



Welsh Affairs Committee

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

Thursday 11 March 2021

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Members present: Stephen Crabb (Chair); Simon Baynes; Virginia Crosbie; Geraint Davies; Ruth Jones; Robin Millar; Rob Roberts; Dr Jamie Wallis; Beth Winter.

Questions 135 - 181

Witnesses

I: David T. C. Davies MP, Parliamentary Under-Secretary of State for Wales, Wales Office; and Chris Heaton-Harris MP, Minister of State, Department for Transport.

Written evidence from witnesses:

- [Department for Transport](#)



Examination of Witnesses

Witnesses: David T. C. Davies and Chris Heaton-Harris.

Q135 **Chair:** Good afternoon and welcome to this session of the Welsh Affairs Committee, the concluding evidence session of our inquiry into rail infrastructure in Wales. I am delighted this afternoon that we are joined by two UK Government Ministers, the Minister of State at the Department for Transport, Chris Heaton-Harris, and Parliamentary Under-Secretary of State at the Wales Office, David T. C. Davies. Welcome to both of you.

By way of an opening question to Minister Heaton-Harris: your role as Minister of State with responsibility for rail at the Department for Transport, is that a UK role, an England-focused role or an England and Wales role? What is the geographical area that you cover when it comes to your rail responsibilities?

Chris Heaton-Harris: There are elements that are UK, there are elements that are England and Wales, and there are elements that are England only. It all depends on which area you would like to look at. Obviously when it comes to safety on the railways, that is a national concern. The RAIB is the body that investigates accidents. It reports to Network Rail and the Department. Obviously reports are available to the public and devolved Administrations. It all depends on which element you would like to talk about, but I will be able to break it down for you as we go along.

Q136 **Chair:** How much of your time, in real terms, would you spend looking at questions around rail in Wales?

Chris Heaton-Harris: A lot, because lots of the questions that I look at also involve, for example, the GWR services that trundle out of Paddington, head in a westerly direction across England and then go into Wales. That connectivity piece is extremely important, the same with the west coast main line and the various connections across the piece. It is a network, and huge chunks of it are connected. If you get a problem in Manchester on the Castlefield corridor, you could get delays running through the north of Wales on services. You have to look at the whole thing in most cases.

Q137 **Chair:** Minister Davies, can you describe your role when it comes to rail in Wales from your perspective in the Wales Office? Are you there to help the Department for Transport in London speak more effectively to Welsh Government? Are you there to be a cheerleader and a champion for a set of projects in Wales? How would you describe your role?

David T. C. Davies: A bit of both. Obviously the Wales Office has quite a lot of different areas to cover. The Secretary of State for Wales asked me to look after growth deals and railways. In that capacity, yes, I talk regularly to Minister Heaton-Harris, to members of Welsh Government, particularly Ken Skates, and to other Members of Parliament about potential rail improvements, some of which we will see and discuss later.



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A cheerleader, enabler, call it what you want, Mr Chairman, but I am trying to make sure that the right Departments are all getting together to bring about the changes we all want to see.

Q138 **Chair:** As one of the Welsh voices within UK Government—allow me to say it, because I know you use rail services a lot yourself—how would you describe the state of the rail network in Wales?

David T. C. Davies: Clearly it could be improved. We are looking forward to improvements taking place. I do not want to jump right in, but I presume that we are going to be talking about the south Wales main line, the north Wales coast line and potentially the Wrexham-Bidston line. I hope we might mention GCORE. Although that is not directly going to improve rail services, it is going to have an indirect effect on them. All these things, and several others, are going to be good for commuters, businesses and for getting freight off the roads and on to the railways over the next few years.

Q139 **Chair:** Minister Heaton-Harris, would you agree with that assessment that the rail network in Wales needs improvement? How much improvement? How bad is it?

Chris Heaton-Harris: It functions pretty well, as does the whole rail network. It suffered, like everywhere else, from mistakes or problems in the past. This Government have a whole programme about reversing some of the Beeching cuts, and I received some proposals for Wales.

Obviously you have big populations in the north of Wales and the south of Wales, and as Sir Peter Hendy outlined in the Union connectivity review interim report that was published yesterday, connecting them and connecting them to the equivalent communities where they might work or have family on the English side of the border is always going to be of importance. In my limited time in this role—I have only been doing it for 20 months—the one thing I can tell you is that you can spend as much money as you can print on transport, transport infrastructure and rail.

Q140 **Chair:** We are printing a lot of money right now as a nation. How much more money do you think the Welsh rail network needs? Is that something you have begun to look at in any kind of detail?

Chris Heaton-Harris: Strangely enough, yes, we do look at both projects and budgets. We have control period 6 that Network Rail run for improving our railways, which is a five-year period between 2019 and 2024. Only UK railways could run on five-year periods still. It is £45 billion that we are spending in that period of time, and that is a significant sum of money, on improvements and maintaining our rail network.

Q141 **Chair:** When you talk about mistakes of the past, do you regard the cancellation of the electrification project on the south Wales main line—I am talking about the section of the line from Cardiff to Swansea, the bit that was cancelled under the previous Administration—as a mistake?



Chris Heaton-Harris: Mr Chairman, you are not going to catch me harking back too much on the past. What I do know is that if you allow costs to rise, especially on rail projects, if you do not have a fairly detailed eye on them—and they can rise unbelievably quickly—what could be a project with a great business case ratio, a great value for money case at the very start, can just get out of control.

I also know that the longer you leave projects, and the slower you are in getting them done, invariably the more they cost, which is why the Prime Minister has his speed unit in No. 10. We have an acceleration unit in the Department for Transport. Staff report to the Secretary of State and it is all about driving projects forward and trying to crunch process. If we have to, we will change legislation to get things to move quicker because we want to realise the projects that are onstream, plan properly for the future, have a proper pipeline of projects that everybody can see and deliver them in living memory, which quite often in the past with rail projects has not been the case.

Q142 **Chair:** That is an interesting answer because I remember, if you go back five years ago, there were Ministers in Government who were using largely the same language on the pipeline of projects that we were looking forward to across rail infrastructure in this country.

Both of you, Ministers, have talked about the need for improvements in the Welsh rail network. We have just talked about the south Wales electrification project, which started and was then changed quite abruptly with quite a major section of it chopped out of the scope of the project. Does this not highlight one of the ongoing challenges and difficulties, that we can talk for hours and hours about the projects that we all want to see, and we can agree these are all nice things to have, but we are still subject—as Ministers, Prime Ministers and Chancellors change—to abrupt changes in the plan and the project? Would you both say that, more than ever before, there is a clear set of projects taking us five or 10 years, even more, into the future for improving rail in Wales that this Government are united around and are determined to deliver?

Chris Heaton-Harris: Most definitely. The rail industry, from Network Rail through to the train operating companies, right through to the supply chain, will tell you that they would love to see what the pipeline of work looks like.

You all know from your experience within Government that obviously you have to make a proper business case for projects. You have to make sure that business case stays stable all the way through development and to delivery. We had it right on some projects in the past, but not all by a long way. If we can improve that and speed it up so we are delivering projects on a regular basis, I would like to see us operate more on a portfolio that we move forward on so that everybody can see what is coming down the track, to use a terrible pun.



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Most Ministers who are now in charge of major projects have been sent to business school by the Government—the Saïd Business School in Oxford—on a major projects course. It is obviously a less detailed one than officials who run these projects for Government and different Departments go on, but, by Jove, you learn a lot in a very short period of time. I have, in the front of my notebook, my aide-mémoire of important things to remember when you are talking about big infrastructure projects and improvements. I will just read them out, because they will count for every item that we talk about further on.

First, complexity kills. A rail project should be fairly straightforward, going from A to B with trains running and stopping at stations, but we add a huge amount of complexity to these things. If you can simplify and standardise, that helps with everything. You have to make sure the systems are integrated. Not all projects are lovely civil engineering projects. Sir Tony Meggs, who ran the Crossrail project, will tell you that they built some beautiful tunnels, but when they realised they had to put a whole bunch of different signalling and other things in them, all sorts of problems came.

Deadlines are deadly. Once you have a deadline, normally set by politicians, then all of a sudden, when things fall behind, you can get into a bit of a panic as to how you deliver, and you then make mistakes. You need to assure all the way through the process, which is why I do talk about the business cases and making sure we get the optimal ones and we maintain the strength of them throughout.

