environment and Infrastructure Committee, I am writing to you with further information on the specific topics requested and to provide an update on TfW performance.

Last month marked the five-year anniversary since Transport for Wales took responsibility for rail services in Wales and its border regions. Over the last five years, we've had to continually evolve and be flexible in our approach as our remit has expanded. Today, we're simply not the same organisation we were five years ago and as such, we're working from a very different business model.

Five years ago, the Wales and Borders network was managed by Keolis Amey, our operations and infrastructure delivery partner. Unfortunately, two years into the contract, Transport for Wales were faced with some unprecedented challenges, including a global pandemic, the war in Ukraine which significantly impacted our supply chain, the recent cost-of-living crisis and increased inflation rates; all whilst trying to upgrade a railway network from the Victorian era and deliver a brand new fleet of trains. While it is important to acknowledge the factors beyond our control which significantly impacted upon our ability to deliver the commitments made in a pre-Covid landscape, the Transport for Wales Board, Senior Leadership Team, and organisation as a whole remains dedicated and accountable, recognises the need for delivery, and does not list these factors to make excuses for a period of operational challenges.

Transport for Wales remit has grown significantly over the last five years and we are now a multi-modal transport organisation with the challenge of creating a fully integrated sustainable transport network. We are working to identify ways in which different modes can be improved and how these can be integrated to make sustainable public transport the obvious choice for the people of Wales.



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Since the publication of One Network, One Timetable, One Ticket White Paper, Transport for Wales has continued to work in partnership with Welsh Government, Local Authorities and operators to develop the plans for future bus franchising. Transport for Wales and Welsh Government are jointly producing a document which sets out our intended approach to bus franchising. This document continues to be discussed extensively with key stakeholders and is due to be published in early 2024.

We are working actively with local government to support them with the current funding challenges as well as looking to the future, with an active role, in developing plans for the regional franchise networks.

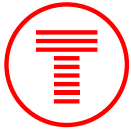
In the future, Transport for Wales will lead on the procurement of local bus services, supporting the development and delivery of a clear, planned and consistent network, which is focussed on the passenger. We will work with partners to enable modal and multi modal integration through well planned timetables and simple, affordable tickets - valid across operators and modes. Continued partnership working will enable that to happen in a smooth and well-planned way across the regions.

We have worked jointly with the Confederation of Passenger Transport and Coach and Bus Association Cymru on a customer facing campaign to encourage bus use in Wales.

In the last year, under the strategic leadership of the TfW Board, we established our new operating model, which allows us to be structured and streamlined for the future. Working as one team, with one set of objectives, presents greater opportunities to work collaboratively and transform public transport within Wales in a truly multi-modal way.

There is still much to be done to create a truly multi-modal transport system for Wales that has one network, one timetable and one ticket; to drive modal shift away from use of the private car while also decreasing, wherever possible, the demand for subsidies. This won't happen overnight, but we're working hard to develop an efficient public transport system in which any surpluses generated are then reinvested back into it, resulting in a self-perpetuating cycle of continuous improvement for the benefit of those who use it.

In 2021, Welsh Government published Llwybr Newydd: the Wales transport strategy, with a focus on twenty-year ambitions and five-year priorities. Llwybr Newydd sets out a truly new way of thinking that places, people and climate change at the front and centre of our transport system. The climate emergency is being addressed on a global scale and Transport for Wales has a key role to play in supporting delivery of Welsh Government's decarbonisation agenda. Welsh



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Government have set a net-zero target for 2050 and the target for public sector in Wales is to be collectively net zero by 2030.

To help achieve these ambitious targets, we need to change the way that people travel throughout Wales and drive modal shift from the private car and towards public transport and Active Travel. To achieve this, we must make sustainable transport the easiest, most attractive and routine option for the people of Wales. Much of our work centres around creating the right set of products and services for the future and increasing people's willingness and ability to use them.

Our most significant achievement to date is our £800 million investment into brand-new trains, the impact of which will be seen across the length and breadth of Wales, to the benefit of all our customers. Delivery of a new fleet was a promise made to our customers from day one, and now it's happening, with new trains entering service throughout 2023.

When Transport for Wales took responsibility for running the railway, many of the trains we inherited were old and inaccessible. Waste was emptied onto the tracks below and water leaked onto passengers inside the carriages. By the time these trains came into our ownership, they had already been in service far longer than originally intended. As a result, Wales had the oldest fleet in the UK. Since Transport for Wales took responsibility for the railway in 2018, every train in our fleet has either been upgraded (to deliver quick wins for passengers in the immediate term) or completely replaced.

