

# Enterprise & Business Committee Inquiry into the future of the Wales and Borders Rail Franchise – Comments

14/08/13

TR709

1. This is a purely personal response and does not reflect the views of any particular organisation or group.
2. Owing to the need to limit length; abbreviations and other terms in common use in the railway industry that would be understood by the DfT, Treasury etc. have been used (e.g. 'Dry' leasing).
3. Meeting passenger needs – No, with no service in the high peak between 07:50 and 09:50 serving the Caldicot and Chepstow area the service fails to provide a basic need for those wishing to work in the area. Though the Operator runs two trains that are only 37 minutes apart in the early afternoon. It is perverse that if you want to commute by rail to work in the area you have to live in England and travel on other than the Welsh Government monitored Wales & Borders franchise rail services.
4. Meeting passenger needs – No, With Chepstow identified as Key Settlement under the Revised Wales Spatial Plan having a two hourly service does not come near the 'Turn up and Go' philosophy of providing transport to provide the agglomeration required to drive economic growth of the City Region. This requires a minimum half hourly service and ideally fifteen minute or better interval service.
5. Meeting passenger needs – No, There is a clear need for a Lydney / Chepstow to Bristol direct commuting service using the newly provided passenger reversing facility at Severn Tunnel Junction.
6. Meeting passenger needs – No, Except for where the Passenger user groups have negotiated directly with the Train Operators without any help or assistance from SEWTA or the Welsh Government have any services that provide connections between the Bristol and Gloucester line been made.
7. Meeting passenger needs – No, The poor connections means for example that at ten o'clock in the morning it is still as quick to get to London by train from Carmarthen as it is from Caldicot or Chepstow.
8. Meeting passenger needs – No, a Sunday service similar to that on Saturdays is needed across the region to reflect the changed social lifestyle and the opening of many retail and leisure facilities rather than sticking to a service pattern that was already out of date more than a quarter of a century ago.
9. Meeting passenger needs – Despite a growth in patronage out performing most of Wales, Chepstow with over 100% growth in the seven years of the Franchise to Dec 2009, ATW reduced the service to the minimum safeguard level in the specification. This minimum safeguard level approx 10% below the level of service operated by BR was originally intended to safeguard the level of services to passengers if patronage fell, not to assist in making financial savings to safeguard profit levels for the private operator.
10. Meeting passenger needs – Having successfully negotiated a service from FGW to provide connection to the Chepstow line an hour after the last bus of the evening, six months later ATW took off their connecting train as there is no requirement to consider transport integration in the franchise. The ATW timetable change December. 2013 will break another connection made with a service to Bristol only six months ago.
11. Meeting passenger needs – ATW's extension on a commercial basis to Cheltenham provides an invaluable connection to the Midlands that was missed in the Franchise specification. However on Saturdays / Sundays ATW permanently timetable the last service several hours earlier in case of possible engineering work. The financial model needs to address this loss of service because of the resultant possible cost to the operator.
12. Meeting passenger needs – Bus substitution – a recent survey revealed the last passenger train for the Chepstow line left Cardiff just after eight o'clock with bus substitution for the following local services owing to Engineering work. However other services were observed using the line and as late as ten past midnight a Class 66 with Containers went along the line. It would appear for operational convenience, perhaps involving return working, Bus substitution not in the passenger's interest is being used in preference to trains.
13. Meeting passenger needs – Fares – There needs to be far greater clarity of fares. For example buying a return or even season ticket from Severn Tunnel Junction to Cheltenham it is cheaper to buy an Ebbw Vale Parkway to Cheltenham (via Cardiff). Not only is it cheaper it can be used from and also between Severn Tunnel Junction and Cardiff by breaking the journey. Advice on which company actually sets which fares is needed as different companies have different times when saver tickets are valid. This applies irrespective of which company's train is used they are valid on all but time validity is based on which company set the fare.