In very civil service speak—the civil servants who watch this will completely understand this—you need to have a senior responsible person in charge and reporting appropriately for every project as you move forward, because, if you do not, there is just a mess in the management and messages do not go up and down. Sometimes problems are not reported correctly. There are hundreds of examples across Government where bad reporting has led to mistakes for an extra cost.

It is stuff like that. I have learned a lot just in my role, but I am now applying as much as I possibly can to all projects, including the ones in Wales, to make sure that we are absolutely on top of them and are working with partners, where they are being delivered by others, and we know exactly where they are in the system and can assure them.

Chair: That is very helpful information. Before I bring in my colleague Ruth Jones, Mr Davies, is there anything that you want to add to the answers your colleague has given?

David T. C. Davies: There are two key projects. There are a number of projects that we would like to see, but there are two big ones. On the south Wales relief line, you asked where we were with that final business case. It will hopefully be approved in November 2021. That is the final business case. That would mean that theoretically, if we get the money,



it could start shortly afterwards. The north Wales coast line improvements between Crewe and Holyhead are currently going through the outline business case, which is going to commence shortly, and will hopefully be completed in early 2022. We have a definite timetable.

I could add a little bit to the question about the Cardiff to Swansea electrification, because that is an issue that we looked at on the Welsh Affairs Committee when I was chairing it some years ago. We went through the figures and there was not a business case, an economic case, for doing it.

There are two reasons for going ahead with rail infrastructure improvements. One is to improve the service for passengers, of course, through journey times and so on. We knew that was not going to happen. Secondly, there is a wider issue about getting people off the roads on to railways and the general benefit that has in terms of carbon dioxide emissions. That is a very good argument, but if we are going to make that argument then we have to look at getting the most bang for our buck, and that project was not going to do it. But these two projects I feel very positive about. Obviously we await the final business cases with interest.

Q143 Ruth Jones: Thank you to both Ministers for coming in this afternoon, it is helpful as we conclude our review of the infrastructure of rail. I am going to focus on the passengers. What work has been undertaken by both your Departments in terms of gauging the views of rail users across Wales?

David T. C. Davies: We have not gone out to consultation on any of these schemes, but I talk to Welsh Government Ministers, particularly Ken Skates, on a regular basis, as well as to local authority leaders and the people running the growth deals in the four areas of Wales. I keep coming back to these two projects. I have not the slightest doubt that they have general support.

With respect to Ms Jones, obviously we may have a slight difference of opinion on the pros and cons of the M4 relief road, but I am sure we would all agree with what Lord Burns has said and what I think will be reflected in the final Union connectivity review report, which is that if we are not going to have an M4 relief road—I would much prefer it if we did—then there is a very strong argument for bringing about those improvements on the rail service between Cardiff and Bristol. It is making sure that the relief lines, which are currently only used for freight and have a rail top speed of about 60 miles an hour, can be upgraded to 90 miles an hour and used for passenger services.

Ruth Jones: Obviously we could talk all day about the Burns Commission, but we will not, Chair, because I can see the look in your eye. I will move on to Minister Heaton-Harris.



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Chris Heaton-Harris: When I went into my role in June 2019, just to put it into context, that was pre-pandemic, pre-leaving the European Union and pre-general election, but it was post-May 2018 where there were problems on railways across England, and especially leading to north Wales, caused by a timetable change that was essentially overambitious and turned into a disaster, compounded by infrastructure not being delivered correctly or on time by Network Rail.

Essentially the focus of your question, which is exactly the right focus, is the group of people who lost out the most in all that: the passenger. From all that was spawned the Williams rail review because there was no one seemingly responsible for anything. Everybody seemed to have lost sight of the sole purpose of moving people around, which is the passenger, and making sure they get to where they need to go in a decent environment.

So much has changed in the time. It is not because of my being a brilliant Minister; there will be different juries on that when I have been and gone. But so much has changed because of events that have happened that we now have an extraordinary focus on the passenger. First, we have a relationship with Transport Focus, which goes out and surveys real people across all nations and makes sure that we are getting a fair view of what the humble passenger is thinking and is worried about. Obviously that has changed in the course of the pandemic.

Now we have a rail industry that has probably—certainly in my ministerial memory, but beyond that as a passenger myself—never been so focused on, when it is allowed to, trying to attract a market back to rail. It is going to be a hard job. People will want to travel, but they will want to travel in a different way from the way they were travelling. They will want to be treated correctly. They will want to travel on reliable and resilient services that are completely spotless.

I used to be the chairman of the all-party parliamentary group on learning disability before I was in the wrong place at the wrong time and joined the junior ministerial ranks. I know we have such a long journey to make sure that our railway is accessible for all. This is a very important subgroup of our passengers that have not been looked after appropriately for a very long period of time. We have to focus on the passenger. Everybody is, because there is no way, with all the will in the world, that the Treasury can stand behind the railways, as it has done over the course of the last year. Just to keep the railway running for a year of the pandemic with very few passengers, we are talking £10 billion, maybe more. That is a cost that, this time last year, no one could have foreseen.

We need to get our revenue back, to get our passengers back, but we need to win those markets, which means a whole host of things will have to change. I am sure we will come on to that in other questions. I am pleased that the first questions today are about the passenger, because



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so often we all talk about chunks of metal and ploughing through land and we forget the whole purpose of the thing.

Q144 **Ruth Jones:** Given your focus and commitment to the passenger, do you believe that passengers in Wales are happy and satisfied with the network?

Chris Heaton-Harris: Unfortunately there is not enough of them travelling at this current point in time to have a fair view of that. There are obviously connectivity issues, which have been highlighted in Sir Peter's interim report that was published yesterday. I would not like to put myself in the shoes of a humble punter trying to move around Wales, because I have only done it when I have gone up to Llandudno or to see Holyhead. I cannot speak from personal experience. The satisfaction ratings of rail services in Wales compared to England were very similar. It did not make them very high, but we are remarkably similar. We have to concentrate on what we do in the future to get the passenger offer completely right, because the railway needs their revenues going forward.

Ruth Jones: I look forward to your continuing that focus on passengers, especially the groups who need more accessible options. It is helpful.

Q145 **Virginia Crosbie:** It has been fascinating so far. You have answered with quite a lot of information. My questions relate to the Union connectivity review. Minister, you touched on Sir Peter Hendy's interim review yesterday. How much focus should be on Wales in the review, in your expert view? What improvements to networks in Wales would make the greatest difference to the rest of the UK?

Chris Heaton-Harris: I am still wading through my copy of the review, and unsurprisingly I homed in on the pages on Wales before this meeting. The review demonstrates how important it is, almost no matter what the settlements might be when it comes to devolution and power, that we are connected. England and Wales are completely connected. As I said in answer to probably the first question from the Chairman, the one thing I know is that something can go wrong quite a long way away from Wales in England and it can affect huge numbers of rail services across Wales. It is very important that the interim report from Sir Peter Hendy demonstrates that importance.

It is important also to recognise that this is just before a multi-year spending review, and the recommendations will feed the evidence for that multi-year spending review. I could list some of the projects for you. Sir Peter identified that the things that he thinks need to be addressed include faster and higher-capacity connections for passengers from HS2 to north Wales, and consequently better freight capacity, too. Freight is one of those often unspoken success stories of our rail network, certainly in the last year.

Throughout the course of the pandemic we were very fortunate—not fortunate because it was planned, rehearsed and structured, and they are



very good businesses—in that, if the freight network had not worked as well as it did, the pandemic would have felt a lot worse for everybody because goods and medical supplies would not have been in the right place at the right time as much as they have been. Our supply chains have been remarkably resilient in the course of this pandemic. Freight has had a huge part to play in that.

One of the other things that Sir Peter talked about is the relief from congestion for the M4 corridor in south Wales. He referred to the Burns Commission, which recently reported to the Welsh Government and consequent improvements to the south Wales main line. He reflected very positively in his interim report on that Burns report. He talked about better port capacity at Holyhead. Connections from your neck of the woods get a strong mention, and the north Wales coast line to Merseyside and Manchester for freight and passengers and a whole host of things. We have to remember how important all these connections are for each other. All these connections will drive economic growth for our country, and they have driven it in the past.

His report is fairly common sense. It has pointed out a few things that were obvious and a few things that are interesting in what we need to get right. The important thing is that it feeds this multi-year spending review. My Secretary of State has released £20 million to fund feasibility studies that spawn from this interim report, which gives you a sense of how important it is going to be as it feeds into the spending review for moneys going forward.

