Sewta

Moving People   Yn Symud Pobl

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Date 13th September 2013

Dear Dr Phipps

National Assembly for Wales Enterprise and Business Committee Inquiry into the future of the Wales and Borders Franchise

Sewta (South East Wales Transport Alliance) welcomes the opportunity to respond to the inquiry into the future of the Wales and Borders Rail Franchise.

Sewta is the regional transport consortia for South East Wales comprising the 10 local authorities of Blaenau Gwent, Bridgend, Caerphilly, Cardiff, Merthyr Tydfil, Monmouthshire, Newport, Rhondda Cynon Taf, Torfaen and the Vale of Glamorgan, representing the interests of nearly 1.5million people. Our partners include Network Rail, Passenger Focus, Arriva Trains Wales and First Great Western and with the Welsh Government we are working to improve regional transport in south-east Wales. We see rail as key to the movement of people and goods, and set out specific objectives for rail in our 2010 Regional Transport Plan and 2011 Rail Strategy (updated in 2013 to take account of the proposed Valley Lines electrification).

Our response will draw from both documents and our experience delivering a range of rail schemes across the region. We have geared our comments to reflect the nine items in the terms of reference although there is inevitably some overlap between.

We trust you find our response useful and would welcome the opportunity to expand on our comments in the oral evidence sessions the Committee intends to hold during the autumn term of the National Assembly for Wales

Yours sincerely

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Sewta Response to National Assembly for Wales Enterprise and Business Committee Inquiry into the future of the Wales and Borders Franchise

1. First, we would wish to make a general observation about the future of demand for travel, and the extent that the rail network should cater for this.

2. Transport and the railway network are enablers, helping with the delivery of much broader objectives around economic development, social inclusion, the environment, education, tourism, leisure and tackling poverty. As such, the future direction of the Welsh rail network needs to reflect our aspirations for the society that exists outside the rail network.

3. To that end, the future Wales and Borders rail franchise, Network Rail and the rail industry in general, need to be able to demonstrate that they can develop and deliver improvements far more quickly. As demand for rail travel remains strong, and may increase its rate of growth in the future as households reappraise their mode of travel for certain journeys, it is imperative that all involved within the rail service are geared up to quickly respond to such growth.

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

4. A first answer to that question would be to compare the current level of service operated by Arriva Trains Wales to what was in the original passenger service requirement. Although the 2003 franchise proposed a number of improvements on the Vale of Glamorgan and Ebbw Vale lines, since then there have been the number of additional services introduced in the period, along with station improvements, funded either by Welsh Government or through local government accessing European funding.

5. This would support the thesis that the Wales and Borders franchise was awarded at low cost with no potential to grow in line with demand and passenger needs with little consideration given to Welsh Government transport and spatial policies or wider economic, environmental and social inclusion objectives. However, if one were to look back to between 2001 and 2003, when the Wales and Borders franchise was in development, the conditions at that time raise a number of issues.

6. First, and although demand for rail was relatively strong, no-one really forecast the level of growth in demand that the rail network, particularly in Wales, would see in the first 10 years of the franchise. Low growth forecasts supported a franchise which essentially kept the status quo and a pattern of services from the mid 1990s.

7. Second, was the fact that up to the award of the franchise in 2003, the Welsh Government, and others involved in Wales, did not have significant influence over railways. Specification of the Wales and Borders franchise was essentially undertaken by the Strategic Rail Authority in London. Similarly, Network Rail was still a largely centralised structure not yet considering setting up a separate Wales route. It was not until 2006, that the Welsh Government secured greater powers over the future of railways in Wales, and become a co-signatory to the Wales and Borders franchise.

8. The past provides three key lessons. Firstly, the franchise has to acknowledge future growth in demand for rail travel, and have regard to alternative growth scenarios. Whilst there will always be challenges in forecasting economic conditions and drivers of travel beyond say 10 years, initiatives such as Network Rail's Long Term Planning Process are allowing for more robust forecasts.

9. That leads to the second lesson, in that the franchise has to have room to grow and expand during its lifetime. One of the criticisms of the current franchising system is of a Byzantine system for approval to run additional trains, and a reluctance of some franchise operators to even countenance doing so. The rail service is there to transport people, and if demand for rail continues on its upward trend, the rail industry has to be able to better cater for that demand.

