

Welsh Affairs Committee

Oral evidence: [Railway Infrastructure in Wales](#), HC 1044

Thursday 21 January 2021

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Members present: Stephen Crabb (Chair); Simon Baynes; Virginia Crosbie; Geraint Davies; Ben Lake; Robin Millar; Dr Jamie Wallis; Beth Winter.

Questions 1 - 23

Witnesses

I: Professor Stuart Cole, Emeritus Professor of Transport, University of South Wales; Professor Mark Barry, Professor of Practice in Connectivity, Cardiff University; and Julian Glover, former special adviser at the Department for Transport.

Written evidence from witnesses:

- [Professor Stuart Cole CBE](#)
- [Professor Mark Barry](#)



Examination of Witnesses

Witnesses: Professor Stuart Cole, Professor Mark Barry and Julian Glover.

Q1 **Chair:** Good afternoon and welcome to this session of the Welsh Affairs Committee. We are delighted this afternoon to be joined by a very high profile panel of witnesses looking at railway infrastructure in Wales. We are joined by Professor Stuart Cole, Professor Mark Barry and Julian Glover.

I will ask each of them to introduce themselves briefly, and then we will open up for questions and bring colleagues in following that.

I remind everyone to keep their mics muted if they are not either asking or responding to questions.

Professor Cole: I am Professor Stuart Cole, I am emeritus professor of transport, economics and policy at the University of South Wales. A large part of my research over the years has been on public transport, both road and rail, in Wales. I have published a number of articles on that subject and, in fact, I advised this Committee many years ago on those very subjects.

Professor Barry: I am Professor Mark Barry, professor of practice in connectivity, part time, at Cardiff University. I have also acted part time as a strategic adviser to Transport for Wales and I have been involved, in various guises, with the South Wales Metro project. My report on that was published nearly 10 years ago this week, in fact, calling for a metro in south Wales, so things do happen.

Julian Glover: Good afternoon, I am a writer and adviser. Most relevantly, perhaps, I worked as a special adviser at the Department for Transport in London from 2012 to 2016. I continue to work on a range of different projects, including some infrastructure ones with different providers. I also wrote a biography of Thomas Telford who built the first great infrastructure project across north Wales two centuries ago.

Q2 **Chair:** Thank you to you all. I will start by asking each of you to briefly describe how you assess the current state of rail infrastructure in Wales. Obviously you have all, to various degrees, been studying it; many of you have used it regularly and continue to do so. Can you give the Committee a sense of how you think the state of railway is in Wales?

Professor Cole: In very general terms, we have not kept up with the investment that has taken place in England, sadly, for a variety of reasons and I am sure we will come to those.

We have had some significant pieces of investment, for example, on the South Wales main line signalling system but that has largely been replacement infrastructure; it has not been enhancement works done to improve the operation of the service. That service has been improved, of course, by the new trains operated by Great Western.



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There are some simple ways in which to assess how well we are doing compared with others. One is the age of the train rolling stock, and ours is pretty old in many cases, although we are looking forward to new stock coming. The other is the line speeds. We find that line speed on the Great Western main line between London and Reading is 77 miles an hour, Reading to Swindon 95 miles an hour. Come back down to west Wales and we are talking about Swansea to Carmarthen of 34 miles an hour average speed, and going up a little bit towards Pembrokeshire at 46 miles an hour. That is the kind of measure that shows us where we are compared with other parts of the United Kingdom.

Professor Barry: Reiterating what Stuart has just described, for anybody watching it is probably worth differentiating enhancement investment from operational maintenance and renewals. The OMR investment is to maintain the railway as is, to repair it, to fix it, to ensure it operates on a daily basis. The enhancement investment, which Stuart alluded to, is what gives you more capacity, allows you to run faster, allows you to operate more trains and carry more people. The sad fact is that over probably the last 30 years, Wales's rail network has not received an adequate share of overall UK investment to enhance the rail network and, as a result, it is more constrained, it carries fewer people less efficiently. That is a contributing factor to maybe higher subsidies per passenger.

There are some good signs emerging with some of the projects ongoing but there is a huge deficit, in my view, in the kind of investment required to create a more sustainable railway and something that is more attractive to passengers, and is more affordable and cost-effective to operate.

Julian Glover: I agree with much of what has just been said. It is never helpful if everybody says the same thing. I take it away from the word "investment" and just say it is about money. I think we need to step back and ask, "What is this network for? How can it be made to perform better, and what are the obvious weaknesses?" One of the weaknesses is things like line speed, the quality of the infrastructure. That is, of course, because often the routes are at the end of wider routes, or that is how they have been seen. If you go from Paddington, the investment out of Paddington has helped trains into south Wales, even though it may not have taken place in Wales.

There is a challenge in that what has survived through the last 40 or 50 years of changing railway policy in Wales is a network that does not entirely cohere. There are many bits that have potential. There are lines that are very rural that might not have survived in parts of England, fortunately, because that leaves them there today to be linked together into something more. What is needed is a strategic view. A sense that this is a transport system, not just a rail system. It is not just about rail investment, but joining things together, thinking of urban areas and how you can link them across borders as well as within Wales. The potential is



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massive. At the moment the system is clearly underused, it is highly subsidised, it is expensive to run.

We talk about investment, we also have to think about operational costs. The operational costs per passenger in Wales are higher than anywhere else, I think, in the country, certainly higher than in England. The way to solve that is not to cut the costs only but also to increase the usage, and hopefully that will happen.

There is an exciting moment ahead. Covid has been a terrible blow to the way the whole system has been used across England in the last 12 months. It is a great shock to everybody in railways. But if we step aside from that and say the plans ahead for Wales are very exciting, there is huge commitment to new trains, there are different ways of operating the railways. I think there is a lot of talk of powerful things happening in north Wales and south Wales, less talk of mid Wales and we need to think about that, too. I am optimistic you can see improvements.

What you cannot do, though, is simply say we need investment on a per capita basis. You have to say what it will achieve, how this will bring growth and how it will bring an operational railway that can be afforded.

Q3 Chair: That is very helpful. I know other members of the Committee may wish to ask specifically about how the UK and Welsh Governments work together on some of this.

Picking up on your answer there, Julian, do you feel there is a coherent and shared philosophy of rail across the UK with the different Administrations? Given everything we have been through since privatisation and the learnings from that, and some of the difficulties around the electrification programmes in different parts of the UK, would you say that we are close to a point where, regardless of the colour of the Administration in Cardiff, Westminster or Edinburgh, there is a pretty joined up and coherent vision of what rail should be for the next generation going forward?

Julian Glover: Yes, at a very crude level. The word “philosophy” is too grandiose for the rather fragmented and chaotic way our railways are run. There is, despite all the problems, a single guiding thought, which is that rail matters, rail is part of the future, rail needs to grow, it is being invested in, people want to use it and it is part of what makes our country and nations strong. That should not be taken for granted, because it was not the case for many years. Rail was seen as an old-fashioned thing, a legacy thing, not as the answer to many of the future problems.

At that level there is the Scottish Government’s big commitment to Scotland’s railways, and from the Government in the UK, in London, across England and across the UK, there is huge financial support—the amount of money the Treasury puts into railways and investment in building things like HS2, in urban transport and in operational costs of



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keeping the railways open through Covid. There are huge bills going into the Treasury at the moment. There is very strong support for rail. That brings a duty on the railways and on the people who think about the railways and run the railways to respond. Not that they are taking it for granted that this money will just keep coming, that change does not need to happen, but to say, "How do we use this moment to build a better system and one that can, where possible, pay more of its own costs," not out of some simplistic capitalist desire but because that is the best defence for the railways in the future.

At a level lower than philosophy or vision, the day-to-day way the railways are run, the way things are done, is chaotic—it is not good at all. There are some brilliant people involved. I think the top of Network Rail has some very strong leaders. They understand the need for greater integration between decisions on investment. Somebody earlier mentioned the Great Western main line, the Great Western electrification project. I was an adviser in the Department for Transport as that was going through its middle stages. We can see in real time what goes wrong when you try to build electric wires without knowing exactly where the piles are going to go and where you are trying to get them in quickly, and what happens if you order new trains separately from thinking about the infrastructure—the constant sense of difficulty of change. It was inefficient, it produced a less good outcome than we could have had, and we need to learn from that to do better.

Some of the things that are happening in Wales now are learning from that. There is not a great philosophical view of how to make the system work, but do railways matter? Yes, and that is really exciting.

Professor Barry: I would not be so rosy about it, to be honest, from the Welsh perspective. If you look at the railways through a London telescope, it may look as though there is massive investment going in. But the plain fact is if you look at the next 10 years of enhancement spending, I worked it out at about £50 billion-plus, potentially, across the United Kingdom. The UK Government have responsibility for the Welsh rail network, and it is about £350 million in Wales, so I don't get that shared sense of enthusiasm.

The bizarre situation in Wales is that the Welsh Government, via the Wales and Borders franchise, are responsible for the subsidy but are not responsible for the investment in the underlying infrastructure, the condition of which ultimately affects the operational efficiency of the rail service and therefore the subsidy. You would never run a private business that way, where you say, "You are responsible for the costs at the customer-facing end, and we are responsible for the underpinning capital investment."

While I think people recognise the importance of rail, I do not fully recognise the DfT's and the UK Government's acceptance or knowledge of what the priorities are in Wales. I think in Wales we are getting much



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clearer on the strategic priorities. What we lack—unlike in Scotland—is the responsibility to discharge the investment against the priorities that we have been developing, and I have been involved in it for the last four years. I am less rosy in my view of that shared vision, to be honest.

Professor Cole: I largely agree with what Mark has just said. It is a matter of the difference in priorities between those at the Department for Transport looking after England's railways, particularly the infrastructure, and the infrastructure in Wales. We have not been getting the level of investment that would even fit the Barnett formula consequential expenditure, so we seem to be in a position where, because the Department for Transport have a particular way of allocating their funds, their investment appraisal process favours areas of dense population. That largely means the south-east of England, then maybe moving up to Birmingham and Manchester. We lose out on that basis.