14. Passenger involvement in Franchise development – Both passengers and 'would be' passengers need to be invited to submit their views on the services they would like to see. This will require local advertising. The measures put in hand by the DfT after the FGW cuts fiasco (100 + commuters stranded) to prevent future mistakes were lost under the spending review. A replacement safeguard measure needs to be introduced.
15. Passenger involvement in Franchise development – There needs to be passenger engagement and consultation before each timetable change. Latest franchises have not included this requirement so they do not consult. Even ATW only ask for comments after the timetable has been basically finalised.
16. Communities / government involvement in Franchise development – Essential as most services in Wales are for the wider social, economic and environmental reasons and would not therefore be considered by a purely inward looking private operator only concerned with bottom line profitability.
17. Communities / government involvement in delivery – Probably limited to partnership operation of stations and facilities, car park, toilets, small retail outlets, supported bus services to provide integrated connections etc.

18. Communities / government involvement in delivery – Limited to ‘outside the fence’ building when associated with a railway already in operation. For a new line or reinstatement need to learn the lesson of Ebbw Vale line (Over 30 significant defects before line could be taken into service with commissioning put back months. Problems were known and communicated but apparently ignored by the Council’s consultant / contractor).
19. Management Model – Transport is vital to the economy and is therefore something the government should be in a position to control and direct. See the item 3 above where without very expensive variations the government cannot direct the operator to provide essential services that would help get people to work. Similarly the second Cross Country service specifically asked for by us in this area to provide a commuting service which was introduced in the new Cross Country franchise is not being run in the expected slot during the morning peak but at nine o’clock in the evening. The DfT did not want to micromanage and assumed because of the high potential passenger usage this would be sufficient incentive to run it in the peak. While it is known why the operator did not do this the DfT, owing to a lack of understanding of the local railway operation, had not appreciated that running in the evening with just two or three passengers would deliver greater profits to the private operator compared with a full train in the morning peak. As this is not a breach of the Franchise specification this cannot be corrected without paying again for an expensive contract variation. The government needs to be in a position to direct when, where, the frequency and at what fares the rail services in Wales operate, without being held to ransom by the excessive costs of contract variations.
20. Management Model - A Welsh Government-owned railway, with the day-to-day running handed to an arm’s length operating organisation, would be better able to implement plans for transferring more goods to rail and persuading more car-drivers to use rail - by putting in place an attractive level of service that will in itself persuade travellers to resort to rail, rather than belatedly making improvements in the light of over-crowding or responding to long, citizen-led campaigns. The single passenger operating body should be free to run the services in accordance with the principles, guidelines and directions determined by the Welsh Government.
21. Management Model – With the present Franchise the profits are returned to the parent company Deutsche Bahn Regio a subsidiary of the German Regional Railways Deutsche Bahn of which the German federal government is the majority shareholder. In other words the profit from operating the Regional Railways in Wales financially supports the Regional Railways in Germany. This is no different to Transmark the Worldwide Railway Consultancy that was part of BR earning money abroad to financially support the UK Railways until it was sold off prior to the full privatisation. In over simplified terms the Not for Dividend company allows the ‘Profits’ to support the railway in Wales rather than shareholders or railways elsewhere.
22. Management Model – Vertical Integration is the preferred model. The present arrangement has reversed the financial incentives to undertake the engineering work as economically as possible to a situation where Network Rail appears to try to maximise the payments it receives and considerable money has to be spent by the regulator to evaluate and determine for how much less the work required could be undertaken.
23. Management Model – If a standard Franchise is used the Consultants ‘First Class Partnerships’ are no longer commissioned to act as the ‘Operator of Last Resort’. Welsh arrangements for this are needed.