10. The third lesson refers to the level of influence the Welsh Government had back in 2003. The Welsh Government should ensure that the new franchise is closely aligned with its overall social, economic and environmental objectives. The franchise should take account of current and emerging spatial and transport policy, including the proposed Metro for south east Wales.

11. Furthermore recent observations made in the McNulty and Brown reviews concerning the management resource suggest that a lack of resource within the DfT was a key factor behind the problems befalling the UK franchising programme.

12. Although the Welsh Government has matured as organization in line with its new powers, we would be concerned if there wasn't an increase in the management capacity allocated to what is a significant element of the Welsh Government's annual budget. As we expand on later, this increase in management could be achieved in a variety of ways, one being through the shared delivery model as proposed by the South East Wales Integrated Transport Task Force. The lessons of the current franchise, and the hiatus in refranchising, provide salutary lessons that whatever franchise model is adopted, there will always remain a need for a strong client role.

How passengers should be involved in the franchise development and delivery?

13. The current franchising process is sometimes said to have achieved a number of benefits, better value for money for the taxpayer and better quality services for the passenger. These two need not be mutually exclusive, and given the fact that the passenger through the farebox is contributing more to the running of the railway, we would suggest that the next Wales and Borders franchise needs to strike a better balance to getting a railway which meets the needs of the passengers.

14. There are a number of ways in which this could be achieved, irrespective of the management model adopted. First, the approach needs to be based on the main priorities amongst passengers of service performance, ability to get a seat, and value for money for the price of their ticket as borne out by national passenger surveys.

15. However, we would also suggest that passengers are consulted for their views on the next franchise, in time sufficiently for their priorities and recommendations to be

incorporated into the final specification. Similarly, passengers must also be involved in future development of the franchise. We would suggest the next franchise continues and expands on its current practice of consulting on proposed timetable changes, with the suggestion it carries them out sufficiently far in advance to allow any suggestions to be incorporated into the final timetable.

16. What many passengers will probably want to do is to hold the operator to account in terms of the train service performance. A passenger panel as currently used by Arriva Trains Wales is a further option, although we feel its acceptance and influence should be increased, possibly through the greater use of twitter and more online question and answer sessions. We would also suggest that the new franchise continues to use the National Passenger Survey (NPS) undertaken by Passenger Focus, and consideration is given to increasing its coverage, especially important if NPS results are used to monitor train operator performance.

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?

17. Consultation on franchise specification with regional transport consortia and local authorities needs to be recognized as an important mechanism for providing a broader stakeholder perspective. As well as representing constituencies of passengers and potential passengers, these stakeholders can also provide an effective interface with regional and local transport and land use planning processes, providing more effective transport and planning integration. There is natural progression from the involvement of passengers within the development of the franchise, to engagement with communities and local government, including the regional transport consortia. This progression supports community engagement, and moves towards asking communities what they want from their services provided by either local or national governments.

18. In south east Wales in particular the rail system is an essential part of the backbone of the local public transport system. Sewta's Regional Transport Plan ambitions and the proposed south east Wales Metro proposals cannot be delivered without substantial improvements to the rail system, and many of these (such as the requirement for fully integrated public transport ticketing) will need to be delivered through the rail franchise.

19. There however needs to be acknowledgement of the importance of the democratic mandate in representing the views of communities. As with the involvement of passengers, we suggest that local communities are asked along with passengers what they would like to see in terms of services, standards and station facilities. The last point is of key importance, as it is at the rail station, that the greatest interface between the franchise and communities will take place

20. The role of local government both councils individually and through the regional transport consortia, needs to reflect their potential for bringing resources for transport integration to the railway. By this we mean building the case for and securing capital funding for station and other infrastructure improvements, or revenue funding for additional services.

21. We have referred earlier to the need for there to be sufficient management resource of the new franchise, on the client side from procurement to monitoring. One way to achieve this is to look at using local government resources to complement existing Welsh Government resources in the delivery of improvements to the franchise, and possibly in the management of certain associated functions to make a rail network work well.

22. In terms of the former, local authorities through their planning responsibilities, have the potential to bring developer funding to the railway through Section 106 contributions and the Community Infrastructure Levy.

23. A second example may be to examine the potential for the management of station car parks to be undertaken by local authorities individually or collectively through the regional consortia, given that car park management is a widespread local government function. Such devolving of roles has the potential to leave the train operating company to focus on the key requirement of running trains and managing stations and infrastructure, which are core roles best delivered by the railway industry. A third example of the role of local government / regional consortia reflects the potential for better integration with bus services and funding through the new Regional Bus and Community Transport Network Strategies.

