

## **UPDATE ON RAIL ISSUES FOR THE COUNCIL FOR ECONOMIC DEVELOPMENT – OCTOBER 2017**

### **Introduction**

The coming period will see a number of key developments in respect of our railways which will shape the role rail will play in our economy over the next decade and beyond. In respect of services, these developments include the re-letting of the Wales and Borders franchise and the commencement or progression of procurements for the West Coast Partnership, CrossCountry and Great Western franchises. Alongside these activities, key decisions are emerging in respect of the UK Government's funding for our rail infrastructure and the arrangements for securing delivery of new enhancement schemes.

### **Wales and Borders franchise**

In 2014, responsibility for the specification and procurement of the next Wales and borders rail service was transferred to the Welsh Government. Transport for Wales was established in 2015 to advise and support the Welsh Government to, in particular, procure and manage the future franchise. The Welsh Government is working to create a rail service which benefits the whole of Wales,

In November 2016, the bidders submitted their Outline Solutions which included a high level description of how they propose to meet our requirements. Consequently, the following four bidders were shortlisted to progress:

- Abellio rail Cymru
- Arriva Rail Wales
- KeolisAmey
- MTR Corporation (Cymru) Ltd

From January 2017, all four bidders took part in a dialogue stage during which key information regarding requirements and expectations was communicated, the commercial principles were clarified and the award criteria was outlined. Following this process, the four bidders were on 28 September 2017 invited to submit final tenders. The key next steps are

- Early 2018 – Contract award
- Spring 2018 – Mobilisation commences
- October 2018 – Contract begins

Through the procurement process, bidders have been incentivised to develop high-quality bids which exceed our expectations. As a minimum, current services and frequencies are expected to be maintained alongside prioritised service expansions. Early delivery of new improved rolling stock early within the new contract period is being prioritised and we are expecting to see improved journey times.

A quality and reliable rail service which is part of an integrated public transport system across Wales is central to the Welsh Government's vision. There is a unique opportunity to progress this in South Wales through the Cardiff Capital Region City Deal and the capability developed when delivering in this area will put us in a good position to roll out the metro concept in other parts of Wales in a way which best suits local needs. 'Moving North Wales Forward—Our Vision for North Wales and the North East Wales Metro' brochure sets out the Welsh Government's vision in relation to this for North Wales.

The Welsh Government is committed to working with partners across Wales and over the English border to improve transport integration across all modes.

### **Other franchises**

In respect of the other rail franchises delivering services in Wales, the UK Government's plans are as follows.

#### *West Coast Partnership*

A new West Coast Partnership franchise will be responsible for services on the West Coast Main Line (including those operating into North Wales) from April 2019 and will design and run the initial HS2 high speed services between London and Birmingham from 2026. Shortlisted bidders have been announced and the contract is scheduled to be awarded in November 2018.

#### *CrossCountry*

A new contract for the CrossCountry franchise is scheduled to start in December 2019.

#### *Great Western*

A new contract for the Great Western franchise is scheduled to start in April 2020.

### **UK Government's funding for infrastructure**

Funding for rail infrastructure is non-devolved. However, the Welsh Government has been making the case for investment in our rail network during Control Period 6 (CP6), which runs from 2019 to 2024, clear to the UK Government over many months.

The Welsh Government understands that the Secretary of State for Transport has decided that his High Level Output Specification and Statement of Funds Available for CP6 (to be finalised by 13 October 2017) will be limited to activity and funding in respect of operations, maintenance and renewal activities – with a new pipeline process for developing and delivering any future enhancements being developed.

When announcing the cancellation of the electrification scheme between Cardiff and Swansea on 20 July 2017, the Secretary of State announced that Network Rail will develop further options to improve journey times for passengers in Wales.