David T. C. Davies: Obviously it is called the Union connectivity report, which is great. The implication of that is it is specifically looking at how we link up Northern Ireland, Scotland and Wales with England. There is going to be a big emphasis on Wales.

You asked which particular project is the most important. I would be rather foolish to pick out one, so I am going to revert to the two that I have already mentioned. The south Wales relief line is obviously very important for everyone living in south Wales, and I am a passenger for that particular railway service. I would certainly say that the north Wales one is equally important. Of course it ties in with HS2, which I am sure we will be asked about later in this session.

We want to demonstrate that HS2 is going to be beneficial to people in Wales, particularly in north Wales. If we can get that connection right into Crewe, it is going to reduce journey times down to London. Both of those two, I would not want to pick one out. Those are the key ones, and there are others as well.

Q146 **Virginia Crosbie:** My last question is for Minister Heaton-Harris. In terms of Sir Peter Hendy, the review will be published this summer. What conversations and discussions have you had within Government in terms of implementing the review?



Chris Heaton-Harris: Quite a few. First, this is a review that the Prime Minister is interested in. This is straight from the top and, as you would have seen from its launch, it has completely cross-departmental Government buy-in. There have been a host of conversations across this. Sir Peter, in the report itself, lists the number of engagements and the consultation process that he has taken himself. He has been a very busy man, because he is also the chairman of Network Rail. I speak to him a lot about individual things that might well be in that review and other things that I want to get right in the meantime. Personally, I have had loads of conversations with him, some of which are about projects that are in the review, and lots of which are not.

Virginia Crosbie: The same question to Minister Davies, please.

David T. C. Davies: Sorry, I thought I had answered it. Would you ask it again, forgive me?

Virginia Crosbie: What conversations have you had on delivering the findings of the review when they are released this summer by Sir Peter Hendy?

David T. C. Davies: The Secretary of State has met Sir Peter Hendy and will be talking to DfT and, of course, the Treasury, which are going to be quite key to all this, as and when we get recommendations. At the moment there are business cases progressing for the two biggest projects. If there is a strong recommendation in the report that those go ahead and the business cases are looking good, it is not for me to say, but I would hope that the money might be forthcoming. I look with interest at the other Minister, and I am sure he will be looking at the Treasury.

Q147 **Simon Baynes:** Thank you, Ministers, for your time with us this afternoon. It is much appreciated. I want to move the session on to the issue of intergovernmental relations. I will not exactly declare an interest, but I have had close dealings with both of you with regard to Ruabon station in my constituency. Obviously, I have seen for myself the constructive way in which both Governments can work together.

How would you characterise the working relationship that exists between the Department for Transport and the Welsh Government? In particular, what are the main differences between the Welsh Government and the Department in terms of ambition and priorities for the rail network in Wales?

Chris Heaton-Harris: We have a very good relationship, both at official level and at the political level, between the Welsh Government, its Ministers, the Department for Transport, myself and other Ministers. Certainly we have had quite a few conversations. We have Zoomed a few times together in recent months to make sure we are all aligned on various projects. We have occasionally come together to shake down the Treasury, but I hope you will edit that bit out, Mr Chairman, so we can continue to do that in the future.



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We have a very positive relationship with Minister Skates and others. Mr Davies and I have been on numerous calls with him about various projects, and we tend to be aligned on how those projects will be delivered when they come to be delivered and what we need to do together to get those projects delivered.

David T. C. Davies: We have numerous calls with Minister Ken Skates. I find him extremely easy to get along with. There are some issues upon which we are not divided politically; we both want as much good rail infrastructure in Wales as possible.

In addition to those regular meetings, the Secretary of State and I have done actual visits. I have been down to see the Cardiff station renovations with Network Rail, had meetings with Growth Deal 360 and obviously meet regularly with all the growth deal leaders who are developing the Cardiff Metro. Myself, the Secretary of State for Wales and our special advisers have done an enormous amount of work to bring about the GCORE project and put a lot of time and effort into that. I do not take any credit for that, but within this office there are people who have worked incredibly hard to bring it about. For us this is a priority, and I have had one or two successes on the way.

Q148 **Simon Baynes:** Just to move the questions on to the Treasury's part in the process, what is your response to Ken Skates's assertion that the Treasury is the main roadblock to the delivery of investment programmes in Welsh rail infrastructure? Has the Department for Transport and the Wales Office worked in conjunction with the Welsh Government to persuade the Treasury to support Welsh infrastructure projects? You have both touched on this, but it is worth having a deeper look at it because it is a message that has come through to us as the Welsh Affairs Committee.

Chris Heaton-Harris: You have to remember what the Treasury is. Not only does it raise the taxes, but it lets some money out and allows Departments to spend said money. I do not think the Treasury or any Government Department has been as challenged as it has been during the pandemic over the past year.

I very much welcome the scrutiny of how we spend the taxpayers' pound. The Treasury is completely right in the questions it asks and how it asks them. We do regular deep dives into different projects. I also have internal deep dives with officials into different projects to make sure we are doing what we said we are going to do, for the cost we said we are going to do it, in the time we said we are going to do it. I do not want to be that Minister who is reporting to the House of Commons about another massive delay in an infrastructure project or something where we should not be in that position.

It is a very positive tension between spending Departments and the Treasury. If we cannot answer the questions properly, we need to go away and get the answers. That is our problem. It can be frustrating,



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because we want to get projects out the door as quickly as possible, but the Treasury do a very good job in asking the correct questions to ensure that taxpayers' money is being spent fairly and correctly with good value for money across the board, in my experience, so I welcome that.

When it works, it works well. Let me give you an example that Mr Davies did not give and I was half-expecting him to. Working together—and improving all the way along—the Wales Office, in conjunction with my Department, the Welsh Government and the Department for Business, Energy and Industrial Strategy, worked with the Treasury to deliver the funding for the global centre of rail excellence, £30 million for which was announced in the Budget just a few days ago.

There are loads of conversations behind the scenes and appropriate challenge all the way through, but I am confident and excited by what that project is going to deliver, not just in terms of jobs but in terms of productivity, ingenuity and innovation in the rail industry. It goes to show, when we are all working together in a positive way, what we can achieve and how we can achieve it.

Q149 Simon Baynes: If I may put the same question to Minister Davies, perhaps with an additional element. Obviously infrastructure is a reserved responsibility of the UK Government in rail transport; I fully understand that. There is presumably in your line of work, as the Wales Office Minister, a constant tension between the fact that the money raised for all these projects, and everything else in terms of what goes on in Wales to a large extent, is from the Treasury, whereas—not in this particular case but in other cases—it is the Welsh Government spending the money. I imagine that tension between expenditure and raising finance is quite an important consideration in your job. In the light of that, maybe you could also answer the question.

David T. C. Davies: Mr Heaton-Harris put it quite well in that the Treasury is never going to be nicknamed the “Ministry of Fun”. It has never been that sort of organisation. It is down to all of us to make a case to get money out of the Treasury, and we were successful with GCORE.

As to whether it makes any difference if it is the Welsh Government or the UK Government spending the money, obviously rail infrastructure is generally not devolved. It is a matter for Network Rail, which is a UK Government matter. I suspect we may come to the core valley lines issue separately to that, but most of the spending that we are talking about today in terms of rail is going to be UK Government spending. However, there is no reason why Welsh Government should not be able to make a case, or support a case, for better rail infrastructure projects, such as the two that I keep mentioning.

I mention them purposefully, because I hope that other Government Departments will become aware of them and perhaps Select Committees will also ask questions, and that all of this brought together will enable



the Secretary of State to make a very strong case to the Chancellor of the Exchequer to make sure those projects go ahead.

To answer your question, Mr Heaton-Harris has put his finger on it. The Treasury is not there to chuck money out; we have to go in there and make a case for it, and that is what we will do.

Q150 Rob Roberts: I am interested in the interplay with Minister Skates. Two weeks ago, when he gave evidence to this Committee, we were talking a little bit about the Metro system. We have the South Wales Metro and the North Wales Metro, which they are establishing. He was very keen to point out that the South Wales Metro is having £750 million spent on it, which is a great triumph for the Welsh Government. But when I asked about the North Wales Metro, which is getting about a tenth of that spent on it, he was very eager to point out that it is due to years of neglect from UK Government in not assisting in north Wales. I am interested in your reaction and how you would characterise his response.