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

24. The key issues for passengers will be the quality and affordability of services, rather than the type of management model chosen to run their trains.

25. In addition to the not for dividend franchise model, there are a number of other management models that should be considered. There are four types of management model. A conventional franchise operated by a commercial operator, a co-operative, concession model (as used by Transport for London or German states), or a new arms length company, run along the lines of the Trunk Road Agencies or Directly Operated Railways.

26. Further questions to be considered will be the level of funding, the need to achieve better value for money, and which model through the use of incentives / penalties will achieve better performance and allow the service to grow in line with demand. In addition, there is the question of how a model will be reviewed in order to guard against the complacency that can often arise with a monopoly provider.

27. Whatever management model is chosen, one common theme will be for the Welsh Government to take a much greater role and involvement in management of the franchise. This will allow the future franchise to be more closely aligned with wider government objectives, and not as can sometimes be the case with rail franchises being seen as a business and end in their own right. In doing so, however, it must be careful not to micro-manage and will need to maintain the distinctive roles of client and contractor which is key in this kind of business partnership.

28. Any business restructuring, which is essentially what this review of the future of the Wales and Borders franchise is about, looks at a number of key principles. One is that of reducing the cost of running the business. It is important, however, that this is not at the expense of a diminution in service quality or suppression of demand. Instead, a greater focus on improvements in marketing, improving the quality and frequency of services, and better inter-modal integration, will have arguably greater benefits.

29. Perhaps the key question, however, and irrespective of the management model chosen, is the specification of the franchise, and we set out our thoughts on this next.

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.

30. Previous commentary on franchises has put forward options for a greater commercial freedom, and this could apply with both private or public sector operation, with as free a hand as possible to provide a passenger service that is designed for the passenger. For some aspects of the Wales and Borders network, greater commercial freedom will work, although the amount of government funding which will still be needed to run this franchise, supports the need for the final franchise specification to be agreed with Welsh Government.

31. One of the key differences in public transport provision in the city-regions of Wales and best practice is the lack of integration between rail and bus. Sewta responded to the committee's inquiry on integrated public transport. Three of the key features of a properly integrated public transport system that were highlighted were fully integrated ticketing , appropriate timetable coordination and integrated public transport information. The current franchise has little to say on any of these. It would be unfortunate if the opportunity to ensure that rail and bus services are appropriately integrated is missed.

32. In the debates about franchising, the question of franchise length poses some questions. On the one hand, longer franchise terms are seen as allowing the private sector, and some not for dividend models, to invest more into the franchise, maximising passenger benefits. On the other hand, longer franchises can make it harder to forecast demand, to quantify risk, and to replace a poor performing operator.

33. Among the factors that should influence franchise length are; the end and start dates of other franchises bordering the Wales and Borders network, and the degree of disruption envisaged, from major upgrade work (e.g. Valley Lines Electrification and Great Western Main Line Electrification), with the need for management continuity

34. There may be an argument for looking at the performance of the existing operator, with a view towards a continuing concession style of operation, if it is considered that the existing franchise offers the best solution. Such concessions could support longer-term planning, and save cost and management effort in franchise bidding. In theory, concessions could be traded, thus creating greater potential for attracting

capital investment from the operator. Clearly there would need to be some mechanism for incentivising good performance, and for mirroring the type of passenger enhancements that arise from the conventional franchise taken to the market.

35. Any discussion on the length of the franchise must also ensure there is a robust mechanism for removing a poorly performing operator. It would be unacceptable for passengers to have to wait for a contract to expire.

36. One option may to be split the franchise period into chunks. At each period end, you would have the opportunity to reassess assumptions and models, but also progression to the next period of the franchise could be dependent on good performance. If the franchise operator is doing well and meeting various targets then it continues; if it is not then it must either demonstrate how it will improve or risk triggering a new franchising process.

37. Turning to the level of specification and precise targets, we suggest this should reflect passenger priorities based around measures that reflects passenger experiences.

38. First, there is a need for the traditional hard targets of punctuality, reliability and crowding to remain. An improvement in transparency of such performance figures will generate greater accountability, and help rail passengers to hold the train company to account, and to ask what is being done to improve services in return for the fares they pay. Passengers can keep up the pressure on performance on an individual train or route even in the absence of any specific regulatory targets. Good management and the Welsh Government should not feel threatened by this, as the availability of accurate and transparent data willhelp them.

