

Welsh Affairs Committee

Oral evidence: [The Wales and Borders Rail Franchise](#), HC 589

Monday 17 October 2016

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[Watch the meeting](#)

Members present: David T. C. Davies (Chair); Byron Davies; Glyn Davies; Dr James Davies; Stephen Kinnock; Liz Saville Roberts; Craig Williams; Mr Mark Williams

Questions 83 - 130

Witnesses

Ken Skates AM, Cabinet Secretary for Economy and Infrastructure, Welsh Government, and Simon Jones, Director, Transport and ICT Infrastructure, Welsh Government.

Councillor Samantha Dixon, Chair, North Wales and Mersey Dee Cross-Border Rail Task Force, Ashley Rogers, Chair, North Wales Business Council, and Iwan Prys Jones, Programme Manager, North Wales Economic Ambition Board.

Written evidence from witnesses:

[Welsh Government – WBR18](#)

[North Wales and Mersey Dee Task Force – WBR16](#)

[North Wales Economic Ambition Board – WBR22](#)

Examination of witnesses

Witnesses: Ken Skates AM and Simon Jones.

[This evidence was taken by video conference]

Q83 **Chair:** Good afternoon, everyone. I am very pleased that we are joined today by Ken Skates, Assembly Member and Cabinet Secretary for Economy and Infrastructure, who is with Mr Simon Jones, who is the lead official in the Welsh Assembly on transport, to discuss rail franchising. Thank you very much, Minister, for coming along.

Ken Skates: My pleasure, thank you, Chair.

Q84 **Liz Saville Roberts:** Almost two years ago it was announced by the then Prime Minister that responsibility for the specification and procurement of the next Welsh rail franchise would be transferred to the Welsh Government in 2017. It does seem rather surprising that the provisions for this transfer of power were not included in the Wales Bill. According to your understanding now, how is this transfer to be brought about and are there any aspects of this that are concerning you?

Ken Skates: Thank you, Liz. If I can say from the outset, I am very pleased to be able to join you today, albeit remotely. We have before us a once-in-a-generation opportunity to create a franchise that meets the growing demands of the people of Wales and, indeed, England. I am very pleased to be able to give evidence to the Committee and I am delighted that the Committee is carrying out this important inquiry.

In terms of transfer of powers, we were not surprised that the devolution of rail franchising was not taken forward through the Wales Bill because a transfer of functions on it had been agreed. Precisely because of the timeframe operating with the procurement exercise—the procurement is taking place right now—a transfer through the Wales Bill could not take place in time, so we were not surprised.

Liaison so far with the Department for Transport has been very good. Dialogue continues and, as we are here today, I am satisfied with the position that we are in.

Q85 **Liz Saville Roberts:** Nonetheless, do you feel in any way that the lack of clarity over how and when and, indeed, what will be devolved is likely to have or could have an effect on the procurement for the next franchise?

Ken Skates: There are some elements that are to be finalised but, as I say, dialogue is taking place I think very well at the moment. I am satisfied that the position we are in today is where we would wish to be in the overall timeframe of the procurement exercise.

There are some areas of disappointment. For example, I would have preferred the UK Government to agree to devolve funding for a rail



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infrastructure and also perhaps to direct Network Rail, as Scotland already has. There are demands that were contained within the Commission on Devolution in Wales, which could have been contained in an agreement thus far. I think the disparity between Wales and Scotland must be addressed—it has not been to date—but discussions are taking place amicably and constructively.

I think it is fair to say that we also need to recognise that there has been historical underfunding of the network within Wales and within the franchise map and that should be dealt with in the next control period.

Significantly, the North Wales mainline needs electrifying. We need electrification as soon as possible right the way through to Swansea. We also need work to be carried out on modernising stations. Principally, it is fair to say, Cardiff Central needs work. So there are areas that we would have wished to reach agreement on. We would have certainly approved additional resources being allocated to Welsh routes, but there are still opportunities for the UK Government to be able to deliver this.

Q86 Liz Saville Roberts: You mentioned infrastructure and also investment in stations, and stations we understand has been through the operator. What would your views, having mentioned infrastructure, be on the devolution of Network Rail? Do you have any feelings particularly that there would be advantages in relation to that throughout railways in Wales?

Ken Skates: There could be. I always say with devolution of power you have to make sure you can get the funding agreed and watertight, otherwise you could be taking on roles and taking on responsibilities and taking on powers without the necessary resources. Historically, we have had underinvestment in the infrastructure in Wales, so if there were to be devolution of powers, then I would also expect appropriate settlements.

Q87 Chair: Minister, if I can just throw something in on this issue, it is a matter of curiosity for me. If and when the Welsh Assembly becomes responsible, or more responsible, for the running of railways, would they also take over responsibility for British Transport Police, who, unusually, answer to the Transport Minister and the UK Government rather than the Home Secretary? It is a slightly odd question, perhaps, but obviously I had an interest in the British Transport Police myself for years and I wondered if the Welsh Assembly might end up inheriting a police force as well as a whole load of transport powers.

Ken Skates: That is a fair question. Given that law and order on railways is absolutely central to the smooth operation of the network, I think it is a fair question. In terms of dialogue that we have had with the Department for Transport on its own, I don't think we have reached yet a permanent position. What is the latest on the policy?

Simon Jones: Certainly, in terms of the future, I do not know. As we stand today, we do make a contribution to the funding of British



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Transport Police, so the logical extension would be to take that further, I guess, but it brings into discussion a whole lot of other possible areas.

Ken Skates: It opens up other questions. I would welcome any views that the Committee had on this issue.

Q88 **Chair:** Thank you. We will watch that one with interest. Could I turn to the proposals for a not-for-profit franchise? We have heard a few questions raised about this and wondered if you could explain in a bit more detail, in particular, the model you had in mind, whether you are thinking about simply nationalising the railways in some way, shape or form or whether your idea is to put together a proposal for a non-profit-making company at arm's length from the Welsh Assembly, which would bid against other operators like Arriva and the rest of them in some ways on the same footing. Could you enlighten us a bit on that?

Ken Skates: Absolutely, because this is a question that has arisen in recent weeks. Last week we were able to announce the four bidders that have come forward who we are going to be entering into more detailed dialogue with.

Since 2011, we have had the aspiration of creating a service that was run on a not-for-profit basis. Our procurement process has been designed so as not to disadvantage any not-for-profit operator coming forward and bidding to run the franchise. But unlike Scotland, we are restricted in Wales and in England in terms of whether a public sector body can become a franchisee, so we are potentially restricted by law.

We have set up Transport for Wales, which is a not-for-profit company, which will lead on managing the franchise. We tried to establish a very innovative approach to embed the principles of co-operation and fairness and value into the next franchise, with Transport for Wales operating as a wholly owned subsidiary of the Welsh Government, so owned by Welsh Ministers, initially tasked to design and to let the next Wales and Borders franchise. But we would see, potentially, Transport for Wales being able to operate certain concessions on a not-for-profit basis.

