

National Assembly for Wales

Enterprise and Business Committee

**Consultation – The Future of the
Wales and Borders Rail Franchise**

Submission from

Capital Traffic Management Limited



Capital
T R A F F I C

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The Future of the Wales and Borders Rail Franchise

1. Introduction

- 1.1 The current franchise was widely considered to be a lost opportunity for Wales. The Consultation is therefore welcome as a chance to *get it right* this time.

However, with due respect to the Welsh Government rail team, we are concerned that insufficient resources have been made available to them to cover all aspects adequately.

- 1.2 No criticism is made of Arriva Trains Wales (ATW) in our submission. Our experience has been of welcoming and helpful staff and generally reliable services.

- 1.3 However, the service suffers from insufficient and poor quality rolling stock, and infrequent services at some times and on some lines. Interchange and inter-modal information is invariably poor or non-existent.

We recognise that the subsidy required to maintain the existing services is substantial, and further investment will always be difficult to justify.

- 1.4 It is a well-established tenet of transportation spatial planning that efficient planning for passenger and freight services requires a comprehensive multi-modal and inter-modal approach to ensure the optimal use of resources. It is unfortunate that this requirement appears to be insufficiently understood in Wales, and in the UK generally.

2. Whether the current franchise meets passenger needs and what lessons should be learnt from it

- 2.1 The very poor Sunday and late-night rail services fail to support shop workers, shoppers and the retail and entertainment sectors in the city centre and Cardiff Bay. Heavy congestion results and parking is impossible to find.

Sunday services should begin in time for shop openings, and provide at least one train/hour on all routes 1000 – 2300, and preferably two trains/hour during the retail day.

- 2.2 The planning for the Millennium Stadium no doubt considered the proximity of Central

Cardiff station to be an advantage. Yet the organisation of all public transport on event days is quite inadequate.

That Cardiff Queen Street station is closed (for many hours) before and during events at the Stadium is a serious inconvenience for shoppers and similarly unnecessary.

3. How passengers should be involved in the franchise development and delivery

- 3.1 The Enterprise and Business Committee should establish a sub-committee with access to independent expertise to oversee the franchise. Eventually, a Board of Directors could take over this role.

- 3.2 The Welsh Government should sponsor the formation of a Franchise Panel of 7 - 15 rail users (for variable terms) to review proposals that come forward in the planning and bidding periods, and to maintain a watching brief over the period of the franchise.

The internal management of the railway should report regularly to the Franchise Panel.

4. How communities and local government / Regional Transport Consortia should be involved. Could they be involved in specifying the franchise or perhaps even in delivering services?

- 4.1 While it is appropriate for communities, local government and the Regional Transport Consortia to be involved, they have little rail-specific expertise, and should input to the central Franchise Panel.

We firmly recommend that any responsibility for the franchise is not devolved to RTCs. Notwithstanding this, the RTCs should take responsibility for all local interfaces with the railway. The franchisee should be required to be responsive to local concerns.

5. The management model to be adopted, including the Welsh Government's proposal for a not-for-dividend franchise

- 5.1 We strongly support the proposal for a not-for-dividend franchise.

Given the Welsh Government's investment in the railway, any return should be to the people of Wales by way of enhanced services, quality facilities and new rolling stock.

5.2 Exerting public control over the railway would be very popular. The goodwill created would generate support for increased investment, using both public and private funds (the latter possibly *via* Municipal Bonds).

5.3 Vertical integration of the railway in Wales would be highly desirable, and would lead to efficiency and other savings.

5.4 Network Rail's plans for Control Period 5 and beyond in Wales should be subject to independent and critical audit by an international rail consultancy.

We would be pleased to contribute towards the Terms of Reference for such an audit.

5.5 The essential requirement is for the Welsh Government to own the farebox. While a proportion (say, 10%) could be used to incentivise staff (at all levels), the balance should be used to cover operating costs, to offset subsidies and to re-invest.

6. How the franchise specification should improve the passenger experience, including issues such as franchise length, targets / incentives and the core service standards which should be included

6.1 The splendid record of East Coast Trains could readily be replicated in Wales. Other very successful models from which lessons may be learnt include Dŵr Cymru.

6.2 A long-term or, preferably, a not-for-dividend franchise, would bring stability and reliability to the railway and job security for its staff.

Commitment to the railway by all parties would enable it to serve the people of Wales and facilitate enhanced quality on a sustainable basis.

Whatever the terms and length of the franchise, it should be subject to annual scrutiny, and a review every ten years.

6.3 Targets should not be permitted to subsume good practice and the efficient management and operation of the railway.

7. The routes, particularly cross-border routes, which should be included

- 7.1 An open access regime is assumed. However, cross-border and cross-franchise routes should be subject to a fully integrated timetable, intermodal cooperation and operated on a shared basis. In time, this should provide for Welsh-owned trains to serve Liverpool, London and beyond, for example.

8. The rolling stock needed for the new franchise. What factors need to be considered and how this should be procured? Will new rolling stock be required?

- 8.1 We identify a prior requirement for, and strongly recommend a pan-Wales (and cross-border) comparative assessment of all existing and potential Heavy Rail, Tram-Train, Light Rail and major urban bus routes (for now, 2020 and 2040, say) on the same basis to better match future demand with future mode for both passengers and freight.

We consider that there is probably a *prima facie* case for NOT electrifying SOME Valley lines to full Heavy Rail standards. Electrically-powered Light Rail would be sufficient. Major savings could be made.

The selection of appropriate rolling stock to lease or purchase would rest on the outcome of such an assessment.

- 8.3 We strongly recommend that the Welsh Government becomes a rolling stock operating company (ROSCO). Considerable savings would be made.

In the medium-term, the Welsh Government should also consider becoming a BOSCO (bus, coach) and TOSCO (tram) to benefit Wales-based operators.

- 8.4 The credibility of the Welsh Government's actions in respect of the franchise may well be measured by the quality of the rolling stock deployed.

We recommend that the fleet for the new franchise includes at least some new trains, and that more are gradually phased in.

9. Whether additional lines, enhancements to existing lines, new stations or other infrastructure are needed

- 9.1 We anticipate continued growth in the demand for rail travel and suggest that the franchise

specification is framed accordingly. It should be designed to encourage and reward opening of new routes, new stations and enhancement of existing services.

Additionally, the Welsh Government should seek to identify and clearly distinguish potential heavy and light rail developments (*para* 8.1).

- 9.2 The legacy that Wales has and will continue to have is high-cost Network Rail infrastructure. There are alternatives which the Committee should consider for extensions to and re-opening of lines.

We would be pleased to engage further with the Committee on this issue.

- 9.3 Taking responsibility for the railway implies a phased programme of maintenance and upgrades, and extensions when the requirement is well-based and circumstances permit.

- 9.4 As recommended in previous submissions, the development of railheads and freight consolidation centres would facilitate more efficient distribution in urban and rural areas.

10. Whether the franchise can support an enhanced relationship between Network Rail and the franchise operator and the benefits this might bring.

- 10.1 The devolution of Network Rail will reap benefits for the franchise operator.

The optimal arrangement would be for a vertically-integrated not-for-profit railway, fully accountable to rail users and its shareholders (the Welsh Government initially, but later including bondholders).

- 10.2 The franchise must also meet the needs of rail freight companies, ports and other major businesses in Wales. It must support sustainable economic development in all sectors of Welsh business from steel to supermarkets.