39. However, punctuality data is currently only really provided at an overall TOC level which can easily mask significant differences between routes within the same TOC. Providing performance data at a more local level would help prevent this and focus attention on areas that need improving. It is important to stress this information exists, so it would not involve any new costs in terms of data gathering.

40. Equally there is currently little data in the public domain about crowding, although in our Sewta Rail Strategy we have identified a number of services to and from Cardiff that are running at or over capacity. Crowding, the ability to get a seat, or even to be able to get onto a train, is a fundamental aspect of a passenger's journey, and an area where greater transparency can again generate improvements for passengers.

41. Many observers have long advocated the use of service quality targets, with strong preference made for targets based on what passengers think – the best judge of quality being those who have used the services in question. Existing mechanisms such as the NPS offer a way to capture this information, and this is something that needs to increase both in terms of size, and by breaking the analysis down into routes and services with sufficient numbers to be statistically significant..

42. Any passenger survey can also be used to weight the importance of franchise targets, so that they represent what is key for passengers. This has the benefit of

making passengers feel they are part of the decision-making processes, but also promoting a greater sense of accountability between service provider and consumer.

43. The use of targets can also be framed in a way that is entirely consistent with government policy, but still gives the train company considerable leeway. .

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

44. When the current Wales and Borders franchise was tendered and let, it brought together a number of different franchises and different routes. It also had to work alongside a number of other franchises. Within South East Wales there are now two other franchises which also play an important role in transporting people through, and to and from, Wales.

45. This state of affairs will remain even with a new Wales and Borders franchise, and we then query the merits of determining now what routes should be in what franchise. Instead we suggest that the focus should be on what passengers, Welsh Government, local government and communities want in terms of services and standards on each of the routes within and into Wales, and from there it can be identified which of the franchises is best served to meet those aspirations. A key factor will be the implications of the electrification programme.

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

46. The level of service and indeed specification will ultimately determine the amount of rolling stock needed at the outset of the franchise. However, as we have set out previously, the franchise will need to allow for a growth in demand, and so it will need to ensure that measures are put in place to utilize diesel stock released by electrification, as well as the ability to procure additional rolling stock.

47. It is less clear of the extent to which passengers and others will expect new rolling stock. We would suggest that concerns over getting a seat on a train, i.e. a train having enough carriages, on-train facilities, are perhaps of more important that having a new train. However, we are aware of the potential for new stock to be more fuel efficient, with lower operating costs and a longer life before replacement, and these factors need to be weighed in the balance.

48. Furthermore, the case for new rolling stock will have to demonstrate good value for money and be compared against using the funding to increase the number of carriages available to the operator. A key factor, whether new or cascaded, will be the specification. There is a critical opportunity for the stock to make generous provision for wheelchairs / push-chairs and bicycles, and thereby make a major step forward in the role played by the railways in social inclusion and transport integration.

49. Whether it be new or cascaded rolling stock, there are pros and cons to the method of procurement chosen. Outright purchasing or continuing with the leasing arrangements are the two main options. We would suggest the TfL model of

purchase and then leasing to operators of New Bus for London be examined for its potential to be used in Wales.

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

50. In the 10 years since the full Wales and Borders franchise has been in existence, it is useful to note the number of rail schemes to have been implemented. In South East Wales, passenger services were restored to the Vale of Glamorgan and Ebbw Vale Lines, new stations opened at Llanharan, with new ones also already committed at Energlyn, Ebbw Vale Town and Pye Corner. Similarly there have been significant resignalling schemes from Port Talbot, Cardiff and Newport, which are fundamentally changing operational possibilities.

51. Whilst such a list is impressive, it also needs to be noted that some of these schemes were not known at the start of the current franchise. Electrification was not on the agenda at all. As such, we would support the view that what is needed in the franchise is a mechanism for allowing for both confirmed, but potential schemes in the future. The Sewta Rail Strategy updated in 2013 sets out an extensive programme of additional passenger lines, frequency enhancements, and new stations and park and rides, as well as quick wins in the form of incremental service enhancement. Following stakeholder consultation and Board approval in March 2013, this is now out to wider public consultation, and the results will be reported back to the Board in December 2013. The full report can be found at: http://www.sewta.gov.uk/other-documents/rail-strategy/ Some of the proposals will also have implications for the current Great Western franchise. While the proposals are ambitious, the last three decades have seen five new passenger lines and 34 new stations added to the network in South East Wales.