We also lose because we have to try to run a set of new trains, which is what the Welsh Government are intent on doing over the next three years, over track that is not being commensurately improved. I think it was mentioned a moment ago by Julian that these things have to be looked at together. As a result we are getting brand new trains but we will still have the same line speeds as we had before, particularly on the North Wales and South Wales main lines. We need, in order to get the best out of those trains and to enable passengers to be attracted to them, also to get a change in the way in which the investment at Network Rail is being done. It is not the fault of Network Rail. In my view, people like Andrew Haines and Peter Hendy are doing a good job along with their management, but they have financial constraints on infrastructure investment set by both the Treasury and the Department for Transport.

Professor Barry: Could I just add an example? I was privy to a review of something called the passenger demand forecasting handbook, which is what the DfT uses with the sanction of the Treasury to project the demand for new investments. I think there was a look back at 1996 through to 2017 to see how the actual growth in passengers compared with the original estimates. It was found that schemes in London and the south-east overestimated the demand by 50%, and outside London and the south-east they underestimated demand by 50%. That has meant that, over 30 years, there has been a disproportionate allocation of available enhancement spending to London and the south-east. Wales has suffered, but other parts of the UK not on the big shiny investment conveyor belt have also suffered. Look at south-west England, for example.

There is a systemic problem, an issue I think, in the way in which we appraise transport projects, particularly rail and how that is discharged. I take Stuart's point that it is less to do with Network Rail, which is remitted by the DfT, and it is less to do with the politicians, than it is the way I perceive the DfT is organised.



I will give you an example. If you are an aspiring official in the DfT, do you want to be allocated some less interesting piece of railway in Wales or do you want to be involved in shiny big things in Birmingham, Manchester or Northern Powerhouse Rail? There is a weakness in the institutional arrangements that also contribute to the fact that in Wales we suffered from underinvestment in enhancements over 30 years in my view.

Q4 Chair: I will bring in my colleague Beth Winter in a moment, but one final question, which is much more specifically project related. One of my great disappointments of the last four years is the cancellation of the Cardiff to Swansea section of the south Wales electrification project. Without wishing to use up the whole of the next two hours discussing that, can I briefly ask whether you as a panel feel there is any likely prospect that that could be revisited? What would it take to resurrect that part, which I still think is the final unfinished business that needs to happen on the Great Western main line? Julian, you were at DfT and I remember talking to you about this when I was in Government.

Julian Glover: I was there when it was going to get to Swansea, and I hope it still will. I think we need a much wider programme of electrification of railways across the UK as part of a low-carbon future, but not only for a low-carbon future but also because it is the right and efficient way to run the railways. That is why most of the major railways in the world running high-spec passenger services are electric.

The reason it didn't get to Swansea was not a discrimination against Swansea, it is because the money ran out and, in fact, it more than ran out because the budget of the programme escalated hugely. It escalated for two reasons. The first is that the initial budget was unrealistic, so it could never possibly have been done for that. The second was it was done to standards that were very high, which is a good thing, that had huge costs, and the work began before the design had been completed. It was like building a kitchen and then knocking it down again because you had put all the things in the wrong place.

There is a very strong lesson from that for all infrastructure. For future electrification in particular, it has to be done, planned and rolled out constantly. You keep the teams in place, you keep moving and you certainly should do so to Swansea. I am in Derbyshire today, where I was hoping we would have an electric railway to Derby and on to Sheffield. We now have an electric railway to somewhere near Market Harborough, which is better than not having an electric railway at all but it is not the complete project and it needs to be finished. The budget needs to be put in place and work needs to happen.

All the talk of levels of investment, I have always felt and I felt it a bit when I was at the DfT, are great for politicians to announce. "Today I can announce £200 million, and £300 million is being spent on X." What you actually want to know is what is being built and what is useful. The less you spend on it, provided you do it well and get a good thing—you don't



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want to cut corners absurdly—it should be great if you could do it for £20 million and not £200 million and it was just as good or better; that would be splendid.

The lesson out of Great Western is not just to get to Swansea but that all of the transformational work being done and planned in south Wales is going to take real practical integration. It does not have to be a monolithic single organisation, but joint working to think, “When are we doing something? How do we do it efficiently? What do we need from it? How do we not let people down?” Let’s really lock things together.

I am afraid Great Western did not work like that. Not out of anybody’s malign intent but just because the teams doing the wires, the teams running the trains and the teams running the timetables were completely separate. It produced its logical consequence, which is they got through the Severn Tunnel and they got to Cardiff, which in itself is great and there was a time when that didn’t look entirely certain. They have not got to Bristol, which is pretty extraordinary. For all the legitimate concerns about underinvestment in Wales, the point made about the south-west of England is very valid as well. This is not an anti-Welsh view in the DfT. There are many places that are getting forgotten. The south-west has at least as much grievance on that one. The fact that Temple Meads does not have electric wires is quite extraordinary. Plan it well, integrate, work together.

Finally, I agree wholeheartedly with the point made by Stuart on Network Rail’s leadership. They really want to get this right. They need to work together, so we need joint working and joint ideas, not blaming each other.

Professor Cole: Part of it was to do with running out of money, as Julian quite rightly said. However, we have got into a position that even if you accept that using a benefit-cost ratio is how you should approach these things, which I don’t necessarily accept as an economist, the Treasury has perhaps overemphasised it. Certainly the review of the Green Book has shown that the Treasury tended to overemphasise the use of BCR—it was a culture, it says in the report, about attitudes towards getting the right benefit-cost ratio in “sometimes a rather spurious way”, and I quote that.

When the initial study was carried out into electrifying London to Swansea, I worked with the team in Wales on that project. It originally included electrification of the valley lines. The BCR at the time, although I have already criticised it, was 4.6:1, which is very impressive. Valley lines were then taken out for whatever reason and the BCR dropped down to 2.6:1 for the whole route. We have a route as far as Cardiff and that 2.6:1 was based on incremental building. So you just carried on building. When you got to Cardiff you carried on going westwards to Swansea.



What has happened now is that would have to restart, and restarting a project is a significant cost. Up to 30% of the total cost is that start-up cost, which would have been included in the original construction programme. So we will now finish up with a Cardiff-Swansea BCR, which I know the Treasury, whatever the Green Book review says, will carry on looking at it as an important element. That will be down to maybe something like 0.6:1 or 0.7:1 and comes nowhere near the Treasury's ambition for new railway schemes. That, I think, is a worry for us in getting the money from the Treasury.

Chair: That is very helpful. I have one eye on the clock, and I am conscious that we are eating into time. Mark, very quickly, please.

Professor Barry: One of the drivers of the business case is the transport user benefits, which is about how many people you move and how fast. If you look at it purely in terms of electrification of the existing infrastructure, you will be constrained. We have to look at it in terms of services on the south Wales main line between Bristol Temple Meads and Swansea and west Wales, and also address at the same time some of the infrastructure bottlenecks that prevent us from carrying more people more quickly. If you can link that to the electrification programme, you are going to get many more benefits. That was the failing of purely looking at electrification. It is what the passenger experience is; it is about being able to go places more quickly, more effectively, which gets people out of their cars. We have to have a more holistic approach.

I am aware of Lord Burns' work, and there is a more holistic programme being developed by Transport for Wales, which I think brings together all these various themes in a much more holistic way. That will be the basis upon which we will ultimately see electrification to Swansea.

Chair: Brilliant. Thank you. I am grateful for those strong and comprehensive answers.

Q5 **Beth Winter:** Thank you, witnesses, for coming today. One specific question from me, focusing on devolution. The Welsh Government have made the case for full devolution of rail infrastructure in its report "A railway for Wales" and, more recently, Ken Skates has reiterated that commitment and has gone further, calling for funding settlements to be able to invest in the rail network. I am interested in exploring the arguments for and against further or complete devolution of responsibility for rail infrastructure to the Senedd and Welsh Government. Added to that, are there any lessons we can learn from the devolution that has taken place in Scotland? Professor Cole, I understand you have written quite a bit about this.

Professor Cole: Do we need devolution of rail operations and investment? The simple answer is yes. The rationale behind that is that, at the moment, the Welsh Government have responsibility for major roads, the investment in those roads and the building of new roads. I suppose it came to the surface yet again with the proposal for the



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motorway around Newport, where a sum of money was being made available.

The Welsh Government had no opportunity because of the devolution financial settlement to use that money for rail investment, because the rail investment ought to have been the responsibility of the Department for Transport. So they would have been using their money from some other source in order to fund the railways, as they have done on a number of occasions, such as the reopening of the Ebbw Vale line and the reopening of the Vale of Glamorgan line, which were paid for by the Welsh Government.

If the whole of the investment programme in transport, in both major road and rail, were in the hands of the Welsh Government, they would have a block grant with a commensurate increase in block grant to cover rail investment. They could then make a decision on how that money was spent, whether it would be spent on new roads or on improving and enhancing the rail network. That opportunity is there for them to do, it is not money that is coming into them through the block grant on the railway side. That is the issue.

As Mark said earlier, the subsidy figure for operating the trains is included in the block grant, or a contribution to it, and the Welsh Government are responsible for that. That, in itself, makes a strange situation because the infrastructure is in the hands of the Department for Transport and their priorities, and the operation of the trains is in the hands of the Welsh Government and their priorities.

There needs to be not just integration of road and rail, which is what has been talked about for many years, but the integration of investment and operations within the railway, and at the moment we don't have that. The benefits would be that there are a number of schemes that the Welsh Government would like to carry out, such as electrification to Swansea, increased line speeds on the North Wales main line, electrification to Holyhead, improvements on the line to Aberystwyth from Shrewsbury, all of those have had some work done to them but not enough because the Welsh Government do not have that money within their block grant. Hopefully, transferring the responsibility also brings block grant funding with it.

Also, as I think the Chair mentioned earlier, Network Rail does not have a statutory relationship with the Welsh Government. This Committee in 2006, when I served the Committee as an adviser, tried desperately to get a statutory relationship between Network Rail and the Welsh Government, but it was not forthcoming from either DfT, Treasury or whoever it was who pushed that notion into the long grass. The opportunity was there at that point, they worked together and were working together on a number of occasions. I have been at meetings between James Price, chief executive of TfW and Bill Kelly, the managing



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director for Wales at Network Rail. The operation works nicely together but, as I think Julian said, we are fundamentally back to funding.

Who is responsible for paying the bills and, therefore, how can we allocate the different pieces of work that need to be done on both road and rail if that total budget were in the hands of the Welsh Government?