We are in the midst of a commercial process at the moment, so we would not be able to release any details of the actual bidding because it could then compromise the integrity of the process. But the actual company, Transport for Wales, is a company that is not for dividend and, therefore, we would expect, with capped profits as well, as much of the resource and revenue to be reinvested into the network as possible. To answer the question about nationalising, we would not be able to do anything.

Q89 **Chair:** Do you feel you have the resources to carry this through at the moment as things stand?

Ken Skates: I think we have. We have established Transport for Wales. In terms of the human resources, we have experts who have been working on procurement, I have to say with the assistance of the Department for Transport. We have not done this alone. The Department



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for Transport has been able to offer advice and guidance where and when possible. I feel we have the resources that will enable us to ensure that the process is carried out effectively and on time.

Q90 Craig Williams: Minister, a pleasure to talk about this issue. Earlier in the inquiry we talked and you touched on Transport for Wales. I know you cannot go into specifics about the franchise you are tendering for, but you have light rail and heavy rail, presumably. You have the South Wales Metro, you have the rest of the Border line. How is Transport for Wales going to mash this together? Can you do it all in one franchise?

Ken Skates: There is no doubt it is a big challenge, but we have confidence in our ability to be able to do this. You are absolutely right, it is a once-in –a-generation project and the challenge is considerable.

In terms of the human resources, we have the people who are required. In terms of the bidders, we have four bidders now who have considerable experience in running metro systems and rail franchises. Obviously, we would also wish to have powers over buses, which would then enable us to fully integrate all forms of transport, including metro travel.

Simon Jones: It is a good question because it is a really complex mix that we have. We have something that looks like a traditional regional franchise mixed in with the establishment of a metro network, which is not insubstantial in itself. We did ask the question: should we be doing two procurements for this; should we have one partner to help us establish a metro and then another partner to help us deliver the Wales and Borders franchise?

This whole process to get us to where we are today has been informed by consultation with industry. We started talking to industry back in 2015. We have been through a number of rounds of consultation with industry and the overwhelming message that we were getting back from suppliers was that there would be economies of scale to be had from doing the main franchise with metro as part of it. If we disaggregated that at this stage while we were trying to develop, because of the disruption, because of the challenges that we would face as we were perhaps taking lines out of service on one line and putting them into another, if that is the way we end up going, and because of the need to be able to use the workforce as effectively as possible, industry said to us, "Keep these two together, certainly for now, as you are establishing the metro. That is the best way to take things forward".

Ken Skates: Our approach also differs from other UK franchises in that we are utilising the benefits of competitive dialogue. Following the process of the prequalification stage, bidders have been invited to participate in dialogue that will develop solutions for metro and the wider franchise. It differs from the franchises in the rest of the UK because we have had the bidders talking to us at an earlier stage about how they can overcome some of the challenges that you have identified.



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- Q91 **Craig Williams:** Just a quick one. I do not want to trample over other people's questions, so I will not dwell on rolling stock. Simon mentioned economies of scales there. In terms of the timescale on this and economies of scale on ordering new rolling stock, for example, how quickly can this be in place? I know Transport for London has a really big order at the moment, which people would want to get on the back of. If you have light rail and heavy rail, you are splitting what is a small order even smaller for economies of scale.

Simon Jones: The companies that we have announced as bidding for this work have considerable buying power as well as us, so we should not just think about it as the Welsh Government doing this. We would be in partnership with one of these organisations who are buying rolling stock on a global basis. It is not just our buying power, it is their buying power as well that we would be leveraging, so we are confident.

As part of the dialogue that I mentioned over the course of the last year, we have been talking to not just operators, but providers of rolling stock. This is something that we have been warming the entire market up for for a long time, so this is no surprise. I think we will have buying power because we will be partnering with somebody with a lot of muscle in the marketplace.

Ken Skates: We are certainly getting indications of great appetite as well. It is a very competitive market. There are the likes of CAF, Hitachi, Siemens, who are showing considerable interest in what is happening in Wales.

- Q92 **Stephen Kinnock:** Around the agreement to transfer the franchising responsibility to the Welsh Government, do you feel that there is adequate investment in that, given that there will not be a commensurate increase in the block grant? Will the investment in electrification cover for the fact that that increase will not be taking place?

Ken Skates: It is a good question. I think it is too early to tell. We are still working through this. There are financial discussions that need to take place with the UK Government before we reach a final financial settlement. It is true we have identified electrification as a method of reducing costs. Electrification can bring about efficiencies, but operations can also be affected by other factors such as rolling stock types and service frequencies. There is still a good piece of work to be done before we reach the final financial settlement.

- Q93 **Stephen Kinnock:** If you had to assess the risks around a potential shortfall, would they be high, medium or low?

Ken Skates: It would be difficult to guess or guesstimate the level of risk at the moment. I would prefer to err on the side of caution and just refer to my previous answer that there is still work to be done to examine the financial impact and manage all demands prior to any final settlement being reached.



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Simon Jones: There are moving parts in this as well that are worth considering. The way in which track access charges are made against the train operating company has been a moving feast over recent years. Where that settles will also have an impact on this, so there are a number of things that we need to consider here.

Ken Skates: That can be identified in the written answers that we have already provided. You will see from some of the tables that the access costs can impact quite significantly on income levels and costs. As Simon says, it is very much a moving feast at the moment.

- Q94 **Liz Saville Roberts:** Professor Stuart Cole told us in his evidence to us, in his words, "EU structural funding has been generous to Wales's transport system ... These funds had been specifically targeted at those areas of low income and economic growth". Given that there is, of course, uncertainty about whether the structural funds will be replaced in any shape or form, what do you think are the implications of the Brexit referendum and the support that we previously had for transport?

Ken Skates: I think we have been quite clear that we need for infrastructure in Wales every penny that we would have benefited from had Britain voted to remain in the EU and were to remain in the EU. I think it is fair to say that there will be risks, particularly to the metro project, if we do not have a guarantee of every penny coming to Wales that we have based our proposals on.

- Q95 **Dr James Davies:** Could you give us an idea of the effectiveness of the work between your Government and the UK Government in terms of the Welsh franchise?

Ken Skates: I think the discussions that have taken place so far, as I say, have been very amicable, very constructive. The fact that we have not had any slippage so far in terms of the timeframe I think reflects well on both parties. That said, the discussions we have had so far to date demonstrate that issues remain to be resolved. We hope to see them resolved in the next four to five months.

- Q96 **Dr James Davies:** Could I raise a few issues that I think are really important when we look towards the renewal of the franchise, in terms of the two Governments working together? For instance, the expertise that the Department for Transport has in franchising, of course; the fact that infrastructure development is non-devolved, whether that is signalling improvements, line speed improvements, electrification, increased platform capacity at Chester and Wrexham. Those are all key to your fulfilling what you want to achieve. Also in terms of other franchises being allowed to run their services, perhaps, for instance, TransPennine Express through to North Wales. Finally, if there are trains made free, rolling stock made free, elsewhere in the UK, laying claim to those or at least putting in a bid for them.

