

Welsh Affairs Committee

Oral evidence: Transport for Wales, HC 1743

Wednesday 19 July 2023

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Welsh Affairs Committee members present: Stephen Crabb (Chair); Ben Lake; Mr Rob Roberts; Beth Winter.

Senedd Cymru Climate Change, Environment and Infrastructure Committee member present: Llyr Gruffydd.

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Witness

[I](#): James Price, CEO, Transport for Wales.

Examination of witness

Witness: James Price.

Q1 Chair: Good morning. Welcome to this session of the Welsh Affairs Committee, where we are joined by the chief executive of Transport for Wales, James Price, who will be discussing challenges with regards to the South Wales Metro project, but also some of the wider issues facing the rail network in Wales.

Before we start, I would like to welcome Llyr Gruffydd MS, who chairs the Senedd's Climate Change, Environment and Infrastructure Committee. It is great that you are with us, guesting on behalf of Senedd Members and, hopefully, bringing some of their insight to the Committee proceedings this morning.

Could I start the discussion, Mr Price, by asking you to comment further on the letter that you wrote to this Committee in April this year about the escalating costs of the South Wales Metro project, and to give us an update on what those increased costs look like and why they have increased so significantly?

James Price: Luckily for me, I have in front of me a copy of the letter that I wrote to you. In essence, the reason for writing was that, as an organisation using public funds, we see it as important to be as open as we can in terms of what is happening and to be open to scrutiny. The simple reason for the cost escalation fits broadly into three categories. I will argue strongly that all three categories were very difficult to predict. You will challenge me on that and you will probably be more successful on the third category, but I will go through them.

The first was inflation. At the time of the project's inception, which really goes back to 2015-16 and then more fundamentally started off in 2018, the world was, as everyone in this room knows, a very different place. People believed that high inflation was a thing of the past. In fact, we were almost getting used to no inflation at all. Therefore, inflation was not really factored into the future project in any real way. We would have used standard Government inflationary factors.

Broadly speaking, nearly 40% of the increase in costs that we have seen is down to inflation deviating from that. Of course, we need to remember that inflation in materials, particularly in the construction sector, has rushed ahead much more quickly than normal inflation, which itself has been quite high. Inflation is the first issue.

The second issue, which we did not plan for, was covid-19. I remember well that we took on the core valley lines from Network Rail pretty much the weekend that lockdown started. I am not making any special pleas here, because the whole of society and business had to deal with it, but we were not predicting social distancing, with everyone having to be in a separate van, or the inability to travel across Europe, which was necessary for some of our components. Probably about 35% of the



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increase in costs was due to that.

The final area is what we call infrastructure constraints. It is not for me to say what you should scrutinise me on, but this is the area where, if I was being self-critical, I would want us to have done better. I am not sure quite how we could have, but we should try to do better in the future. These were things that were unforeseen or believed to be different at the time.

To give you some big examples of that, we had a strong view from everybody, including the utility companies, that we could get 25 kV in Rhymney. It turns out that the grid cannot take that, and the investment plans for the grid do not match up with our need for electric, so we are having to run our own private network up there. That, in and of itself, is very expensive. I am coming to the end, but I am just giving you a broad feeling.

Another big example of that was gas and water mains that turned out to be not where they were meant to be, and about 10 miles of both sit under some of our track. That goes back to when they were both nationalised, and it was seen as a good way of throwing everything in together, but, with modern standards, that has to be moved into the highway, which has driven costs. That is just under 30%. It is a third, a third and a third on the categories that I just talked about.

Q2 Chair: On that third category, is what you are describing a failure of other stakeholders in the project to deliver accurate, timely information, or is it more of a failure on the part of your organisation in understanding, in granular detail, the kinds of infrastructure constraints that you are dealing with?

James Price: I would not want to point the finger at others and say that it was their failure, because, ultimately, it is us dealing with the consequence of that failure, whoever's fault it was. On some of these matters, it is a known fact that there are issues like that, and we will have allowed a figure in our overall estimates to try to capture, for example, gas and electric not being where they are meant to be, because that is a common issue.

Going back many years, records are very poor. They are getting better, and I have been involved in lots of projects in other jobs trying to improve that information. I do not think that we could point the finger at anyone in a job today and say, "You should have known where your services were." It is just a fact that many people do not know where their services are and, over time, that is getting better.

Could we have foreseen that? I do not know. Honestly, it is a difficult balance, and this might be worthy of more exploration either now or in another Committee. Anyone who is bringing forward a project like this always has two things on their mind. The first is to bring forward the most honest and realistic project costs that they can. No one wants to be coming back asking for more money. Increasingly, as we have got more public scrutiny into this type of project, that is the case. At the same



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time, if you threw absolutely everything that might go wrong with it into the project costs, the public process would never allow any project to get off the ground.

It is always a balance, and people try to get the right balance. What we did had many layers of governance in it and many layers of checks. Clearly, some of it turned out not to be correct. A significant amount of that is outside of our direct control, but, going into the future, the question is still whether we can learn anything from this in terms of putting general factors into what might happen.

Q3 Chair: Thank you. You have been very frank in your remarks. It is fair to say that this is probably the largest, most complicated project the Welsh Government have had to deliver. Is that fair?

James Price: In terms of total costs, I would not say that it is the largest project, but it is the largest one that has been done at one time and it is certainly the most complex one. Something like the Heads of the Valleys road probably eclipses this in total costs. However, that was done in many different stages over 20 years. We are doing all of this, and the construction phase is probably going to be only three or four years in total.

Q4 Chair: Can you just remind the Committee of the funding split? There is a portion of UK Government money that contributes to this, isn't there?

James Price: I will have to write to the Committee to confirm the exact figures, but I will give you rough figures now, starting with UK Government, because, arguably, that is where the project genesis comes from.

I cannot remember when it was, but there was a Network Rail project, possibly back as far as 2008 and 2009, to electrify the valleys lines. This shows you how badly wrong you can get estimates, but the view at the time was that those could be electrified for about £130 million to £140 million. As the devolution process occurred, that money found its way to the Welsh Government to contribute to their electrification of the valleys. I cannot put an exact figure on it, partly because we are still negotiating exactly what the inflationary impact is, but it is between £130 million and £150 million.

The next piece of funding in this is European funding. I checked the figure last night and it is about £172 million that we are drawing down from Europe to contribute to that. All of this is for infrastructure, not delivering services.

The balance of the funding comes from the Welsh Government. That funding has been used to match fund the wider city deal project. It is quite complex when you look at all of it, but, broadly speaking, you have the UK Government seed funding, arguably; the European funding on top of that; and then the Welsh Government, which is the biggest single sum.

Q5 Chair: At the time it was held up as a good example of pragmatic joint



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working between the UK Government and the Welsh Government.

James Price: Absolutely. I remember working with you on it.

Q6 **Chair:** We had some involvement, in different roles.