52. Some of those schemes are well-advanced, others at lesser degrees of development, and will require further work. A key consideration will be the need for the franchise to be aware of these proposals, examine the potential for schemes to be progressed into the franchise. Of critical importance will be avoiding obstacles to their provision by a lack of passive provision as part of the specification for Valleys Lines Electrification.

53. We would suggest future expansion of the rail network, through additional lines, new stations, etc is best dealt with as a separate work programme taken forward by a combination of WG, NR and regional consortia / local government, and away from the day to day operation of the franchise. This will need to be integrated with the preparation of the next National and Regional Transport Plans, with the current investment programmes coming to completion in 2014/15.

54. In terms of incremental service enhancements, the Sewta Rail Strategy has identified strong business cases for strengthening early morning, late evening and, in particular, Sunday service frequencies. Indeed, there are presently no Sunday services on the Coryton, City and Maesteg lines. These need to be seen as a key priority for the current franchise, as well as the post 2018 one.

55. Another important issue raised through the Sewta Rail Strategy is that of how passengers access rail stations. A number are at capacity in terms of park and ride car parking, and many stations have no potential for additional parking spaces. Providing other travel opportunities for accessing stations by bus, cycle or foot will become increasingly important. Station Travel Plans can play a valuable role in this regard. Some franchises in England include a requirement for these to be prepared by the Train Operating Company. We believe there is a compelling case for their inclusion in the Wales & Borders Franchise.

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

56. One of the many controversial aspects of rail privatisation was the decision to alter the relationship between the wheel and track, or wheel-rail interface. Although that is not to say that in British Rail, there were not always tensions between the engineering and passenger operational side of the railway, the fact they were ultimately under the same direct control had benefits that are simply not there when companies with different objectives have to work together.

57. Although things have and continue to improve under Network Rail – certainly in comparison with Railtrack – there are still a large number of contractual relationships which if not carefully managed, can easily see focus shift from the raison d'etre of the rail network; moving people and goods.

58. In recognition of this, initiatives such as the South West Trains Alliance between the train operating company and Network Rail, should be assessed. Early signs suggest this alliance is showing success with the parties better understanding each others objectives, leading to better train performance, quicker recovery after disruption, and improved planning for the future.

59. We would however urge caution, in that within Wales there are a number of other passenger operators and freight companies who fulfill an important role in transporting people and goods around the country. Any enhanced relationship between Network Rail and the Wales and Borders franchise must also involve these other operators.

Sewta Rail Strategy 2013

Final Report Executive Summary

February 2013

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Executive summary

Introduction

The Sewta Rail Strategy sets out the investment which the combined local authorities in South East Wales believe is needed to ensure a robust and efficient rail network over the next 20 years. The strategy is planned to accommodate passengers in comfort and encourage growth of both rail passengers and freight in an environmentally sustainable form.

The key changes in the rail network over this period will be re-signalling of the Cardiff area, including capacity increases for passengers and freight, electrification and re-franchising of passenger services. Sewta are strongly engaged with the Welsh Government to help develop these programmes. The Rail Strategy sets out a package of measures that will create a rail network meeting the economic and social needs of the region. The strategy is complementary with the possible development of a South Wales Metro, which is part of a bigger vision currently under consideration.

The Rail Strategy presented is considered to be affordable and deliverable within the existing regulatory framework and governance structures.

Strategic Context

The 'Capital Network' of Wales, as defined in the Wales Spatial Plan, covers the journey to work areas of Cardiff and Newport, which are at the heart of the Sewta region. This is the most intensively developed area of Wales, with almost half of the national population living within this region, and with 95% of those people living in urban areas.

Sewta has the busiest roads in Wales and traffic conditions on the Cardiff and Newport radial highways result in major delays to all vehicles. It is the most economically active area in Wales, with more than half the nations' economic activity. The traffic is not confined to the urban road network, with extensive congestion also affecting the strategic highway network and especially the M4 within the region. It is therefore not surprising that the Cardiff hinterland has the most intensively used urban rail network in the UK outside of London and the Integrated Transport Authority areas.

Transport has a key role to play in achieving the economic, social and environmental objectives for the region. In particular, improved accessibility will help to reduce the disparity between the economies of the Valleys to the north of Cardiff and Newport and of the towns and cities along the coastal plain. The Wales Spatial Plan and the National and Regional Transport Plans recognise the importance of improved accessibility and improved connectivity between areas of need and areas of opportunity. Further investment in rail will build upon the existing regional assets and is a cost-effective means of securing the required aims and objectives.