Ken Skates: Yes, absolutely. We aim to take the experience of the Department for Transport and amend it and shape it to the needs of the



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next franchise in Wales in terms of being able to have competitive dialogue at the earliest stage we can do this. We have quarterly meetings as managers of the current franchise, and officials from the Department for Transport are present at those meetings.

In terms of cross-border interests, we also have a cross-border forum, which I think has proven to be fairly effective. I would not wish to remove that piece of architecture in the overall model of co-operation that we have across the entire rail network.

Simon Jones: I was going to add a few things particularly on the expertise point and perhaps the infrastructure point. On the expertise point, Transport for Wales has been set up and we have some core individuals in there who were brought in specifically to help us with this because of their background. We have a supply chain that is used to working for the Department for Transport on franchise arrangements, so we are confident that we have access to the same calibre of resource as the DfT. In some cases, we have brought in people from slightly different industries to help us bring a different perspective to this. So in terms of expertise and resource, as the Minister has said, we are content.

On the infrastructure point, it goes back to what the Cabinet Secretary was just describing. The fact that rail infrastructure is not devolved to Wales will make it more difficult for us to tie together the needs of the franchise with our delivery objectives, because we cannot control all the pieces of the jigsaw. It makes life more difficult for us than perhaps the equivalent franchises in England where a single organisation holds sway there. That goes back to how we can work better with the Department for Transport while we are in the position that powers for infrastructure have not been devolved.

Finally, I just wanted to add, in terms of where we are today, we have entered into a formal agency agreement with the Department to allow us to go through this bidding process. There is another agency agreement, which we are working on together with the Department at the moment, to establish how cross-border considerations will be managed.

Ken Skates: These are process problems but they are not insurmountable.

Q97 **Dr James Davies:** Yes. Could I just expand on that before I pass over to someone else? In terms of partnership working, can you confirm that it is your intention to involve local authorities both in, in my case, for instance, North Wales and northwest England, and also the Rail Task Force, as is the case I think in other franchises?

Ken Skates: Yes, absolutely. The Rail Task Force has been superb. In particular, authorities have also been very effective in North Wales and put together the case for electrification. The cross-border forum already includes some authorities in England and Wales. I would wish to maintain the involvement of elected bodies at every level in any cross-border



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considerations that we might have. There is also City Deals, of course. There is going to be an important role for local authorities in that regard.

Q98 Byron Davies: It is not so long ago that I was a Member of the National Assembly and had the shadow transport role. One of the issues with the Welsh Government was the fact that they lacked expertise. I know the then Minister was looking to employ further expertise. Where are we with that now?

Ken Skates: My predecessor was concerned about expertise and the need to ensure that we have sufficient high-calibre people within Government to run and manage the franchise for Transport for Wales. In terms of the additional people who have been brought inhouse, I think we have been able to demonstrate through the ongoing process a considerable degree of insight and expertise because we have had no slippage. Had we had spillage in the process, that would be alarming and we would then be able to assess where the lack of capacity is. But at the moment we are where we would wish to be. We have taken on additional resources, human capital, and I think that is proving very successful.

Simon Jones: If I can add to that, I think the fact that we have four bidders for the franchise is a reflection that the industry is content that we have the adequate level of expertise and resource. All these bidders are going to be committing many millions of pounds to the process over the next year or so. They would not commit that if they did not believe that we were able to run a proper process.

Q99 Glyn Davies: I want to ask you about the current franchise, which will have been running for 15 years when it comes to an end. Arriva Trains Wales has pretty good performance on paper: increased passenger numbers, increased passenger satisfaction. All the things that we would want to see, they tell us they have been delivering, particularly since they have invested hugely more than they needed to do under the original franchise. What is your opinion? Do you think that Arriva Trains Wales has delivered on the level of satisfaction that they say they have?

Ken Skates: I think we have to go back to 2003 and recognise that the franchise that was awarded was based on a zero-growth contract and therein lies a huge failure. I personally believe that a lot more could be done to improve passenger satisfaction and to improve quality and so forth. That said, since we have been franchise manager since 2007, we have seen passenger satisfaction levels that compare quite favourably with the network across the UK.

We want the next franchise to be truly transformational and we want the improvements that rail passengers have identified and require now to be met as soon as possible. If you go back to 2003 and the franchise that was led by the Strategic Rail Authority, it was a minimal requirement that was set out for investment in growth and there was no requirement within the contract to meet any additional demand that could have come over the course of the franchise. That is in spite of the fact that growth



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was predicted and we have seen growth of something in the region of 60% since 2003.

We as a Government have invested considerable sums in the network in order to meet some of the increasing capacity demands of passengers. I think we have provided something in the region of £30 million each year for extra services. But there are still problems with the service in terms of capacity, punctuality and so forth that require attention. Arriva would be right to identify their performance as being in line with industry standards across the UK. I think, in fairness to Arriva, they are performing in the top half of the league table.

Q100 Glyn Davies: I must admit I have always thought that Arriva Trains Wales had delivered as good a service as you might have expected, but I am interested in those areas of weakness. Whenever you are looking at a new system, one is looking at the areas of weakness. Where in the performance over the 15 years would you feel your greatest disappointment is and where improvement might be most needed?

Ken Skates: I think it is worth looking at what the respondents to the consultation identified as their primary concerns, because that then probably reflects where the failures have been experienced. Quality of rolling stock was a major concern for passengers. In terms of capacity, many respondents felt that there were insufficient seats available. In terms of the quality of refreshments and toilets, there were concerns. It is pretty fundamental stuff, but it goes back to the actual franchise and the lack of incentives and penalties that were available and built into the contract.

Essentially, what we want to do is have dialogue now and also build into the franchise sufficient termination clauses that will ensure that there are penalties there, which will ensure that the winning bidder recognises their duties. We also want to make sure that the right incentives are in place so that capped profits can drive increasing passengers and also quality.

Q101 Mr Mark Williams: My question follows on very neatly from Glyn Davies' reference to passenger satisfaction. Although you are right to assert, and the figures bear it out, that over the franchise period, passenger satisfaction has increased considerably, in the survey in the spring of 2016 compared with the spring of 2015, there was something of a dip in those criteria you mentioned: sufficient room for passengers to sit or stand; connections with other forms of public transport; the availability of staff; the upkeep and repair of trains. I very much welcome what you have just said in terms of looking for the new franchise to be, in your words, truly transformational, but just a reaffirmation that perhaps we really have reached the point, with some of that rolling stock being 40 years old, that the public are getting tired of that lack of capacity and the low quality of the rolling stock.

Ken Skates: I agree entirely. I think overcrowding has been a particular problem these past 12 months, as reflected in the latest passenger



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surveys. It might be helpful if I provide, as an additional note to the Committee, correspondence between myself and Arriva, which came as a consequence of a passenger survey, questions I asked Arriva to answer and tasks that I set for them in order to address some of the concerns around overcrowding and the quality of the service that was being provided to passengers.

Availability of rolling stock is pressing right across the UK. Wales is not a unique place in this regard. Nonetheless, it needs to be addressed.

Q102 Mr Mark Williams: Something we have picked up, a very important issue, during the course of this inquiry, which adds to the pressure on rolling stock and necessarily so, is the fact that by January 2020 rolling stock across the UK needs to comply with new rules on disability access. It is a fundamentally important issue. That adds a necessary pressure to this process as well, does it not?