While Covid and supply chain issues slowed delivery from our train manufacturers, we continued working together with Stadler and CAF to introduce our brand-new trains across the Wales and Borders network. On average, we take delivery of one new unit every twelve days and are now pushing to increase the rate of delivery to one unit every seven days – this is in comparison to a delivery rate of one unit a month before the summer recess period. We now have forty-three new units, with over one hundred left to go. From a timetable perspective, we've also increased the number of rail services on our network by 20% since 2018, and are one of the few UK operators to have restored our pre-covid timetable frequencies.

Our new trains will be fundamental in improving our network. People have started to experience improved seating, modern air conditioning and passenger information screens with up-to-the-minute travel information as was promised.

We've already invested £33 million in our stations alone, matching the previous operators total investment for their entire fifteen-year franchise.

Another flagship project is our delivery of the South Wales Metro. Since taking ownership of the Core Valley Lines in March 2020, we've embarked on a complex



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infrastructure project to electrify the network; upgrading a railway that dates back to Victorian times.

The progress made to date marks another significant achievement since Transport for Wales was established five years ago. We've so far electrified 60 km of track (including sections from Aberdare to Pontypridd and Merthyr Tydfil to Abercynon), with another 110km to go; while our brand-new tram trains, Wales's first light rail vehicles, are now being tested on Metro routes.

Our £100 million depot at Taff's Well – the home of the South Wales Metro, which also includes our new Integrated Control Centre – is now signalling and controlling trains right up and down the valleys lines.

In March this year we introduced our first Metro trains to the Rhymney Valley line. Our Class 231, Fast Light Intercity and Regional Trains (FLIRTs) are already improving the customer experience.

It is also worth mentioning that through hard work, and respectful negotiations via our Social Partnership model with Trade Union colleagues we were one of the only train operating companies within the UK not involved in the UK rail dispute. This is testament to our relationship which is built on mutual respect, understanding and working together for the betterment of colleagues and passengers.

Though Social Partnership we have also entered into an agreement with our Trade Union colleagues to bring Sundays into the working week for drivers. The new arrangements will be put into place from summer 2024.

Although it might seem hard to see progress at times, we have made huge strides in the right direction in providing Wales with the foundations for a public transport network it deserves.

Although we are fully aware of the challenges we have faced, and I know as an employee but most importantly as a passenger the difficulties our customers have had to endure. We want our passengers to be proud of their public transport network, and I fully believe this will come. We have had a difficult time, but there is light at the end of the tunnel and actual physical improvements people can see and experience such as our new trains, services, new station, more ticket vending machines and better customer and display screens will increasingly be felt across Wales.

The Committee have asked some specific questions and I hope I have fully answered with the below;



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Rail inquiry:

Delivery of the rail franchise and metro;

South Wales Metro/CVL

Ongoing work to transform CVL continues at pace. TfW has electrified 60 km of track, with another 110km to go. The Aberdare, Merthyr and Ponty->Cardiff lines are now electrified, while electrification of the Treherbert line will be completed in the new year.

Electrification of the Rhymney line South of Caerphilly, Coryton and Cardiff Bay will follow – with significant work already taking place. TfW is also making significant upgrades at six stations across the CVL (namely Quakers Yard, Aberdare, Fernhill, Caerphilly and Dinas Rhondda) to ensure they are ready for the new Metro vehicles, while new staff buildings are also being built at Rhymney and Treherbert. 'Access for All' bridges are being installed at Treforest, Taff's Well, Cathays, Dinas Rhondda, Ynyswen and Caerphilly.

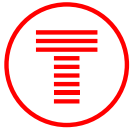
We have made significant progress building a £100 million depot and maintenance facility at Taff's Well, which will accommodate the new fleet of 36 tram-trains. 150 members of train crew will be based at the depot, alongside a further 35 members of maintenance staff. The Integrated Control Centre (ICC) within the depot has been operational since Spring 2023, controlling the infrastructure between Radyr and Aberdare and Merthyr Tydfil. 52 members of staff are based at this modern control centre, which will operate all services along the CVL. It is responsible for the new electrified infrastructure and upgraded signalling equipment.