Let us move the discussion on to the “so what?” and the implications of what you are saying. Are we looking at a project that is reduced in scope? Let us remind ourselves that South Wales Metro is about providing better, joined-up and integrated transport options for the people of south Wales. Are you now looking at reducing the final product, is it about doing it over a longer timescale, or is it about going to those different partners in Government, be they Welsh Government or UK Government, and saying, “We are going to need more money”?

James Price: At the minute, partly because of the way the project was specified, doing anything other than delivering the full outputs in, broadly speaking, the timeline that we originally discussed does not represent value for money. I will explain why that is.

The headline reason for that is that we are not just doing infrastructure works, but we also have to introduce new rolling stock on that infrastructure. That rolling stock is, in the main, not owned by but leased by Government. That is another topic, maybe for today or for another day. The Green Book demonstrated that it was better value for money to lease the rolling stock rather than purchase it. My personal and professional view is that I do not necessarily agree with that and, in some instances, it would have been better to purchase it, but, as part of Government, we follow the Green Book.

What that means is that we have leases on new rolling stock, but if the infrastructure is not ready, the rolling stock will be sitting around and not being used while we are still paying for the legacy rolling stock. That is clearly bad value for money, so we need to deliver infrastructure to allow the rolling stock to operate on it.

Wherever we can—and this is the case through the whole project anyway—we will try to eliminate unnecessary scope, because it simply drives costs. Unnecessary scope would be things that do not deliver a passenger or sustainability benefit. We are constantly trying to take things like that out of the project.

Believe it or not, there are lots of areas you can still go at on that: some discretionary standards, some standards that may have originally come from Europe but may not necessarily need to apply any more, or some standards that might be appropriate in central London but not in a more rural area.

One of my frustrations has been that, while the ability to deviate from those standards is controlled primarily by the UK Government, the people picking up the cost for delivering those standards are primarily the Welsh Government, so it is sometimes quite difficult to get a proper handle on the levers of power around that, if that makes sense. I am not criticising



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anyone for that; it is just a fact. It probably does not add up to much—maybe £20 million or £30 million in the whole picture.

On the other question that you asked around going back to funders for extra money, we have been having lots of conversations with the Welsh Government about that. It would be true to say that I have not been very popular with the Welsh Government in this, because me needing more money means that they have less money for something else, so there is an opportunity cost to this.

What we have not been successful at doing is extracting any more money from any of the other funders, but I have not given up on that. The one that is least likely is Europe, because we have now left the EU. I am sorry that that was a bit of a long answer.

Chair: That is very helpful.

Q7 **Beth Winter:** Can I just clarify something? Did you say that the project is going to be reduced in scale?

James Price: No.

Beth Winter: I am sorry. I thought that you intimated that it would be.

James Price: It does not make sense to reduce it in scale.

Q8 **Beth Winter:** Did you say that there will be some modifications?

James Price: No. We will deliver all of the end benefits as originally promised, first because it makes sense—the business case still stacks up. We revised the business case as part of this and in fact, when you look at the revised cost of carbon, because greenhouse gases are now seen as a bigger issue than when we started the project, the business case has got better, even with the higher costs. My de-scoping point was around things that will not impact the customer, the environment or safety.

Q9 **Beth Winter:** Okay. I understand that the completion date has been pushed back already. Do we know when it is likely to be completed? I represent the constituency of Cynon Valley, which has been significantly impacted. There have been significant disruptions for constituents, which you anticipated. A lot of people in the valleys travel Cardiff to work. People have been late for work. Some have had final warnings from their employer.

I am having constructive conversations with your staff, and I know that it is difficult. We are trying to overcome some of the communication issues, but do you have any idea of timeframe? Forward planning for disruption is important, which is part of the conversation that I am having.

James Price: First, I do not know whether I am allowed to do this, but I would like to place on record my thanks to elected Members who are doing their jobs, but doing their jobs really helpfully for constituents in challenging us, particularly on the valleys line project. Despite everything that we try to do to understand the impact that we are having, we



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sometimes do not fully understand the impact and we sometimes miss things. Therefore, getting that feedback and having that challenge, even though very frustrating, is very helpful.

In terms of timelines, if I start with the areas that you are primarily referring to, which are Treherbert, Aberdare and Merthyr—the lines up through Pontypridd—we have done the vast majority of the disruptive work apart from the line up to Treherbert. The vast majority of that disruptive work has now been completed.

I am hoping that we can reopen the lines, including in the evening, when this has been quite disruptive for people who normally use them, in a more regulated and formalised way, so that people know the pattern and know when they can use the service, certainly within the next three months. I would like to do it much earlier than that. I would like to have a moment soon when we can say that, apart from Treherbert, disruptive possessions of Treherbert, Aberdare and Merthyr have stopped and people can get back to using valleys lines.

We will write on that. I do not want to give any false hopes. I was hoping that I could give a date today, and that that date would be within three or four weeks. There is just one ripple that happened yesterday, which I need to check out. That is the first issue.

As we have gone through that, I am well aware of the significant disruption that it has caused. I do not expect that this will curry any favours at all with the Committee, and nor should it, but just as a matter of record, I live in one of the valleys that are affected by this. I and my family use the services, and I certainly get it in the neck when they do not work, including having to be dragged out of bed to go and pick people up, etc.

In some ways, that is really helpful. Living in an area that you are affecting and bumping into people in the street who you have affected when they know who you are does keep you honest in a way that I have not experienced before, so that is good.

Q10 **Beth Winter:** I just want to stress the point on behalf of constituents. Some are on their final warnings at work. These are bread and butter issues for people.

James Price: This is primarily buses, isn't it?

Q11 **Beth Winter:** But it is because of the work on the metro. Moving forward, I would like to think that more advance notice would be given, because people have to travel to Cardiff to work and some are at serious risk of losing their job. I do not want us to underestimate the impact of that.

James Price: I agree, and we shouldn't take that—

Q12 **Beth Winter:** The question is, when is the whole of the metro going to be completed? That is the key date for people.



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James Price: Let me interface with your first comment, which I did not properly address. That is a truly serious issue and something that I take very seriously. I do not want to be causing that in any way. I know that, in some ways, I am causing that by doing the work. I will say something in my defence and then something against me on this.

In my defence, we always knew that we were going to have some of these issues. In closing a railway line to update it, which absolutely has to happen—otherwise, it would eventually end up being closed permanently—we are going to disrupt people. However, we need to have the best possible communications around that and the best possible bus replacements when we are doing that. In all frankness, for the first few weeks of our major blockade, which has now finished, the performance of the bus operators that we used on that route was not what it should have been and quite a few people were significantly impacted.

Beth Winter: We will come on to buses in a minute. I am conscious of time.

James Price: I am not talking about buses as in normal buses, but our bus replacement when we were running the blockades. Timewise, we already have new metro trains, albeit running in diesel mode, on the Rhymney line, so anyone on the Rhymney line has already seen a significant improvement, with more to come, but there is also some disruption that has yet to happen on the Rhymney line.

On valleys, sometime next year we will see new trains being rolled out. Towards the back end of next year, for a period of probably six months, we will see a stepping up of timetables to the full metro service. We are going to electrify and introduce new trains, and then we are going to gradually step the timetable up.

