

Written Response to the Enterprise & Learning Committee's recommendations on Planning for future railway provision by Ieuan Wyn Jones, Deputy First Minister and Minister for the Economy and Transport

I said in my response to the Committee's Report on the petition to reopen Carno Railway Station that One Wales makes a commitment to improve train services. I confirmed this in my oral statement on the 2nd October 2007.

The Welsh Assembly Government is working in partnership with Network Rail, Train Operators and the four Regional Transport Consortia to deliver the One Wales commitments for the people of Wales.

I welcome the Committee's interest in railway provision and have set out below my response to the Report's individual recommendations on *Planning for future railway provision*:

Recommendation 1 – Demand Forecasts

Recommendation:

The Committee considers that the growth in passenger demand in Wales and particularly in the Cardiff area to 2014 and beyond is likely to exceed the levels used by the Department for Transport in its High Level Output Specification and could exceed those used in the Wales Rail Planning Assessment.

The Committee recommends that the Welsh Assembly Government should be planning to fund the necessary infrastructure to accommodate this additional growth. The Route Utilisation Strategy for Wales that is currently being prepared should identify where this additional capacity is most needed.

Response:

Welsh Assembly Government was involved in producing both strategic plans and is aware that the forecasting models contained within the Wales Rail Planning Assessment (WRPA) and the High Level Output Specification (HLOS) are based on different timescales.

Both indicate that the highest increase in demand, in absolute numbers and in terms of percentage, will take place in the valleys lines serving the Cardiff area. The High Level Output Specification indicates a 19 per cent per cent increase in peak demand at Cardiff between 2007 and 2014. The forecast for growth in passenger numbers during high peak hours over Control Period 4 – 2008-09 to 2013-14 is 15 per cent. The Wales Rail Planning Assessment indicates that a high growth scenario in the Cardiff area may increase high peak demand by as much as 34% over the next 10 years, with potential for a further increase of 1% per annum.

The Welsh Assembly Government will plan for growth on the basis of the demand assumptions contained within the Wales Rail Planning Assessment, and believes that the high growth scenario in Cardiff and south east Wales is likely to occur if the factors that influence demand remain in place. We intend to provide sufficient rolling stock to meet this level of forecast demand by 2014.

The Welsh Assembly Government intends to track changes in passenger demand on an annual basis, and will then use demand modeling techniques to update the forecasts contained within Wales Rail Planning Assessment. An update will be published in the Wales Route Utilisation Strategy and forecasting will continue once this is published. This will ensure that the provision of capacity can be responsive to changes in market dynamics. The output of Network Rail's Route Utilisation Strategy, once finalised, will also be taken into consideration as part of the modeling process.

In terms of funding the highest priority infrastructure interventions, I am pleased to advise the Committee that the Welsh Assembly Government and the Department for Transport are both represented on the Steering Group for the Network Rail Cardiff Area Signalling Renewal project. This means that Government is central to the decision making processes involved in planning Network Rail's £180 million investment in modernising the signaling and track infrastructure in the Cardiff area. Welsh Assembly Government, Department for Transport and Network Rail have reached indicative agreement on joint funding responsibilities for enhancing the capacity and capability of the entire infrastructure between Cardiff Queen Street North and Cogan Junction, via Cardiff Central Station. This includes the Department for Transport's £20 million investment set out in the White Paper. The investment agreement is subject to the production of technical studies that confirm the optimum engineering solution to deliver the capacity needed to meet the predictions of the Wales Rail Planning Assessment. At this stage of the process, enormous progress has been achieved and I will ensure the momentum is maintained into the future. Improving the capacity and capability of the infrastructure in Cardiff is a high priority for the railway industry, and Assembly Government is committed to working with railway stakeholders to provide a modern railway for the people and economy of Wales.

Recommendation 2 – Cardiff Queen Street Improvements

Recommendation:

The Committee recommends that the Welsh Assembly Government should provide any additional funding to top up the £20m to be provided by the Department for Transport through the HLOS in order to remove the key constraint between Cogan Junction and Cardiff Queen Street North Junction. This may include rebuilding the bridge over Newport Road, if this is found to be necessary, in order to provide the enhanced services that are planned by SEWTA.

