

Written evidence submitted by TSSA (RIW0017)

TSSA is an independent trade union that principally organises in the railways of the UK and Irish Republic. TSSA is recognised for collective bargaining purposes by Network Rail, Transport for Wales Rail Services (Wales and Borders Franchise) and Amey Infrastructure Wales (AIW). The union is also recognised by other railway companies that operate in Wales, including GWR and Cross Country. Our members are typically employed as managers, professional, technical and supervisory staff and as administrative, customer service and Control Centre employees.

In our response we are seeking to address the areas identified by the Committee:

- **Where does responsibility lie for rail infrastructure in Wales?**

Responsibility for rail infrastructure in Wales principally lies with Network Rail whose remit as Infrastructure Manager covers the four areas of Operations, Maintenance, Renewals and Enhancements.

What is different in Wales is that Welsh Government does not have a part to play in the Office of Rail and Road's¹ Periodic Review and other processes that take place as part of setting the objectives and funding for Network Rail's five year Control Periods. This is unlike the situation in Scotland where the Scottish Ministers have responsibility for determining the High Level Output Specification (HLOS) and Statement of Funds Available (SoFA) which establishes the objectives and financing for Network Rail's five yearly Control Periods in that nation. The UK Government's Department of Transport sets the HLOS and SoFA for England and Wales.

The exception in Wales is that ownership of the Core Valley Lines (CVL) from Cardiff was transferred from Network Rail to Transport for Wales (TfW) on 28th March 2020. TfW leases the CVL to a private firm, Amey Infrastructure Wales Limited (AIW), which has responsibility as the Infrastructure Manager.²

In our view, privatising the Infrastructure Manager that looks after ten percent of the rail infrastructure in Wales has been a retrograde step and allows profit motives to intervene in what should be a body that is only focused on ensuring safe and efficient rail operation, maintenance and renewal. It is also a poor option because the Core Valley Lines were not in the best condition when handed over to TfW and are in a place where they are prone to flooding and can suffer from subsidence because of old mine workings. These events can have a seriously detrimental effect on the railway, as they have done in other parts of Britain, and we would ask whether the Welsh Government and TfW have the deep pockets that would

¹ See: <https://www.orr.gov.uk/high-level-output-specifications-and-statements-funds-available>

² See: <https://tfwrail.wales/about-us/metro/core-valley-lines-infrastructure-manager#:~:text=The%20Core%20Valley%20Lines%20network,the%20Core%20Valley%20Lines%20network.>

be required to repair large scale collapses of embankments. Network Rail was able to meet these challenges because of the scale of its operation.

- **How effectively do the UK and Welsh Governments cooperate with one another in the management, and funding, of rail infrastructure in Wales?**

As stated previously, Network Rail's funding via the five year Control Periods (the period covered by the current Control Period, CP6, is from 1st April 2019 to 31st March 2024) covers the four activities of Operations, Maintenance, Renewals and Enhancements.

The Welsh Government has published research³ that suggests that Wales does not receive, proportionately, anything like the level of enhancements funding that England does and that, even acknowledging the benefits of Great Western Mainline electrification from Severn Tunnel Junction to Cardiff Central, the shortfall is between £2.4bn and £5.1bn for the period 2019-2029. The research also draws attention to previous assessments that claimed a £1bn shortfall in enhancement investment for the period 2011 to 2015.⁴

The same Welsh Government research has also claimed:

“It is also worth stating that lower levels of enhancement investment over a prolonged period contributes to a subsequent lower share of ongoing OMR⁵ investment (the Wales Route with 11% of the network receives about 6% of OMR investment). Similarly, a railway starved of enhancement becomes less attractive, drawing fewer passengers leading to higher subsidies. It's an unvirtuous cycle.”

TSSA believes cooperation could be better and needs to be improved between the UK and Welsh Governments.

- **Should responsibility for railway infrastructure in Wales be fully devolved?**

TSSA does not support full devolution of railway infrastructure in Wales. There are many reasons for this and not the least is the practical one that a GB wide company like Network Rail is able to achieve economies of scale in its procurement of supplies, when letting contracts for its renewals and enhancements work and when dealing with emergencies like embankment subsidence.