David T. C. Davies: I have a fairly good relationship with Mr Skates, and he has obviously made an interesting political point. Just to clarify, of course the Cardiff Metro is being supported through the Cardiff city region growth deal. Half of the total amount of money is coming from UK Government, the other half is coming from the Welsh Government, which of course is ultimately funded in general by the UK Government. We can spend a long time arguing about who supported that, but it is true that the Cardiff Metro seems to be under the auspices of Welsh Government.

North Wales, of course, has a growth deal in place. It is worth slightly less than the Cardiff city region one, but it covers a smaller number of local authorities. Cardiff city region is 10, off the top of my head, and north Wales is four—or it might be six—but either way it is a smaller growth deal. Of course it would be up to them to put forward any proposals that they want for metro schemes, which would be looked at favourably.

In answer to your question, it is not quite straightforward to say that one scheme has been funded by UK Government and the other scheme has not been funded by UK Government. That is the point that I have probably made in a complex way.

Rob Roberts: Mr Heaton-Harris, anything to add?

Chris Heaton-Harris: No, I will leave that to Mr Davies's comments.

Q151 Beth Winter: The Welsh Government have clearly stated, and Ken Skates did in his oral evidence, that rail infrastructure should be fully devolved to Wales. Other people who have given evidence, such as James Price, CEO of Transport for Wales, also said that devolution is entirely possible, but he pointed to problems in terms of paperwork and practicalities, in particular ensuring that Wales gets its fair share of funding. I would be interested in your views and your response to those calls. What do you think are the barriers and the opportunities of full



devolution?

Chris Heaton-Harris: Thank you for the question. My political history, if you delve deeply enough into it, is that I was one of the 23 people who wrote a pamphlet called "Direct Democracy" back in the day, which refocused my party's view on localism and devolution. While maybe my party's views have swayed here and there, mine have not over the course of time. I am a great localist in every way. I would like to think that the UK Government have supported the Welsh Government in their ambition to have greater control over Welsh rail infrastructure. I would say that it is evident in the very collaborative approach that we took to work with all partners to divest the core valley lines to the Welsh Government.

That said, my Department's response to the Silk Commission's recommendations concluded that full devolution of Welsh rail infrastructure would be of no immediate benefit to passengers and freight. I have at the forefront of my mind, as I said in answer to Ms Jones's questions earlier, the passenger. I would not want to do anything that meant the passenger offer deteriorated in any way, so I bear that in mind.

As I mentioned, outside of the core valley lines, I have to take into account that most rail services in Wales operate on a cross-border basis and there is a desire to increase these further. As such, enhancements to facilitate greater capacity and capability need to be planned on a whole route and whole network level basis. I think the balance we have at this present moment probably works pretty well.

Q152 **Beth Winter:** Can I pick up the point you made about the core valley lines? In his oral evidence, Ken Skates stated that the devolution of the core valley lines did not establish a model for further transfer of authority. He said it was a lengthy and complex process resulting in underfunding. Do you have any comments on that?

Chris Heaton-Harris: It was definitely a lengthy and complex process. The legality of this was extraordinary and the hours of fairly detailed paperwork that both he and I had to read to get to the point where they could be transferred was something else. That is pretty much par for the course for rail stuff, to be quite frank. It felt extraordinary because there was a lot of it, but that is part of it.

I know the Department provided a contribution of £141 million from the rail network enhancements pipeline funding towards the enhancement of the divested core valley lines. This did not happen until, I think, two weeks after the pandemic struck properly and lockdowns were declared, but we had a number of very quick conversations at that time as to whether we should continue with the process. It was obvious at the time that passenger numbers were going to be infinitesimal compared to what they were before—just out of interest, they dropped in April last year to 4% or 5% of what we would normally see—and therefore revenues would



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be massively affected. All sides chose to continue, so we continued with that.

I am quite sure that, like every rail line across the country, there are issues because of revenues and other things, but I would like to think that we did our job, as requested by Ken Skates and the Welsh Government, at the time.

Q153 **Beth Winter:** Minister Davies, in addition, do you think it is reasonable that passengers should expect Welsh Government to be responsible for rail infrastructure? As well as the calls from Welsh Government and others, local people deserve it as well.

David T. C. Davies: The question that I might throw back, Ms Winter, is which passengers? Passengers from England who are travelling into Wales might not think it reasonable that it is the Welsh Government who are responsible for the rail network they are using when they have no authority or control over who manages it. The UK Government showed a commitment towards devolution by devolving the core valley lines, which sit entirely within Wales.

I have to point out that, on the other lines, the south Wales line and the north Wales coast line, most of the journeys are east to west, so they are going between England and Wales. The Welsh Government, if they wanted devolution of these lines, would have to work out which bits they are responsible for: just the bits that fall into Wales? What about the north to south line that goes from Cardiff up towards Chester and north Wales? Parts of that are in England and parts are in Wales; it goes in and out all the time. Who is going to be responsible for what? There would be the issue of how the Welsh Government deal with one-off disasters that can occur sometimes and result in huge costs when there is flooding or landslides.

There is another fundamental issue. What is it that the Welsh Government want to achieve through doing this that they cannot achieve at the moment? Welsh Government already have a mechanism to pay for improvements or rail programmes by going back to Network Rail and the DfT. There is a clear mechanism for doing it. They will not be able to do anything that they cannot do at the moment.

If we are going to talk about devolution, if we had a devolved railway line in Wales, would the Welsh Government want to devolve bits of that down to local authorities? I suggest not, but they could if they wanted to devolve the core valley lines to the Cardiff City growth region, couldn't they, because it sits completely within that area? I do not think for one moment they are going to do so.

I do not want to stoke up any passion here, but it occurs to me that I hear Welsh Government saying rather a lot, "We want you to devolve powers down to us," but while they talk quite a good game about devolving further down towards local authorities, I have yet to see that



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happen. If they want to show a commitment to devolving down to local authorities or to growth deal areas, they could start with the core valley lines if they think it is a great idea. I am unconvinced, I am afraid.

Beth Winter: Being conscious of time I am not going to respond, but I would encourage you, if you have not already, to listen to Mr Skates's oral evidence in which he gave comprehensive responses to some of the questions you have just posed. I will leave it at that for now.

Chris Heaton-Harris: Mr Chairman, could I make a couple of extra points?

Chair: Absolutely.

Chris Heaton-Harris: The first point I would like to make, if I can steer us back to thinking about people who use the railways, the passenger, I think that the passenger will not give a monkeys who is running the rail service as long as it is run competently, resiliently and on time.

There is an element of risk looking forward on transfer. One of the elements of risk is what Minister Davies touched upon. As a Government, we are just about to receive the reports into the Stonehaven disaster not so long ago, where climate change and intense weather caused an infrastructure failure that resulted in deaths of people on our railway in the most shocking of circumstances. It is just a straightforward point that if the Welsh Government want to take on infrastructure, they also have to take on the financial risks of setting the outputs for infrastructure. The Welsh Government could be liable for the full costs of funding any repairs from a catastrophe such as the one I described. Currently, these are completely pooled across the whole of Network Rail. The Network Rail risk budget can be deployed in response to incidents.

If it changed, in my head that means the Welsh Government would have to prioritise funding from within their block grant for these sorts of things, which would have a knock-on impact for wider Welsh Government funding decisions. I would gently suggest that maybe the current structure works pretty well for everybody.

Q154 **Geraint Davies:** Can I ask Minister Heaton-Harris about the same point in relation to HS2? My understanding of the way the formula works is that if Wales had devolution of infrastructure for rail, it would get billions of pounds more share of HS2 in the way that Scotland does. On a comparability factor, Scotland gets something like three times as much as Wales as a share of population, even though HS2 is going to go through England into Scotland and does not go into Wales. Don't you think we should get a fairer share of HS2 in Wales?

Chris Heaton-Harris: I will answer the question, but I make the point that I am not the HS2 Minister. We have a Minister of State, Andrew Stephenson, who is the Minister for HS2 because it is such a big project and it has a fundamental read-across to so many other things.



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Q155 **Geraint Davies:** Very briefly on this, HS2 will, as you no doubt know, reduce the travel time from London to Manchester from two hours 10 minutes to one hour 10 minutes, while it will still be taking nearly three hours to get to Swansea. KPMG has said that thousands of jobs will be displaced, with investment, from south Wales. Don't you think there is a case for a fairer share of HS2 for Wales to do the sort of work that you need to do?

Chris Heaton-Harris: I am not sure if Minister Davies is putting his hand up to come in. Do you want to come in first, David?

Geraint Davies: I was hoping to get your answer before going to Minister Davies.