Ken Skates: Yes, indeed. There is no doubt about it that that additional demand will make a problem—well, there is an opportunity here. It means that we can address some of the capacity issues by ensuring that those new obligations are met and, therefore, that new rolling stock is made available. But there is no doubt it will present a problem as well, in terms of being able to ensure that all services comply with those measures.

Q103 Liz Saville Roberts: When we visited Arriva in Cardiff, they told us that some of the lines in Wales require quite specific types of rolling stock. We have also been told by a leasing company that new rolling stock has a lead-in time of four years and that if new rolling stock is necessary, and it does seem to be the case, very quick decisions need to be made now.

Ken Skates: Yes, I think that is fair to say. In terms of rolling stock roll-out in four years, I think they can be delivered quicker than that. I am not entirely sure whether four years is the absolute minimum period, and there are other options for transforming existing rolling stock where possible. In terms of the minimum amount of time that is required from the point of order to build and deliver rolling stock, I am not sure if four years is the absolute minimum.

Simon Jones: To go back to the earlier answer about buying power as well, I suspect that will have an impact on it. That is part of what we are going to be dialoguing about with our bidders at the moment. Last week, they were set homework to come back to us by December with their outline solutions. One of the questions they have been asked about is to tell us in very broad terms how they are going to deal with this specific issue. So we will have an answer from industry within the next couple of months, which I think will take us much closer to being able to answer that question.



Ken Skates: Given that these are significant players, we would expect them to be able to provide the answers in terms of the need to address capacity issues.

Q104 **Stephen Kinnock:** Clearly, there is a whole range of issues that you need to resolve through investment, but if you had to name your top two or three priorities for investment under the new franchise, what would they be?

Ken Skates: Capacity. There is no doubt about it. I also think it is fair to say that journeys by rail must be better integrated with other forms of public transport. That is why this could and should be a truly transformational franchise: because of the opportunities it gives us to integrate ticketing, integrate rail with bus transport. Thirdly, we also need to ensure that there is the correct investment channel into improving journey times and making journeys swifter.

Simon Jones: The headline for the consultation that we ran earlier this year was that the response wanted was reducing overall journey times, as the Minister said, reducing costs, improving capacity, access and disability provision, improved punctuality, reliability and quality, all the issues we have already discussed today. Those, I guess, are our priorities.

Q105 **Stephen Kinnock:** Integration with other transport providers is obviously an important part of that. Are you confident that you have the mechanisms in place and the culture in place to make that integration work?

Ken Skates: Not yet. We do need more powers. We need powers particularly over regulating bus services. Ticketing will be key as well, integrating ticketing, because you have the ability to integrate tickets for various routes and operations and you have the ability to force service providers to work together in a way that we simply do not have at the moment. No, we do not yet have all the powers that are required and will enable us to make a truly integrated system, but we should be getting those. We expect to have those.

Simon Jones: The other point to make about that is that half the metro concept is an integrated transport system. All the steps we are talking about here relate to the rail part of metro, but the metro will not work if we do not deal with the bus side of it as well.

Q106 **Dr James Davies:** What are your thoughts about the proposed length of the new franchise, bearing in mind, of course, that the existing one was 15 years and arguably it has been too long in that we have not been able to revise the contents of it? There are also model contracts elsewhere—East Coast, Northern, East Anglia, ScotRail and TransPennine—which are shorter. There is this idea that with a long contract you can safeguard further investment, but there is a bit of uncertainty on that and other things to consider.



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Ken Skates: I think there is a careful balance to be had between having a contract that is too short or too long. I think 15 years is acceptable because it enables continuity, which is necessary to get the best possible transformational change, and we need it. We also need to ensure that there are contractual weapons built into the franchise contract and formal reviews at years 5 and 10 to assess the performance of the successful bidder. Throughout the contract period, there should also be termination rights built into the contract in the event that non-compliance or default are experienced.

Q107 **Mr Mark Williams:** I want to ask you about the nature of the franchise map and the scope of the franchise. The procurement notice says that the geographical scope of the franchise is expected to be similar to that of the current one. Might that alter and, if so, will connectivity be maintained? I do not mind saying from the outset that there is a concern. It is a concern in my part of the world where we have well-established and profitable routes. I take the example, predictably perhaps, from Aberystwyth through to Birmingham International, but also through your part of the world up towards Chester and Manchester, and the concern that at some point, I don't know when, the map could be remapped to our disadvantage.

Ken Skates: Yes, you are absolutely right, but based on the scopes we have we do not anticipate any significant changes to the map. Indeed, we have also reached agreement now, in principle, for the franchise to operate services from destinations in Wales to Bristol and to Liverpool.

Mr Mark Williams: Good. That is very encouraging to me. I think we are all mindful of the fact that some of those cross-border routes are the profitable ones; others that some of us represent are less profitable. That is very good to hear, thank you.

Q108 **Chair:** Minister, just before we go, on this point, if people living in England who are using a part of the franchise that is either wholly in England or comes into Wales want to complain about an aspect of the rail service post transfer of powers, who would they complain to? Would you be willing to take up complaints from English MPs in the same way as you would from Welsh MPs?

Ken Skates: I would absolutely, but I also think, in all fairness to passengers who may board a train in England and then disembark in England, it is only fair that we give all passengers the right process that they are comfortable with to express their concerns to their elected members, who can then express them to us. How we resolve this process issue will be the subject of a second agency agreement with the Secretary of State. I envisage, as I mentioned earlier, retaining much of the architecture that serves cross-border issues. I would like to see the cross-border forum retained, if necessary enhanced. Discussions are ongoing with the Department for Transport on that second agency agreement.



Q109 **Byron Davies:** Just a very quick question to you: on the new franchising, do you have any view on the Heart of Wales line and how that might develop?

Ken Skates: I will wait for the bids to come in with details of how each of the bidders expect to run the service, but I am not sure I will be able to express any views on that at this moment.

Simon Jones: It is probably true to say that of all the lines, community rail has a big role to play potentially in Heart of Wales in a way that is perhaps more magnified there than elsewhere.

Ken Skates: It is essential that it all fully integrates as well, regardless of whether it is community rail or it is a franchise bid, as one system.

Chair: Excellent. Well, Minister and Mr Jones, thank you very much indeed for that. The system seemed to work quite well, so perhaps we will be able to do this again. Thank you both very much indeed. I am going to suspend the Committee now for a minute while we move away the electric paraphernalia. Thank you very much indeed.

Ken Skates: Thank you.

Sitting suspended.

On resuming—

Examination of witnesses

Witnesses: Councillor Samantha Dixon, Ashley Rogers and Iwan Prys Jones.

Q110 **Chair:** I thank Mr Prys Jones, Councillor Dixon and Mr Rogers for coming in and giving evidence to us all today. Can I start with an open question? There is a lot of interest in the fact that the original franchise for Arriva did not make an allowance for growth in passenger numbers. I want to ask you what difference such an allowance might have made. Also, just to throw this open a little bit, I think all of us, if I may say so with the utmost respect, can probably remember British Rail. Is there not a temptation for us all to look back and paint some sort of rosy picture of British Rail, when those of us who can remember it well will remember that the service was quite often less than satisfactory?