Response:

I explained earlier that Welsh Assembly Government is part of the Cardiff Area Resignalling Steering Group, and is committed to finding the optimum engineering solution to improving the capacity and capability of the railway between Cardiff Queen Street and Cogan Junction. The optimum engineering solution is not known yet. One possibility that it may mean widening the rail over the road bridge over Newport Road to accommodate three or more tracks. Other options are also under investigation. The key requirement is to accommodate sixteen passenger trains per hour through Queen Street, when demand requires this level of frequencies, plus planned freight usage of the network.

During the Enterprise & Learning Committee hearing on 14th November 2007, the Assembly Government confirmed its confidence in being able to fund the capital cost of improving the infrastructure over and above the £20 million announced by Ruth Kelly, Secretary of State for Transport, in the White Paper.

Recommendation 3 – Rolling Stock**Recommendation:**

The Committee recommends that the Welsh Assembly Government should produce a rolling stock plan for Wales, alongside the plan to be published by the department for Transport, which will set out in detail how new or refurbished rolling stock will be used to deliver increased capacity and how this will link to the UK Government's plans.

Response:

One Wales makes a commitment to new trains and services and the 2008 Budget includes provision for £5.6 million in 2010-11 which could fund the procurement of additional rolling stock. During 2008, the Assembly Government will explore the various options for deploying additional rolling stock within the available funding on the Wales and Borders Train Franchise. A deployment plan will then be published that will explain where the additional capacity will be deployed to meet demand.

Recommendation 4 – Freight**Recommendation:**

The Committee recommends that the Welsh Assembly Government should give a higher priority and more resources to encouraging modal shift of freight from road to rail. This needs to be managed carefully in partnership with Network Rail and the Train Operating Companies to avoid conflict with passenger traffic.

The Committee recommends that the Welsh Assembly Government should work closely with Network Rail to ensure that Wales benefits from the development of the Strategic Freight Network.

Response:

The Wales Freight Strategy is currently undergoing consultation and aims to promote an efficient, effective and environmentally sustainable freight transport system to support our growing economy. The Assembly Government will listen to the views of stakeholders during the consultation process when finalising the Strategy. It is clear however that increasing the capacity for rail freight is an option being looked at.

The Assembly Government needs to work within the parameters of State Aid rules when it seeks to promote modal shift through subsidy or provision of facilities. The Assembly Government offers two types of State Aid approved grants to encourage modal shift. These are:

- Freight Facilities Grant (FFG) – helps to offset the capital cost of providing rail (and water) freight handling facilities such as sidings and loading equipment. The grant is allocated on the basis of the value of environmentally sensitive lorry miles removed from the road network
- Rail Environmental benefit Procurement Scheme (REPS) – helps to offset the revenue costs of transferring container traffic and bulk traffic from road to rail

The Welsh Assembly Government works closely with Department for Transport to promote and assess applications for these grants, as the majority of schemes are of a cross-border nature. I can assure the Committee that the Government will continue to promote these State Aid approved grant schemes in the future. A grant was recently awarded to a company transporting scrap metal from the Midlands to Barry Docks for onward export to Spain. The Assembly Government has also been working closely with McAlpine Slate to develop the Blaenau Ffestiniog slate aggregate scheme, and is awaiting developments in terms of the proposed sale of McAlpine Slate and the implications for the future.

The Welsh Assembly Government fully supports Network Rail's proposal to develop a Strategic Freight Network as part of its Strategic Business Plan for 2009-2014. The Assembly Government was asked by the Office of Rail Regulation to comment on the proposals within the Network Rail Strategic Business Plan. The Assembly Government response supported the creation of a Strategic Freight Network and emphasised the need for investment in the Conwy Valley line and the Newport to Shrewsbury line.

Recommendation 5 – Capacity of the Regional Transport Consortia

Recommendation:

The Committee recommends that the Welsh Assembly Government should review the funding for the Regional Transport Consortia in the light of their increased responsibilities.

Response:

The Welsh Assembly Government allocates funding to the four Regional Transport Consortia on the basis of need and the availability of budget. Unitary Authorities also have a role in funding the Consortia, and there is opportunity for the Consortia to explore commercial funding from external sources.

The Government will, in response to the Committee's recommendation, continue to engage with the Consortia to understand their funding pressures in the light of the reported increase in responsibilities and other evidence.