Chris Heaton-Harris: I hear what you say, but HS2 is going to free up a huge amount of capacity on the west coast main line, which could be used for additional services to the benefit of Wales. Current plans would see Welsh passengers benefiting from the HS2 interchange at Crewe and shorter journey times, as you mentioned, than currently possible on the west coast main line, especially to north Wales. When Wales is doing well in the north, it is doing well in the south.

Q156 **Geraint Davies:** But we are not getting our share, are we?

Chris Heaton-Harris: I disagree. I think you are.

David T. C. Davies: I have to leap in at this moment, because Mr Davies and I have known each other a long time and I know him to be a passionate advocate for reducing CO₂ emissions. I believe he is also the chairman of the all-party group on air quality.

Geraint Davies: I am, yes.

David T. C. Davies: I would gently point out that, obviously, the purpose of HS2 is not just to reduce journey time but to reduce the number of people using the roads, to reduce the amount of carbon dioxide emissions and to reduce the amount of other noxious emissions, which the hon. Gentleman has campaigned on. Therefore there should be a benefit for everyone in the whole United Kingdom, in that we will have reduced greatly the number of car and lorry journeys on the roads as a result of this project, which is something—

Q157 **Geraint Davies:** If we got our share of HS2, we could have afforded to do the electrification of the railways as far as Swansea. Instead of having a lot of dirty diesel pumping everywhere, we could have had electrification.

David T. C. Davies: Carbon dioxide emissions do not respect borders. If we have a certain amount of money to spend on projects that reduce carbon dioxide, we need to put them wherever they are going to have the biggest effect and take the maximum number of people off the roads.

Q158 **Rob Roberts:** I am interested in one of the things that Mr Davies just



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mentioned with regard to Barnett and not receiving our fair share. I wonder what both of the Ministers would think about the statement that Barnett applies to the overall change in the departmental budget, not necessarily individual programmes. At the spending review, the Welsh Government received £755 million in capital Barnett consequential from the DfT settlement. If DfT had not proceeded with HS2, it would have only been £250 million. Effectively, the Welsh Government have had an additional £505 million in Barnett specifically because of the HS2 project. Does that seem reasonable?

Chris Heaton-Harris: I could not have put it better myself.

Geraint Davies: That is because it is wrong. Scotland gets three times the share—

Chair: Hang on, Geraint. Let's have some order. Sorry, Geraint, the Minister was responding to the question. We are going to come back to you shortly, Geraint.

Chris Heaton-Harris: That is how Barnett consequential are calculated. Mr Roberts is completely correct.

Chair: Geraint, do you have a supplementary on this? You have another block of questions coming up in a few moments. I am keen that we keep moving through the programme.

Q159 **Geraint Davies:** I will leave it for now. I just wanted to confirm whether the feeling was that we should get a share like Scotland for Wales. That was my simple point. Does the Minister agree?

David T. C. Davies: Which Minister, sorry?

Chair: I think we are in danger of running into some sand on this one. Robin Millar, please.

Q160 **Robin Millar:** Minister Heaton-Harris, I listened carefully to your point about localism, and I think it is a point well made. In fact, the Member for Cynon Valley referred to the evidence that Minister Ken Skates gave a couple of weeks ago. It is worth listening to because, when he was pressed on what his ideal outcome would be, he talked about having the funding and the responsibility for spending on railways, but there was no reference to fundraising, to the actual taxation side. It rather reduced Welsh Government to this picture of a rather small Government Department just spending and not thinking about the wider issues, which Government do. I think that diminishes the vision of localism for Wales.

I have Hanson Aggregates in Aberconwy. It is one of the largest users of rail freight in the UK. I am interested in your reference to passengers. Of course it is not just passengers who use the railways; it is also freight. Perhaps you could comment on what impact the devolution of Wales's rail infrastructure might have on freight operators that also transport goods, like aggregates out of Penmaenmawr, across the UK.



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Chris Heaton-Harris: I am the Member of Parliament for Daventry. For anybody who has driven up and down the M1 or M6 where the Catthorpe interchange is, where the M6 joins the M1, as you come down the M1 just there on the right there is a massive site. It used to be the Rugby radio site and used to have radio masts on it. It is now the Daventry international rail freight terminal. It is the largest in the country, where rail freight is integrated with road haulage and there are a number of huge, million square feet warehouses. I call my constituency "logistics central" because of it. It is such an important part of so many logistical flows throughout the country.

Rail freight is unbelievably important to my constituency and all the nations combined. I have never done any work to see what would happen if something happened on devolution in Wales and whether there would be a consequence for rail freight, but it is something that we need to concentrate more on across the board. It is often the Cinderella figure of our rail network. I talk about passengers, because I guess passengers write to their MPs and their MPs then write to me about issues that they might have. The latest consignment of food or medicines trundling up and down the network does not necessarily do that.

There are very good signs about what is happening in the rail freight market at this point in time. In my constituency, I had a meeting with Tesco in that time between lockdowns when, in England, we could go and meet people for a short period of time. Tesco was looking at a multi-million pound investment to get lorries off the road and freight on to rail. I look at the map of where we have existing freight lines. It brings with it different problems. Freight trains are heavy, very heavy, so that brings infrastructure issues. We occasionally see derailments still. You might not see them in the news, but we had a significant derailment at Eastleigh in the last 18 months because of heavy things going over a point setting that failed. In my other batch of reading, I have all the rail accident reports beside me, which I trail through at weekends to try to learn the lessons of the past.

We have to pitch freight a bit better in our notion of what our rail system does in the UK. We are in the last knockings of the Keith Williams review into the future of rail, and I know that freight will play a very big part in that. I am very focused on it from my personal constituency point of view, but what has happened in the last year has demonstrated its importance to the whole nation.

Robin Millar: Globally, where rail works really well is either freight or between densely populated areas, certainly. I do not know if Minister Davies has anything that he would like to add to that comment on freight and devolution.

David T. C. Davies: No, I haven't, to be honest, Mr Millar. I cannot add anything to what the Minister has said. He knows far more about freight than I will.



Q161 **Robin Millar:** I think the point about east-west integration has been well made in this and, indeed, in Sir Peter Hendy's comments on infrastructure and the heavy goods use of infrastructure, the investment that is required and the liability that comes with it.

David T. C. Davies: The only thing I was going to chuck in, but the Minister will have to correct me if I am wrong, is there had been an increase overall in freight until about 2014-15 and then it fell off. Whether that is because of a decrease in the amount of coal being carried around or simply because of overcapacity and the fact that the priority tends to be to use passenger vehicles, I cannot say. It could be a combination of the two.

To go back to the question about devolving the parts of the railways that are in Wales, Governments tend to want to prioritise passenger travel over freight travel. There is a risk perhaps that a devolved railway in Wales might mean perhaps expanding the capacity as far as it possibly can to take passengers at the expense of freight, and that would of course have an impact on carbon dioxide emissions and other things.

Sometimes I would say it is better to be able to stand back and take a wider look at things. Most of the passengers and most of the freight travelling on the railway network in Wales, as we know, are going between England and Wales. It is going across the UK. Therefore one can make a strong argument for saying it needs a UK authority, body or Government to be looking at this, not—

Q162 **Robin Millar:** Stepping back and taking that bigger picture is a good point to jump in, because over the course of our review and inquiry we have been looking at the Scottish model of rail infrastructure devolution. That has come up several times, and we have asked different witnesses what their assessment is of that model and whether in fact it is a model that would work well in Wales. To both of you gentlemen, what is your assessment of the Scottish model of rail infrastructure devolution? Is it something that you think could work in Wales, or do you think this is still a model of delivery that is best considered UK-wide?

David T. C. Davies: My understanding, and I think it is referenced in the UCR, is that Wales is different to Scotland because most of the rail journeys taking place in Wales are along the north Wales coast line or the south Wales main line, and they are going between England and Wales. That is not the case in Scotland. I think that is clearly set out—I cannot find exactly where, but somewhere—in Sir Peter Hendy's report.

Chris Heaton-Harris: Minister Davies is completely right. I would add to that by saying that I have a lot more conversations with Ken Skates than I do with my counterpart in Scotland because of the nature of the devolution. I would suggest that is probably a weakness rather than a strength.

Robin Millar: I recall that Sir Peter Hendy mentioned in the review that



the nature of the connections between Scotland and the rest of the UK is north-south, two lines crossing a largely rural area, whereas in Wales it is east-west and it is in quite densely populated areas. I understand what you are saying about the different dynamic. Thank you, gentlemen.