We'll be making improvements to Cardiff Bay Station with platform enhancements and a new southern entrance. We'll also be building a new station in Butetown which will include two new platforms accessible by steps and lifts. We will also be redoubling the track from this new station to Cardiff Bay, to increase the number of Bay line services to 6 trains per hour directly to the bay from the valley lines.

Swansea Bay and West Wales

South West Wales has a resident population circa 700,000 people (c.22% of the Welsh population); approximately 450,000 of this number reside in the Swansea Bay area. The wider region is comprised of four local authorities.

In order to provide an integrated transport system that benefits people across the region, development proposals in Swansea Bay and West Wales include:



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- Faster rail journeys to Swansea, Carmarthen and Milford Haven; improving line speeds and looking at different route options
- More frequent rail services across the network
- The introduction of new lines and services in the Swansea Bay Area; providing greater connectivity and new opportunities for rail travel
- Working with local Government and public transport operators to improve the speed and reliability of bus journeys; improving passenger waiting facilities, bus lanes, and intelligent traffic signals to help reduce journey times
- Trialling the use of hydrogen buses in Swansea Bay and Pembrokeshire; reducing environmental impact with a more sustainable approach to public transport

Transport for Wales (TfW) has developed WelTAG Stage 1 and 2 studies to identify the main challenges and opportunities to improve public transport within and connecting to the region. The latest study considered approximately thirty options of varying scales, and these were subject to public consultation in March 2021.

The consultation received a significantly high number of responses and comment; the feedback for which was overwhelmingly positive. TfW published its WelTAG Stage 2 report in September 2021 and is now advancing those options which have demonstrated the strongest business case.

The Swansea Bay & West Wales programme is focussed on a key set of deliverables as summarised below:

- a) Swansea Bay Area: Rail improvements, including OLE (overhead line equipment), to specifically benefit the Swansea Bay area; targeting its concentrated populations.**
 - i) PHASE 1 – Pontarddulais to Swansea; via Neath: utilising the Swansea District Line to introduce up to 4tph (trains per hour) and up to five new stations to benefit rail connectivity, to connect the growing northern suburbs and to abstract road travel from the adjacent M4 corridor.**
 - ii) PHASE 1 - Pembrey & Burry Port to Swansea: introducing up to an additional 4tph to the South Wales Mainline, with a new station at Cockett**
 - iii) PHASE 2 - Tram-train Links from Swansea to Aberdulais and/or Clydach: These longer term proposals will bring 4tph rail connectivity to Swansea City Centre and the burgeoning Fabian Way Corridor.**

- b) West Wales Rail Frequency: TfW has examined several options for introducing additional and faster rail services to West Wales (i.e. west of Swansea). This programme would implement additional hourly services from Swansea to Pembroke Dock; complementing additional commitments to Heart of Wales Line, Fishguard (both through franchise commitments) and Milford Haven (via the South Wales Mainline programme).**



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- c) Interchange Improvements: Four distinct station improvements targeting interchange and passenger experience at Whitland, Carmarthen, Pembrey & Burry Port and Llanelli.

West Wales Corridor Innovation Study

We have led on a wide-ranging assessment to examine how accessibility and connectivity can be improved on the west coast of Wales; principally examining corridors running between Bangor, Aberystwyth and Swansea. A series of alternative rail alignments, rolling stock (light and heavy rail) and strategic bus service proposals have been examined.

The study has recommended that in the short – medium term proposals for limited stop bus services are developed as these could be delivered within 3 years with the aim of achieving a journey time of c.a. 5 hours (plus interchange), complementing existing T1/2 services and providing a better distinction between local and regional/long distance travel.

Rail options, whilst offering shorter journey times were very costly to develop and implement (a N-S light rail scheme is likely to cost Circa £2Bn) and would take over 10 years to deliver. Therefore, these are all difficult to realise, even as a light rail scheme. The case for Bangor – Caernarfon/Afon Wen was stronger due to shorter route length and higher demand. It was recommended to take further steps to protect the former route from further development where practicable to do so.

Bus Decarbonisation and Network Planning

- a) Decarbonisation: TfW launched the all-electric T1 TrawsCymru services from Carmarthen to Aberystwyth in March 2023. This improvement is an important step in decarbonising the Welsh bus fleet. TfW is now working on ambitious hydrogen bus pathfinder projects for Swansea Bay, which is expected to launch in the next three years, and Pembrokeshire to follow shortly thereafter.
- b) Bus Network Planning: TfW is preparing bus data, modelling and network planning for South West Wales. Initial meetings have taken place with public transport managers at each of the local authorities to ensure that collaboration and partnership are central to the reform and redesign of bus provision in South West Wales in the coming years.

