

**WRITTEN EVIDENCE TO THE ENTERPRISE AND BUSINESS COMMITTEE
SCRUTINY SESSION ON METRO, RAIL INFRASTRUCTURE AND
RAIL FRANCHISE– 24.02.16**

Introduction

1. The purpose of this paper is to set out for the Enterprise and Business Committee written evidence on the Committee's inquiry into the priorities for the future of Welsh rail infrastructure; outline the progress that has been made on planning and delivery for the South Wales Metro, taking into consideration the Cardiff Capital Region; and finally the progress on transfer of the 2018 Wales and Borders Rail Franchise to Wales.

Rail Infrastructure Inquiry

2. We are committed to putting rail services at the heart of our transport system to drive our ambitions for a vibrant and dynamic economy. Through the current Wales and Borders franchise, over 955 services carry around 65,000 passengers each day, and from 2003 – 2014 the number of train kilometres travelled increased by 32 per cent to meet increased passenger demand. This level of increased demand is expected to continue and we are keen to encourage more people to travel by train.
3. We are also committed to working towards increasing a modal shift from road to rail for freight. I accepted all of the recommendations from my Wales Freight Task and Finish Group, many of which relate to rail and its importance to intermodal freight networks.
<http://gov.wales/docs/det/report/140402-freight-task-finish-final-report-en.pdf>.
4. It is therefore imperative that the rail network in Wales is fit for purpose. We continue to work closely with Network Rail to develop its Welsh Route Study – a key document in assessing funding priorities for the next control period and beyond.
<http://www.networkrail.co.uk/long-term-planning-process/welsh-route-study/>
5. We are working with the UK Government to ensure that Wales benefits from opportunities for investment available from funding sources available across England and Wales.
6. I have asked the Secretary of State for Transport to make funding available to modernise the North Wales Main Line during Control Period 6 so that the benefits of accelerating HS2 Phase 2a to Crewe can be fully exploited. My Officials are working with partners in North Wales and across the border to develop the business case for electrification of the North Wales Coast.
7. Additionally, we have secured a Memorandum of Understanding with Transport for the North in recognition of the close relationships between the economies of North Wales and Northern England. This Memorandum of Understanding will ensure that the views and objectives of stakeholders in Wales are recognised and taken account of, both in respect of the development of the Northern Transport Strategy and when considering options for investment.

**WRITTEN EVIDENCE TO THE ENTERPRISE AND BUSINESS COMMITTEE
SCRUTINY SESSION ON METRO, RAIL INFRASTRUCTURE AND
RAIL FRANCHISE– 24.02.16**

8. I have expressed disappointment to the Secretary of State for Transport regarding delays to electrification of the Great Western Main Line through to Swansea and am pressing for an assurance that the project will be completed as early as possible in Control Period 6. I have also asked for clarification that gauge enhancement work along the Great Western Main Line will be completed during electrification works to improve freight capacity, especially as the line is part of a core Trans-European Transport Network route for freight.
9. I consider the mechanisms available for appropriately holding Network Rail to account for the delivery of enhancement schemes we fund to be inadequate. For example, the North – South Journey Times and Capacity Enhancement Project - which is not a regulated output - was delivered by Network Rail late, over budget and with a reduced scope.
10. We support the devolution of responsibility for setting Network Rail's priorities and funding in relation to the Wales Route, as is already established for Scotland. Financial reports by the Office for Rail and Road suggest that between 2011, when Network Rail's Wales Route was established, and 2015, less than 1% of Network Rail total enhancement funding has been spent in Wales.

South Wales Metro and the Cardiff Capital Region

11. The South Wales Metro will be a modern, high-quality, multi-modal and integrated transport system. It will offer rapid, frequent and reliable rail services, as well as incorporating the bus network. It will not only act as a link between our communities but also support the Welsh economy by enhancing connectivity across Wales into the rest of the UK and Europe.
12. The South Wales Metro is a long-term programme. It will deliver benefits as efficiently as possible. This will mean that on some routes an initial investment in improving track capacity to allow service frequency to increase, to achieve Metro objectives, will be the priority.
13. We are currently delivering Metro Phase 1. On 11 June last year, the First Minister officially opened the new Ebbw Vale town station. We are also funding enhancements to the Ebbw Vale line, which will allow for additional services to be introduced in the future, improving stations and funding improvements to improve bus routes, all as part of Metro Phase 1.
14. We are linking the development and procurement of Metro Phase 2 with the procurement of the Wales and Borders franchise. We are taking an outcome-and-output-based approach, whereby we set out to the industry what we want to see, in terms of better access to jobs and services, long-term transformational economic effects, more frequent and faster services, better quality, and environmental improvements. The industry will help us develop the best way to achieve those results, and we believe that this approach will give us innovative solutions that may be better value, and deliver improved outcomes, than the original contractual model for the Valleys lines electrification proposals.

**WRITTEN EVIDENCE TO THE ENTERPRISE AND BUSINESS COMMITTEE
SCRUTINY SESSION ON METRO, RAIL INFRASTRUCTURE AND
RAIL FRANCHISE– 24.02.16**

15. The Cardiff Capital Region Board, which has placed improved connectivity as one of its key priorities, has recognised the importance of the Metro project in reshaping the economic fortunes of the region.
16. There is a strong consensus within the Board and across the region on the Metro's significance as a transformative project which, with improved transport connectivity at its core, is seen as integral to achieving wider economic and social outcomes for the Cardiff Capital Region.

Wales and Borders Franchise 2018

17. We are working with the Department for Transport to transfer the rail franchising functions to the Welsh Ministers by the beginning of 2017.
18. In preparation for the award of the next franchise, we are undertaking a programme of public engagement to identify passenger priorities for the next franchise. A consultation document 'Setting the Direction for Wales and Borders Rail', was published on 22 January and can be accessed on our website at <http://gov.wales/consultations/transport/160121-rail-franchise/?lang=en>. The consultation closes on 18 March.