Q163 Geraint Davies: Minister Heaton-Harris, we have heard evidence in this Committee that the scale of investment for enhancement of railways in Wales since privatisation in 1994 has been a fraction of the population share, and an even smaller fraction of the share of rail track we have. What do you feel should now be the share of UK investment, enhancement investment, we get in Wales, given that in the last couple of decades we have not had our share?

Chris Heaton-Harris: I would like to think I am being very constructive in my answers. There is a very straightforward statistical point that the number of journeys on the Welsh network of the GB total in 2018-19 was only 2.2%. If I was to base my calculations of investment on rail journeys taken by passengers, it would make anything spent in Wales look remarkably generous.

These are statistics. You can cut them and slice them any way you like. Network Rail funding in Wales for control period 6, the control period that I mentioned earlier, which runs from 2019 to 2024, exceeds £1.5 billion. The regulatory financial statement for Network Rail 2011-12 and 2018-19 broke down as the proportion for Wales of around 4% of all Network Rail spend in 2011 to 2015-16, and about 6% between 2016 and 2019. Again, these are statistics. You really can, Mr Davies, cut them and slice them any way you like. As I have tried to demonstrate, I am much more focused on delivery of infrastructure and making sure we get everything right for passengers—and freight, Mr Millar—as we go forward.

Q164 Geraint Davies: Obviously we have heard that you separate maintenance from enhancement. We get much less enhancement. We have a lot of railways to maintain. Your previous point was that we will not get very much money because not enough people use the railway. Would you accept from me that, had we invested more in the past in the railways, if we had a better and more frequent service, more people would already be using the service, so investment breeds the criteria for more investment, which is one of the reasons why the Treasury gives nearly all the money to London and the south-east?

Chris Heaton-Harris: No, I don't think I would agree with you, sorry.

Q165 Geraint Davies: Why? It is true, isn't it? You said that we do not—

Chris Heaton-Harris: There are lots of "ifs" in that question. There are so many "ifs" in that question.

Geraint Davies: —use proportionately as much of the railway, and obviously we do not get proportionately as much in investment. Therefore we will not, you have explained. Wouldn't it be a good idea perhaps to look at the criteria again to encourage people to use the railway and to



go into a positive spiral?

Chris Heaton-Harris: There are too many “ifs” and “possibles” in that. I much prefer to deal with what we have, what we can actually affect and how we can benefit things.

Q166 **Geraint Davies:** Can I ask you more specifically about a proposal for providing a high-speed link between Bristol, Cardiff and Swansea? I think the Burns report suggests there is a second track available to increase connectivity. In terms of connecting the Union, given that there are 3 million people living in Bristol, Cardiff and Swansea, and certainly beyond of course, which is the same number as Manchester-Leeds—they get eight services an hour; we get only a couple of services to Cardiff—do you agree there is certainly a case to look at investing in a high-speed link there, particularly as HS2 is displacing jobs from south Wales?

Chris Heaton-Harris: I looked at Lord Burns’s report with interest at the time, and I know that in the Union connectivity review Sir Peter Hendy was very positive about the findings of the Burns report. Again, this is where we probably can agree based on fact, population growth and, indeed, where we can grow revenue. I think these are very important factors that we need to underline. There are opportunities there, highlighted in the Union connectivity review in time for a multi-year spending review. This is the right time for us all to work together to give it a bit of a shove.

Q167 **Geraint Davies:** When I asked this week in Treasury Questions about the issue of infrastructure investment, the Treasury Minister said it was possible that the infrastructure fund might be useable for these sorts of projects. Is that something you are looking at in addition to your normal Department for Transport projects? I do not know how the two interrelate and whether you might make an additional bid for a particular project like Bristol-Cardiff-Swansea.

Chris Heaton-Harris: The way it seems to be working in practice is that, because my Department delivers a huge amount of infrastructure and not many other Departments do, we are integrally involved in this process. The Treasury Minister you might have questioned—I do not know which one it was—was completely correct.

Q168 **Geraint Davies:** Can I ask a similar question to David Davies? Would you be supportive of a faster, better and more frequent linkage between Bristol, Cardiff and Swansea, and therefore south Wales and the south-west, to build that regional economic cluster for the good of Wales, given in particular that we are not literally connected to HS2?

David T. C. Davies: I would always support better links. Specifically on that area, Mr Davies, you are probably referring to the relief lines, which are usually used as freight lines and run between Cardiff and Severn Tunnel junction. There is already a business case going through. As you know, there is a three-stage approach to all projects: strategic outline business case, an outline business case and a full business case. The



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south Wales relief line project is going through the outline business case at the moment, and the full business case is expected to be approved by November 2021 because it has been accelerated. That would certainly speed up the journey between Cardiff and Bristol and give the potential for more trains to run.

Going from Cardiff over to Swansea, I am not aware of the extra lines that he refers to, but I am aware obviously that there was a proposal looked at to try to straighten it out. One of the problems on that particular stretch of line is that it is—to use a not very technical term—quite wiggly and therefore does not lend itself to higher speeds without a lot of straightening out, which is highly expensive.

Q169 **Geraint Davies:** Am I right in saying that the original Brunel line was a straight line that would take basically half an hour between Cardiff and Swansea and the wiggly line, as you put it, was used to pick up coal during the industrial revolution and the like? Obviously we need these connections, but will the Government perhaps look at the possibility of more frequent services and an additional line? I know you said it costs a lot of money, but of course we need the investment and businesses coming to Swansea and west Wales for the convergence funding.

David T. C. Davies: I will bow to your superior knowledge as to what Brunel did, but I take the point. However, I think the Wrexham to Bidston upgrade is further along the business case route than the question of a Cardiff to Swansea one. Respectfully, I would throw it back at you: if you believe there is a business case that could be made for straightening out the line between Swansea and Cardiff, it would be worth suggesting this to either the relevant local authorities, the growth deal region or the Welsh Government and seeing whether they would sponsor a strategic outline business case. It would have to clear SOBC before we got it towards OBC and then FBC, at which point the Secretary of State for Wales and myself would happily bend Mr Heaton-Harris's ear, and that of Treasury as well.

I think we are a long way from that, and the projects that are much further advanced are the south Wales relief line, which will of course deliver the benefit that you want, the north Wales coast line and the Wrexham to Bidston upgrade.

Q170 **Geraint Davies:** Finally, Mr Heaton-Harris, is there any evidence to suggest that Treasury might look at relaxing its current formula of cost-benefit analysis, which tends to favour, in a direct way, London and the south-east in the way that you have described, in the sense that it supports existing passenger numbers to a certain extent? Is there a new look in terms of connecting the Union, levelling up, providing prosperity and future flows rather than looking at historical ones, to provide the investments we have just been talking about, perhaps between Bristol and Cardiff and the straightening of Swansea?



Chris Heaton-Harris: Yes, I believe there is an ongoing review of the Green Book, which the hon. Member could take part in. I would suggest that he does so, because it is very important for the sorts of projects that he would like to see.

Geraint Davies: I will leave it there, Chair. Thank you.

Q171 **Ruth Jones:** I am going to leave the funding, some of it anyway. Transport for Wales has said that average line speeds in Wales are slower than in England, and it attributes that to lack of funding on enhancing the network. Would you agree with that assessment?

Chris Heaton-Harris: I am not technically qualified enough to either agree or disagree with that assessment. When we have been doing deep dives into improvements of infrastructure elsewhere—but not in Wales, so I do not want to compare apples with pears—there is quite a lot of infrastructure improvement required to upgrade a line from, say, running 40 to 60 miles an hour to running 80 to 90-plus miles an hour. They are obviously all very sensible, because they are all based around safety and all the things that we would all expect to see. I really do not know enough about what the infrastructure requirements of individual lines in Wales would be and what they would require.

On the south Wales relief line, which is an example I know a tiny bit more about because it is going through the outline business case stage at this point in time, we have a proposal to increase the line speeds—which currently sit between 40 and 60 miles an hour, and obviously go up and down in that range—to a main line speed of 95 miles per hour between Cardiff, Newport and the Severn Tunnel junction. That requires quite a significant investment, which is why we go through the outline business case to get to the full business case to get it to delivery, making sure that we are doing all the things that we are required to do to get to the point where you can deliver a constant service running at that time, and that it is timetabled correctly.