TfW is assembling a programme for delivery to be implemented over the next decade. TfW is keen to work in close partnership with local government in order to collaborate in the delivery of these transformative projects for the good of South West Wales.



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North Wales Metro

The North Wales Metro programme aims to deliver a transformed, integrated public transport system. The programme looks at what we need to build for the future, considering all modes of transport with a key target for a modal shift to attract customers into the public transport system, while addressing the climate emergency and net zero targets.

We are taking forward the early-stage development, planning and business cases for a range of integrated transport schemes on behalf of the Welsh Government, with a view to either delivering them via Transport for Wales (TfW) and/or Local Authority partners and to securing wider UK funding for their implementation.

Our aim is to transform rail, bus and active travel services across North Wales. We want to make it easier and faster to travel across North Wales and build better connections with the Northwest of England. This will help create more opportunities for our communities and support inward investment for the area.

TfW are working with government and industry partners including the Welsh Government (WG), Department for Transport (DfT), North Wales Local Authorities, Combined and individual Local Authorities in the North West of England, Network Rail (NR), Train and Bus Operators and Business groups to support the development of these projects.

We are also working with the North Wales Transport Commission, advising on and recommending solutions for a better transport system in north Wales. The Commission's remit covers the local authority areas of Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire and Wrexham. It is supported by a Welsh Government and Transport for Wales Secretariat.

The Commission is taking a multi-modal approach, looking at all of North Wales to consider how modal shift can be achieved in both urban and rural areas. The Commission is considering interventions in the short, medium and long term to shift to more sustainable means of travel and freight movement. The aim is that these improvements will offer viable alternatives to the private car through a transport system that makes life better for all people in the region, in both urban and rural areas and supports the region's journey to net zero.



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The geography of North Wales has shaped travel in the region. There is a mix of urban and rural areas, including highly mountainous areas, particularly within the Eryri National Park. Research shows us that the population is concentrated in the north-east and northern coastal areas with the majority of car journeys being short in length and to the same or neighbouring area. That's why we are working with the North Wales Transport Commission, Welsh Government, local authorities, and our partners to improve public transport and active travel options so that we can encourage alternative, sustainable travel choices.

TfW is working closely with funders (DfT and WG) and key partners (NR, Combined and Local Authorities, TfW Rail, Avanti West Coast, Merseyrail, and local businesses) in developing rail infrastructure projects that will improve the connectivity, capacity, speed and safety of the North Wales coast and the Borderlands (Wrexham to Liverpool) rail networks.

These projects will enable more accessible, more frequent and faster train services on these routes and provide better access to education, employment and services, improve local and regional economic outputs, contribute to decarbonisation, enable sustainable development and regeneration and improve the operational capacity, resilience and efficiency of the rail network.

Borderlands line enhancements will provide; direct connectivity into Liverpool from Wrexham, decarbonisation of fleet (batteries), 4tph vision, faster journey-time, Padeswood cement sidings, Deeside new station and Shotton interchange improvements.

A Union Connectivity bid has been submitted to UK government which is in consideration at the moment which would provide £2.1 million for development work to enable the introduction of Class 777 battery trains on the Borderlands Line and direct connectivity into the Liverpool loop. This bid was submitted in conjunction with Liverpool City Region with supporting letters from both the Welsh Government Deputy Minister for Climate Change and the Liverpool Mayor.

Unlocking capacity issues at Chester station is key to enabling more through trains. Chester capacity business case development is currently being funded through Union Connectivity funding and is being developed in conjunction with the Phase One business case for more services.

Given the topography of North Wales and a very clear north-south, east-west rail axis, bus provides the broader connectivity and public transport offer for many communities in North Wales. TfW's focus is on delivering high quality, integrated, reliable and well-connected services giving even more residents access to public transport and encouraging sustainable tourism into the area.



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TfW in collaboration with Welsh Government, Local Government and bus operators has produced an evidence-based, data-driven revised bus network for North Wales which will offer a simplified, connected, coherent and reliable network for North Wales. This provides a segmentation of the bus offer with; frequent 'Metro' core routes, long-distance Traws services, regional services, local bus services and Fflecsi with demand responsive services.