Q13 **Beth Winter:** When is the completion date?

James Price: Completion of works will be next year, and then we will gradually step up the timetable from then on.

Q14 **Beth Winter:** When will it all be operational?

James Price: The trains will be operational from the back end of next year. There are then ongoing conversations, including with Network Rail, about exactly how quickly and in what formation we step up the timetable to that four trains an hour.

Again, I will write to you on that. If we get time, we are considering how we can bring that forward, but it might mean that, in the valleys, rather than on-street metro trains running first, you might get some different electric trains running in that same pattern, which will then be followed by the metro trains. From a customer perspective, it will not make any difference.

Q15 **Chair:** Do you have confidence in Network Rail that it can keep up its end of the bargain, so to speak?



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James Price: Yes and no. For valleys, the answer would be yes. When we talk about the wider network—I am guessing that we will do so later in the session—there are some Network Rail issues that are beginning to emerge now. For the project that we are talking about, we are working well with Network Rail, regardless. I do not have any specific concerns around Network Rail on this particular project.

The Network Rail process does mean that, when we come to timetable improvements, they are done only in certain blocks, which causes a problem, but that is just the way it is. I need to accept that. I am not going to be able to change that, certainly for the next five years. For this project, they are okay.

Q16 **Chair:** In your conversations with the UK Government and the Welsh Government about funding shortfalls, have you put a figure on the ask that you are putting to them?

James Price: That is an ongoing conversation. We have put a figure on the total amount, which is the same as the figure in the letter.

Q17 **Chair:** Just for the record, what is it?

James Price: Again, I will need to refer you back to the letter, but, broadly speaking, we have gone from £738 million to circa £1 billion.

Chair: So a quarter of a billion pounds somehow needs to be made up.

James Price: It is a significant amount of money.

Chair: In the context of the Welsh budget, that is an enormous sum of money.

James Price: That is the opportunity cost challenge that I referred to earlier.

Q18 **Chair:** At the moment, are the UK Government just not engaging or are they saying to you, "Tough. If you have bitten off more than you can chew, that is a problem for the Welsh Government"?

James Price: At the minute, it is the latter. The view would be that it is a devolved project and for us to sort out. However, I have had conversations with other UK Ministers, which might indicate that there is some interest, so I do not think that we should give up on that.

Q19 **Chair:** The factors that you mentioned at the start of the session—covid-19 and inflation driven by war in Ukraine, and others that are almost universal—will, presumably, also have an impact on other projects and programmes being run by Transport for Wales. If the South Wales Metro project is being affected in this serious way, as you are describing, is the rest of your portfolio not also going to be?

James Price: It has been, yes. When we get on to the wider discussions, some of that will be picked up. Predominantly, though, the infrastructure



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projects that we have on the go outside of the core valleys are being delivered by us, and we are, therefore, more able to control them. That is on the station infrastructure, for example. The big impact that we have seen there has been on the speed of delivery of new trains, which has been significantly impacted. Because the price was fixed and agreed before all of this, we have not been exposed on our budget side as a result. There is some marginal exposure, because transportation costs and so on have increased, but not a significant exposure, because the price was agreed before.

Q20 Mr Roberts: Good morning, Mr Price. Before I ask the question that I was going to ask, you said in response to Beth that everything was going to be delivered as promised in terms of the objectives. I may have misheard, but you said to the Chair that the whole project no longer shows good value for money. I may have misunderstood.

James Price: If I said that, I misspoke. What I was trying to say was that the whole project is representing value for money. The latest business case shows that, in fact, it represents better value for money, and that is because the Government price—this is UK Government, not just Wales—of carbon saved has gone up a lot since we started looking at this project, as a result of concerns around greenhouse gases and climate change. Therefore, even with the higher price, the business case for the public is better than it was before.

Q21 Mr Roberts: I misunderstood—no problems. You mentioned in your letter to the Committee that there were increased independent layers of governance put in place, which I know, having previously worked in a heavily regulated environment in financial services, generally tends to be code for more bureaucracy, more aggravation and more delays as things are discussed rather than done. Is that unfair?

James Price: As a general point, it is not unfair. All the learnings that I have had from contracting, particularly in the roads space, which is where I spent a lot of my career, would back up everything that you have just said. Lots of things that we did in terms of the way that the core valleys line was to be delivered were to try to break down those barriers, remove governance and move to a position of self-assurance of contracting, which is what we typically now do in highways delivery and works quite well.

That contractual approach was heavily scrutinised by many leading figures before we did it, including quite a few people who are in very senior positions advising the UK Government now. The lived experience of that deregulated environment has not delivered what we hoped it would. That is because we have expected a deregulated private sector in the form of our main contractor—unless you want me to, I will not go into naming names, but I am happy to—interfacing with a very regulated Government environment. While they believed that they were capable of doing that, the lived experience is that they are not.



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Put simply, the private sector finds it very difficult to interface effectively with the ORR and with Network Rail, because, up until very recently, it has never had to do that, and all interfaces are through Network Rail. This was a bit of an experiment, which Network Rail is following quite closely and is trying to do itself now, which was to say, "Let's remove a lot of the controls that Network Rail has in place." If you scrutinise any Network Rail project, you will hear that there is lots of bureaucracy and lots of cost. Our lived experience is that, in order for the private sector to effectively engage with the regulator and deliver value for money, we have had to put some of that back in.

Q22 Mr Roberts: In a nutshell and as a one-word summary, the previous governance arrangements that have now been augmented, let's say, were insufficient and should not be instituted again in future projects.

James Price: I do not know if I would put it quite like that. We would need to have a different version of the ORR and of Network Rail to instigate them in exactly the same way. That may, of course, happen with GBR and with Network Rail looking at wanting to do things differently. By definition, in being the first at doing something a bit different—first at bringing track and train together, etc.—you are always going to have some risks. However, our performance on this scheme is still outperforming most of the industry averages, so I do not think that you would say, "This has not worked. This has been a poorly performing scheme in the context of rail."

Q23 Mr Roberts: But you could. If the industry average is really bad, just being slightly less bad is not quite such a good thing, is it?

James Price: I do not think that we are disagreeing.

Q24 Ben Lake: I would like to turn to consider the performance of rail services in Wales beyond the South Wales Metro project, if I may. I note that the Office of Rail and Road's most recent bulletin for passenger rail performance between January and March of this year stated that Transport for Wales had a score of 4.5% of services being cancelled as a moving annual average, and that 60.9% of services were on time. I was not able to find on the internet—perhaps you can help me—whether there were specific statistics for performance of services on the Cambrian line, particularly between Aberystwyth and Shrewsbury.

James Price: I can get those for you and I can write with a breakdown. We will write with the lowest level of breakdown that we can.

Q25 Ben Lake: That would be very useful, because one thing that, sadly, crops up quite often in casework and concerns from constituents is the reliability of services between Aberystwyth and Shrewsbury. I know that Transport for Wales developed a new station in Bow Street, and that there is a promise of an hourly service between Aberystwyth and Shrewsbury by March 2024. Are you confident that you will be able to realise that commitment?