Professor Barry: I would just reiterate what Stuart says. Devolution was voted for in 1997, and that we are still discussing this on railways 30 years later—or whatever it is—is frankly unacceptable.

There are good reasons for bringing things together. Having operations and infrastructure separated is not efficient, so bring them together. I also agree that you need to make Welsh Government accountable for decisions in a holistic way, responsible for spending decisions so they can decide whether to invest in roads or something else. I would argue very strongly that Welsh Government, to their credit, took on board the south Wales Metro project after the DfT stepped back from electrification. Even though it was not devolved, they stepped into that space and made something happen that I do not think would have happened without the Welsh Government doing it.

They have demonstrated their capability. They have just created an organisation called Transport for Wales—imperfect, still learning, but what an incredible achievement in five years to have undertaken the biggest, most complicated procurement in rail industry history in Wales and now delivering an innovative rail solution. They know and have the capability to take on this responsibility. Frankly, why we are still even debating it? I am flabbergasted. They need to be given the responsibility. They could focus on bringing all these different plans together coherently and with much greater resonance and reflection of local and regional links within Wales.

Frankly, no disrespect, the DfT does not have the capacity. It does not have the bandwidth to understand the different emerging priorities in all the different parts of Wales. As a result, some of the schemes coming forward from the DfT in relation to Wales are useful tactically, but are strategically compromised. Absolutely, it needs to happen.

Julian Glover: I guess it is my role today to mildly disagree, so I will. Much sense has just been said. That sense applies to England, too. By the way, by integration I do not mean there should be one organisation, but a proper joined-up decision-making process where you work out the best way to spend money. The separation of operation and track decisions, investment in infrastructure and investment in new trains or timetables is just as broken in England, and the Williams process—a great Welsh name—will hopefully drive the fixing of that.

It is not that Wales is the victim of a false situation that is better in England; this is a wider problem in how we have looked at a growing railway network. I could give you many examples in England where we



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have chosen to spend too much money on infrastructure and not think about the services, or the other way around, where we put services on tracks that cannot carry them and maybe we did not need all those services. It is not just a Welsh problem.

There are at least two things to think about before you take on the infrastructure in-house. It is tempting and it could be done well, I do not disagree with that. The two things are, first of all, be careful what you wish for. If you have a fixed budget and a smaller infrastructure operation, big things that happen and hit you from outside can be more painful. That might be Covid and suddenly having no money to run the trains and hoping that you will get bailed out for that. It could be floods on the line to Blaenau Ffestiniog. I do wonder if a smaller operator was responsible for all the costs of all of Wales's rural railways. Every time a bridge washes away—the Barmouth Viaduct, a wonderful piece of wooden engineering, something Thomas Telford would have enjoyed seeing—it costs a lot of money to keep up and there is about to be a lot of money spent on it. Not for a second on either the Blaenau line or the Welsh coast line, both of which I love and have used often, did anybody suggest shutting them down, as they would have done in the 1960s. A bigger operator can sometimes take the burden of things that are not expected.

The other reason, of course, is that Wales has a transport network, but it does not have a railway network that is all of Wales. There are many trains that run into England; there are many passengers that want to travel into England. I completely agree with the point, by the way, that the way to look at electrification for Swansea is to see huge benefits from better and faster services between south Wales and Bristol and Bath. that integrated transport area.

The railway in north Wales should be electrified, too. It should run much faster and it should serve Manchester and Liverpool and other areas more effectively, and probably link into High Speed 2 if it reaches Crewe.

But these things cross borders. I often use the train up through Shropshire. My family live not too far from Craven Arms. That is a railway that links Wales as well as England, so there is a danger that integration of infrastructure within Wales—and budgets should be aligned—could see the fragmentation of a network that runs beyond the Welsh border. That challenge applies to all sorts of discussions about who owns infrastructure and who specifies services in other places. It is a live debate in London, where for many years we have had a discussion about how wide Transport for London's remit should go. Should it be specifying trains that cross beyond the area that votes for the Mayor? Of course in many ways logically that makes sense because commuters might use them or passengers would prefer a TfL branded train or contactless Oyster cards, not the confusion they have been left with by franchises.

There is a democratic issue, which is operators going outside boundaries being responsible to people who do not vote for them. We have to resolve



that. I am not saying it is not resolvable, but we need to think of that problem before we simply say integration is the answer.

Professor Barry: Can I come back quickly on that? It is a very important—

Beth Winter: Very quickly, because I know some of these issues are being covered by other members later.

Professor Barry: Just quickly, the cross-border thing is a red herring. You look at places like Maastricht, Liège and Aachen, there are three cities within 20 miles of each other in three different countries and with cross-border infrastructure, railways and services. These things are manageable. They are not reasons in themselves not to look at the issue. People tend to look at this down a railway industry telescope. There is a constitutional issue here as well. Wales is not a region of England; it is a national Government with responsibilities for investing in the country's infrastructure. We can certainly sit down and agree. Where possible, issues can be equitably agreed upon and responsibilities discharged, but while all the responsibility and all the funding decisions reside in Whitehall, it does not work.

I perfectly accept it is not easy and there are challenges. Scotland has had those powers in relation to discharging and remitting Network Rail in Scotland since 2006. The difference in the investment profile and implementation of schemes in Scotland is quite stark as a result, because the focus and the lens through which Scottish officials and politicians look is different from that of Whitehall. It is exactly the same in Wales. I do not buy this, "Cross-border, it is hard. What if it rains too much on the Conwy Valley line?" The Welsh Government are responsible for a lot of liabilities associated with the road network and have to deal with that on a daily basis, so these are red herrings, in my view. They are challenges, but they are not real obstacles. They are things we have to deal with.

Julian Glover: I did not say they were absolute obstacles, but I do think they are issues that need to be taken into account in the discussion. It is more complex. I raise those points because neither of the other witnesses mentioned them in their contributions. It is not quite as simple as just taking it all into one organisation and everything will be better. There will be things that have to be worked through to get to it.

Professor Barry: I accept that.

Beth Winter: All the more reason for this piece of research. We will be exploring these matters in more detail in the report. Diolch yn fawr.

Q6

Simon Baynes: Thank you to our three excellent witnesses for the very lively discussion that we have had so far. I represent Clwyd South, and my section of railway is interesting because, of course, Transport for Wales has responsibility into England on part of the network between Shrewsbury and Chester. I would agree with Mr Glover that it is not quite as simple as it might initially seem. I am very much aware of that as a



border Member of Parliament.

What I wanted to look at, and perhaps with some trepidation, given some of the answers we have had already, is how effectively do the UK and Welsh Governments work together in the management and funding of rail infrastructure in Wales? I am acutely aware of time ticking by, as I am sure the Chair is, and in a way we have touched on some of these issues already, so I am just going to go with three supplementaries, straight to the point, and I am more than happy for you to give brief answers. I do not want you to feel that you have to repeat what has been said already.

Professor Cole: As I said earlier, the officials obviously work together because there is work being done by Network Rail in Wales and, therefore, the officials in the Welsh Government and staff from Network Rail will always be in touch with one another on an ongoing basis. I think what is happening is that there are some red herrings coming into the discussion. In the Scottish example, Scotland is responsible for running the whole of the railway, so it is responsible financially for operating the trains, but a company does the work for them. In terms of the infrastructure, it is responsible for funding any new infrastructure, but Network Rail do the work.

You would not get a situation where, at the border somewhere around Church Stretton, a piece of work is being done in Wales that would not be continued into England. There is no reason why there can be no agreement between two countries, but I have seen it happen near your constituency. The A55, although a road scheme, was being enhanced substantially by the Welsh Government but not by the Department for Transport once it crossed the border. That should not happen. Where you have one organisation like Network Rail operating the network, that is not going to happen because they will have a plan, but they would need to agree it with both the Welsh Government and the English Department for Transport. I think you have a framework in Scotland that indicates that it is possible to do that, because there are services running between Scotland and England.

The next point I am going to make is quite important, the issue of insurance. Julian raised this point, that Network Rail has a very large network. If a bridge falls down, it has enough of an insurance policy, much of which is what is called self-insurance. The insurance is done by the railway company itself—it was done that way by British Rail and continues that way—so, because one bridge out of a complete network the size of Network Rail's is very small, reconstructing that bridge becomes a small element. I guess examples in Wales recently have been at Llangennech and Llangynllo on the Heart of Wales line, so it is possible to do that.

One might ask what the Welsh Government are doing about the valley lines takeover. They have taken over 120 kilometres of track from Network Rail. What the Welsh Government are doing, because they self-insure their road network, is they are using that same self-insurance



policy to add the valley lines on to that insurance, so that gives them a very large chunk of asset that they have insured, most of which will not go wrong and therefore the self-insurance fund that they put to one side is available for doing any major work on the valley lines. That is how they have brought it to pass. It was a very real issue. I remember having a discussion with Peter Hendy many months ago about the takeover of the valley lines, and Peter made that very same point, "What are you going to do about insuring against major default of some sort, like a bridge falling down?" but as I say, it is merging the two insurances into one and giving you a package that then becomes affordable and can be carried out.

Q7 Simon Baynes: Thank you very much. Professor Barry, I think I would be fair in saying that you have had your criticisms of the joint working between both Governments. What do you think could be done to improve intergovernmental relations on the issue of rail in Wales?

Professor Barry: Operationally, in terms of the asset management and data operations, there is a good working relationship. Where it falls down for me is in progressing and developing strategic schemes because at the moment there is no statutory role, as we described earlier, for Welsh Government or Transport for Wales in the DfT/Network Rail RNEP process and the means by which the UK Government, via the DfT, decide where the enhancement priorities are. That for me is a huge failure because I have been involved—and I am quite proud of the work we have done in the last few years—in developing strategic cases for a number of schemes, but there is nowhere for those to fit into some pipelines out of Whitehall.

Even if we do not change the underlying devolution settlement in the short term, I fail to understand why, in the same way that Transport for the North had those responsibilities for developing Northern Powerhouse Rail, for example, that Transport for Wales, as an agent of Welsh Government, is not acknowledged as the body that is developing the strategic cases for schemes in Wales that can then be developed more coherently with the locality in mind and can then be presented for enhancement alongside other schemes in England and Wales. Without that, we have one hand behind our back. I think that needs to be fixed, it really does.