To provide broader pan-North Wales connectivity two key Traws services are being piloted:

- T10 – Bangor to Corwen
- T8 – Corwen – Mold – Chester

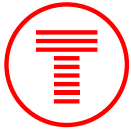
These provide new connectivity for communities otherwise without public transport provision and connect to the rail and active travel networks. As we move towards franchising increased roll-out of the bus-network pilots will support growth in patronage and will enable the shift to enhanced public transport provision.

Gwynedd, Conwy and Eryri National Park Authority, supported by TfW have introduced a revised Sherpa network to address congestion and parking problems by improving bus services. Simplifying the network whilst introducing more consistent services with longer operating hours the Sherpa has reduced eleven routes to five, three operators to one and re-branded the network.

The implementation since the summer of 2021 has delivered 30% patronage growth and 38% revenue growth on pre-covid timetables, which bucks the trend within the UK of post-covid bus service recovery.

Rail infrastructure priorities – UK and Welsh Governments

The Wales Rail Board (DfT, WO, WG, NR, TfW) is developing a prioritised list of rail infrastructure investment requirements for Wales covering a period of 5 – 15/20 years, divided into three priority tranches. The purpose of this is to provide focus on schemes which are deliverable and bring modal shift, decarbonisation and connectivity benefits to Wales and Borders. The Board will also reflect on the recent 'Network North' announcement by UK government following the cancellation of part of HS2.



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South Wales Mainline

There is a strategic programme focussed on the South Wales Mainline from Milford Haven to the Severn Tunnel. In addition to the development of the Programme Strategic Outline Case for the whole route investment, this includes proposals for direct West Wales to Bristol Temple Meads services, and other strategic services, mainline electrification initially from Cardiff and Swansea (and subsequently westwards, incorporating the needs of the Metro proposals) and Journey time and mainline capacity improvements.

The programme also leads on overall route capacity. Strategic timetabling has been undertaken looking at the fit of the regional proposals in South and Swansea Bay and West Wales with the mainline services aspirations to identify any conflicts and opportunities including infrastructure requirements.

South-East Wales Transport Commission

We are developing proposals for five new railway stations between Cardiff Central and Severn Tunnel Junction, as well as new cross border services, to change the way people travel across one of Wales' busiest transport corridors.

If funded, new stations at Cardiff East (Newport Road), Newport West, Somerton, Llanwern, and Magor and Undy will provide better access to the railway for communities in South Wales.

The new stations will be served by existing and new Cardiff to Cheltenham services, and new Cardiff to Bristol services. At least two, and up to four trains per hour in each direction will call at the proposed stations.

Members of the public are being invited to give their views as part of a 13-week consultation which began in October.

Rail performance

2023 has been a challenging period for TfW operationally. The withdrawal of our Class 175s trains for urgent maintenance checks in March had a significant impact on services, as the Class 175s made up one-fifth of TfW's fleet at the time. This also meant that the older Class 150/158 trains used to provide resilience began to require extra maintenance and repair, as they were running double their usual mileage. These extraordinary operational challenges were further compounded by reliability issues experienced with the Class 230s and Mk IVs. As a result, TfW witnessed a period of increased service disruption, delays and cancellations.



Performance is now however improving. TfW has publicly committed to a 5-point improvement plan for the Class 230s, while a full Mk IV service has resumed and the Class 175s were re-introduced to the network (although have now been retired as planned with introduction of more class 197s). Performance has improved over the last rail periods consecutively, with TfW achieving both its Passenger Time Lost* and cancellation targets as shown in the tables below:

Rail Period 24/07 (17/09/23 – 14/10/23)		
	Score Achieved	Target
WCB PTL*	69%	68.6%
CVL PTL	89.3%	78.8%
Cancellations	4.3%	4.4%

Rail Period 24/06 (20/08/23 – 16/09/2023)		
	Score Achieved	Target
WCB PTL	68.4%	68.2%
CVL PTL	89.3%	82.1%
Cancellations	3.5%	4.2%

Rail Period 24/05 (23/07/23 – 19/08/23)		
	Score Achieved	Target
WCB PTL*	67.3%	69.2%
CVL PTL	88.7%	81.1%
Cancellations	4.3%	5.2%

Rail Period 24/04 (25/06/23 – 22/07/23)		
	Score Achieved	Target
WCB PTL*	67.2%	69.2%
CVL PTL	87.8%	79.0%
Cancellations	4.8%	4.9%

(*PTL: Passenger Time Lost. This metric is used to measure punctuality (within three minutes) at every recorded station stop on a journey while taking into account the number of passengers arriving at their destination.)