Speeding up services does change timetables quite dramatically. Again, one of the things I learned very early on as Rail Minister is that timetables are nowhere near as simple as everybody thinks they are. It has a knock-on effect for other services that might be connecting or wanting to use the platform at any given time. I know it is pertinent across Wales and across a lot of the country: higher-speed rail and level crossings do not go well together. You have all these extra factors to take into account, but I am afraid I do not know enough about the Welsh network to give a detailed answer.

David T. C. Davies: I would not want to contradict the Minister, and I am not going to do that, but your question is whether the line speeds in Wales are too slow. I suppose it is a matter of record that the two projects that we constantly mention are about increasing line speeds, so perhaps that gives a tactful and diplomatic answer to your question that will allow me to keep my job.



Q172 **Ruth Jones:** That sounds reasonable. I will move on. Obviously, you have mentioned the south Wales relief line a lot. Bear with me, Chair, I am very interested in this because the four lines there are key to the Burns Commission, but also to the Hendy review. I know, Minister Davies, you have visited the sites. Are you confident that this can be delivered in November this year?

David T. C. Davies: I am reliably informed by officials that the final business case will be finished and hopefully approved, or not—and I very much hope it will be—by November 2021. Yes, that is the information I have, November 2021, but again I would not want to stake my job on what I have been told.

Q173 **Ruth Jones:** That is fundamental to freeing up the lines for the South Wales Metro to allow the slow trains and obviously the fast GWR trains coming through. Is that correct?

David T. C. Davies: Correct. It ties in with the aspiration to build extra stations as well, and presumably the Welsh Government are very enthusiastic about this because it might relieve pressure on them to build an M4 relief road.

Ruth Jones: I could not possibly comment on that.

David T. C. Davies: Although some members of the Welsh Government today seem to have a slightly different view, confusingly, but I had better not comment on that.

Ruth Jones: In that case, I will not comment and I will hand straight back to the Chair. Thank you.

Q174 **Rob Roberts:** I apologise in advance to Minister Davies. This is going to be quite a technical question, so it is Minister Heaton-Harris's time to shine.

David T. C. Davies: Don't apologise. Send it his way, Mr Roberts.

Chris Heaton-Harris: I am sorry, my audio has just gone funny, Mr Roberts.

Rob Roberts: My question is about the wonderful rail network enhancement pipeline. We have had testimony from Welsh Government Ministers and officials telling us that it is excessively bureaucratic and adds delay to agreeing and funding improvements. In your preamble at the beginning, I think you mentioned a speed unit and an acceleration unit. Are they specifically to combat issues like this?

I am currently looking at, as an example, getting a new station at Greenfield in Holywell in my constituency. We are in the middle of a feasibility study, which I am told is step 1 of 8 and not to expect anything for several years. That made me tear out what little hair I have left. Minister, could you tell us what assessment you have made of the suitability of RNEP, we will call it, as a process and how this speed unit and acceleration unit will potentially revolutionise that process?



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Chris Heaton-Harris: Again, based on wanting to keep jobs, I would say the RNEP process is a brilliant process. If it could work efficiently, it would deliver everything that you and I would want, but it doesn't. It has too many steps, and each of those steps takes too long. If I had started with a full head of hair, the RNEP process would have finished mine off, too. Yes, this is exactly the sort of thing that both the Project Speed unit in No. 10 and the acceleration unit in the Department for Transport are looking at.

I caveat my answer very slightly, because there are elements of this process that are truly valid. What has probably happened over time—and I cannot prove this—is I feel that extra bits have been tacked on to a process because something else has not happened or something has been delayed or a certain report was not done. We have certainly added a lot of legislation and planning law into the process as well. I know there has not been a review of this pipeline for a very long time. As everybody looks at the RNEP process, there is an understanding that, yes, you can do all of the important elements and most of the elements in a much more condensed process and structure.

I am very hopeful that we will be motoring, changing the pace—I use that for my officials, because there is another acronym in that somewhere—of this going forward so we can allow follicles to regrow where they might have been lost previously.

Q175 **Rob Roberts:** I appreciate the answer. I wonder if I might be able to challenge a little bit, and apologies for putting anyone's job at risk. Can you specify an example of a particular element of that process that might be a little bit clunky? Why is it clunky, and why do these things take so long? Broadly, how much of a difference do you expect either the speed unit or the acceleration unit to make in the overall process?

Chris Heaton-Harris: Essentially, lots of this was done in individual silos, either by the Department for Transport or there are some enhancements that are funded in whole or in part by the Welsh Government and Welsh local authorities, so they would have their due process in the context of this Select Committee. Then you have Network Rail processes. You have various bits of planning that get very exciting.

What we have tried to do is bring everybody together at a very early stage in the development of schemes, so everyone is sat in the same room—or they are sat in hundreds of different rooms but on the same screen—and have very detailed, deep dives into schemes to try to find out where the potential blockages are much earlier in the system so we can all work to alleviate them.

The first couple of these that we have majored on have been restoring your railway projects in Okehampton and the Northumberland line, and I am hoping that everyone will see the benefit of those and we will learn lessons from them in the very near future. We are trying to change, condense the process, use data better and make sure that all parts of a



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consultation are brought together at the right time. We are just trying to use a bit of common sense in this process to drive it forward.

Rob Roberts: I am content with that, Chair.

Q176 **Chair:** Rob, thank you. You have raised some interesting points, both in your question, Rob, and Minister, in the answers you have given. It strikes me that the process almost serves to bury certain projects if they have not attracted the right level of political attention.

For example, in my constituency, Milford Haven railway station—a station that is right at the opposite end of the line that we have spent some time talking about, which leaves Paddington and heads west, a station that is absolutely not suitable for the 20th century, let alone the 21st century—Network Rail carried out a study on that. It was a new proposal. That was 2014. Efforts have been made by local stakeholders to get attention drawn to this project and drum some life into it. It means the project basically goes right back to the start, so it has gone right back to the start. The local authority is spending money with consultants to basically repeat the work that was done in 2014. It is great news for the consultants, but it is not great news for seeing relatively small projects come through.

In response to Rob Roberts, Minister, are you saying that there will be a streamlined process that gives more hope for projects like that, which may involve a few million pounds at the most, to see them come to life? Otherwise we could be talking about decades for relatively minor but significant improvements for the communities concerned.

Chris Heaton-Harris: Chair, I remember you showing me a picture of that station in a meeting with me and the Secretary of State a while back now, so I completely understand your frustration. Yes, I am saying what you suggest.

We are now at the early stages of being able to have a speeded-up process that does everything you would expect it to do in terms of making sure that we are getting the economic growth and the housing growth, that communities are brought in, that the rail network can take a station, if it is a new station in a place or a new line, if it can fit into a timetable, that the track is of a suitable standard, all of these things. There was, even in the industry, a push to try to do this anyway, but fortunately—and I do say fortunately—it was the “restoring your railways” bit of our manifesto and trying to ensure that some of these projects get delivered in short times so people see levelling up happening in front of them without having to wait decades for promises to be fulfilled. We are now, as I described to Mr Roberts, getting everybody in the room.

I have been involved in a number of these now. I find them fascinating meetings, where lots of issues that in the past potentially took months to iron out get sorted, either in a deep dive or something is set off from a deep dive so a test train can go and test a track to see how much money is needed to be invested in that piece of infrastructure to bring it up to a



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certain standard. Yes, I am very confident that we are moving in a good direction at this point in time.

Chair: Excellent. Many thanks for that answer.

Q177 **Simon Baynes:** I think our witnesses will be pleased to hear this is the last set of questions. These relate to the impact of Covid-19 on rail funding, just looking at it from two particular angles.

First, what influence will the economic impact of Covid-19 have on the infrastructure development plans for the rail network in Wales? In particular, what will the impact be for the realisation of the Government's decarbonisation objectives in terms of electrification and moving to new technologies? I know we have touched on some of these issues hitherto—not surprising in a long session like this—but if I could start with Minister Davies, please.

David T. C. Davies: Mr Heaton-Harris is probably better qualified than I am, but the simple answer is that I hope the incredible success of the vaccination project—one of the most successful vaccination programmes in the world, of course, and certainly anywhere in Europe—is going to mean that we are back to normal very shortly. Of course, many of us on this call use the railway, and I hope we will all be doing so enthusiastically. I would love to think that we will get back to near normality quite soon, caveating that by suggesting that perhaps there will be a greater percentage of people working from home. Of course, it is a Welsh Government target to have more people working from home.

In a roundabout way, I am not absolutely certain what the impact is going to be on the business cases that are currently going through, but I would be hopeful that it is not going to have too big an impact. The Secretary of State for Wales and myself are very much looking forward to seeing infrastructure opening up in Wales.