Q8 Simon Baynes: Thank you very much. Mr Glover, how would you describe the relationship, particularly given your experience from your time as a special adviser?

Julian Glover: I could speak much more to my time than to now, as I am less directly involved in it today. I doubt much has changed. I did not think it was very good. I think it could be better, and I think your other witnesses, who are pointing out the illogicality of the current set-up, are correct about that. I do not want to sound negative, but there are downsides to taking things on as well as upsides. What I found in the period I was there was that many things were being promised for good



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reasons, great schemes. Obviously not enough, and we heard about the projects that could happen that have not happened yet, but electrification, valley lines, better services to places, there was at least an effort to get towards that.

What happened was the cost of building the things to make those happen became huge. We were promised valley line electrification at a budget that was never going to provide it, even if it had been planned properly and done efficiently. That led to a very difficult conversation, because Wales had been told it would get things, but there was not the money to do it. I think any relationship has to be a transfer or an understanding of the budget within which things will be provided, not just a list of what will be done. I would hope that, plus better joint working along the lines that the rail White Paper, if it comes out soon, might propose in England will lead to that. You say, "This is how much you have". What can you do? How can you think about using this money well? How could we maybe do these schemes better? Is it better to shut something for a few months and work on it all the time rather than try to do it at night?

There are lots of different ways of thinking about it, but joint agreement as to how you are going to fund a project as well as just the outcome, otherwise what happens is we will have an even greater list of schemes and we risk even greater disappointment when we find we cannot afford them. As a result, you will always get tension between the people who think they are going to get something and the people who think they have been let down.

It is not only Wales that suffered that experience on Great Western electrification. It is not just the south Wales branches that were not electrified, as the Thames Valley branches did not get electrified. I know people said earlier that the south-east has had everything, that is a standard story at the moment, but the train to Henley is not electrified, the train to Windsor was not electrified. There are lots of bits of that project that did not happen including, as I said, the train to Bristol, which is quite extraordinary.

If Wales takes on a new way of managing, it has to take on a sense of, "This is the budget within which you have to cut your cloth. If it is not spent effectively, not everything is going to happen," otherwise we will always end up in a sort of grievance politics where people say, "We were promised this thing and it is not taking place. It must be someone else's fault." The reality is that sometimes it is just very hard and expensive to do stuff, particularly on an old railway. Electrifying the Severn Tunnel was not a simple engineering exercise; it was expensive. It was incredibly impressive that they managed to do it and it seems to be working, but these things are difficult. I did get that sense.

I was a bit involved in the conversations, only at a distance, on the valley lines. We would have loved to have electrified the valley lines. I did not go to a meeting where everybody said, "Oh, these things do not matter,



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let's drop them," but there was not the money, it could not have been done. That is why hopefully the metro project might emerge as a better way of trying to develop those railways than anything that was being thought of before.

Q9 Simon Baynes: I am mindful of time, so do feel free to give very quickfire answers to this, my second question. What are your views on the decision to end the current system of rail franchising? I would freely admit that I am slightly crowbarring in another issue that is of great interest to me, in that I represent the Llangollen steam railway. If you could add quickly to your comments—I accept these are not really interconnected—on how you think we can assist the heritage railways by linking in the main rail network. Two slightly disparate questions put together.

Professor Cole: The issue of franchising had come to a head a long time before Covid brought it fully to a head. The Williams report is expected to change the structure of the railway, and it has become quite clear over the years that very often a franchise operator, the train company, has taken on a service and then discovered after a short period of time—I guess the east coast main line is the most frequent example—that it has had to hand back the franchise because the profitability forecast just was not achieved. That seems a terrible waste. Others have been more successful in achieving a profitable outcome to the operation, maybe being more careful with their forecasting, but I think the opportunity we have lost in the franchise process in Wales is a failure to be able to get the bus operation and the train operation to integrate their services.

A classic example is in Swansea, where FirstGroup own Great Western Railway and it also owns First Cymru Buses. It was the same until two years ago in north Wales, where Arriva were the principal bus operator and the train operator. They did not come together. My feeling is that were the franchise or management contract, call it what you will, in Wales to be Welsh Government offer, which it is, but also far more directed, what I think we will see—and it will be what we see—now that the Welsh Government have taken over the franchise for Welsh services through TfW Rail Limited, that service will come in. I think that will be the proof, if they can make integration of timetabling and ticketing services between various modes of public transport work, then that is a good argument for having a transport authority rather than a separate collection of bus companies.

As Julian was saying, if you think the rail industry is disintegrated, the bus industry is far more disintegrated because it is very much a matter of commercial services versus subsidised services and companies running what they think will be a profitable enterprise. No problem with that per se, but in terms of what the travelling public want, it is a matter of bringing those together very closely. I think the opportunity will be there to test that experiment now that the Welsh Government effectively own



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the company that is now going to run the trains in Wales, the Wales and Borders franchise.

Professor Barry: Just quickly on that, I think we sometimes get into these evangelical debates on concessions versus franchises, and underlying all that is that the success of whatever arrangements we discharge is down to the specification of what we want, the procurement of what we want and the contract management of what we want. The Brown report, going back over the last 10 years, found that a failure in the collective ability to manage that process was more of a problem than whether it was a concession or a franchise. I personally prefer concessions and a more directive relationship, as happens with most light rail systems in the UK, where the client says, "You will run these things," as TfL do, but again the issue underlying that is the capability of the organisation to specify what it wants, to procure what it wants and to manage the contract once it has bought it.

Many of the failures, looking at the rail industry, are because rail companies bid to run franchises on specifications that assume certain infrastructure will be in place only to find that the infrastructure was not in place and their financial models were blown out the window. Of course they hand the keys back, because what they expected to be there was not there. It is not as simple as franchising versus concessions. I think it is more about the capabilities of the procuring organisation, to be honest.

Julian Glover: I agree with both your previous witnesses on franchising. I would say it is about specifying, and then you can work out what it is you want. Operators of whatever nature that are hungry for business, making travel attractive, persuading people not to use other modes of travel, operating to raise as much money as possible by carrying as many people as possible in order to invest in capacity to make services better is a good thing. The private sector, in whatever form, has a big role in railways, whether it is directly operating trains or providing services to train companies or many other things. We should not be afraid, we should not think that the market and the private sector are somehow against good public service rail travel, but it is not simple, because railways lose money. That is the core of why a private business has to work with the state in getting alliances right.

Just on the heritage point, which I think is very important, particularly for Wales, as it has such a great network of different heritage and narrow-gauge railways. It is also part of the identity of railways in Wales. I think it is probably what a lot of the public would think of if you mentioned Welsh railways. I think it can work two ways. One is how they can integrate better with the existing network, and there are examples, obviously things like the Welsh Highland Railway is trying to do that—I managed to do a loop around north Wales on the Ffestiniog and Welsh Highland Railways, the bus services and main line railway 18 months ago—but also the other way around.



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What we have seen is that heavy traditional rail services learn to become tourist-facing businesses, as they are in parts. The Heart of Wales line, how could it be better at carrying bicycles? How could it be more attractive to use? How can the rolling stock feel like a pleasure to go on, not the single carriage cast-off from somewhere else? In many places, Welsh rail will be a customer-tourist product and there are things to learn from the heritage sector as well as the other way around.

As to the costs of Covid for heritage railways, it has been hellish. We have to hope that the next year will be better. It is far from clear when things can reopen, but the market will be there, so hang in and get going in April, if you can, if it is April.

Simon Baynes: Thank you to the three of you for your very good answers.

Chair: Can I just encourage everyone to be a little tighter in questions and answers, just so we can ensure there is enough time to cover all the material that we had planned to cover? Many thanks.

Q10 **Geraint Davies:** I simply wanted to ask a question about how the panel think Wales has done in terms of its share of investment since privatisation in 1994, broken down by enhancements and maintenance of day-to-day running. How does that compare with other regions? Do they think it would be fairer to have a more Barnettised version of that, where we get our fair share, as it were?

Professor Cole: I think we have touched on some of this. It is not so much a matter of comparing pre-nationalisation with post-nationalisation, because the situation has changed so radically in terms of the way in which the railway is seen. One of the speakers said earlier that we have changed our view of how the railway is used and is seen by people. In the 1960s, the railway was on the point of closure. A large chunk of the railway was closed; some railways managed to survive. You come to the 1990s and things were still not changing very much. Privatisation came along and it was very much a matter of handing out franchises to private companies.

Just on that point, franchises per se are not a problem. Companies like McDonald's, Holiday Inn and Marriott hotels are all franchised operations, and they are very successful. I think it was Mark who said that you specify the franchise as you want it and then determine it by the central thinking mind, if you like, which says, "This is what you are doing and you are not doing it properly," or, "You are doing it brilliantly." There is a management centre that looks after the whole of that franchise operation.

If we look at how things have changed, clearly the railway has become a lot more popular since certainly the 2000s, and it has been growing in numbers of passengers since then. I think we have a different position to 1994, but we still have, as I mentioned earlier, factors like the age profile



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of the rolling stock. When new rolling stock has come into the railway, it has invariably led to increases in demand.

Geraint Davies: With respect, my question is about our share of investment versus other regions. I was just wondering what you thought of that.

Professor Cole: I am sorry. The simple answer is that we are not getting a fair share of the investment in certain areas. We are having big investment projects such as HS2, and HS1 before it. We are not getting that level of investment. HS2 is an England-Wales scheme and therefore we get no Barnett consequential from that, as I think Mark mentioned earlier.

Q11 **Geraint Davies:** Should it be? It is all in England, isn't it? It is £108 billion now. Shouldn't we get £5 billion of that?

Professor Cole: Exactly so. Scotland does get its Barnett consequential from that, because it has complete responsibility for the railway. It has a separate ORR statement, Office of Rail and Road statement, of what it has achieved and how it has achieved it. There is a separate budget with Network Rail for Scotland, and consequently it becomes a logical process. That is the reason why not just Wales, as Julian said, but other parts of England do not have their fair share either.

Q12 **Geraint Davies:** Mark Barry, can you give us some numbers perhaps? What share have we had? Separate that from enhancements and day-to-day maintenance and answer the question of whether we should have our share of HS2, because it strikes me that it will just shift a load of jobs up into Manchester.