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We've recently withdrawn the Class 175 fleet from the network as planned, to create essential stabling capacity at its depots to accept delivery of our new trains. With the withdrawal of the last remaining Class 175 units, the rate of delivery of Class 197 units, built at CAF's factory at Newport, will be important. CAF are currently delivering at the rate of one unit every 12 days, with a plan to increase this delivery rate to one every seven days.

As Class 170s leave the fleet to transfer to East Midlands Railway as planned, and as timetables ramp up (higher frequency Ebbw Vale branch services, higher frequency Chester – Liverpool services, restoration of services between Pontypridd and Treherbert after engineering work), there will be a short period where our fleet is under further pressure. This risk will be alleviated as more Class 197s are delivered.

General scrutiny

Transparency – particularly work to improve budget processes to support scrutiny

We understand that transparency is key to inspiring the trust and confidence of the Welsh people, and for this reason, our transparency agenda underpins everything we do. By committing to a full and thorough transparency agenda, we aim to publicly demonstrate the integrity and expertise behind every decision taken and every plan made.

In November 2022, we completely refreshed the transparency pages of our website to enhance the provision of information found in this section. The section now clearly outlines our set-up as a group of companies following a significant period of organisational change, as well as our relationship with the Welsh Government, DfT, Network Rail and Amey.

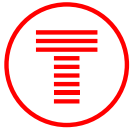
Our company board pages have also been enhanced to outline the purpose of each board and board committee, and the decisions each one is responsible for. TfW Board and TfW Rail Board minutes are published as legally required and are available for the public to view. Information pertaining to right and entitlements under the Freedom of Information Act has also been significantly enhanced, to demonstrate we readily facilitate this important information-sharing process as a cornerstone of public transparency.

Useful links to the enhanced sections outlined above are as follows:

<https://tfw.wales/about-us/transparency/who-we-are>

<https://tfw.wales/about-us/transparency/who-we-are/our-governance-structure>

<https://tfw.wales/about-us/transparency/our-company-boards/tfw-board>



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The transparency section of our website is also home to our performance reporting against rail KPIs (published for each rail period, found here: <https://tfw.wales/about-us/transparency/performance>), allowing the public to review our scrutinise our performance.

In turn, the 'latest news' section provides important context, with articles published frequently to highlight operational challenges encountered, such as fleet reliability issues impacting the wider network or cancellations ahead of major storms (found here: [Transport For Wales News - Latest News \(tfw.wales\)](https://tfw.wales/news/latest-news)). Such articles further demonstrate our commitment to being open and transparent about the challenges we face when running our services.

This narrative is brought together in our annual reports, which can be found in the 'publications' section of the transparency page (found here: [Publications | TfW](#)). Our annual reports and financial statements outline key achievements, milestones and challenges of the previous financial year, as well as a detailed breakdown of our finances, allowing the public to scrutinise the money we spent and where.

Concerning transparency around financial reporting; we work closely with Welsh Government to develop financial reporting aligned to Welsh Government needs. A longer-term view for the WG and TfW is to plan further ahead, which has been a key deliverable and within 22/23, TfW has provided a 5 year view which is being refreshed in 23/24. This is critical to ensure the longer-term discussions and plans are modelled and understood for critical decisions and prioritisation. For example for the 24/25 budget setting process, the agreed timetable has been as follows;

- We have shared an initial draft budget in July 2023 - earlier than in previous years
- This budget includes all TfW costs mapped to WG funding lines (BELs) which we have integrated into our financial system this year
- We have held planned deep dives into the budget component parts with WG colleagues to review and challenge this draft budget – both at a high level with Director and deeper dives with relevant budget holders (e.g. rail, bus, active travel, metro) and on specific areas (staff costs, overhead costs)
- The outputs from these challenge sessions will feed into a second draft budget to be provided in December, that should be near final, and also aligned to the business plan production timetable
- This timetable will be retained for future budget years
- We also shared a medium term financial plan covering 5 future years in April 2023 – this will be refreshed alongside budget cut 2 for 2024/25 and each budget year going forward



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During the year, we also provide monthly financial reporting to the Welsh Government, which includes:

- reforecasting with a similar level of detail to the budget (including by funding line) and information on variances
- identifying risks and opportunities
- details of any funding variations being agreed with budget holders within WG
- specific updates about ongoing projects and focus areas (e.g. MAs, pensions, tax, rolling stock leases)

This reporting and forecast data is discussed in a number of forums (monthly finance meeting, steering board, detailed discussions with budget holders). We work closely with Welsh Government to continuously improve this reporting aligned to stakeholder insights.