Chris Heaton-Harris: Let's start from the very outset. I mentioned a couple of statistics at the beginning. Rail across the United Kingdom had one of its busiest months ever in February 2020, and then in April 2020 it had fallen to 4% or 5% of people travelling compared to the equivalent day in the year previously. Revenues obviously fell through the floor, and train operating companies were refunding season ticketholders. Income was negative, so even that 4% or 5% of people paying fares to go places was massively subsumed by the number of people cashing in their season tickets.

The Government made a very significant and very strong, bold choice to stand behind the sector completely at the very start with the emergency measures agreements that then morphed into recovery measures agreements. As I mentioned earlier, these are significant sums of money to maintain and develop services, and we have a Prime Minister who won a general election on levelling up and building infrastructure. He has left me in no doubt whatsoever that I will be judged on my ability—and the



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Secretary of State will be judged on his ability—to deliver on those promises. That is what we intend to do.

I am hopeful that with the renewed focus, unified in the whole industry, on the passenger and what the passenger offer is, with the rail reform piece that is on the blocks and very shortly about to happen and a number of other factors that we talked about earlier in these conversations today, we will be able to attract good revenues back into railway very quickly. That absolutely helps to maintain the push.

There are those out there who are saying, “Why does the Department for Transport spend 54% or 52% of its budget on what is 2% or 4% of people’s journeys?” The rail industry has to answer that, but we are the best way of taking carbon out of travel, without a shadow of a doubt. There are some fantastic innovations within rolling stock happening at this point in time, which mean I am very confident that we will be hitting the targets. We have set ourselves ambitious targets as a nation and as a Department in this agenda.

We are yet to work out what the passenger is going to do. Are people going to go back to commuting five days a week? Are they going to travel at the same times of day? I talk to my counterparts in Europe and across the globe, people who have similar roles in different countries. Normally someone is ahead of the curve on something, but this pandemic has affected everybody at the same time. We knew last summer, maybe two weeks earlier than it happened, that leisure travel was going to rebound a lot quicker than people going back to work, per se, for that short period of time in England where they were able to do that, but no one can tell you what the market is going to do at this point in time. Everybody in the rail industry is focused on delivery, bringing passengers back and making sure the offer is unbelievably brilliant.

Just to emphasise this point, when I say “everybody” that includes all the workers, the unions, train operating companies, Network Rail, the supply chain and the Department. Everybody I speak to is shoulder to shoulder, facing in the same direction on this. There has never been such a shock to any business sector, including rail. It has come through in different guises—pandemics and world wars—but this has been something quite horrific for everybody and individual industries, too. We are building back better. We are going to level up. This will help with decarbonisation. All the Government’s key agendas are helped by rail moving forward.

Q178 Simon Baynes: Thank you for that. Just a final point, picking up on the point you are making about the horrific effect it has had on railways’ income, the collapse means that TfW is now managing and operating rail services in Wales. Is that an arrangement that you are comfortable with, and do you think that other operators might find themselves leading to a situation where public management and operation of rail services is an inevitability?



Chris Heaton-Harris: I do not think so. We are in a position where we are now moving train operating companies on to national contracts. They are new and they are evolving. All this is happening at pace. Franchising is essentially gone, dead in the water, so we are moving to almost a Transport for London type of model. There is a lot of private sector interest in what that means, and in the risk and reward that goes alongside that. I am very confident that we are going to see a lot of interest in running those businesses going forward from the outside. Transport for Wales has taken its decision. We took a similar decision on Northern a year and a day ago. We took it into the operator of last resort. I would certainly never criticise it for doing what it believed right for its franchise.

Simon Baynes: Thank you. Finally, Minister Davies on that point, please.

David T. C. Davies: I do not think I can add anything to what the Minister has already said, to be honest with you. It goes a bit beyond my scope as a humble junior Minister in the Wales Office, so I will leave all of that to the Rail Minister, if I may.

Simon Baynes: On that admirable note of humility, I will end my questions. Thank you both very much again.

Chair: Now we have two quick supplementary question to end this afternoon's session.

Q179 **Geraint Davies:** Minister, given that Transport for Wales now has a skillset, is operating effectively in Wales and is close to the ground, do you accept that if we are to push forward projects quickly and effectively in terms of enhancing the rail system, there is a case for perhaps subcontracting that work from the Department for Transport—which has enormous numbers of priorities and distractions—to Transport for Wales to execute, in the event that I assume you do not want to devolve the whole responsibility and you just want to devolve the management of projects?

Chris Heaton-Harris: I mentioned earlier that some rail enhancements are funded, in whole or in part, by the Welsh Government and are delivered through slightly different routes. As I say, I am quite liberal in this matter because I just want to see delivery. I will happily countenance pretty much anything, but I want to be assured—and we talked about managing major projects at the very start—that we will achieve what we want and get the value for the taxpayer that we would expect. I think the balance we have at the moment seems to work quite well for us all.

Q180 **Geraint Davies:** I guess if Transport for Wales were around at the time we might have had a better result in extending the electrification, which hit the buffers, didn't it, in the—

Chris Heaton-Harris: That is where I possibly disagree, because I think the supply chain would tell you that you need a huge amount of knowledge. You need a critical mass of knowledge and expertise to



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deliver things like electrification. We have it in the United Kingdom. I am not convinced we would have it in smaller units.

Q181 Rob Roberts: A very quick final question, as we have covered an awful lot about electrification and about our climate objectives as part of the Government's manifesto. Does either Minister have anything to say with regard to hydrogen-powered trains and whether they would require any changes to the infrastructure? What is the Government's current position on whether there is a future in that technology and whether electrification may be obsolete by the time it is put in?

Chris Heaton-Harris: Certainly hydrogen has a part to play in the future. We are just about to publish a decarbonisation strategy for the Department. It is Minister Rachel Maclean's gambit, and I have yet to see anybody more ambitious or excited about this than her.

My Secretary of State went up to Birmingham, where there is a train—the HydroFLEX train—already in existence and being trialled, and he said it was a remarkable experience. Of course, we are looking at what is going on in Redcar and potentially how hydrogen is a very big part of the transport solution up there. We are excited by what hydrogen and other things will bring, but these things always change, don't they? I am quite sure electrification will be overtaken by something at some point in time, but you cannot hold back on investment because you are waiting for something better all the time.

My central heating boiler broke 14 days ago. It was only fixed on Tuesday. I know in a couple of years' time there will be a much greener solution to the new gas boiler I just stuck in, a much more affordable version of it that will be able to heat and plumb my house, but I do not want to go without hot water for two years. At some point you have to bite, and we have promises that we need to deliver on.

The R&D that is going on in this area at the moment is tremendously exciting. While rail might have seemed to be in stasis for a few years, over the next few years all sorts of exciting things—how signalling is done, right through to what the rolling stock can achieve—are going to fundamentally change how we travel and will be one of the massive pulls of people back to our network after Covid.

Rob Roberts: Fabulous. I completely agree. I see Minister Davies waving at me frantically. Go ahead.

David T. C. Davies: I want to end on a note of optimism, because Alstom, which is the maker of hydrogen trains—or one of them—came in and gave evidence to the Welsh Affairs Committee a couple of years ago. It invited us as a Committee to go and visit the train it had set up somewhere in Germany. We were all set to go and then—I cannot remember what happened—various elections came along. There was another visit when the Transport Committee was going to go, and then I think another election came along and then we had Covid. Alstom would,



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I am sure, be delighted to come back to the Welsh Affairs Committee and would no doubt be pleased to see you having a look at the hydrogen trains that it makes. I would suggest that might be quite interesting to go and see.

There is also, of course, a battery hybrid that is being made in Newport. I believe they are hopeful that they may get a contract with DfT quite shortly. I am afraid I am not party to the ins and outs of that one, but I will let that thought float past the other Minister as we hopefully prepare to end this session. Thank you.

Chair: Those are good ideas for potential visits. It sounds very interesting. The furthest that this particular Committee has travelled is probably Committee Room 5, so we look forward to a time when restrictions are lifted and we can explore some of these interests at the coalface, as it were.

To both of you, Minister Heaton-Harris and Minister Davies, thank you so much from all of us. It has been a very useful couple of hours with you. We appreciate the frankness of your answers and the way in which you responded so well to all of our questions. Thank you very much. We will bring this meeting to an end. Enjoy the rest of the day.