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James Price: There is an announcement due out later today on what we are doing on our services. If someone can tell me the answer to that in a minute, I will be quite happy to say it here. I am not playing games by saying that there is an announcement out later; I just do not want to get it wrong.

I want to answer the wider question that you raised as well, but on the specifics of what we are doing about future timetable enhancements, the announcement coming out later today will say that, broadly as a result of two things, rolling stock availability and Network Rail capability—that is the wider point about Network Rail that I said I would come back to—not all but some service offerings are going to have to be postponed.

While we go through the summer, we are going to review all of our timetables in the light of covid, because we have seen a massive change in travel pattern as a consequence of covid. Running a timetable that was designed probably 10 years ago, when no one thought that working from home or a big commute at the weekend was going to be a thing, just is not working. We have seen our pinch points completely moved, so we are reviewing all of that.

On your specific question, I will write to you, because this is talking about December and you are talking about March.

Q26 **Ben Lake:** I would be interested. My initial interest was the service from Aberystwyth to Shrewsbury and onwards. I have a few concerns about that specific service. There has been a commitment to introduce an hourly service. It is all well and good to make a commitment. At the moment, many of my constituents would just appreciate—

James Price: They would like it to operate properly.

Q27 **Ben Lake:** Yes. We will go on to the broader issue that you just mentioned, but specifically on the Aberystwyth to Shrewsbury line, are there particular issues and pieces of work being done on that line to improve the reliability of the service and also the capacity?

A common complaint that I receive—and I have experienced it myself, especially when changing at Shrewsbury, where you might have been on another service—is that people have to be loaded on to what is no better than a cattle truck from Shrewsbury to Aberystwyth. We have heard a lot about promises of new rolling stock. I remember in 2018—and I will come on to that in a moment—promises of new rolling stock that do not appear to have materialised on the mid-Wales section of the Wales and borders franchise. Are there particular things that you can tell me to give me some reassurance on the Aberystwyth to Shrewsbury line?

James Price: I need to start wide and then home in, if that is okay, because it all links. The new rolling stock that was promised is still all happening—every single bit of it. In fact, there is more rolling stock than we originally talked about. Figures on that would include that we will



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have something like 67% more carriages in service when we have completed all of the transformation than today.

Q28 **Ben Lake:** When do you expect that?

James Price: The vast majority of it will happen this year.

Q29 **Ben Lake:** I recall that, in evidence submitted to the Senedd's Climate Change, Environment and Infrastructure Committee back in March last year, Transport for Wales stated that there will be 30% more services by 2025 than in 2018, and that 95% of all rail journeys would be on new trains.

James Price: Broadly speaking, that is still correct. What has happened is that the dates have slipped probably by six to nine months, depending on where you are in Wales, and I will come on to that. The biggest single reason for that has been the delivery of the CAF trains. CAF is a Spanish company that set up a plant in Newport to produce these trains. They pretty much started work at the same point that we did on the valleys line. I am not giving them any commercial excuses here in saying this, but in delivering those trains to us they had many of the same problems that we have faced.

Some of the trains have been late, and there have been a whole host of commercial issues between different people in the supply chain before they got to us, which we are having to get involved in to sort out. The good news is that we are accepting new trains on a weekly basis—probably about one additional train a week—and we want to keep that rate up. At the minute, we have 26 brand-new trains—I am not including the 230s or the mark 4s, or any of the refurbished stock that we have brought in—in service every day, sometimes up to 30, and that number will grow.

Rolling stock is way more complicated than most people believe. Different rolling stock has to be gauge cleared before it can run on different parts of the network. Drivers have to be retrained on it. They lose their training skills if they do not use a certain train for a period of time. It becomes a very complex picture as to how quickly and where you can deploy that new rolling stock.

In essence, we are bringing new rolling stock on to the network. The truth is that we are using it anywhere we can, with a focus on alleviating congestion wherever that is physically possible to do—where it has been gauge cleared and we have drivers trained for it. Eventually, all of the network will have new rolling stock, and those original figures of 65% increased capacity and 95% of people using new trains will be met.

Q30 **Ben Lake:** That has all been very interesting and I am not trying to diminish how complex this whole transition is, but the 95% of all rail services being undertaken by new, higher-capacity trains was a commitment that Transport for Wales made initially in 2018, and the target date then was 2023. I appreciate that you have mentioned the



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difficulties of covid-19 and rail operating companies not being able to bring forward new rolling stock on time, but the other issues, such as training for drivers, could surely have been anticipated.

James Price: Absolutely, and I am not trying to make a bunch of excuses here. The fundamental problem is that, in order to train people on the new train, you have to have the new train to train them on. Training a group of drivers—and you have to do it as a group—takes about six months. We have to have the new train available. We then have to spend six months training people on it.

Some of that has involved Network Rail to do not just gauge clearance but also something called route proving, which is demonstrating that the train can fit. We still have to route prove to Carmarthen, although there will not be any issues. That is ongoing now. You cannot do these things until the trains arrive, and the fundamental issue, therefore, has been getting the trains delivered to us to allow us to do everything else.

Q31 **Ben Lake:** I know that colleagues will want to talk about rail services in other parts of Wales, but just to bring you back to Aberystwyth, at this moment in time, when do you anticipate an improvement to the service? When can we expect the hourly service? When can we expect new, higher-capacity trains on the Aberystwyth to Shrewsbury line?

James Price: On the hourly service, I want to write to you, if that is okay, and we will do that quickly. On how quickly things will improve, I want to write to you with the specifics, but in general across Wales, the answer is that things will improve quite quickly. Things have already improved quite significantly from four weeks ago and certainly from six weeks ago.

That is because two things have happened. First, we had to take all of the 175 trains out of service. Half have come back into service. Secondly, we have a significantly greater number of the new CAF trains in service than we had a month ago. To give you a feel, the Marches at the minute is a good barometer, apart from Wrexham to Bidston, for how the network is performing as a whole. Three weeks ago, most Marches services were running as two cars, which is just not enough. Last week and this week, nearly all were running at a minimum of four-car services. In the near future, we will be running five and six-car services.

Q32 **Ben Lake:** At the risk of sounding like a broken record, when do you expect the Aberystwyth to Shrewsbury services to also increase in capacity?

James Price: Broadly speaking, that will gradually happen over the same period. I will be presenting to our main board tomorrow, which will show you that, by the end of the year, we will have significantly improved capacity everywhere.

Q33 **Ben Lake:** I welcome that. You mentioned the overall performance. I note that, in terms of the percentages of services cancelled and



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significantly late, according to the Office of Rail and Road, the moving annual average scores for Transport for Wales are not where we would want them to be.

James Price: I completely agree.

- Q34 **Ben Lake:** What is of particular concern is that not only have they got worse, but they seem to have got out of line with the Great Britain average, whereas back in 2018 the service was outperforming the Great Britain average. What are the reasons for that?