Professor Barry: As a headline, the Wales route, which includes the Borders line, is about 10% to 11% of the UK rail network. Roughly the Wales route gets 5% to 6% of the operational maintenance renewal budget, which is less than the route miles would suggest. The enhancement budget, depending on where you draw the line or what assumptions you make, is probably between 1% and 2% of the UK total over a prolonged period. I think the conclusion is that there is probably less investment into the Welsh rail network. Whether you agree with the process behind that or not, that data are pretty unequivocal. It is a question of what we want to do about that.

For me, on High Speed 2, we have a climate emergency and more people need to be got out of their cars. We have subsidised car use. We have to invest in public transport. I support high-speed rail. Do I support High Speed 2 in principle? As an investment in rail infrastructure and capacity, I do. I do not support it when, effectively, it is defined as an England and Wales scheme and it has squeezed the attribution factor for Department for Transport spend when they calculate how much Barnett might be sliced and it changes the Department's budget. I have no problem with it as long as Wales get a slice and is allocated responsibility for rail investment. As it stands, without change, I think there is £50 billion-odd



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of investment coming in the next 10 years. All we can see so far in Wales is £350 million. That is not good enough. That needs to change.

Q13 Geraint Davies: If there has been a history of chronic underinvestment in Wales, and now we have HS2 and all the money is being sucked into that and it is sort of portrayed as England and Wales, is it your view that we should have our fair share of what we are spending on HS2 to try to make up some of the deficit in investment in more productive infrastructure?

Professor Barry: The simple answer would be that you devolve responsibility, as in Scotland, notwithstanding the issues and challenges Julian mentioned. High Speed 2 gets defined as it should be, as an England-only project, as it looks from the Scotland perspective. The attribution factor for the Department for Transport would then be reflected and the costs that have already been allocated over the next 10 years for High Speed 2 would generate a significant funding allocation via the Barnett process to the Welsh Government. There would not be an issue, but we have an issue because it is treated as England and Wales. I understand some of the reasons for that, but I think that has to change.

One general point that we all have to recognise is that we have subsidised car use for too long and we have basically loaded all the costs of public transport mobility on the network or the passenger. There is a philosophical change, and the balance there needs to change. We have to find a way of disincentivising car use, because if we are going to take this climate emergency seriously, we cannot just talk about it; we have to act like we know what we are doing. That means reducing our dependency on cars and that means much more investment in rail capacity everywhere. From a Welsh perspective, just devolve it. It is such an easy thing to do operationally. Politically, I do not know why it is such an issue. It should have been done 20 years ago.

Q14 Geraint Davies: Thank you very much for that. Julian Glover, maybe you could combine that last bit as well. Obviously we do not want it too long, but the basic idea is that we have a fair share of HS2 and, looking to the future, have more rail and fewer cars in Wales so it is worth travelling on.

Julian Glover: Big transport questions. I find this talk of fair shares bleakly childish and depressing. I think it leads to an unfortunate outcome. You need to step back and say, "What should the Welsh railway network be doing? What are the things it needs to be doing?" It needs to be decarbonising; it needs to be supporting change in society. There are some big tasks ahead. Then you have to say, "What do you need to do to achieve those tasks?" Simply saying the cake is cut up in—

Geraint Davies: Just to be clear, we do need our fair share of money.

Julian Glover: Please, just let me finish for a second. "The cake has been cut up in the wrong way, it is not fair," will not lead to those outcomes. If I was sitting as an MP for somewhere in the south of



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England, I might point out that the Welsh railways network's operational budget is immensely subsidised, including by the taxpayers of England. If you are a commuter paying huge carparking charges and season ticket charges to use trains into Waterloo, a railway that is profitable and pays a subsidy to the UK Exchequer, some of which is spent on unprofitable railways elsewhere, you might talk about fairness being cheaper fares for you and less money to run railways in the centre of Wales, which carry very few people and are very expensive to run.

I am in favour of running those railways. I think they are great, I want them to grow, I want them to be better and I want them to be invested in. I am not against their existence, but fairness cuts both ways. Wales has a railway network that is very, very expensive to run on a day-to-day basis, so some of the absence of investment is a consequence. Of course it goes the other way around, a lack of investment has led to higher costs and fewer passengers.

As to the car issue, I completely agree. I want to decarbonise our transport network. We need to think of things, including the better use of buses across Wales and England. It is simply not going to wash though to say that cars are subsidised and trains are somehow exploited. It does go the other way, too. Car users pay about £33 billion in taxation to the Government at the moment, much of it in fuel duty, which is going to disappear. We need to think of new ways to get that money. An awful lot of money is going into railways compared with the proportion of population who use trains. Welsh rail use is a lot less per capita than it is in England, and even in England it is pretty low. Railways have done quite well in the last 10 years in getting a lot of cash going in. HS2 is an example of that, but there are many other schemes, including Great Western electrification. We all have to have a reality check and be a bit careful in what we wish for, because it may not always be more investment in future. It may be less.

Q15 Geraint Davies: On that point, given that 64,000 people die prematurely from diesel fumes, and given we have a climate emergency, shouldn't that be factored into the cost-benefit analysis of cars versus trains? I know there are all these people commuting in London, but that is after a long history of investment in productivity. From a Welsh point of view—and you can see the flag, of course—we feel we should have a fair share of transport, and that will build productivity and maybe build up hubs around Bristol, Swansea and Cardiff, for instance. We do not have the historical spend. More spend delivers more spend, doesn't it? You seem to be saying things are being done more and more around London, and it makes them richer and richer, because they were before.

Julian Glover: Let's not turn it into an either/or battle, but I agree with you. I want to decarbonise our transport network, I want to get fossil fuel cars off our roads, and we will and we must. We are totally united on that, I am sure. I think ambition brings spend and shaping. I do not think it is any good saying, "We need this much investment because they have



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that much.” We need to say, “What are the big projects? What are the tasks? What does our transport system do to serve our nation, and how do we support it doing that as a joined-up approach, including buses, including all sorts of other things as well as rail, but how do they work together?”

Yes, it clearly is not acceptable that something like the North Wales main line is still far too slow and diesel-run and does not carry any freight. That is not a success for Wales; it needs to do better. But it is not just about shares of investment, it is about ambition, clarity and uniting. It will be working across borders, which is why the Union Transport Commission that Peter Hendy is leading—I can see why some people would find it a difficult thing—is a massive opportunity to put forward the case for doing better things, putting money in, electrifying, linking up, speeding up, working with HS2. HS2 trains should run into north Wales.

Professor Barry: I accept Julian’s point to a certain degree, but this is not about the efficiency, the cost benefit of railway and being careful of what you ask for. This is about Wales having responsibility for all those decisions and being accountable for those decisions. It is not about, “Oh, please can we have this? It needs to be fairer,” it needs to be part of the block grant transfer. Within the context of that, Welsh Government can be held accountable for their decisions. It is that simple for me. They can make decisions to invest in rail or not and be held to account.

I will bring up one example. The cross-border thing is really important. I met Sir Peter Hendy before Christmas. I am a pragmatist as well, all these things cannot change at the same time, but if you compare, for example, the connectivity between Bristol Temple Meads and Cardiff, there are two trains an hour. Network Rail, in its long-term planning, identified the demand between Bristol and Cardiff. It has been about 80% of that between Leeds and Manchester, which already has six trains an hour. It is already going to receive a £3.5 billion TransPennine upgrade. It already has Northern Powerhouse Rail on the block.

Even with the context of this UK system, there are massive deficiencies in allocation of spend when the evidence to support the strategic case, which has been made—and there has been a lot of work done in Wales over the last four years on things like an enhanced South Wales main line into Bristol—has not cut the mustard. It does not get the traction, because they will argue the point that, the way DfT is structured, there are more voices, more people, more thinking of going for the big shiny than devoting enough time to the things that are not of direct interest, which means those schemes do not get brought forward.

You have to protect the development process so it can bring these things forward and present them, and for Welsh Government to say, “This is expensive and this is cross-border. Let’s sit down and do a deal with UK Government on the South Wales main line to Bristol and say, over the next 10 years, we are going to put £1.5 billion each into this and



completely transform that corridor,” for example. That is the kind of mature relationship we want to have, with Welsh Government taking their responsibility on their side, sitting down with the DfT in a very mature and collaborative way, like they must do between Aachen, Maastricht and Liège. These things can be done.

Chair: Sorry, Geraint, we are going to move on, otherwise other members are not going to get a shot. Hopefully we can come back to you, but I want to bring in Ben Lake.

Q16 **Ben Lake:** Thank you, Chair. I would like to thank and welcome the panellists this afternoon. I am very conscious that a lot of the points that have already been raised this afternoon are probably relevant to some of the questions I want to ask. I am quite interested to dig a bit deeper into what we mean by appropriate levels of investment. I know we have touched on it, but I want to dig a little deeper and ask the panel what sort of methodology should be used to assess the levels of investment in Wales’s rail network.

Julian Glover: I agree with the people who said earlier that BCR is a poor way to do it, and it can drive money into places that have good things already. It is good for the country as a whole for the United Kingdom, as we are, to have a strong economy, so you sometimes have to support needs in places that are busy and could grow. But BCR in itself is a pretty foolish thing. More than anything else, it is effectively an invented number. It is not a business case, it does not relate to a real business or the fares people are going to pay. It is a sort of false reassurance that people like to have.

It is palpably obvious that some things should happen. I wholly agree with Mark, who talked about Bristol to Cardiff. It is extraordinary how we have not made that into a rapid, electrified, affordable and useful service. How we could have spent so much money electrifying the Great Western main line but failed to get that benefit out of it is beyond me, and of course we should do it.

Sometimes things are just obvious. It is obvious that the North Wales main line should run faster and should have more frequent services. It probably, in the end, ought to carry services from HS2 if it gets to Crewe. Gosh, they should go to Chester and on to Bangor. You do not need a BCR to prove that.

HS2 effectively was not justified by its BCR. It is not that that came off the top of the heap and everyone went, “Gosh, that number is so compelling, we have to do it.” It is always said that HS1 and, certainly, Crossrail in London, the BCRs were not the reason. The reason was that we had congestion, we had demand and we had changing needs to decarbonise our transport, so don’t just look at data.

