

**WELSH AFFAIRS SELECT COMMITTEE/NATIONAL ASSEMBLY
ECONOMIC DEVELOPMENT AND TRANSPORT COMMITTEE**

PRE-LEGISLATIVE SCRUTINY OF DRAFT TRANSPORT (WALES) BILL

Memorandum from the Strategic Rail Authority

Introduction

The SRA wishes to respond to the agendas set by devolved governments within an agreed framework that protects the integrity of the national network for passengers and freight users. The nature of that framework is a matter for Government. Experience so far demonstrates that the SRA can work effectively within a variety of models for rail devolution.

The SRA has worked closely with the Department for Transport on the rail provisions of the draft Bill. DfT have in turn worked with the Wales Office and the Assembly on the overall Bill.

The Bill does not create novel powers but extends to the Assembly, with adaptations, powers which are already exercised by other devolved administrations. The SRA is therefore confident that it can implement the rail provisions in practice. The SRA already works closely with the Assembly and is confident that it can work effectively with the powers provided for in the draft Bill.

Power to give directions and guidance to the SRA in relation to the operation of the Arriva Wales franchise and advice in relation to rail services serving Wales generally

Scottish Ministers already have powers to give directions, guidance and advice to the SRA within certain limits and subject to certain conditions. These powers have worked well. The provisions in the draft Bill are similar in intention but modified so as to take account of the rather different pattern of rail services to, from and within Wales compared with that in Scotland.

The draft Bill limits the Assembly's power to give directions and guidance so as to protect the financial position of the SRA and the interests of the GB rail network. It also includes provisions to ensure that the Assembly gives due regard to the needs of stakeholders in England as well as Wales on the cross-border routes. The SRA considers that these safeguards will protect the interests of stakeholders in England served by ATW's cross-border services.

Power for the Secretary of State to exclude services from the Assembly's power to give directions and guidance

In order to capture an appropriate definition of the ATW franchise, the Assembly's power to give directions and guidance is framed so as to cover services which start and end in Wales and are operated under a franchise, and services which start or end in, or have a stop in, Wales and are operated under the same franchise. Because of the pattern of rail services to, from and within Wales, and the possibility of unforeseen changes, the SRA agrees that it is appropriate for the Secretary of State to have the power to exclude any services he considers appropriate from the Assembly's power to give directions and guidance.

Power for NAW to make payments to the SRA

Clause 7 will enable the Assembly to provide the general funding necessary to support payment by the SRA of service subsidies in relation to the ATW franchise. It will also be wide enough to enable the Assembly to direct funds through the SRA for specific improvements to the rail network, stations etc. which are desirable for the purpose of improving rail transport in Wales.

Appointment of Chair and members of the Rail Passengers' Committee for Wales and Reports by the Committee to the NAW

Under clause 8 the Assembly will appoint the Chairman of the Committee for Wales (after consultation with the SRA). The SRA, when appointing the other members of the Committee, will consult the Assembly. The Scottish Executive already has a similar role in relation to the Rail Passengers' Committee for Scotland. These arrangements for appointments have worked well in Scotland.

NAW power to enter into binding agreements with the SRA in relation to the exercise of its franchising functions

Clause 10 matches a provision which is already available to local authorities under s.56 of the Transport Act 1968 under which, where a grant is paid to the SRA the local authority (and henceforward the Assembly) and the SRA may enter into an agreement under which the SRA binds itself to exercise its franchising functions in a particular way in relation to the use of the facilities to be provided. This would enable the SRA to agree, in advance, that the pattern of train services under the relevant franchise would ensure the full and proper use of facilities or services provided with the Assembly's financial assistance.

Freight

Section 249(2) of the Transport Act 2000 already permits the Assembly to enter into agreements or arrangements to secure the provision, improvement or development of services and facilities for the carriage of goods by rail and ancillary activities, provided these are consistent with any scheme for the same purposes notified by the SRA. In

relation to freight transported by any mode, the Assembly also has wide powers in the economic development field.

Government review of the Railways

The rail provisions of the Bill are subject to the outcome of the Government's review of the structure and organisation of the rail industry, including the role of devolved administrations. The statement made by the Secretary of State for Transport on the review of the railways dated 19 January 2004 said:

“The Government also believes that the opportunity should be taken to consider how we can devolve more decisions on public transport – including rail - to the Scottish Executive, Welsh Assembly Government and at a regional level to PTEs within a nationally coherent framework.”

Strategic Rail Authority
16 June 2004