Councillor Dixon: Thank you very much. I am really pleased to be here. I am Councillor Samantha Dixon. I represent Chester City Centre ward. I am the Leader of Cheshire West and Chester Council. I sit on the Cheshire and Warrington Local Enterprise Partnership, and I am the chair of the North Wales and Mersey Dee Area Rail Task Force, which is a new role for me.

The Rail Task Force, a cross-border group, was formed and includes the North Wales Economic Ambition Board, which Mr Rogers is representing, and also the Mersey Dee Alliance, which is a key economic forum in our



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area. We have set out in our prospectus—we will leave some copies for the Committee to read—the kind of vision that we have for an ambitious growth position and how it could be delivered through rail in particular. The existing franchise, I think, does not deliver the kind of growth that is needed. The status quo is not an option. The reality is that there has been a 60% growth in passenger numbers in any case, and the current franchise does not allow for passenger growth.

One of the main reasons why our task force has been formed is because we really want to encourage more people to get to the right places for their work, for their study, and for their community needs. Currently, rail does not deliver that for them. Even though there has been a growth of that magnitude on the current franchise, it needs to be much more and much quicker. The Minister used the word "transformational", and that is the reason why I want to be involved in this, because getting this right could actually transform the communities on both sides of the border.

In terms of rose-tinted spectacles looking backwards, I do not think we are. I think we are actually looking forward and expecting a great deal more for the communities I represent and certainly for the business community that Ashley represents. Do you want to comment, Ashley?

Ashley Rogers: Sure, yes. I think, as Councillor Dixon was saying, on looking backwards with rose-tinted glasses, the only thing that we have actually gone backwards on seems to be line speed. If you look at some of the average speeds, from Bangor to Manchester, it is 37 miles an hour; Holyhead to Bangor is 34 miles an hour; Wrexham to Liverpool is an interstellar 24 miles an hour, which is actually slower than a horse. For us, we are definitely of the viewpoint that we have to move forward. The current rail network, a combination of franchise and infrastructure, is throttling our growth as a region. I say that as a businessperson representing North Wales and Mersey Dee. The franchise is really the biggest and most immediate chance we have to transform and revolutionise that economic growth.

Iwan Prys Jones: I believe that the franchise has done well in maximising the use of the rolling stock that they inherited when the franchise came in, but the reality is, as far as most day-to-day users of the rail services in North Wales and Cheshire are concerned, it does not provide an adequate means for them to access the type of journeys that they are seeking to make. That is partly down to the shortage of rolling stock, which then equates to a less frequent service than would be necessary. It does cause issues of overcrowding, especially on peak trains, and it does not provide the ability for us to be flexible in providing alternative services that suit people's changing travel patterns as time goes on.

Within the task force, there have been many comments about the service between Chester and Manchester, or between North Wales and Manchester in particular, where it parallels the increasingly congested



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M56 corridor, with many, many tens of thousands of jobs being created along that corridor, yet the rail network does not serve accessibility to those places well at the moment—or at all, in fact.

Councillor Dixon: Just to finish, the indication of the appetite for change comes from when we launched our prospectus and the fact that we now have 500 businesses in our region that have signed up to this, which represent 250,000 employees in the region, who agree with the proposition that we have set forward that we need change.

Q111 Glyn Davies: You have partly covered the area that I wanted to cover. If we look back over the 15-year term, the overall performance figures have been pretty good. Arriva Trains Wales would be able to tell you of various increases way beyond what was anticipated, all of that. There has been a bit of a fall-off recently. We have seen more problems with maintaining that kind of improvement. Do you think that Arriva Trains Wales can maintain what they were doing, and reverse the more recent trends, without a major investment in rolling stock? I am looking at what we should be doing to try to get back on track. Is the investment in rolling stock the big issue?

Ashley Rogers: I would say yes. Without the rolling stock, you cannot run the services; therefore, you cannot satisfy the demand. Fundamentally, it is like having a taxi rank with no taxis in it. People will choose other forms of transport, and our road system, regardless of how much the UK Government and Welsh Government invest in roads, whether it is the M56 or the A55, we simply have too many cars on the road. We need to get people off the roads and on to rail, and currently there is not enough capacity to do that.

Councillor Dixon: I think in our response to the consultation on the franchise, we articulated a number of different ways in which we want to see the franchise changed. We want to see an increased frequency of services at times when commuters need them. We want an improvement in journey times on long-distance services. We want to maintain and improve cross-border services, so those through to Chester and beyond, and also those from, for example, Wrexham to Bidston. We would like to see the doubling of that frequency, which would link really well into the Liverpool City region for the people who live in Wrexham and Flintshire and Shotton.

We want to see a meaningful commitment to the role of community rail partnerships. It was interesting to hear the Minister talking about the integration aspect and the potential of the franchise to bring that forward. We would support that, definitely, but the rolling stock and the frequency of journeys is the key to it.

Q112 Glyn Davies: You have listed a number of improvements that you would quite like to see in the next franchise that is going to be let. The Minister told us that he thought capacity was the main issue, and I think that probably is what you are telling us as well. What are the ways in which



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we can put discipline—I say this; it may be not quite the word I am looking for, but we need to have a structure, a means that the winner of the new franchise has to operate, and there have to be punishments and there have to be incentives. What kind of punishments and incentives do you think should be there, what sort of structure around that franchise, to make sure it delivers and it is not just one way?

Iwan Prys Jones: Ultimately, there have to be some contractual obligations in the contract that reward high-quality performance in such a way that increases fare-box income through increased patronage rather than increased subsidy. That is a really important facet. I think it has been comparatively easy for the current franchisee to hide behind the zero growth and just to turn back to the Welsh Government for extra money whenever any additional services are sought.

I would be looking to see more incentivisation, to see the franchise holder bring in private sector expertise to grow the number of passengers using the trains, and some kind of reward mechanism that means that hopefully there is a reduction in subsidy. If the operators fail to provide that, I would expect to see contractual penalties, if you want to term it that way, that impact on the company for failing to perform effectively.

We think there is a great opportunity to significantly grow the number of trains and grow the number of people who are using the network in such a way that can support economic growth in the cross-border region. We really need to see a franchise that enables that to be exploited.

Councillor Dixon: We need it to be a flexible franchise, because we believe that with the proposition for HS2, if we get that proposition right, we could unlock really serious potential in North Wales and out to Ireland, too. I think there is a huge international proposition, if I could grandly state it as that, if we get this right. We need this franchise to futureproof that possibility so that when we know that it is going to come, it is there ready to go. I think this is a golden opportunity to make that right.

Glyn Davies: Yes, I think that is right. I am in the same boat—or on the same train anyway—as the Member for Ceredigion here. So often in Mid Wales we see people standing on the station because they cannot get on, and the train just drives off and leaves them there. That is not an uncommon occurrence, so the capacity issue seems to us pretty serious.