But of course we need some numbers. I think usage would be interesting. What are the things that are not used today? Where are the connections



that are not being made the most of? I would like to see much more demographic study, the sense of integrating economies that are not as integrated, and that does point to Cardiff and England. I completely agree that they could easily work together while having separate Administrations. It does not have to be run by one group.

In the end, it does come down to persuading somebody to sign a cheque. The word "investment" is a very nice one in politics and everybody nods and says, "Oh, it is a terribly good thing. Spending, oh, not quite so good." It is the same thing; it is all money. You hope investment is money where you build something that will keep repaying in the future, or possibly have a build in the future to operate, but I would like to make that point about what we get from it, the services, the use, the lives that will change, the things that will be better, the air that will be cleaner because of it. It may be that there are ways of running things that do not just take building stuff and spending large amounts of money to change, such as better timetabling.

People talk about new rolling stock. It is true, a lot of trains are old and the Pacers that linger on should be got rid of, but if the Heart of Wales line had some rather lovely heritage carriages running in the summer with a lovely dining car and spaces for bicycles, they might be old, but they might also be better. It isn't just about investment to buy stuff; it is what you are providing and how you make it more compelling.

The Llangollen steam railway is not about to invest in new carriages because it would make it more attractive. It is a need to provide the best we can and think, "Okay, so that might be ways of working, efficiencies or savings. as well as investment. It might be building stuff and electrifying things," but let's look at it in the round and let's not just chase the money and say, "If we can get enough cash, then good things will happen." We have to know what the good things are that we want. Of course that does not get away from having to find some cash in the end, but a better way of getting hold of that cash is the ambition.

Q17 **Ben Lake:** Mr Glover, during your time in Government, how would you best describe the way in which money was allocated, or rather the metrics that were used to decide on different projects? Was it the case that the BCR figure had quite a significant influence over decisions?

Julian Glover: It was not my role to do that. I am not avoiding the question, but I was not an official or an economist or a planner. I did many things. I care about the subject a lot, which is why I like to talk about it, but I think what underpinned a lot of the effort at that time and still does was to give some autonomy to the organisations that were spending the money. Network Rail had—and still has—a long-term settlement with the regulator, and it was and still is a genuine effort to allow some autonomy, to say, "This is the budget. How do you want to spend it? What will we get out of it?" It did not always work, but it was not under direct political control.



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The same was done with the road network in England. While I was there, we moved to Highways England with a longer-term budget and, again, a series of proposals and an investment strategy. In that, the BCR has to play a role and the Treasury will want to see that it is not just spending money on something it thinks will not bring returns to the country, but I think those returns can be seen in many ways and they are not purely commercial returns.

Even at the time, the BCR was used a lot because it is a nice acronym to quote. It is not the principal or only contributor to a decision on transport investment, formally or informally, and it was not formally the only thing that shaped a decision. Decarbonisation, better air quality, things like that are equally important in making decisions, but you have to show the Treasury you are spending the money wisely. I think the way to do that is to show you are getting the most of out of it in many ways, not just that it brings an estimated economic return.

Professor Barry: I think this is a very important point. I was involved in some work groups with the Treasury before it revised the Green Book, and my assertion was what we tend to subconsciously fall back on that which we can count easily and ignore that which we cannot count easily, even though it might be more important. I think that is very true of the transport appraisal proposal. The value of time is the kind of thing we all use, but it is not the be all and end all.

There are things like societal cohesion, environmental integrity and wellbeing that we are not very good at counting. Ultimately, in those smoke-filled rooms where the decisions are made, people get the numbers out, and if the numbers only reflect a certain portion of the thing we are looking at—which they do, it is a very limited view—we end up with some decisions. I think that is part of the reason we have had so much road growth over the last 40 years. We never fully appreciated the external costs, especially induced demand and sprawl, which generates more demand for more car space. It has left us a legacy and I think the appraisal process needs to be properly unpicked. The Green Book has pointed the way towards that.

I will give an example. On High Speed 2, sadly, I scanned through the full business case again over Christmas. It was republished last year after the chairman's review before that. Previously, the Treasury was never keen on wider economic benefits being included, but because the capital costs had gone so north, but the transport user benefits, by going as fast as they can, 18 trains an hour, which we will see, they have had to include wider economic impacts to try to make the BCR more palatable, even though the case is about capacity. Because they chased the BCR, I think we have overengineered it to go much too fast to get too many transport user benefits, and we left ourselves with a big engineering challenge.

There is a real issue about how we appraise and how we better value things that we struggle to count in a quantitative way, because in those



dark rooms people always say, "What is the BCR?" That always happens, whether we like it or not, and I think that means outside the big shiny, it is very difficult to get progress and we will carry on doing the same thing unless we fundamentally change that. It is a mindset change, not just a methodology change.

Q18 Ben Lake: Professor Cole, you mentioned in some of your written evidence the BCR and the process. I do not know if you wanted to elaborate further.

Professor Cole: I think the essence is that, over the years, the Treasury has been influencing the Department for Transport in its investment decisions. The easiest way, as Mark has just said, is to have a number. You can have 15 schemes all with different numbers and you go for the highest number first. That is a very easy way of making your investment decision based on the amount of money that you have available, but having discussed it with senior economists at the Department for Transport recently, it is quite clear that they are saying the review of the Green Book and the new Green Book will look at factors other than just the BCR as a very crude guide to investment decisions.

I have a degree of scepticism. Maybe I have been around for too long, but when cost benefit analysis, which is basically time values and costings, was introduced it was the only way in which you could get a scheme through. Then there was a lot of discussion about the environment, and so the environment was sort of brought in, but it was not really, and it was still, "What is the cost-benefit figure? What is the rate of return on this scheme?" and BCR is just a new name for the rate of return. As the review of the Green Book said, inherently in the Treasury there is a belief that this is the only way you can do it. That has to change before anything else changes.

The Welsh Government's view is not that at all. Ken Skates and Rebecca Evans have both said, "We are looking at strategic benefits, and in the five cases for investment, strategic is one, and in theory any scheme going through has to pass the strategic test," but you see schemes going through because, "There is a much better economic test over here. Perhaps we will shift that scheme up a bit," and what happens then is that the strategic tends to get forgotten because it does not have a number. The objective of the review of the Green Book is quite clearly, "Let's look at factors like wider economic benefits, let's look at climate change and the environment and let's now move towards those as factors." They may not have a monetary value or they may not be easily assessed, as in the case of the value of travel time, but let's find some way of evaluating those elements at the same level as the savings in travel time.

Unless we do that, the same decision-making process is going to go on, so we will have schemes like HS2, which if anything is a disbenefit to Wales because it makes places like Leeds a shorter journey time to London than Cardiff for things like developing back offices. The scheme in



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your area from Aberystwyth to Carmarthen becomes a non-starter under that sort of financial and economic regime.

You have to change back to a different kind of approach and maybe not even say the line from Carmarthen to Aberystwyth is the line we ought to follow because, as we all know now, that was a freight line when it was built, but maybe we go via Aberaeron, maybe we use different kinds of trains, maybe we look at a light railway instead of heavy rail. There are lots of ways in which a lot of these schemes can be made much more attractive, even financially, but then make sure that we look at the wider economic aspect. What does it do for tourism?

I declare an interest. I am president of the Heart of Wales Line travellers' association, but I would like to see a lot more investment in that line for tourism. Tourism is 15% of the economy. If we can find ways of bringing people into Wales on the train, and on low-emission trains, then we win an economic benefit and we win a climate change benefit. It is a matter of changing—going back to your original question—the methodology.

Chair: Again, just a reminder, as we are pressing on in time, if we could all just keep to nice, short answers, if that is okay.

Q19 **Virginia Crosbie:** Thank you, Chair. Thank you, gentlemen. I am the MP for Ynys Môn, and I am leading the Restoring Your Railway ideas fund application for Gaerwen to Amlwch, you will be pleased to know, and I spend a significant amount of time travelling from Euston to Holyhead on the train.

My two questions relate to coronavirus. Julian, you said the Covid costs are hellish. In terms of coronavirus, what is your view on the current impact and the assessment of future impact? I am looking to drill down for detail on financial support and what is required to ensure sustainability of the passenger services. We have significant fixed costs. Are we looking at things like flexible ticketing, and will the end of franchising mitigate some of the effects of the pandemic?

Julian Glover: I should add at the start that I am not working either in central Government or in the railway industry today, so I cannot address specific numbers on how much the Government are having to put in. I am aware of some of the figures, but I do not want to give you figures that are wrong from the top of my head, so you will need to ask elsewhere for data.

I am very pleased you have asked about the impact of coronavirus, because we have had a very uplifting conversation so far about better things, investment in growth and change for the future, which has to confront the depressing reality that the last year has been a horrible one for our country and a very difficult one for the railways. We do not see any recovery yet in the railways and we are not about to. We do not know what kind of recovery we will have when it comes.



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What needs to happen more than anything—this may be across Wales, across England or across the United Kingdom—is a joined-up approach to getting people back on to public transport and showing them rapidly that this is a good, civilised and safe way to travel, and a financially attractive one to use. I worry that, partly because of the fragmentation of the system, of the people who run it and of the people who make decisions about it, with all the best will in the world, the campaign is very disjointed, the messaging is disjointed. If you look at the different operator websites, they all have different slogans and warnings about exactly what you should be doing now and what you can do in the future. I would like to see people come together very fast, as soon as it is safe, and bring people back on to trains.

I am not a marketing expert, so I cannot tell you all the plans I would have, but it seems to me if you are paying to run empty trains, you might as well fill them at low cost rather than run them empty, when that is safe, so obvious schemes come out of that. I think things like carparking charges, which can be quite a big disincentive to using rail in some places, if the carpark is empty, it might be better to let people park for free and go by train for a period than just keep them off the railways.

This is a real and urgent issue. It is not something that we can just assume will solve itself, or that over time we will get back to full usage. If rail is at 80%, for instance, by the end of this year, we would be very surprised and very happy, but that is 20% of the money that is not coming through the till and that is a lot of investment.

We have been talking an awful lot today about investment, novelty, building and good things, but if railways are not as busy as they were in the past, there will not be much investment in the future or there might not be. It will have to be justified very well by things like sustainability and zero carbon. It should be; I want investment. But we have to see that this threat is real. We can say everything we like about not driving by car and why this is a bad thing for our society, and I agree with all of it, but people are doing it and so we need a joined-up, ambitious fightback across different forms of public transport between Wales and England, within Wales. This is urgent, and I hope we get a chance to see it soon.