James Price: The fundamental reason for that, which sounds perverse, is that, prior to 2017-18, we were running a legacy fleet in Wales. The minimum amount of time that the fleet had been there was 20 years. In some instances, it had been there a lot longer. People were very used to it. Drivers were used to it. The maintenance fleet was used to it. The fundamental problem was that it was all running on grandfather rights from the UK Government, because it was out of time on environmental regulations, the toilets were not acceptable by modern environmental standards and there was no PRM. It was failing most environmental standards. Therefore, we had to replace the entire fleet overnight, basically, in order to meet the new standards. If you asked me, "What is the biggest failure in planning on all of this?" I would say that it is trying to replace everything in three years. It should have been done gradually over a 10-year period.

Ben Lake: That is useful. Thank you.

- Q35 **Chair:** You talked about a failure of planning there. You are being incredibly helpful and frank in your answers, but should it not really be the Transport Minister sat there in front of us? At what point does he take responsibility for the problems that we are talking about today? Why is it all on your shoulders this morning?

James Price: Being very honest, I do not think that it is all on my shoulders. I report to the Welsh Government and, in some instances, we report into the UK Government for services that we run in England. To be fair to the Deputy Minister for Transport, he has been out and about fronting up to many of these issues. In terms of day-to-day service performance, I honestly happen to think it is correct that you should scrutinise the people who are taking the day-to-day decisions. He could put pressure on me to perform better, as I can put pressure on people who work for me, but, ultimately, it is us who are making sure that we get the right number of drivers out and so on.

In terms of the scrutiny point about a failure of planning, that is a much wider point, which is not about any particular Transport Minister or even any Whitehall Minister. It is about how you plan infrastructure in the long run. The way that regulation and franchising ran together allowed Arriva—and I am not knocking Arriva—to run right to the end of the franchise without implementing any change, and for all the change to fall on the next 12-month period. It is that type of thing that probably ought



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to be thought through in a different way.

Chair: I understand exactly the point that you are making, but what is missing in all of this is a line of accountability. There are lots of reasons why there are problems, and you are doing a very good job of explaining in a lot of detail where those problems arise and how interconnected and complex that picture is, but someone needs to be responsible. I am going to bring in Llyr, who has been very patient.

Q36 **Llyr Gruffydd:** Thank you, Chair. We have spoken a lot about plans in the future and what it is going to look like in months and years to come, but of course we all live in the here and now. I would be interested to hear how you would describe current rail service performance. My experience is pretty dire. I travel twice a week from north Wales to Cardiff and back. Of my last nine journeys, six have been either cancelled or severely delayed. On that form, if you were a health board, you would be in special measures, wouldn't you?

James Price: I would agree with you on that. I was going to ask you whether it has improved, but I am not allowed to and perhaps it is an unwise question. As part of the dialogue, I would genuinely be interested to know that.

Llyr Gruffydd: On two occasions, we were sat on the train and the Tannoy told us that a driver could not be located and we all had to get off.

James Price: That definitely should not be happening. How would I describe services at the minute? I would give the same answer that I gave to the BBC this morning—I think it is a fair answer—which is that it depends on what service you are using. In some parts of Wales, the service is running very well and very reliably, with lots of capacity on new rolling stock. In other parts of Wales, it is nowhere near as good.

Apart from the planned disruption caused as a result of CVL transformation, valleys lines are performing pretty well and have hit target pretty much every month for the last few months. The Rhymney line is particularly performing well because we have the new metro rolling stock on there. That has been delivered since Christmas, broadly speaking, and has worked very well.

The Marches, which would be the services that you would have been on, from north to south Wales, have performed incredibly badly. That has been as a result of a series of things that were not predicted, primarily linked to 175s. Anyone who has travelled in Wales will have been on one. It was the best train in Arriva's fleet. If you have been on one of those, you know what I mean. Overnight, for safety reasons, the whole fleet had to be withdrawn from service. The problem was that that represented 25% of the trains in our fleet. The trains that we had available to replace it are typically non-air-conditioned. They are typically trains that like to run at 75 mph, not 90 mph, so they tend to lose time on longer-distance journeys.



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As a consequence of all of those things coming together, we ran a poorer-quality service, with less capacity, which was struggling to keep to time for a period. Bear in mind that the 175s are not our trains. We lease them and we do not maintain them. They are provided to us on a fly-by-the-hour basis by a company called Alstom, which has recently transferred to CAF. It is the same company that has provided the trains for the last 20 years, so there have been no changes, apart from the last bit when it went into CAF.

The view was that they would get all of those 175s back to us within a week. The truth was that it took four to five months for them to do the work, and that was because the global supply chain failed to deliver what was necessary. Some 50% of the safety critical components that were being delivered to the UK and were due to be fitted to the trains were tested and failing before they went back out on the network, which is unacceptable and something that we could not allow.

Again, could that have been predicted? Everyone in the supply chain is telling me no, but I absolutely want us to learn lessons from that, because, in the future, we have pretty much a homogenous fleet with these CAF units. If there was a systemic problem with those trains and we had to withdraw the whole fleet, we would be in an even worse position. We have seen that happen. GWR services to London had a failure with their yaw damper, which is like a shock absorber on a car. If you remember, 12 months ago, they had to withdraw the whole fleet and went through a very similar position.

That is not me defending the position. I have been using the services from north to south. My experience has been marginally better than yours, but not very good. Over the last three weeks, we have seen a gradual improvement week on week and day on day. The last two weeks have not been good, but I would say that we are approaching an acceptable level of performance. What I now need to do over the next couple of months is to take that to a good level of performance, and our ambition is to run an excellent service.

There is a difference between running a good service and an excellent one. A good one will happen when we have enough staff, which we already do, and enough trains, which we do not. An excellent one will be executing everything properly—dispatching to the second and so on—which is the journey that we are on.

Q37 Chair: You said that you have enough drivers but not enough trains, yet we hear all the time that one of the reasons for cancellations is a lack of drivers. I speak to staff on the trains—I am on the trains in south and west Wales most weeks—and they tell me, quite frankly, that there is an issue with drivers either being off sick or not turning up. I am told—and you might correct me on this—that there is no contractual obligation for a Transport for Wales driver to work on a Sunday.

James Price: That is correct.



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Q38 **Chair:** I was staggered when I heard that. I was absolutely staggered to hear that you run a Sunday service but that your drivers do not have to come into work.

James Price: That is one of our biggest issues. For what it is worth, this is not just a Transport for Wales issue but a UK issue. We are three-quarters of the way through negotiating to bring Sundays into the working week. Our plan is absolutely to have Sundays contractually in the working week, without any strike action, at which point the Sunday problem disappears.

Q39 **Chair:** But you would accept that, in this very complicated picture of problems and difficulties that you are presenting, working patterns and availability of drivers post-covid remains an issue.