Rail transport is an important part of the public transport network, especially for longer distance journeys. Rail plays a critical role in delivering accessibility for journeys to work, and also for leisure and tourism, which are important elements of the South Wales economy. Encouraging sustainable shopping, access to the countryside, access to specific leisure locations and reverse commuting are key benefits that improved rail travel can bring.

Rail is also important for the movement of freight, which has been an important dimension of the development and use of the rail network in the region. Whilst the bulk freight markets that rail is well suited for have declined in recent years, there are important traffic flows in the region including coal, steel and aggregates. Despite the economic recession, between 2006 and 2011 there was a 2% growth in rail tonne-kms and Inter-modal traffic grew by 29% over the same period. Inter-modal rail freight traffic has grown faster than road freight since 2004.

Future rail freight is forecast to growth by around 8% to 2030 to and from Wales. However, coal traffic is forecast to decline whilst Inter-modal (domestic and maritime containers) will increase by 16% per annum. Most inter-modal traffic is destined for the major urban areas and the forecast growth may therefore result in capacity pressures on existing terminals in the region. The Welsh Government and Sewta have policies to encourage more transfer of traffic from road to rail freight.

Transport investment in South East Wales, and rail investment in particular, should therefore be a high priority for the Welsh Government. Investment in rail provides a sustainable transport solution to these problems, providing improved access between the Valleys and the Cities, and along the M4 Corridor by attracting car trips and reducing congestion in the region. The recent Welsh Government decision to review the need to invest in an M4 Relief Road to the south of Newport adds to the need to improve public transport services in the corridor as part of the strategy to resolve strategic highway network problems.

The objective must also be to break down the barriers which, in spite of enhancing the infrastructure, still work against modal shift. A holistic "door to door" approach needs to be taken which considers the wider issues such as pricing, punctuality, cleanliness, upkeep, information, security and customer service.

Building on Success

Sewta and its partners has had significant recent successes in developing and implementing a range of rail network and services improvements, which have met or exceeded their passenger demand forecasts. These include;

- *Five lines reopened since 1985 – Aberdare Line, City Line (Cardiff), Maesteg Line, Vale of Glamorgan Line and Ebbw Valley Line;*

- *34 new stations on the reopened lines and at Llanharan;*

- *Increased service levels from Hourly to Half hourly to Aberdare and Merthyr Tydfil and from 3 trains per hour to 4 trains per hour between Cardiff and Bargoed;*

- *Providing a combined station at Abercynon with 4 trains per hour and a strategic park and ride site;*

- *Valley Lines Platform Lengthening and train lengthening, and;*

- *Station improvements at several locations including additional car parking spaces, improved access, improved shelters and information.*

Sewta's investment has contributed to achieving rail passenger growth above the UK average.

In addition, through previous rail strategy studies Sewta has directly influenced enhancement of the rail network including;

- ***Improved operational efficiency and increased train capacity*** in the core journey to work area of Cardiff, secured within the **Cardiff Area Signalling Renewal** (CASR) project. The Welsh Government and Network Rail are committed to increasing rail capacity between Cardiff Queen Street – Cardiff Central and Cogan Junction plus additional turn-back platforms at Pontypridd, Caerphilly and Barry between 2013 and 2015. This includes extending platform lengths on the Barry line to accommodate 6-cars trains;

- The Welsh National Transport Plan (NTP) includes **increasing service frequencies** to half hourly to **Maesteg, Rhymney** and on the **Vale of Glamorgan Line** and providing two **new stations at Energlyn and Brackla**. These schemes are integrated with the CASR programme;

- ***Increased train capacity, plus journey time improvements***, through **electrification of the Valley Lines** between 2015 and 2019 including cascading 3-car electric trains to replace current 2-car trains. The business case was approved by the Welsh Government in 2012 and is being progressed by Network Rail for delivery within their Control Period 5.

The Sewta Rail Strategy builds on those successes and plans.

Sewta Rail Strategy Elements

Sewta has an important role to play in the development of the Transport Plan for the Capital Region in Wales. In order to ensure that the appropriate contribution is made by rail, the Sewta Rail Strategy Review Studies were undertaken to refresh and extend the strategy to 2030. The strategy seeks to develop a number of additional services, which will benefit from being pursued in tandem with planned and committed rail investment. In particular; Network Rail's major signalling renewal projects in the region in the short / medium term, and; electrification of the Valley Lines and South Wales Main Line.