Q113 **Mr Mark Williams:** Nice as it was to see the Minister live from somewhere in Wales, it is very good to see you here in person. I like a bit of technology work, but it is good to see people here.

Very much following on from that in terms of the franchise length, you will be aware that the former Economy, Science and Transport Minister in Wales, Edwina Hart, said that she was in favour of going for a longer-term relationship. I think in your written evidence you have been cautious about that and highlighted the benefits of having a shorter term, but the principal argument is that for a 15-year period, that longer-term, perhaps more profound investment could take place over a longer



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franchise. My question is, to put you on the spot, notwithstanding those challenges and the need for the franchise to be flexible and respond to some of those challenges, what length do you think the new franchise should be awarded for?

Councillor Dixon: I think that we believe that a franchise end-date close to 2027 coincides with the introduction of HS2 as far as Crewe. As HS2 will have a significant influence on the demand and of classic rail service, it is important that this franchise has a mechanism for service changes to be aligned to the impacts of HS2, or is renewed at that time.

Q114 **Chair:** You are quite optimistic in thinking that is going to arrive on time, aren't you?

Councillor Dixon: That is something I will leave to others to articulate. Clearly, if that is the direction that Government is heading in, we would want the flexibility in this franchise to optimise the potential benefits of HS2, not just for the city and the borough that I represent, but the wider community around it, including North Wales.

Q115 **Mr Mark Williams:** We heard perhaps an optimistic note from the Minister for some of us about the issue of remapping. I am glad you come from Chester. I am often on a train that, if I do not hop off at Shrewsbury, will head off in that direction, though I am usually heading off down to Birmingham International. I just wanted to hear if you have shared those concerns about potentially remapping the geographical scope of the franchise and how services and connectivity in North Wales and the areas you represent, in North Wales and the Chester area, could be adversely affected. Certainly, just talking about my experience of the Mid Wales through to Birmingham International route, particularly in areas like tourism and well-established routes linking my constituents to a major international airport, it would be very unfortunate if all that work were jeopardised and services were to end somewhere short of that.

Ashley Rogers: From a business point of view, we do not want any remapping at all. The current route that we have in terms of the north-west and Cheshire, Wirral and North Wales represents the same footprint as our economy, so we desperately need that to stay the same. When it comes to tourism, in North Wales we have 27 million visits a year. We want to get a damn sight more through Manchester airport, if at all possible, especially with the opening up of direct flights to China. For us, we really need it to stay exactly as it is, and it is about the service frequency and the capacity within that franchise area that is key.

Iwan Prys Jones: I agree wholeheartedly with the point that Ashley has just made. I would add though that from our perspective, the arbitrary lines on maps that we construct around ourselves get in the way of the types of journeys that passengers want to make. The geography in north-east Wales and in Cheshire is particularly complex, because we have two major city regions, we have two different Network Rail routes. We have two Governments, we have several local enterprise partnerships, all with



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views around what kinds of services they want, yet from a passenger perspective, what is necessary is a fully integrated network that enables people to get to the destinations that they are seeking to get to. The worst possible solution is that we end up with people having to get off trains and get on other trains just because it happens to cross some administrative boundary that makes sense to people somewhere else. From a business perspective, it is one economy, it functions as a single economy, but we struggle to provide a transport network that works within that single economy.

Q116 Mr Mark Williams: You heard what the Minister said to us earlier. I would imagine you have made your concerns in that particular area apparent to the Department for Transport. What kind of response have you had from them on the issue of remapping or potential for remapping?

Councillor Dixon: We have written to numerous trade influencers, if you like, as well as Ministers, setting out our aspirations for the economy and how rail can meet it. In terms of the franchise itself and the mapping of the franchise, we have articulated this in the way that there is one economy; it is an integrated economy. We would really like agencies to work together as much as possible. We are, as the Rail Task Force, willing to facilitate that coming together of the different bodies so that the relationships are built and are not holding back improvements that seem simple to the people using the trains but seem terribly difficult to the people who administer them. Iwan, do you want to comment on that?

Iwan Prys Jones: Following on from the point I made earlier about the different timescales between various bits of Network Rail doing their work as it integrates across the border, the particular difficulties are around the different timings for franchises. You can see that in some of the Northern franchise stuff at the moment in TransPennine where they know they are going to be getting shiny new rolling stock over the next couple of years, and there are promises of significant improvements in passenger service, yet a couple of miles away, we are in a whole different timeframe. I think that causes problems in perception around just how difficult it is sometimes to get some straightforward things done. You would have thought that putting on more trains per hour between areas that link where people live to where they work would be a relatively straightforward thing to resolve, but it is not.

Councillor Dixon: I think this is an innovative partnership body of business representatives and elected members in terms of the local authorities. We have met the Welsh Government and come to give evidence to you today. Underlying this, we are keen to see a specialist group of the key decision-makers sitting underneath the task force who can do the nitty-gritty and the workings around the improvements that we have articulated, and we are trying very hard to bring that into existence and to facilitate it. Hence, we are writing to anybody and everybody, and we are relying on the support of many of our colleagues



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and friends on both sides of the border, some of whom are sitting at this table so we would like to thank them.

Q117 Mr Mark Williams: You heard the discussion earlier when we were looking at the criteria of passenger satisfaction and the issues of travelling from A to B, from home to work every day, the impact on people's journeys, the clapped-out trains, the lack of punctuality sometimes between connecting services, the lack of staff, trains that are 40 years old and cannot be refurbished any more. Just specifically on that tourism issue, we all know the potential. You represent one of the most beautiful cities in England, Chester; I represent one of the most beautiful constituencies in Wales. The point is there is a huge potential there. We have heard about those figures in growth of the railways, and the potential is so much greater. This should be an integral part of the offer that we give people, shouldn't it? How true is that?

Ashley Rogers: I think it is very difficult to capture the disaffected tourist. We have 27 million visits to North Wales in a year. As a result—some of it of Brexit and some of it of a very strong tourism offer—we have been experiencing double-digit growth in tourism in the last few years. I think the first six months of this year we were something like 15% up. For us, the tourism is probably 15% of our economy within the north. It is really, really important, and it is progressively more important post-Brexit and all that sort of thing.

The issue is capturing the tourists who do not use rail because it is not fit for purpose. How do you capture that opinion? I think that is really difficult to do. The only thing we can see is the knock-on effect on our roads. The A55 and the M56 during peak season, if you have an accident on the A55 it is blocked completely. You are talking three, four, five hours. Probably what you lose is the returning tourist, but how you capture that I don't know.

Councillor Dixon: Certainly, from the perspective of somebody arriving at Manchester airport, it is about the ease and comfort of the journey. If they want to go to North Wales, it is more difficult than heading to the Lake District, simple as. We want it to be much easier.

Mr Mark Williams: Seamless, absolutely, yes.