24. Management Model – Ramping, Front end loading, Inducing, Seducing or whatever it is called whereby under railway contracts an incentive high level of payments are made in the first years that decrease through the years should no longer be applied. At the time of privatisation with growing concern over the failure to find bidders for the ROSCOs, incentives had to be found to ‘induce’ companies to bid for running the railway operations. Throwing large money at prospective bidders £2.16bn payments in the first year compared with £1.1bn grant to BR in its last year was the initial incentive and the revision in the ‘93 Transport Act of duty of the requirement of the “Franchising Director to secure the provision of services until such time as they can be provided under a franchise agreement” was the fall back in case no bidder could be found and BR had to continue operating some services. The practice has remained and needs to be stopped. It is a factor in Nat Ex throwing in the keys of the East Coast after the ‘fat’ years, taking the penalty and just walking away. It is why FGW would not take up the three year extension and is probably behind ATW taking off the trains on the Chepstow line despite rapidly growing usage in order to maintain the profit margin with decreasing support..
25. Management Model – If a standard franchise is used then an investment residual payment mechanism needs to be included. The argument for longer franchises is so the Operator is incentivised to invest in improvements as it has longer in which to recoup the investment. What this means is they will only invest in the first couple of years of a say a fifteen year franchise if at all. Look at the present fifteen year ATW franchise, yes over the life of the franchise about £2-3m has probably been invested over the items specified in the Franchise they had to invest in but this minimal (a ten year investment equivalent to 1% of the annual pre-tax profit of the ROSCOs). Without ‘Ramping’ and with a residual payment mechanism to recoup if unsuccessful in re – winning the ongoing franchise there is a greater incentive to invest should a situation arise. Again it is to provide flexibility to react to change rather than existing financial ‘stagnation’ model.
26. Franchise specification improve passenger experience – The replacement of the existing franchise must maintain involvement in the ‘Rail Settlement Plan’ (National IT systems, Fares database, National

Reservations System etc, National Enquiries and Journey Planner via ATOC, ORCATS revenue sharing and must maintain the National Conditions of Carriage.

27. Franchise specification improve passenger experience - First Great Western passenger charter provides a pragmatic standard – “You should not have to stand on our trains during Off-Peak times, and during Peak times you should not normally have to stand for more than 20 minutes (or more than one station stop if this is longer).” This should be the minimum enforceable standard for all services in Wales.
28. Franchise specification improve passenger experience - Trains should be cleaned before each journey including seats, windows, floors and toilets. On longer journeys (two hours or more) basic cleaning and rubbish clearance should be undertaken en route.
29. Franchise specification improve passenger experience - Refreshment facilities, including snacks / drinks machines in place of (or in addition to) staffed facilities, should normally be available on any service where the end-to-end journey time is more than two hours.
30. Franchise specification improve passenger experience – From a passenger point of view higher frequency of service is preferable to longer trains unless infrastructure constraints prevent this until they are addressed. Use should be made of displaced unused sets that are ‘off lease’ see Rolling Stock item below.
31. Franchise specification improve passenger experience – “Clock face” timetabling should be universally adopted, to make it easier for passengers to understand and remember the timetable and to facilitate timetable design where services need to inter-connect with each other and with other transport modes.
32. Franchise specification improve passenger experience – There should be a high standard of on-train information, including - line of route timetables displayed on the train and / or available from the conductor - dot matrix screens giving “next stop” and other relevant information and associated automated announcements - a public address system capable of being operated by the driver when operational problems arise, since he / she is more likely than the conductor to know what is happening - clear, detailed announcements before an interchange station is reached giving a list of connections, including departure times and platform numbers. The conductor should be visible and where it is possible walk the length of the train between each stop and must be able to give full information about all connecting services, including those by other modes of transport.
33. Franchise specification improve passenger experience – Should the decision be taken not to purchase new rolling stock (See Rolling stock item below) then cascaded electric stock is likely to be released from Thameslink (Class 313) and Crossrail (Class 315). It is essential that toilet facilities are provided to avoid the major passenger complaints that followed the failure to include this as a requirement in the franchise specification when the class 313s were last cascaded in May 2010 “*many publications including the BBC have questioned the introduction of 35-year-old trains with no lavatories in place of much newer units*”. It should be remembered that these electric units are older than any of the diesel trains at present operating in Wales and will be around forty five years old by the time the Valley lines are electrified. A high level of internal refurbishment will be essential. Journey times on services such as Aberdare to Barry, Rymney to Penarth, Merthyr to Bridgend are one and a half to two hours long making internal facilities essential.