Professor Barry: It is a very good question because we are in a unique, once-in-100-years situation. The railways have a lot of fixed costs, you cannot save a lot of money and that is a real problem. We are going to be in this hole for maybe a couple of years, to be honest. But there are two observations that we can reflect on. Before Covid, 80% of people were not on public transport. The rail network in Wales is carrying single-digit percentages. The problem we have is that we have become so accustomed to car use that public transport is too small a share. Even without Covid, if you talk to an aggressive product retailer on a high street and you say, "There is an 80% market we can go for," they would



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be chomping at the bit. That market is addressable, and we have a product that we are not selling into that market.

I think we need a completely different approach to how we create products—ticketing products, integration products—and how we sell and communicate that to the public, because it is a huge market, even post-Covid, that we need to address in a very different way. One of the issues I think we have is that the rail industry plans in a very Soviet, five-year agricultural plan kind of way, “It will be 2% a year for the next 30 years, and in 2046 the number will be this.” No. We should be saying, “We have a climate emergency. We need to treble public transport use in the next 10 years. What do we do? What does that mean?” That means completely different fare products, different ticket products. It means, like London, we properly have to integrate our public transport services.

Wales is going to be grappling with the legislation required to be more directive on developing a coherent network so the passenger does not have to use three apps to cross a city because there are three different operators. Integration is fundamental. Deregulation, rail efficiencies and publicly run bus services, yes, but what we have now is fragmentation. Anyone who is in transport planning knows you have to build systematic grids that are multimodal, which present the passenger with a single network. These are the fundamental opportunities we have now: aggressive marketing, new products, new branding and a fundamentally different approach to how we look at rail and bus.

The time is now, because this will be another 100 years. We have the opportunity. I know that people in Wales are beginning to grapple with this, but some of the issues I described earlier are the constraints. We also need to look at buses. Buses are huge and are very important for local connectivity, and integrating it with rail will make the rail service more attractive, as well as making the bus service more attractive.

Professor Cole: If we realise what position the railway is in currently with the demand pattern, if you take the beginning of March last year as, say, an index of 100, by April that had gone down to four. We are now around about 27, and therefore we are only at a quarter of the number of passengers that were carried before the epidemic. But as Mark said, railway is not a massive carrier of customers. In Cardiff, for example, it is about 2% of commuters. We have to go an awful long way to shift the vast majority of commuters in the Cardiff journey-to-work area, which includes the boroughs around Cardiff, if we are going to get anything like the reduction in the number of car movements even along the A470 or along the M4 going into Cardiff compared with what we have now. London, by comparison, has something 70% of its employees coming to the centre, largely because there is no room for their cars, and that has always been the case in London.

We have a set of objectives that have shown up perhaps because of Covid. The impact of Covid on passenger numbers is now quite clear, but



post-Covid we will still need to bring back the railways and carry on the kind of process that was going on before, trying to get more people out of their cars and on to the railway. That is a process that has been going on for 30 or 40 years, it is not new, and it has not been terribly successful. But one other factor that a number of the big long-distance railway companies tell me is that we will find that the commuter traffic falls significantly. We will find that people who have started to work at home will continue to work at home.

There was a very simple poll of a dozen companies in Cardiff, different kinds of white-collar companies—solicitors, accountants, call centres—and they all said, “We have invested a sizeable chunk of money in putting equipment into people’s homes, and they can carry out their job not quite as efficiently but, certainly in terms of getting the business out, we have invested. And we are not very keen on undoing that investment.”

On top of that, one firm of solicitors in Cardiff, for example, occupies a brand-new office block on two floors, and it reckons that by having people working at home, particularly solicitors, not just the support staff, they can save one floor of their office block, which means they reduce their rent quite substantially. Doing that is a great incentive for them. They have also invested in putting desks, double-screen computers and so on in people’s homes.

Leading on from that therefore, you would expect a reduction in the number of commuters using the railway into work. That being the case, and particularly in the case of the big companies, the long-distance companies, leisure travel will become a much bigger element of their market than it is now. That important element has to be looked after and nurtured and developed over the next few years so that, when we come out of the whole Covid situation, they are in a market position to be aware of what their market is, how they will get at that market and what sort of fares structure they will offer, what kind of discounts they will offer.

Similarly with commuters, maybe some commuters will go in three days a week, two days a week, because people like to have face-to-face conversations. As these solicitors were telling us, “We will have hot offices where we see a client. We need an office and we will go in to see them, but a lot of the time we will not.” So we have a different market facing the train business, but that does not stop the development of the attractiveness of the rail network in terms of investment in new trains, as well as in new infrastructure.

Virginia Crosbie: Thank you very much, some excellent answers from the panel. Much appreciated.

Q20 **Robin Millar:** Thank you, gentlemen. I think one of the great strengths of what you are doing is you are not giving us the same answers, there is a difference between them. As a Committee member, I am very appreciative of that, so thank you for your time.



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I am the MP for Aberconwy up in north Wales, a Bangor boy born and bred, so I was delighted to hear the Bangor namecheck, Mr Glover. Thank you for that. Importantly, I have seen the impact along the north Wales coast over time of the development of the A55, and I am convinced that we would see possibly a greater impact from the electrification of the north Wales railway line, so it is absolutely music to my ears to hear you say that it just makes sense, because I think everybody living here recognises it would make sense and increase not only our own usage but bring more people in. I think that is a very important point, well made.

I am going to turn to the connectivity review. I am very interested in the future. We could easily fill two hours just on this, but as a Welshman I recognise, Mr Glover, when you talk about grievance politics, and I am also old enough to remember when a Labour Administration in Cardiff—and we have only ever had a Labour Administration in Cardiff—was making demands of the Labour Government in Westminster at the end of the 1990s and into the early 2000s for more money, so this is not a partisan point.

All the things we have heard, and I am just looking at a list—a legacy of underinvestment, a needs-based approach, a Barnett measure, that the Treasury model is flawed—are backward-looking or insufficiency-type arguments. I am left wondering having heard the conversation that, as much as money may be missing, is it the vision that is missing? In that case, I would like to ask what two things, for the sake of time, do you each think the connectivity review must bring forward?

Julian Glover: I think the two things it could bring forward are to look at cross-border travel in relatively small economic geographies and not see it as just grand high-speed trains sweeping from one end of the United Kingdom to the other. That might be in north Wales linking across to Liverpool, Manchester and Chester quickly and efficiently, and the same for Bristol and Cardiff, which we have discussed quite a lot. Seeing those as strategically almost more important than some of the long-distance stuff, which has been well invested in in the past.

The other is to try to speak to the need to decarbonise the transport network not simply by mode but to look across at what the whole system does, so that will mean electric trains, more electric cars and demand-responsive buses. An example of how Transport for Wales can lead on things is that it is doing very well in thinking about a strong and revised bus network using demand-responsive technology. That is not cutting it down but making it serve people better, and it is ahead of England on that.

Trying to look ahead, as you say, not to the levels of investment or to what has not happened in the past, but to ask what we could get from the future, what we want from it in the future. It is strong economic support for regions, decarbonisation.



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Professor Barry: This is a really important question because we can labour discussions of the past and end up back in the same place. Sometimes we have to do that to recognise where we come from, but going ahead, there has been quite a considerable amount of work done in the last three years on looking at strategic cases for particular rail schemes in Wales. I have been involved in some of those, so I do not think we lack an understanding of what we want at a strategic level. We just need an ability to progress them in a way that addresses the current constraints of the development ecosystem.

In north Wales, as I said, it is a no brainer. I have looked at this work. There is a very strong case to look at proper upgrades of the North Wales main line, electrification, a mix of local commuter all-stoppers so express services can avoid stopping everywhere. The Wrexham Borderlands line into Merseyrail needs to be properly integrated. That has been underutilised and undercapitalised for many, many years. As I mentioned, in south Wales there is a very strong case to look at capacity and services, a mix of local commuter and express from Carmarthen and points west all the way through to Swansea, Cardiff, Newport and Bristol, and looking east to London.

There is no shortage of ideas, and there is a lot of work going on at the moment on beginning to develop these in a coherent way. A lot of that in south Wales follows the work of Lord Burns and the South East Wales Transport Commission, which again looked at this holistically. There are sophisticated programmes being developed, so I am not sure we lack the ideas now. The problem is they are being developed over here in isolation from the formal institutional rail ecosystem, which is the responsibility of the Department for Transport. There are some positive conversations going on. I do not want to be so negative that I don't think anything will happen. There are conversations, but while the structures are as they are, it is much more difficult to make progress. There is goodwill, I recognise that.

I met Sir Peter, as I said, before Christmas, "Don't ask us what we want. We know what we want. How do we make these things happen?" I have a common cause with the DfT and the UK on those things. I know that not everything will get funded because there is not enough money, but a great quote I heard from the Mayor of Vancouver, "You will run out of money before you run out of agreement, so focus on where you agree."

Professor Cole: You asked for two things. I think the first one is vision. I don't think there is a lack of vision. In the 1980s I worked for Cheshire County Council as an economic adviser on transportation and I worked on the North Wales line electrification. Believe it or not, but that was 40 years ago. It had a positive rate of return, going back to BCR again, but it did not get built beyond Crewe. The lines finish at Crewe. It was to be part of the West Coast main line development. I think the vision of various requirements has been there, but it is fitting it into your question on the Union Connectivity Review.



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As I said, I am a great fan of Peter Hendy. I think Peter will do a good job on this, but it needs to go well into Wales. You might say, "Oh, a cross-border scheme would be electrification to Cardiff. Okay, we have done that, that is fine. We can forget south Wales." The real cross-border has to be deep into Wales, it has to go to Swansea and Carmarthen in the south. It has to be along the North Wales main line. You do not just electrify to Flint, you electrify the whole way to Holyhead because that is what will give us the economic benefit in those areas of Wales that need it.

The same thing goes for the Shrewsbury to Aberystwyth line, improving the flows on that line and, therefore, the frequencies. A couple of dynamic loops were put in. That is not what we are talking about in terms of cross-border connectivity. If we want real connectivity, it has to go deep. We are talking about Wales. I guess the same thing might apply elsewhere, in East Anglia or the south-west, but in Welsh terms it is improving our three primary east-west routes significantly in order to get good connections with our markets in Manchester, in Birmingham and in the south-east of England, and hopefully continuing down to our markets on the mainland of Europe.