Q118 Dr James Davies: Thank you for attending today. Clearly, in North Wales, I think all the services travel into north-west England, apart from those perhaps from Blaenau Ffestiniog to Llandudno Junction. Yet, despite that being the main reason for the railway existing, we have heard about issues with speed, frequency, capacity, cleanliness, and also lack of direct services to where people want to go. What do you think are the main barriers in terms of improving these east-west services? I think we have talked about some of them already in terms of political boundaries, but what are the barriers and more importantly, how can they be tackled?



Councillor Dixon: I really think it is the political boundaries. That is the long and short of it, and I think that we have demonstrated within the task group and within the all-party parliamentary group that those barriers can be overcome if there is the will to do it. There really is the will to do it now. We were discussing this earlier. This is the most exciting piece of work that I have done since I became leader of my authority. It has an energy about it because it simply is the best proposition. I think that is infectious, and I think that all the political decision-makers who understand this proposition agree with it. I have not met one yet who disagrees. Iwan, do you want to talk about the barriers?

Iwan Prys Jones: Yes. I think there are some barriers. Too many of the services, I think, that operate in the Wales and Borders franchise try to be all things to all people. They try to provide a local service that stops at every station, while at the same time providing a long-distance service that helps people get to whether it be Birmingham or Cardiff or Manchester or wherever it is they are going from. In our view, were there sufficient rolling stock and the infrastructure was capable of supporting it—there are two big issues there—then a split service whereby local trains served local demand and there are other trains that cover long-distance journeys faster would do an awful lot to help the economy.

The two ifs and buts are, one, we need a sufficient supply of sufficiently flexible rolling stock, so you can join trains together at key places and that type of thing, and you need the line infrastructure to have the capacity to be able to run fast trains intercut with slower trains serving local need. The whole basis of the type of approach that we tried to outline in the prospectus is something that gives that blend of services so that if you are in Bangor or Llandudno, you can get to Manchester in an hour, as opposed to an hour and three-quarters or whatever it is at the moment. Equally, if you are in Penmaenmawr or Llanfairfechan or Conwy, you can get a train to Llandudno Junction, which enables you to change on to a faster train to get to the destination you are seeking to go to. There is a whole pile of infrastructure issues, and specifically rolling stock issues, around that, which need to be unravelled, but that is the compelling vision that we have at the core of the work that we are trying to do.

Q119 **Dr James Davies:** Do you think that new franchise arrangements can address or begin to address a lot of these? If not, what other avenues do you see?

Ashley Rogers: I would say the franchise is perhaps the most important in the next two or three years to address. We have concerns about the transparency on the rolling stock strategy. We are less than two years away from the start of the new franchise, and we have no understanding of what we are getting from where and when. I realise that it is a very complicated issue, and Minister Skates has a lot on his plate in terms of the South Wales side of it and the metro, but at the moment, as we stand, we do not have enough rolling stock to do what we need to do,



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and in 2020 we have accessibility issues where we may lose rolling stock. This is on the back of, if you take one end of the North Wales and Mersey Dee area, so you take Wirral Waters, there is a £4.5 billion development there. You take Wylfa Newydd on Anglesey at the other end of the region, £12 billion to 14 billion, with a whole host of other projects in between, and we cannot cope with what we have now in terms of the infrastructure. I think for us the franchise is perhaps the biggest and most important side of it.

Iwan Prys Jones: Please do not underestimate the fact that there is a need for infrastructure capacity to work alongside the franchise. In many ways, that is a sort of catch 22 that we find ourselves in. We need additional infrastructure. However, there is a view that you cannot justify the additional infrastructure because there are no additional services. We cannot provide additional services because there is no rolling stock. So there is a catch 22 in there that frustrates us, and I think it is important that the franchise is ambitious enough to be able to unlock that catch 22 so that they can then free up the infrastructure investments that are also necessary to deliver the kind of service pattern that we aspire to.

Councillor Dixon: Clearly, it would be fantastic if in the autumn statement there was a series of announcements assisting us in that proposition.

Dr James Davis: £1 billion.

Councillor Dixon: Whatever you have, James, it would be lovely.

Iwan Prys Jones: I keep reminding my colleagues that for those people who live in Reading, if they had a train service to London that went once an hour, had two carriages on it and took over an hour to get to work every morning, they would soon reassess whether they were prepared to use the rail network to commute for work purposes. That is a very live example of the kinds of services that too many of our commuters have to put up with.

Q120 **Dr James Davies:** You have highlighted the importance of rolling stock in terms of capacity and cleanliness; being able to go fast enough on upgraded lines if we ever get them; being able to join the carriages together. What would you like this Committee to recommend to the powers that be in terms of rolling stock to make sure that we have it as soon as possible?

Councillor Dixon: We would just like you to recommend that we have them as soon as possible, please.

Q121 **Dr James Davies:** Through which mechanisms? Have you thought about, for instance, who might procure it?

Iwan Prys Jones: We heard earlier about the relationship between the Welsh Government and DfT. I think from our perspective we would like to see some urgency in those discussions around exactly what the rolling



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stock strategy is for now, if you like, for when the franchise kicks in. The Minister made a good case earlier that they are actively engaged with the operators at the moment. I do wonder whether there is some work that can be done to accelerate that process, possibly by working between the Department for Transport and the Welsh Government to specify something in advance and working with operators at the same time, which means that we do not have a two, three or four-year lead-in times for rolling stock after the franchise commences.

Councillor Dixon: There is room for innovation, I think, but this needs to happen with pace. Some of the improvements and the propositions that we have set out in Growth Track 360 could happen next year, and we need them to happen next year, but it depends on—

Q122 **Chair:** You have slightly anticipated my question on the nature of co-operation between the Welsh Government and the Department for Transport. Would you say that the co-operation is there? What is your impression of that?

Councillor Dixon: I did not experience it before, but I would say that it appears to me that it is in a more constructive place than it has been. We hope that this will improve the situation for us in the future. I don't know, Iwan, if you are longer in the tooth in this game than I am.

Iwan Prys Jones: It is hard for us outside to comment on how the relationships work. It is absolutely essential that we have this sort of industry-wide meeting of minds around exactly what services and infrastructure improvements are needed in order to sustain what we believe to be a compelling case of investment in the network. It sometimes feels that we are a long way down people's shopping lists compared to other priorities in different parts of the UK, but this is a really big deal for us. It would be really good to be able to work effectively with both the Welsh Government and the DfT to substantially improve the quality of the kind of train services we have right now.

Councillor Dixon: I have to say that, talking just slightly beyond the franchise, we have articulated significant ambition in terms of electrification, but it is not the only thing we have articulated. There are grander scheme projects that we need to unlock the enormous potential in our economy. The size of our economy is huge if you take in the cross-border element, but we have also set out the smaller-scale investments that will make a huge difference to the people I represent and the people you represent.

Q123 **Chair:** I think, Councillor Dixon, it was yourself or possibly your colleagues who elucidated the need for some sort of strategic, overarching forum to bring everyone together. Is that something that you think would improve the service overall?

Councillor Dixon: We feel that there needs to be a trade forum, if you like. Iwan can probably describe it better than I in terms of who we feel



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should be in that partnership, but it is the people who take the decisions on the day-to-day basis about these kind of links.