James Price: Yes, I would. I would portray us differently from most other operators in the UK, however. Our headcount is what it should be; we are not scrimping on headcount. Some of the other operators—I will not point fingers at them—have been desperately short of drivers and have been cancelling lots of services as a result of lots of drivers not working overtime, for example. We are not in that position. We technically have enough drivers. We have to sort out the Sunday issue. We need to get as much flexibility into our driver resource as we can, but in a way that does not lead to industrial disputes. If we end up being in a series of strikes, like most of the rest of the UK, that does not help anyone either.

Q40 **Chair:** If you take the path of least resistance and avoid situations that could lead to confrontation with the unions, you are not going to address those long-running—UK-wide, as you say—driver issues.

James Price: That is a fair point. There is an element of jeopardy in what I am about to say. Judge me on what happens over the next few months, because I believe that we will deliver Sundays in the working week, at a price that is not different from other parts of the UK and without industrial action.

Q41 **Mr Roberts:** If it was not so aggravating, it would be almost comical. Just to pick up on what Llyr said about the difficulty getting up and down, some members of the Committee were in Newport last week. It was better, more expedient and a much more pleasant experience for me to come from Newport back to London, and to go back up to north Wales the following day, than to travel on Tfw's service, knowing that the service starts in Cardiff and has such a small train that it is already ram-packed full by the time you get to the first stop in Newport. I was not really very interested in standing up for three and a half hours. The class 175s have random fires and break down. The 230s are breaking down because pollen is clogging up the engines of the trains. I am baffled by it.

I appreciate what the Chair said about you setting out the lines of accountability and responsibility, but I am frustrated that we have had at least half a dozen questions where you have said, "I am going to have to



write to you." You should know these things. You are paid more than the Prime Minister is paid. You should know the answers to these questions and be accountable for these things. Ben's points were correct.

Between Crewe and Holyhead, which is the line that I mostly go on as I change from Avanti at Crewe, every single service leaving Crewe is ram-packed full and there is no room. It is only ever a two-car train, and most of the time a one-car train. It is just horrific. As Stephen said, if you speak to the staff, they are equally frustrated and do not understand the situation. It has to be better than this.

James Price: I don't know how to respond to that. I agree with your critique of the services, particularly the Marches services. We have not talked about the 230s. The 230s on the Wrexham to Bidston line are a different set of circumstances that I would be very happy to discuss.

If we just focus on the Marches for a minute, having to run a two-car service on the Marches is not where we want to be. It is worth reflecting on the fact that, before covid, the Marches line was much less utilised than it is today and we are seeing much higher demand on it.

Q42 **Mr Roberts:** It might be helpful to explain, when you say "having to run a two-car service", why it has to be a two-car service.

James Price: It has to be a two-car service because the only trains that can go on that line are two-car trains, until the new CAF trains are delivered to us. It is a fact. It is as simple as that.

That is why it is such a frustrating issue. We get lots of people writing in and saying, "Why don't you just get some rolling stock from somewhere else?" There is no rolling stock from anywhere else. The rolling stock that is available is not gauge-cleared to go on the Marches line. Our drivers are not trained to use it anyway. It would take six months to train them. Therefore, it would be quicker to use the new rolling stock we have on order that is coming in.

At the minute, the CAF trains are cleared and operating from Holyhead to Cardiff. Over the next few weeks, we will also get them in from Manchester to Cardiff. It is at that point that you will begin to see a step change in what is on offer. You will either have the opportunity to go on the premier service with catering or you will have a three, four or six-car CAF unit, not the two-car legacy fleet from 30 years ago, which is what we are running today.

Q43 **Chair:** On the two-car issue, I get complaints from constituents that there is a two-car service at times on the Milford Haven to Manchester service. If I were to ask a similar question to the one Rob has just asked in respect of that line, you would give the same answer.

James Price: Yes, I would give exactly the same answer.

Q44 **Chair:** For the benefit of my constituents in Pembrokeshire, can you give a timescale of when they will see that increase in capacity?



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James Price: In order to get down to west Wales with the CAF units, we have to clear Clarbston Road. There has been work on that over the last two weekends by CAF and Network Rail. Then we need to do driver training on that. At the minute, the suggestion is that the CAF units will start on that route in September. We are trying to see whether we can bring it forward to August.

Chair: That is helpful. Thank you very much.

Q45 **Llyr Gruffydd:** We have spoken about rail, which is the main focus this morning. I just want to pan out a little. Transport for Wales is seeing an ever-growing list of responsibilities being thrown in its direction by the Welsh Government. We know about rail, and we will be coming on to buses—the key role you will have in delivering bus reforms and the franchising stuff that is on the horizon. You are supporting active travel policy delivery. You are responsible for delivering electric vehicle charging infrastructure. You are supporting the implementation of the 20 mph roll-out. We have spoken about one of the three metro projects you are responsible for. You are supporting the North Wales Transport Commission. You are supporting the Welsh Government’s strategic road network programme, and so on.

To what extent are your budget and your capacity growing to reflect those additional responsibilities? I have been looking at Natural Resources Wales. We have seen a very questionable trajectory, which is quite unsustainable, of increased demands, duties and responsibilities, and diminishing budgets. Where are you on that trajectory as Transport for Wales?

James Price: That is a very fair question. I will start by describing the way we are funded, which is quite different from Natural Resources Wales. In some ways, it prevents some of the problems you are describing; in some other ways, it creates other problems of itself.

Typically speaking, we are funded via projects. We are not funded via a lump sum, if that makes sense. Natural Resources Wales—I am grossly simplifying here—has a sum of money to do everything that is asked of it. We have a series of sums of money to deliver everything that is asked of us.

The positive of the series of sums of money is that we are typically more able to scale our resource to deliver on the back of the budget that comes with the activity. The downside is that we have much less flexibility to move staff and resource around. This is not news to the Welsh Government, and we are working with them on this. It is also more difficult to plan for the longer run if you are only getting shorter slugs of money.

The board’s view and my view of TfW is that we are able to cope with the wider range of remit that is being asked of us. We will be even more able to cope if we have a very clear strategic five-year plan about where we



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are going. That will enable us to both recruit and develop the skillsets necessary to deliver.

We have just had a further revision of requirements from the Welsh Government to us, which I see as a very positive thing, under the banner Transport for Wales 2.0, which is basically talking about doing everything on a multimodal basis, rather than running a rail business, then a bus business and then a road business, etc. The good news, from my perspective, is that although we set ourselves up explicitly not to be modal in the way we operated, about a year ago we changed all of our processes and restructured the top team to be explicitly multimodal. You might say this is all a bit irrelevant for the Committee, but I think it is very relevant indeed.

What does it mean to be truly multimodal? It means you build and operate one network with one timetable and one ticket product, regardless of what the mode is. You do not build lots of different modes and then try to bolt them together. In theory, we ought to get real efficiencies by doing that. You have one timetabling team; you have one commercial team; you have one operations team; you have one engineering team. Most of the product set and knowledge needed to operate a train is the same needed to run a bus, for example.

That is the journey we are going on. Are we under significant cost pressures at the minute? Absolutely, yes. Is that morally correct? It absolutely is, if every other part of public spending is under the same level of scrutiny, including the NHS. Most people would put that higher up the list than us in terms of things with a moral output.