34. Franchise specification improve passenger experience – ‘On route seat reservations’ on Cross Country services are resulting in a growing number of passengers being turned out of the seat that was ‘available’ when they boarded but subsequently reserved en route. On train ticket sales where there is no Booking Office requires the ability in the replacement of the franchise to reserve seats on Cross Country trains if this is part of the journey. Similarly Ticket issuing machines must in future be able to provide the same facility.
35. Franchise specification improve passenger experience – Rail to Rail connections in this area have deteriorated since privatisation. The suggestion is that an assessment of connections should be made and publicised as part of the Franchise replacement and all subsequent Timetable consultations. At stations where connections with other services can be made a list of services that arrive and leave between the minimum connection time for that station and say twenty minutes after the first train’s arrival should be identified. The before and after should be included in the consultation so the changes are transparent and immediately obvious to users, elected representatives, stakeholders and Passenger Focus enabling problems to be identified before rather than after they are implemented.
36. Routes – Following the evaluation undertaken as part of the Great Western RUS a morning and evening commuter service calling at Lydney, Chepstow, Caldicot, Severn Tunnel Junction (using the new passenger reversing facility introduced under the NASR), Patchway Filton Abbey Wood and Bristol Temple Meads.
37. Routes – While not part of the replacement of the existing Franchise; timetabled services should complement the introduction of an electric service that under a different franchise would start from Swansea and call at principal stations to Cardiff Central en route to Bristol, Bath Swindon and ideally Didcot, Oxford and across the new electrified cross route to Bicester and potentially down to Marylebone.
38. Rolling Stock – Trains should be designed with passengers’ legitimate needs in mind, including: provision of toilet and washing facilities, baby changing shelves and razor sockets, Wifi, - adequate provision for luggage

- (including rucksacks), cycles, push chairs, and wheelchairs - Air conditioning should be standard - adequate visibility: seats should not be positioned so that the view is obstructed by the bodywork of the coach - seats which are not so high as to restrict the average passenger's vision to the front and rear - adequate distances between seats, so that passengers of greater than average height and / or girth can sit facing forwards in comfort - external and internal doors of adequate dimensions that self close after a set time when no passengers passing through. All trains should have corridor connections between adjoining 'sets'.
39. Rolling Stock – The ideal option especially considering whole life costs, reliability, environmental and passenger comfort standards is new build. If not then the cascaded stock must be fully refurbished and adapted to meet the 2020 Passengers of Reduced Mobility Technical Specification for Interoperability.
  40. Rolling Stock – To reduce whole life costs and to provide full control; rolling stock should ideally be owned by the vertically integrated Not for Dividend company, remaking the problematical wheel / rail interface. FGW instead of leasing purchased outright half the additional HST sets required since its franchise started where funds and availability coincided. Leasing is a high cost to present railway operation (driven by the original Book Value revaluation and the deliberate higher rates for MOLA stock in the failed hope this would drive investment in new replacements). One year's pre-tax profit from the three ROSCOs would fund the whole of the SEWTA annual Transport Budget for thirty four years. (Figures from the Competition Commission train leasing report). Using the Treasury's / DfT own rules as applied to the build of trains, the present Book Value of a two car Class 150 (without adjustment for refurbishment) would be £65k and in determining the cost of provision of a particular service the annual capital cost (depreciation) would be £15k at today's prices. Compare this with the annual leasing cost of a 2 Car Class 150 of probably more than ten times this amount.
  41. Rolling Stock – If there is leasing then ideally a 'Dry' lease should be used as long as the stock is not untried in service. If new rolling stock is acquired without prototype bedding in a 'Wet' lease arrangement that migrates through a 'Soggy' through to 'Dry' over say ten years would probably be ideal. It is said over 300 design modifications have been made to the Coradias since they entered service. The failure of the Voyagers under the sea water conditions at Dawlish, Electronic control systems bringing trains to halt due the power of the signals from GCHQ, HSTs braking to a halt because the ATP odometers had to be fitted to driving axles are all examples of design changes on untried new systems better resolved by the ROSCO leasing the train..