In the last decade rail passenger demand on the Valley Lines[1] has been growing at around 6% per annum with some lines experiencing 80% growth between 2000 and 2009, significantly higher than the average for the UK. Recent data analysis suggests that this high rate of demand growth is continuing and will result in significant train capacity problems requiring additional network capacity.

The Sewta Rail Strategy balances the various levels of investment and considers other external factors. It is based on three 'themes';

- *Coping with Growth;*

- *Quick Wins, and;*

- *Increasing the reach of the Network.*

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[1] In this context Valley Lines includes the Aberdare, Abergavenny, Barry Island, Cardiff Bay, City Line, Coryton, Chepstow, Ebbw Vale, Maesteg, Merthyr, Penarth, Rhymney, Treherbert and Vale of Glamorgan routes.

"Coping with Growth"

- ***Additional rolling stock*** *is required to strengthen peak trains to address passenger growth and to avoid overcrowding. Rolling stock renewal coupled with electrification of the Valley Lines will provide more suitable rolling stock in the medium / long term that is more capable of meeting the punishing local requirements, however, some further issues remain;*

"Quick Wins" (not requiring major capital or lease costs);

- ***Station enhancements****; including improved station facilities, information, security and access (e.g. additional parking and modern interchange facilities).*

- ***Incremental service improvements;*** *New Sunday services on the Maesteg Line and Coryton Line; additional Sunday services on other lines; additional early morning and later evening services;*

- ***Further line improvements and station improvements*** *(e.g. Station Travel Plans). In the medium term coupled with the investment in electrification of the Valley Lines to maximise the benefits to the region through capturing the full value of electrification including line speed improvements and transforming all aspects of rail travel through addressing access issues and passenger comfort at stations;*

- ***Frequency enhancements*** *on existing lines; improving the levels of service on selected routes to meet passengers' minimum service level expectations and encourage increased transfer of car trips to rail. Specifically to provide new services on the;*

  - ***Rhymney Line*** *(between Rhymney and Bargoed) with a new station at Energlyn;*

  - ***Maesteg Line*** *(half-hourly) with a new station at Brackla;*

  - ***Vale of Glamorgan Line*** *(Half hourly).*

  - ***Barry – Cardiff*** *- additional peak services to reduce overcrowding;*

  - ***Caerphilly – Cardiff*** *- enabling faster running of Rhymney line services;*

  - ***Pontypridd – Cardiff*** *- enabling faster running of some longer distance services;*

  - ***Ebbw Valley Line*** *- between Ebbw Vale and Newport;*

  - ***Abergavenny Line****;*

  - ***Chepstow Line****, and;*

  - ***Cardiff – Bristol*** *line with additional calls at Severn Tunnel Junction.*

Additional services on the Valley Lines to the north and south of Cardiff are required to cope with the continued growth in passenger demand and will require a significant investment in the capacity of the network between **Cardiff Queen Street North Junction and Cogan Junction.** This is currently being developed as an enhancement option within the CASR scheme by 2015 and will also provide capacity and operating flexibility for serving expanded rail freight facilities at Cwmbargoed;

Several of the recommended investments should be packaged to form an **M4 Corridor Strategy** to provide realistic alternatives to car use in this congested corridor including measures to encourage greater use of rail freight.

"Increasing the Reach of the Network";

- *New stations coupled with frequency enhancements* *improve access to the rail network integrated with the development of improved services. Specifically at;*

  - *Albany Road / Crwys Road and Upper Boat with the CASR programme;*

  - *Caerleon, St Mellons, Coedkernew and Llanwern with new services on the Abergavenny and Chepstow Lines. With those on the South Wales Main Line between Cardiff and Newport sited on the Relief Lines;*

  - *St Fagans with improved services to Maesteg and possible new service to Llantrisant and Beddau.*

  - *At Crumlin and Pye Corner on the Ebbw Vale Line, coupled with new services between Ebbw Vale and Newport;*

- *Network extensions and new stations;* *further improving access to the rail network through extending the rail network;*

  - *Ebbw Vale Parkway to Ebbw Vale Town; possibly coupled with the further hourly service to Newport;*

  - *Aberdare to Hirwaun; with new stations at Trecynon and Hirwaun;*

  - *Ystrad Mynach to Bedlinog; extending the planned Cardiff – Caerphilly local services after the re-signalling capacity enhancement and electrification (with new stations at Nelson, Trelewis and Bedlinog);*

  - *Cardiff – Abertillery new service on the Ebbw Vale line involving a short line extension and new station at Abertillery;*

  - *Cardiff to Llantrisant and Beddau (with stations at St Fagans, Talbot Green, Llantrisant, Gwaun Meisgyn & Beddau) following further business case development and options comparisons, and;*

  - *Caerphilly – Machen – Newport in the longer term.*

The business cases for network extension options improved with electrification, due to reductions in operating costs as well as forecast demand increases.