We need to make sure that we do not get to a place where we are delivering poor-quality service because we are not funded. I do not believe that is where we are at the moment.

Q46 Llyr Gruffydd: Is there anything where you are feeling the pinch, then? Is there anything that is lower down the list or not maybe being delivered as you would wish because of those pressures?

James Price: At the minute, no. There is massive pressure. The pressure is to drive income, basically. We have a target to grow revenue this year by about £20 million, on top of which we have a £10 million stretch target to achieve.

The pressure from Government will rightly be that, if we cannot achieve the income figure, we will need to take it off our costs somewhere. For a business that predominantly has, on the rail side anyway, staff costs and contractual commitments, that is quite a difficult thing to do, but we will absolutely engage with that and try to achieve it.

Q47 Llyr Gruffydd: One of those areas where the fare box is not delivering is buses. We are reminded of that constantly by the Deputy Minister and others. We are aware of the reforms that are coming down the line. The



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role played by Transport for Wales is going to be quite central and integral to achieving that. Once you have assumed responsibility for bus service franchising, which I know is maybe a little bit away, what differences can passengers expect to see in terms of the frequency and speed of service?

James Price: I will just take a step back, to start with, and frame the difference that franchising will make. At the minute, as everyone will know, bus services are probably 95% unregulated. What does that mean? That means a bus operator chooses where to run what, for what price and at what time. It is their choice. They have to register it with the traffic commissioner, but there is no co-ordination with any other public services. There is no co-ordination with any other public transport unless people see there is a commercial opportunity to do that.

Franchising, as people will know, offers the opportunity to tie all of that together to build one network, one timetable and one ticket. I should say that the UK has been in quite an unusual place in the world by having a deregulated bus market. Even most of the States has a regulated bus market. London has a regulated bus market. Manchester has a regulated bus market. The UK Government are now quite pro a private sector-friendly regulated bus market. This is not a big political football anymore.

The opportunity is one network, one timetable and one ticket. The benefit to the passenger ought to be something that is designed to meet their needs better and is joined up with other public transport offerings better than it is today.

In terms of how frequent services can be, that will be a factor of three things. It will be a factor of how many people choose to use it. If we can get high loadings—they will not be as high as we are talking about on rail—that reduces the subsidy and it means you can run more.

It will also be a factor of how much money Government want to put into it on an ongoing basis. That is all different parts of Government, including local government. By the way, local government will continue to have a really important role in buses as we go into the future.

Finally, it will be a factor of the cost base of operating buses. There will be a series of choices around the type of fleet, how quickly you go to zero emission and, indeed, things like the types of working practices you want to allow in the market.

At a high level, we should see better-quality services that are more integrated with other public services, including public transport, and that more people want to use. I cannot be particularly specific until the public policy debate answers those other three questions.

Q48 Llyr Gruffydd: Given that—I think I am right in quoting this figure—around three-quarters of all public transport journeys are taken by bus, is the funding balance between rail and bus correct? Clearly, there is a total



mismatch there.

James Price: I know you will be aware of this, as will most people in the room. That is a debate that has raged for 30 years, probably. Rail is more expensive than bus. We need to use a combination of both. That is being multimodal: running with one network, one timetable and one ticket. We need to operate the network with the least cost for the taxpayer that delivers society what they want.

It would be crazy to say that some rail services could be replaced by buses. We see it on the valleys. A command and control from Mars might look at that and say, "It's only 20 miles. Why don't we just run a bus?" The truth is that when we run buses it takes two hours to get from the top of the valleys into Cardiff because of the congestion and so on. There may be some other areas where we could be doing much more with buses and long-distance coach services, which would be better for the customer. All of this needs to be played out.

I really want to stress the important role going forward of local government. There is a real democratic issue for the level of locality that many bus services do serve. Therefore, we need to keep local government involvement and democratic accountability at a very local and sometimes hyper-local level. It is going to be painful for us because it will mean lots more of this type of thing, but it is really important.

Q49 **Llyr Gruffydd:** So is moving to corporate joint committees, which is effectively taking decisions further away from those committees to a regional level, a challenge?

James Price: I think it can all work. We will run nationally the things that have to be run nationally, like ticketing, commercial operations and procurement. We will run regionally the things that it makes sense to run regionally, like budgets or cross-boundary services. Local issues can be dealt with locally, which could be things like making sure scheduled bus services get people to the school on time or making sure the hospital connections work.

If I can make one other comment, at the minute the performance of private sector bus services across the UK—Wales is no different—is truly quite poor, but I am guessing that you do not get lots and lots in your postbag about that. Some of the rail replacement bus services we have operated and got very bad publicity about were running more on time and more reliably than the private sector buses operating alongside them. We should expect that the level of scrutiny that comes on bus services will grow significantly regardless of the performance post-franchising.

Chair: That is something for Senedd Members to pick up on. We are running out of time. There is material that we are probably not going to cover. I have been hesitant to cut you short in your answers because everything you are saying is really interesting for us. What I propose to



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do is bring in those Members who really want to ask some questions. I do not want to run on too late.

Q50 Beth Winter: Thank you for your honest and detailed answers today. The Welsh Government's aspiration of achieving an integrated transport system, particularly given the climate crisis we are facing at the moment, is commendable.

My concern is that you are trying to defend the indefensible. We are all avoiding the elephant in the room, which is the fact that we have been starved of funding by the UK Government. We have lost out on £6 billion between HS2 and Northern Powerhouse Rail. Unless we address that, as well as calling for the devolution of rail infrastructure, as this Committee and the Welsh Government have referenced, we are on a losing streak.

Are you concerned about the significant macro-level decisions and changes that need to happen? Without addressing the inadequate funding and the devolution issue, we are going to be tinkering. We are facing a climate crisis.

James Price: I do not want to get drawn too much into political issues, but this is the fundamental answer to many of the questions that have been raised today. "Why can you not run more carriages?" The answer is that we do not have them. "Why do not you have them?" We cannot afford them. That plays straight back into the issues you have just talked about. I would probably point you to some of the evidence that people like Mark Barry have given before about proportions of spend and so on.

Q51 Chair: A lot of what you have said today is about, in hindsight, weak decision making, poor planning and the physical job of being able to push new kit through the system. Throwing money at that does not necessarily address all of those points.

James Price: I am not saying that it does. These are two separate things. I am sorry; I am trying to be quick. I would not want to characterise it as being weak decision making and poor planning. I would say it is institutionally weak and institutionally poor because there are so many different players.

The whole GBR thing is quite interesting in that space. That might improve things. Indeed, that is why something like GBR is needed.

Chair: We might write you about the interaction between GBR and TfW, because that is one of the issues we do not quite have time to get on to.

Q52 Mr Roberts: In 2021, this Committee did a report about the north Wales main line and connectivity. In the Government's response, they said they were preparing an outline business case for an upgrade of the line. Are the current plans for the improvement of railway infrastructure in north Wales sufficient to deliver faster, more reliable and better services and to contribute to decarbonisation?