  42. Rolling Stock – The latest "ultra Wet" as will apply to new IEPs with pre determined collection and delivery times should be avoided until it is clear how things like the enforced loss of flexibility of stopping patterns (Bristol Parkway stops lost on Swansea services) can be resolved. Ability to adapt to change is essential.
  43. Rolling Stock – It should be remembered that if cascaded class 313s are provided there is no interworking outside the class. Today a failed 143 could be rescued by a class 150 or 158, a class 313 can only be rescued by another class 313. The Franchise needs to build this into allocation and timetable plans. Also how future strengthening and lack of interworking with say cascaded class 315s following Crossrail will need to be addressed. There is the need to learn the lessons from the SPAD of the 313 at Camden Road 7<sup>th</sup> April 2006 where the TPWS could not save it and because they were considered near the end of their life even at that time; I am not aware the cable issue was addressed which if not poses the potential for similar failures here.
  44. Rolling Stock – Whether new or refurbished passive provision should be made to accommodate ATP equipment (Railway Safety Regulations 1999) as at present there is only the lower safeguard (Para 17(b) Guidance to above.) It is not a case of 'if' an accident will happen in Wales, history teaches us it will simply be a case of 'when' and 'how bad' While in England the line all the way from London to the Welsh border is safe and fitted with ATP, Wales relies on TPWS which as far as I am aware has never been officially authorised for use in the U.K. because it is non failsafe. The pragmatic decision was to allow TPWS to go ahead because of the immediate benefits but as a temporary measure pending the provision of full ATP. I just hope when the crash occurs it will be a low speed bump such as at Norwich a few weeks ago and not an IEP at speed ploughing into the side of a fully loaded petrol train crossing over its path to get to the Gloucester line at Severn Tunnel Junction. Making passive provision to meet the call for the level of safety protection already provided for in England on the South Wales Main Line seems sensible.
  45. Rolling Stock – On delivery of electric stock the use of otherwise 'off lease' displaced diesel units sitting mothballed in sidings should be utilised to improve service levels etc. on non electrified lines.
  46. Additional Lines, stations etc. – Linking to the Franchise, the Specification should make passive provision for further electrification. First stage should be Severn Tunnel Jcn. to Swindon via Gloucester providing a fully electrified strategic diversionary route to Wales when the Severn Tunnel is closed. It also eliminates the last diesel suburban service into and maintained at Cardiff, all the rest are long distance Inter-Urban. As there will remain local suburban diesel services around Bristol (Weston-super-Mare, Westbury, Cheltenham etc) the question is should the remaining diesel local service Cardiff to Cheltenham be transferred to the Bristol Franchise with its diesel servicing and Maintenance facilities until this further electrification takes place?
  47. Additional Lines, stations etc. – The Chepstow line should be based on a half-hourly all-stations service operating over the Relief Lines from Cardiff calling at stations at St Mellons, Celtic Lakes/Coedkernow, Newport, Llanwern, Magor/Undy, Severn Tunnel Junction, Caldicot, Lydney, Newnham (Elton Corner),

- Gloucester and Cheltenham, extending hourly to Ashchurch for Tewkesbury and Worcester. While a Not for Dividend structure is the preferred option if it is a Franchise then it should be based on a 'call-down' arrangement. The additional stations may be brought into use at any time and in any order during the Franchise. Bids and timetables should be based on accommodating all the additional stations & services.
48. Additional Lines, stations etc. – While not part of the replacement of the existing Franchise, the above should be timetabled to provide connections into and out of an hourly semi-fast service from Cardiff (or beyond) to Newport, Severn Tunnel Junction, Chepstow, Gloucester, Cheltenham, Birmingham, and beyond. ie. The replacement of the Cardiff to Nottingham when the Cross Country franchise is replaced a year later in 2019.