It will be important for the local authorities to **protect the sites for new lines, stations, freight terminals and park and ride facilities** through the planning process to enable the schemes to be realised.

Value for Money

The appraisal of initiatives included assessment of value for money. This was used, alongside achievement of other social, economic and environmental objectives, in selecting projects for inclusion within the strategy and programming.

Investment Programme and Costs.

The revised Sewta Rail Strategy prioritised programme takes account of;

- *The need to deliver the Wales Spatial Plan in terms of investment in transport to meet the social, economic and environmental objectives;*

- *The need to integrate schemes with the Network Rail Signalling Renewal projects in the region and electrification programme;*

- *The need for short term development of some of the longer term strategy schemes to ensure that passive provision is provided in the ongoing Signalling Renewal and electrification processes;*

- *The timetable for land-use development in the vicinity of stations where relevant to the justification of the schemes; and*

- *Key stages of development in accordance with Network Rail's GRIP process.*

The programme recognises the importance of the CASR process in ensuring that the opportunity for the major enhancement in the critical Queen Street North Junction to Cogan Junction section of the network in the strategy period is provided in the most efficient and effective manner.

This capacity enhancement is considered a high priority within the strategy due to the identified capacity constraint, which not only leads to reliability problems but also militates against increases in passenger and freight services.

The capital costs estimated for the schemes within the programme average £19.5m per annum (2010 prices). This excludes the capital investment within the Network Rail Signalling Renewal schemes and the associated enhancement options and excludes the costs of electrification.

Additional subsidy costs associated with the rolling stock required for capacity enhancements and additional services increase over the initial ten years of the strategy to between £13m and £15m per year (2010 prices). Thereafter the increasing revenues offset additional operating costs. The majority of that increase occurs in 2020 when the electrification of the Valley Lines will produce a substantial reduction in operating costs and subsidy.

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Recommendations

The recommendations of the Sewta Rail Strategy take into account existing and future known rail freight requirements. However, further work needs to be undertaken to develop a more positive freight strategy by liaising with freight generators and operators to identify potential markets to attract to rail and any additional terminal requirements. The region's inter-modal terminal at Wentloog is the least well used of its type in the UK.

It is recommended that Sewta works closely with the Welsh Government to provide funding support to Network Rail and Sewta, working through its Rail Working Group, to further develop schemes in the short term for medium / long term delivery, including developing packages of station improvements.

It is recommended that Sewta works with the Welsh Government to plan for the funding and delivery of the Sewta Rail Strategy, including securing additional rolling stock in the short-term and rolling stock renewal with electrification in the medium term. It is recommended that Sewta use the results of this study to formulate requests for changes to be delivered through the forthcoming Great Western franchise and the revised Wales and Borders franchise in 2018.

It is recommended that Sewta works closely with the Welsh Government and Network Rail in developing the proposals for electrification of the Valley Lines including the optimising the business case though assessment of how best to utilise the improved performance of the rolling stock, such as through serving additional stations (such as at St Fagans and St Mellons) or reducing journey times. It is recommended that Sewta works closely with the rail industry to secure extension of the electrified network to other regional lines (Marches Line and Chepstow / Gloucester Line) in Network Rails Control Period 6 (post 2020).

It is recommended that Sewta presses the Welsh Government and WEFO to accept the Rail Strategy and maximise opportunities to secure EU Convergence funding to assist in the delivery of the programme. It is recommended that Sewta continues to work closely with Network Rail and Arriva Trains Wales to plan and implement the strategy and to continue to work in partnership with them and the other passenger and freight train operators that provide services within South East Wales.

It is recommended that the Rail Strategy is taken forward through further investigation of the business cases for individual elements and packages of schemes including further investigation of the benefits for users of new stations, and through integration of station and access improvements with electrification to transform the rail travel experience and maximise the benefits for the region.