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James Price: I will give you a simple answer: not yet, no. We need to do more. There have been lots of positive moves, thinking about the Peter Hendy review, and lots of talk about cross-border connectivity in south Wales. Phase 1 of the Burns commission has been funded to £2.7 million, but in my experience, as in many of yours, I am sure, it is very easy to get funding to work up a scheme; it is very difficult to get funding to deliver a scheme.

Delivering a scheme that makes a difference, delivering connectivity that really works into Crewe, across Crewe and into HS2, is going to be vitally important.

Q53 **Mr Roberts:** To what extent is the work that is planned in north Wales dedicated more towards enhancement than ongoing maintenance?

James Price: That would be a good question to ask Network Rail. By Network Rail's own evidence, in the next phase, depending on what gets through the RNEP process, there might not be much of either. If RNEP funds some of the enhancement schemes, you will certainly get that.

Network Rail's next control period will be one of eking out the infrastructure it has rather than investing in new infrastructure. I am guessing that is partly in response to the budget challenges we all face.

Q54 **Mr Roberts:** For places like north Wales, is the balance right? Are they doing too much OMR and not enough enhancements?

James Price: Honestly, the Network Rail team is doing the best it can within the same arguably flawed decision environment we are operating in.

Q55 **Chair:** Are there any Welsh rail schemes that you are particularly concerned will not get through Treasury at this time?

James Price: It is very difficult to predict.

Q56 **Chair:** What are you picking up from industry?

James Price: It used to be that you turned the handle and it was very clear what the process was. It is a little less clear now. I would focus on three areas, and then I will come on to the metros. I would say the Burns south Wales main line is very important. The north Wales main line, in terms of connectivity to north-west England and High Speed 2, is very important.

I would add to that the Marches line, because it is the only line we have that connects north Wales and south Wales. It is the only line that makes us any money. You might say that is totally irrelevant, but if we can make money, we can spend that money elsewhere; we can cross-subsidise our services. Some of that line is very old and very slow. That could do with some investment. We will also be bringing forward other schemes around metros.



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Q57 Ben Lake: Very briefly, Mr Price, you mentioned in an earlier answer to me that there will be an announcement tonight or tomorrow regarding changes to some services in Wales. Am I being too pessimistic to read that as being potential reductions in services in certain areas?

James Price: We are not planning on reducing any services anywhere. We have not ever done that, which is different from other parts of the UK. This is about what we can physically and sensibly deliver in the future.

I need to say that there are only two reasons for not doing it. First, some of the rolling stock is a bit late, but, in any event, Network Rail has just written to us to tell us it cannot deliver the infrastructure necessary.

Q58 Ben Lake: It is a case of potential upgrades or enhancements to capacity being delayed rather than reductions to existing services.

James Price: It is particularly about level crossings. There was a view within Network Rail that it could risk-assess or have different processes around allowing us to run faster or more frequent services where there are level crossings. It has just concluded a whole piece of work, and the conclusion of that piece of work is not what anyone thought it was going to be. That is going to constrain our ability. Network Rail needs to get more funding out of the Treasury to do work, which will take longer.

Q59 Chair: I am going to follow up on Ben's question and press you a bit more. I thought I heard you say earlier on, in reflecting on the way the world has changed since covid and travel patterns, that there was a need to reassess train services. When you say that, I am hearing that you are reducing services because fewer people are using the lines.

James Price: The work we will do—you would expect a non-political organisation to do this—will first look at it in a completely unconstrained world, which could lead to that type of thing, absolutely. I will put forward anything that looks sensible to both Governments. We run services for the UK Government as well.

I personally do not think Government will be very interested in taking services away from anyone because that is a very difficult thing to do. Sometimes people have made life choices based on what is there. This is predominantly around what new services we do against what new services we promised to do. If you think about that 65% increase in capacity that we talked about, we have a choice about where we deploy that capacity without taking anything away from anybody.

Is there also a question, which you raised, about whether we should rebalance some of it? Yes. As a professional, I would say that. I am not saying that Government are saying that. I am going to just provide some of that into the mix for Government to consider based on maximising modal shift, maximising the number of people using our services and minimising the amount of fresh air we move around.



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Q60 Chair: At the end of the entire process you are talking about, there is a possibility that some passengers will see fewer services on a route they are used to using. You have not ruled that out.

James Price: No, but because of the way the political process works, that is quite a remote possibility. However, it would be wrong of me as a professional not to do that work.

Q61 Chair: Understood. Can I make a further point around this? You talk about the way the world has changed since covid, with people working from home a lot more. That might change in the future. It is also the case that there are people actively deciding not to use train services because they cannot rely on them.

One thing that has featured very heavily in my inbox, particularly over the last 12 months, is the number of people recounting to me their experiences of being on a platform and only being told within a matter of minutes before they expect a train to arrive that it has been cancelled. It would have been nice for them to have heard before they left the house.

James Price: Yes, agreed.

Chair: As a result of those experiences, there are people who are ditching train services. If they are taking a route to Cardiff or London, they are avoiding those lines; they are driving to Port Talbot and getting on the GWR service there. That is real, isn't it?

James Price: We want to achieve the opposite, don't we?

Chair: We absolutely do.

James Price: We want people to want to leave the car at home and use the transport network. One of the things we have measured from day one is on-the-day cancellations and something called pre-cancellations, which has been an industry way of hiding stuff from the public. Both of those went up over the last two months and have come down massively subsequent to the new rolling stock beginning to be rolled out. Those will continue to go down.

We also have a programme in place to enable us to deal with the things that do go wrong in a much more effective way. Unfortunately, with the rail industry, when things go wrong on a particular day, on a single line or a line where you have only one line in each direction, things can spiral out of control quite quickly because a train cannot go around another train.

Q62 Chair: We are going to wrap up because we have run over by a few minutes. Hopefully I am not abusing my position as Chair, but I am going to ask you a more parochial question relating to west Wales. There seems to be an extraordinary number of services not being cancelled altogether, although there are cancellations, but being stopped short at Carmarthen and not running through to Milford Haven or other west Wales stations.



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I know GWR wants to run more services direct to Carmarthen and will not consider running them further. Can you assure me that there is not a plan to chop the far west of Wales off the rail network and make Carmarthen the terminus? That is what a lot of my constituents think.

James Price: There is absolutely no plan to do that whatsoever. We want to run all the services that are in the timetable, and we will continue to do that.

Chair: Thank you very much. We are really grateful for the time you have given us this morning. I for one have found it incredibly useful just to understand the complexity and scale of the challenges facing the rail network.

I think I can speak on behalf of all of my colleagues here when I say it is a very clear and settled view of this Committee and the House of Commons that Wales deserves and needs more rail infrastructure investment. We would like to continue the dialogue with you, in the first instance by letter, on some of the issues we have talked about and some of the ones we did not get on to today.

Thank you to Llyr Gruffydd from the Senedd for joining us for this session. It has really added value. Thank you very much.