It is that vision, but then putting it together with what we are after out of this connectivity scheme. We are after economic benefit, and that will only come if we think through the schemes and then decide, "Right, this is what we are going to go for." I would also mention the Heart of Wales line again, because it is a very important tourist line.

Q21 Robin Millar: I am going to ask you a slightly more political question, not party political, on the political realities of the institutions to deliver this. Professor Barry, I think it speaks to the point you made. In terms of the connectivity review, do you think it is appropriate that it raises these difficult questions of the institutions to deliver? Because I think it could be, at one level, a very functional review, which looks at lines, stock, freight, ticketing and those sorts of things, even geographic, but there is an institutional question behind it.

I am going to put a particular problem to you, Professor Barry. If you have, for example, everything west of Offa's Dyke in the ownership of the Welsh Government and, at the same time, the developments and the works are being funded by the UK Government, there is an accountability deficit, so how do you square the funding and responsibility balance that you all seem to be mentioning in different ways?

Professor Barry: If you look at the Scottish model, Network Rail is the infrastructure manager for the UK rail network and so it has responsibility. In the first instance, I do not see the need to transfer any asset of Network Rail, I just want to make sure that the remit Network Rail receive for Welsh schemes is now driven by Welsh Government priorities via Transport for Wales, which is the capable and competent body to develop schemes. I do not think that provides any conflict or any



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issue, it is just a question of how we implement it. I do not think it is an issue. In the first instance, you follow the Scottish model.

Getting back to the Union Connectivity Review, as I said, in the first instance, without any changes, can we please acknowledge that Transport for Wales are best placed to further develop these schemes? It has done the work for the last three years, it has the capability and, quite rightly, it will absolutely work with the DfT and Network Rail because it has to. It seems to me that is the organisation that should be driving some of these things.

Professor Cole: I think it is a matter of taking the Scottish model as it is, because it seems to have set up—or it has set up—a very successful relationship with Network Rail. Whatever we think about the ownership of the railway, the Welsh Government have taken a very brave step forward and we will see the outcome of taking over the whole of the infrastructure of the valley lines. Network Rail will continue to run the railway for the moment in Wales, as it does in Scotland, but it is getting that arrangement, preferably a statutory arrangement, between Network Rail and the Welsh Government where there is a different process so that Network Rail has a Scottish budget that fits in with the block grant for Scotland. The Office of Road and Rail has its assessment and its licensing of what Network Rail is allowed to do in Scotland, and I think that is politics with a small “p” that provides the framework.

How you take that forward can depend very much on what happens on the valley lines. There is a great experiment there, and there is an opportunity to test how the ownership of the track, which is no longer in the hands of Network Rail, works in that context. Fortunately, the valley lines are self-contained. They never used the main lines at Cardiff Central station—they used platforms 6, 7 and 8—so they never interfered with the main line. It was relatively simple to create that commuter network down to Barry and Penarth and up to the valleys. So that is there as an experiment.

Robin Millar: Thank you. I have one more question but, Mr Glover, perhaps you could answer that first.

Julian Glover: All questions and decisions about infrastructure are partly political. There is never a perfect system that gives you the answer. It has always been true, it was probably true of the Romans when they were building things. It was certainly true of Thomas Telford’s great road, which I wrote about, going through north Wales. That was an entirely political thing. It was effectively the first Union Connectivity Review linking through to Ireland, because MPs coming from Ireland did not like the uncomfortable stagecoach ride when they had to go to the House of Commons. We have to be honest, there will always be politics.

It means respect between political processes, as much as possible, and the clear allocation of responsibilities so that people do not fall out over things they do not understand, and then working these things through.



The political opportunity from the connectivity review is to make the case for the brilliant and necessary transformations of the sort that I think everybody speaking today agrees are needed: better decarbonised services, faster and well run. Lots of things can come out of it. It could be a case of calling for improvement and change, and using it as such. Let us not get too tied up in what its deeper political meaning might be.

Q22 Robin Millar: I must say—this is a very brief response as an MP—the question of accountability still remains unresolved by those answers because, as you say, on the one hand to be given the responsibility and then to ask for a budget, but not to have any say in that, for that to be wholly devolved, that is a difficult circle to square.

My final question looks to the future and the future priorities. Professor Cole, I was delighted that you mentioned leisure travel. I completely agree that the importance of leisure travel will rise. As the MP for Aberconwy, which had the second largest slice of “Eat out to help out” funding last summer in Wales, after central Cardiff, I know that hospitality is a huge interest here, which of course brings me to the Llandudno spur off the London to Holyhead line. I am just interested in what you think the priorities should be for future rail infrastructure development in Wales. Nice and brief answers, please, because I am sure colleagues want to have their line as well.

Professor Cole: South Wales main line electrification and also line speeds. I think line speeds are probably more important than electrification from the average customer’s point of view. Similarly, on the North Wales main line and, as I mentioned earlier, the line to Aberystwyth, those are the key north-south lines. The Marches line from Newport to Chepstow has been underinvested for a long time and needs proper investment to speed up the journey times between north and south Wales. It may go in and out of Wales because of the rather funny wiggly, wobbly border that we have between Wales and England, but it is nevertheless an important connector between north and south Wales. The next alternative would be one that I am sure Mr Lake would rather like, the Aberystwyth to Carmarthen line extending upwards to Bangor.

Robin Millar: I will give him time to say that, but I must move on so that colleagues have that chance. Professor Barry, priorities for the future.

Professor Barry: Just quickly: the South Wales main line from Carmarthen through to Bristol; more capacity and line speeds; addressing some of the key bottlenecks; and electrification to allow a mix of express and local all-stop services. The same model in north Wales: address issues at Chester station so that high-speed and more services could operate from Crewe through to north Wales; Wrexham-Bidston; and Merseyrail integration. If we could just get our heads around those three or four projects.

Robin Millar: You are spot on. The HS2 investment in England will



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massively impact and improve services in north Wales. Mr Glover?

Julian Glover: I think we have a great shopping list already. I had better not add to it.

Chair: We could spend another two hours talking about this subject and still only scratch the surface, so we are going to keep moving for the next 10 minutes and then we are going to have to bring it to an end.

Q23 **Robin Millar:** Thank you, Chair. I am very pleased to hear those comments about the Aberystwyth to Carmarthen route, or possibilities for that route. To summarise, when we talk about strategic factors or strategic cases, just for the purposes of our inquiry, what main points would you consider to be pertinent to that sort of consideration?

Julian Glover: Joining stuff up, thinking of different things working together, not just getting excited about trains, because we all love trains and like travelling on trains, much as I do, but seeing it as moving people and freight around using a transport system. What is the need for that? I would point to the role of buses in serving lots of Wales that does not have train services today. You may or may not get lucky with the Carmarthen to Aberystwyth train one day. I have walked bits of the old railway there, but if you do not get the train soon, you definitely need a very good, efficient bus service that can join those places. You will find that serves many of the needs.

So it is connecting things together, thinking about a joined-up system. That does not mean it all has to be run together, but I think Transport for Wales has done quite a good job of beginning to think in those terms about planning together.

Professor Cole: First of all, I inform Julian there is an extremely good bus service called TrawsCymru that runs between Carmarthen and Aberystwyth. It takes two and a bit hours and runs every hour.

Julian Glover: Be careful. He will not get his new railway if you say that.

Professor Cole: I have to declare an interest again. I set up TrawsCymru for the Welsh Government. I think the key things are what populations are being served, why we are building the railway, what the aims are of the scheme and what it is trying to do. Is it trying to enhance the tourist industry? Is it trying to bring employment? Is it trying to reduce journey times and, therefore, improve connectivity between say the capital, Cardiff, and west Wales or between Cardiff and Bristol, between Cardiff and London or between north Wales and Manchester?

What are the business drivers? I think that is the thing. What is driving a particular scheme that makes it a scheme that we ought to go for? To whom is that scheme going to be of benefit? Is it to business, is it to workers, is it to leisure travellers? Is it to people who are doing their shopping? What is the kind of benefit and what will the impact be? We have to measure the impact somehow. We have talked about rather



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strange methods of measuring and have already said that BCR is perhaps not the way to do it, but there are other measures we can do in different terms to see how effective that scheme could be.

Professor Barry: I would just like to bring up something we have not talked about, and that is land use planning. If you look at the South Wales main line as an example, there are a number of business parks, recent housing developments and retail dotted along the M4 and away from public transit. Cardiff has recently experienced the relocation of HMRC and the BBC to the centre of Cardiff, basically from car-based locations to a public transport connected location. Aligned to what we want to invest in public transport infrastructure and to help drive more demand, to make the railways more affordable and with lower subsidy, we should see major public services, major offices/parks actively and aggressively encouraged to relocate back to places you can access on public transport.

I would give three examples from a public sector perspective, the ONS, the DVLA and the Patent Office. Two of them are around Newport, car-based business parks, and the DVLA is at Morryston. Aligned to some of these investments on Swansea Metro and South Wales main line, if you could put maybe 10,000 or 15,000 people away from car-based locations to city centre locations, even if they are only accessing the office 70% of the time because of the new flexible working, it is still more demand on public transport.

I think that whole legacy of out-of-town, big volume retail, especially food and office parks, is something we also have to change in parallel with investing in our public transport system, otherwise we have one hand behind our back. I think land use planning is a fundamental component of what we do on rail investments. It has to be.

Chair: Ben, thank you very much. We have six minutes left of the session, so rather than open up a new line of inquiry, it is probably a good moment to bring the session to an end. Can I just say to all of the panellists, to Julian Glover, Professor Stuart Cole and Professor Mark Barry, a huge thank you? A very, very interesting, insightful couple of hours that we have had. It is great that you have different opinions and different thoughts, which is very healthy, too. A massive thank you to you, and thank you to my Committee members for making it such a good session.

Perhaps we could follow up with the panellists if we have further questions, particularly relating to specific schemes, because I know Geraint Davies, who has unfortunately had to leave the call, had a couple of questions he wanted to ask about Bristol and some of those schemes that we were talking about in relation to Cardiff to Bristol. Thank you very much. I bring the meeting to an end.