49. Additional Lines, stations etc. – While not part of the replacement of the existing Franchise, the above should also make passive provision for a future Tram / Train starting on road at Callaghan Square behind Cardiff Central and then making use of the existing electrified Relief Lines, apart from a three mile section of on street running around the southern edge of Newport between Maesglas and Llanwern. Again using Relief Lines through Magor/Undy and Severn Tunnel Junction and then along the Gloucester line through Caldicot to Caldicot Pill. The route would then use the route of the disused freight line to Caerwent, serving three industrial parks, three leisure facilities and the residential areas of Portskewett, Crick and Caerwent. A short branch from Caldicot Pill could be provided to serve Sudbrook. Almost all new housing developments will then be connected to the Rail Network. The passive provision should allow for interchange with the stations at St Mellons, Coedkernew / Celtic Lakes, Llanwern, Magor/ Undy, Severn Tunnel Junction and Caldicot. Analysis of Croydon Tramlink has identified the 'Tram effect' similar to the electrification 'Sparks effect' The Tram has not abstracted but the basic growth of rail at interchange stations (excluding additional transfers between Trams) has increased faster than at other stations on the line in the area without Tram interchange.
50. Additional Lines, stations etc. – In evaluating the potential of new stations there is a need to update to the latest research. For example abstraction has had a significant impact on lowering the potential viability below a financially acceptable risk level resulting in potentially viable stations in Wales not in the past being considered or progressed. Analysis of ten stations opened between 2003 and 2005 has demonstrated only four actually showing a lower level of growth compared with the 'background' growth in the area e.g Chandlers Ford - 11.15% mean relative growth over two years demonstrating abstraction whereas Glasshoughton for example showed a +29.91% comparative growth. Similarly the research from Southampton University has indicated a higher Benefit /Cost Ratio for a new station at Magor/Undy that shows better value for money compared with many at present proposals being developed within SEWTA such as Brackla, Caerleon, Energlyn, Hirwaun, St Athans, St Fagans, St Melons.
51. Relationship with Network Rail – See Vertical Integration under the Management Model above. While in no way suggesting that the following example happened it is intended to demonstrate the potential perverse incentive in the present financial model. Suppose the connection at Newport to allow the Ebbw Vale service to operate to Newport has say five years of life left. If left in situ the renewal after the introduction of the new passenger service would come at Network Rail's cost. Knowing the intention the turnout is removed as life expired as there are no timetabled services operating over it at the present time. A third party, in this case the Welsh Government pays for a new turnout as part of the new service avoiding Network Rail having to pay for renewal for another thirty years or so.
52. Relationship with Network Rail – There is a need to incentivise all parties to work closely together to maximise the benefits of investments. One reason why services are slower today between Cardiff and London is the present financial model. BR invested in both the trains – 125mph HSTs and the track to accommodate 125mph running and therefore operated services to maximise the potential of both it had invested in. If you take a SatNav on the train and record the speed you will find that while the track from Bristol Parkway to London is basically designed for 125mph running between Parkway and Swindon speed does not usually exceed 105mph. Between Swindon and Reading the speed does not exceed 115mph it is only on the section from Reading onwards where capacity is an issue do the trains reach their potential maximum speed. As far as the Train Operator is concerned profit is maximised by coasting and going slow. The savings in fuel outweigh the additional passenger revenue they consider would accrue by taking ten to fifteen minutes off the journey time to London. Again while overall economy might benefit from the faster journeys, maximising internal profit is the overriding driving force. At a time when proposals are being developed to improve North South journey times an example outside the immediate Franchise demonstrates why the government needs to be in control with sufficient professional resources to ensure the investment it makes has maximum benefit.
53. Relationship with Network Rail – The ORR intends to improve compensation payments from Network Rail to Operators for disruption both planned and unplanned. When asked about compensation being passed on to the passengers who are affected this was not being considered and was dismissed as something to be decided and written into Operator Franchises. A closer linking of the financial incentives between Infrastructure, Operator and Passenger can only be advantageous if the Welsh Government can introduce it

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