Recommendation 6 – Committee on Rail Infrastructure and Improved Passenger Services (RIIPS)**Recommendation:**

The Committee recommends that once the work on the Wales Route Utilisation Study is completed in 2008, the Welsh Assembly Government should publish a programme of the infrastructure improvements it intends to fund over the next ten years, taking into account the priorities identified by the Railway Infrastructure and Improved Passenger Services Committee of the Second Assembly. This programme should include the timescales for these improvements.

The Committee recommends that the Welsh Assembly Government should seek to make maximum use of European funding for railway infrastructure enhancements and provide advice and support to others in how best to make use of this funding.

Response:

The Welsh Assembly Government will publish a forward programme of capital investment projects when the Network Rail Wales Route Utilisation Study for Wales is completed. The forward programme will be based upon the demand based evidence contained within the Wales Rail Planning Assessment and will take into cognisance the work, and recommendations, of the *Railway Infrastructure and Improved Passenger Services Committee*. The programme will also reflect the priorities of the Transport Consortia once they are articulated through the publication of the Regional Transport Plans. It is the intention of Assembly Government to bring together these different work streams and consolidate the priorities into a programme that contains affordable and value for money projects.

The new European Convergence funding programme help to equip the country with the infrastructure necessary for the development of a modern and

competitive economy. There is over 200 million Euros earmarked for sustainable transport projects under this programme, including rail schemes and the assembly Government and the Transport Consortia will be seeking to maximise the take-up of funds.

Recommendation 7 – Car Parking

Recommendation:

The Committee recommends that the Welsh Assembly Government and the Regional Transport Consortia should work with the Train Operating Companies and Network Rail to improve car parking provision for rail passengers.

Response:

The Welsh Assembly Government has provided rail car parking at all new stations it has funded, including transport interchanges/car parks on the Vale of Glamorgan line and purpose-built car parks at all stations on the Ebbw Valley line and the new station at Llanharan. A major park-and-ride facility is under way for the new station at Abercynon.

In future, any other new stations will include parking provision. The Transport Consortia will be responsible for bringing forward future proposals for rail-related parking under their Regional Transport Plans.

The Assembly Government promotes the development of park and ride sites through the best practice guide “Smarter Choices: Wales”. It is also intended that the Sustainable Travel Towns pilots should also bring forward proposals for park and ride sites at train stations.

Recommendation 8 – Rail and bus integration

Recommendation:

The Committee recommends that the Welsh Assembly Government and the Regional Transport Consortia should promote the integration of rail and bus services across Wales through the Wales Transport Strategy and Regional Transport Plans.

Response:

The Assembly Government has funded purpose-built all modes transport interchanges at a number of stations across north Wales. The Government is committed to promote the integration of services across Wales and will work with the Regional Transport consortia to deliver them.

The Assembly Government has put in place a new strategic Management Advisory Board that has been formed to take forward the development of the TrawsCambria Network of bus services. The Network will provide connections to rail services at key interchanges in rural Wales. In addition, proposals in the draft Local Transport Bill provide a balanced package of measures that

will promote more effective partnership working between local authorities and bus operators to deliver services that are better matched to the needs of passengers in their local areas.

The Assembly Government is also consulting on proposals for a Public Transport Users' Committee that will provide passengers with a real voice and influence on the future provision of local transport services. The Committee will be charged with providing advice to Welsh Ministers on key policy issues such as integrated ticketing and services.

Recommendation 9 - Stations

Recommendation:

The Committee recommends that Welsh Assembly Government and the Regional Transport Consortia should seek to establish at least one pilot project to produce Station Travel Plans in Wales.

Response:

On 2nd October 2007, I announced a forward programme for making transport an important component of delivering *One Wales*.

In my announcement, I made reference to the Sustainable Travel Towns Initiative and I can confirm that at least one of the selected locations will take forward a pilot Station Travel Plan.

Recommendation 10 – Scheme Appraisal

Recommendation:

The Committee supports the use of appraisal techniques that give weight to the wider social and economic benefits of proposals for transport investments and asks the Welsh Assembly Government to review whether or not the Welsh Transport Appraisal Guidance gives sufficient weight to these factors.

Response:

Welsh Assembly Government believes that the Welsh Transport Appraisal Guidance (WELTAG) will, after the publication of the Wales Transport Strategy, provide an equitable framework for assessing the economic, social and environmental benefits arising from transport projects.

A number of appraisal exercises have been undertaken, and the feedback suggests that the framework provides the opportunity to achieve balance and consistency in terms of appraising both hard and soft benefits.