Iwan Prys Jones: Our network is heavily influenced by what is happening in the Northern Powerhouse; what is happening in the Liverpool and Manchester City regions; the decisions around the HS2 hub at Crewe; the different timescales that Network Rail Wales routes and London North Western routes are working on to produce their long-term plans. All those impact on the kinds of services that we want.

It is quite difficult sometimes, particularly sitting in North Wales, to be able to have the right kind of dialogue with key decision-makers in Manchester or Liverpool, for example, around train paths in and out of those cities. What we would like is to have representation from all the people involved in those decisions around the table so that we could work with them to be able to shape what are, in essence, a series of outcomes in here, outcomes that can support economic growth, but they need to be translated into firm industry plans. We would like to be able to work with the wider industry across the geographical region to do that.

Q124 **Chair:** If the rail franchise is dealt with wholly by the Welsh Assembly, do you see a statutory role either for a committee or perhaps for the local authority in Chester in terms of being able to take up complaints from people who may be based in England and may perhaps be undertaking a journey solely in England but on a franchise that is run by the Welsh Assembly Government?

Councillor Dixon: That is outside my experience. Iwan, would you want to comment on that?

Iwan Prys Jones: In essence, I think there has to be a mechanism by which people undertaking journeys solely in England have an opportunity to have their discontent explained and explored.

I can give you a live example of the type of thing that goes on. A number of years ago, when the Manchester Hub proposals were being developed for the investments around Manchester, the one significant route into Manchester that was excluded from that was the route between Chester and Manchester because it sat within the Wales and Borders franchise, not within any other franchises that were currently being developed around the Northern Hub specification. To us, that was a missed opportunity for us to be able to feed into that process.

Q125 **Chair:** As things stand at the moment, somebody living in Chester who wanted to complain about the rail service could go to see their MP, who could table questions about it or raise it on the Floor of the House of Commons. Somebody in Wales who wanted to complain about the bus service could do something similar with a Welsh Assembly Member. What would happen to somebody in Chester if they wanted to complain about the rail service and it was part of a franchise run wholly by the Welsh Government? They would not be able to raise it with an MP because an



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MP would not be allowed to raise that in the House of Commons, and they would not be able to raise it with an Assembly Member because they would not live in an area represented by an Assembly Member. To whom would they complain?

Iwan Prys Jones: It is a fair point.

Chair: I will leave it. There is no one. I suppose that is the point I make.

Councillor Dixon: I am sure a mechanism or a structure could be facilitated that would enable that to happen.

Q126 **Chair:** Do you think that that should happen?

Councillor Dixon: It should not be a barrier.

Q127 **Chair:** No, I know, but I suppose that was the point of my original question. You would support some mechanism that would give people a statutory right of complaint to the Welsh Assembly and the Assembly a statutory responsibility to investigate that complaint?

Iwan Prys Jones: I don't think that sounds an unreasonable proposition, to be honest.

Q128 **Dr James Davies:** Do you have any thoughts about mechanisms that could be in place to ensure that North Wales and West Cheshire receives its fair share of infrastructure funding from whichever Government, UK or Welsh Government?

Ashley Rogers: I think in terms of making the case for investment—I am a bit of a salesman—Growth Track 360 is what we have done. We have made that case, and then I think it is following up on the cross-border task force to make sure that that does happen, but using our allies in the all-party parliamentary group and so on and so forth. I think the fact that we sit between two borders and two Network Rail routes and two of this and two of that means that we have to use all our friends all the time. The strategic forum that Sam and Iwan talked about would be an ideal first stage on that, I think.

Councillor Dixon: I think as well the Cheshire and Warrington sub-region, which I represent on the task forces, has a very key role in its geographical place between North Wales, Liverpool City region, Manchester, but also the area called the Northern Gateway Development Zone. It is very positive that the task force can actually bring advocacy into the issues around Crewe because it has a big impact in North Wales. I think the local authorities and those sitting around the table, of which I am one, on the Northern Gateway Development Zone appreciate the fact that that weight is there because it is in all our interests. It is about building solid relationships that can continue in the future.

Iwan Prys Jones: I talked earlier about how it seems there is almost a catch 22 and it prevents us from being able to put realistic packages together for infrastructure investment because of this difficulty of the



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current service provision not justifying additional infrastructure investment. That has to be resolved. I think we have a strong case that says we need better rail services. There are sound economic reasons for providing those, and what we need is the industry and decision-makers to work behind us to help us develop that into a proper investment strategy and make sure that we get our fair share.

It is difficult. Chester station, which is the sort of fulcrum of the rail network for North and Mid-Wales to an extent, is not in Network Rail's route. It sits in London North Western region, so decisions around additional track or platform capacity for it sit in something that is quite difficult for us in Wales to access because we do not have a relationship through the Welsh Government. Yet, from our point of view, it is crucial that those investments take place because without them you cannot run the kind of additional services that we would like to see in any franchise.

Councillor Dixon: We have demonstrated that the case is there for huge economic growth if this is unlocked properly. We have gathered together a lobbying group that is wide-ranging and significant. We really do now need some hard cash, please.

Q129 **Dr James Davies:** What about the proposals for a North Wales growth deal whereby the UK Government would invest in North Wales provided that the Welsh Assembly Government devolved powers down to North Wales? Presumably, those are the kinds of economic levers that could work in tandem with the LEP in Cheshire and Warrington. Is that something you think is important to drive this forward?

Ashley Rogers: As luck would have it, James, I have the growth vision with me, which incorporates Growth Track 360. From our point of view, the nitty-gritty on the growth deal has yet to be flushed out over the coming months, but it is absolutely integral to the growth of the economy within North Wales and the Mersey Dee region. We do not get one without the other, basically, when it comes down to it.

Councillor Dixon: Certainly, from the perspective of Cheshire and Warrington, our devolution aspirations and the negotiations that we have had are very outward looking and are based considerably on the North Wales economy but also on the economy around Crewe and overlapping into other authorities.

Q130 **Dr James Davies:** Finally, can you just emphasise for me what you think would be the economic benefits of the investment you are seeking? I know I have seen a figure of 70,000 jobs, but it would be helpful for the Committee, I think, to understand the extent of benefits that we could derive from investment.

Councillor Dixon: That is it: 70,000 new jobs. Ashley, do you want to fire away? You are very good at this.

Ashley Rogers: Yes, sure. We have outlined in the prospectus the growth opportunities across North Wales and the Mersey Dee region. This



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is predicated on the fact that I think 99% of these projects are firm and moving forward, but without the connectivity we will not get the fullest benefits of them projects and that is where the 70,000 jobs comes in. The numbers in terms of the economic development are, in a very positive sense, horrendously high. Wylfa Newydd is £12 billion to £14 billion. The North Wales economy on its own is only £12.5 billion, so you are talking about projects bigger than our entire economy. But we won't get the benefit if we do not have the infrastructure to service those projects and, as importantly, our existing businesses, I would say.

Councillor Dixon: It is about getting people to the right place.

Chair: Excellent. That is a good point to end on. Thank you very much indeed, all of you, for coming in today.

Councillor Dixon: Thank you very much for the opportunity.