We also work closely with Welsh Government financial reporting teams to support preparation and audit of the Welsh Government Annual Report and Financial Statements, within which TfW's financial results are consolidated.

Performance against corporate KPIs:

During the last quarter of 22/23, we began an engagement exercise across the organisation to refresh the Key Performance Indicators (KPI) for TfW. Multi-modal KPIs were developed, to cover bus, active travel and rail in line with our developing remit. A balanced scorecard reflecting TfW's Corporate Priorities as stated in TfW's Corporate Strategy was also further developed.

Some of these KPIs are already available (e.g. rail service performance), while others are currently in pilot or development. As this work progresses, the balanced scorecard continues to evolve. The scorecard is not publicly available at present whilst we work to benchmark these KPIs, it is our intention for the scorecard to be published from 2024/25. However, in the interest of transparency, we have shared an example scorecard with the data removed.

The scorecard is produced quarterly and is presented to the TfW/Welsh Government Performance Board, with scrutiny and discussion. Achievements against Business Plan milestones for 2023/24 are also scrutinised and discussed during this meeting, which was established for the Q1 end of 2023/24.



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Development of TfW – both its role and how it is developing the skills and resources to deliver these

In August 2023 the Welsh Government set out in the remit letter to us, the requirement for TfW and a supporting operating model was formally set out. The organisational objective for TfW, is for us to develop a multi-modal culture and deliver an integrated network through the 5 point plan set out in the remit:

- Maximising modal shift;
- Delivering a fully integrated transport system;
- Nurturing a multi-modal culture in Wales;
- Encouraging and supporting people to adapt and consider sustainable transport as their default; and
- Ensure better commercial behaviours.

This will require continued evolution of our company culture to put integrated multi-modal network development at the front of decision making. For colleagues across the business, we're delivering an organisation wide programme to make sure this is fully embedded.

- We are extending our knowledge on decarbonisation and bus franchising.
- We are focusing on the development of our Project Management skills to support the multi modal agenda and bus franchising
- The Regional Transport Teams are developing their skills to support Regional Transport Plans and Corporate Joint Committees through the recruitment of Transport Planners

TfW will use multi-modal systems thinking for integration activity, with the figurehead of the programme providing co-ordination of expertise and a 'guiding mind' for complimentary and integrated workstreams rather than creating any duplication of effort.

Delivery of the content of corporate and business plans.

The 2023/24 Business Plan was made publicly available on 19th June 2023. The achievement of Business Plan milestones is monitored by TfW on an ongoing basis, and reports are scrutinised and discussed at the quarterly TfW/Welsh Government Performance Board.



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The Business Planning process for 2024/25 commenced in September 2023, with a series of joint Welsh Government/TfW reviews for each delivery area. The business planning process ensures that proposed activities are aligned with:

- TfW's Corporate Strategy and business planning framework;
- TfW's Term of Government remit letter
- TfW's updated remit letter;
- TfW's latest funding letter Programme for Government;
- Llwybyr Newydd: The Wales Transport Strategy;
- National Transport Delivery Plan;
- Regional transport plans.

The draft 2024/25 Business Plan will be shared with the Welsh Government in Q3 of 2023/24, for final approval and publication in Q4 2023/24.

As we approach the last two years of the TfW Corporate Strategy, we will also be reviewing its objectives, to identify any potential gaps and to reflect on changes which have been agreed with Welsh Government. Work will also commence to drive the delivery of the next TfW Corporate Strategy in April 2024.

The delivery of the milestones as set out in our business plan is already having a positive impact for our customers and communities, which can be seen through delivery of improvements such as new rolling stock, digital improvements, stations investments, integrated rail and bus services and the long term development of future infrastructure schemes.

I hope this information finds you and the Committee Members well and I look forward to our annual session on 22nd November to further delve into the detail.

Kind regards

James Price
Prif Weithredwr / Chief Executive