³ See: <https://gov.wales/historical-investment-rail-infrastructure-enhancements-html>

⁴ See Page 5, “The Rail Network in Wales: The Case for Investment” at: <https://gov.wales/sites/default/files/publications/2018-12/the-rail-network-in-wales-case-for-investment.pdf>

⁵ Operations, Maintenance and Renewal Spend

We would also have a serious concern for rail safety if infrastructure maintenance activities were privatised by TfW and would see this as likely given that they have already leased out the Infrastructure Manager role. This is the lesson learnt from rail disasters like Hatfield (2 killed) and Potters Bar (6 killed) that were attributed to cuts to maintenance standards during the Railtrack era where achieving a profit through cost savings became the priority over ensuring rail safety. That led to Railtrack failing as a company and Network Rail taking maintenance back in house in 2004, saving £400m.⁶

TSSA could support the Welsh Government having a role similar to that of the Scottish Government in setting objectives and providing funding as part of the Control Period process as described above but, obviously, only in relation to Wales. One of the issues with that, however, is that unlike Scotland where the railway can be seen as geographically within the nation, in Wales it is the case that to travel from the South to the North (or vice versa) requires taking a train through England. This issue would have to be resolved and joint arrangements for the border agreed to avoid the problems that can exist with the Wales and Borders Franchise, dependent upon which side of the Wales/England border you find yourself (and even though operated by the same company).

- **What share of investment has Wales secured in its rail infrastructure since privatisation came into effect in 1994, and how sufficient is this level of investment?**

According to the Welsh Government's online publication "Historical investment in rail infrastructure enhancements", Wales only received £1.35bn in rail investment between 2001 and 2019. It is due to get a further £350m in the CP6 (2019-24) Control Period.

Wales also received estimated £755M from a "Barnett Consequential" in 2015 because of "an increase in the UK Government's Department of Transport budget for the period to 2019, rather than explicit decisions taken by the UK Government."⁷

This meant that the total UK Government rail enhancement investment in Wales currently stands at approximately £2.2bn for the period 2001 to 2029 whilst that of England (figures including Crossrail and some HS2 money) is estimated at £102bn by the Welsh Government's research. That research suggests a more proportionate level of investment in enhancements based on either population (Wales has approximately 5% of the British population) or route length (11% of the GB rail network) should have meant investment of £5.1bn or £10.2bn, respectively.

⁶ (DfT & ORR 2010 Rail Value for Money: Scoping study report, Version 1.1. para 3.4 p 22

⁷ See: <https://gov.wales/historical-investment-rail-infrastructure-enhancements-html>

It would seem that what Wales has received is an insufficient level of investment which can be demonstrated by the additional £1bn that the Welsh Government will have invested between 2001 and 2029 on projects like the Ebbw Valley and Vale of Glamorgan re-openings and a number of new and improved stations. What we are not clear about is whether the Welsh Government's South Wales Metro scheme that involves the Core Valley Lines should have come from rail infrastructure funding as the plan is to operate tram trains as well as heavy rail vehicles on the system that will be electrified with Overhead Line Equipment.

- **What will be the impact of the Covid-19 pandemic for the railway network in Wales (including the sustainability of services and potential impact on investment in railway infrastructure)?**

The impact of the CV19 Pandemic felt across the GB rail network has seen passenger demand drop significantly, particularly during the three periods of Lockdown, although in Wales the number of people using rail services is double the GB average.⁸

What is not clear is how many passengers will return to the railway as confidence grows in using public transport once the vaccination programme has been sufficiently advanced and the effects of the pandemic brought more under control.

What is clear, though, is that a short term view can be taken now and investment reined in but that will only cause problems down the line as passenger numbers begin to increase and upgrades or additional rolling stock and services are not available. Railways require a long term approach, especially in terms of planning and investment based on anticipation of future demand.

The present industry thinking is that whilst many commuters may have been working from home and enjoying the benefits of not having to purchase season tickets during the pandemic, in practice this trend, already becoming apparent before the onset of the virus because of employee flexible working options, will still see people use rail services on a few occasions each week (if not the whole week). There is also likely to be a return to leisure travel as people are released from lockdown and as witnessed by the huge number who flocked to seaside towns last Summer.

In addition, there is a need to recognise the impact of the drive to NetZero reduction in carbon emissions in thinking about rail investment, something that Network Rail is already planning for in its Traction Decarbonisation

⁸ At the time of writing it stands at an average of 16% across Britain. However, traveline.cymru (viewed at 1252 on 26th February 2021) suggest in Wales rail passenger demand is at 30%.

Strategy.⁹ The Welsh Government has recently consulted on its Transport Strategy¹⁰ that picks up the climate theme.

- **What opportunities are there for Wales as a result of the recently launched Union Connectivity Review?**

At the time of making this submission Sir Peter Hendy's Union Connectivity Review has not been published (due Summer 2021).

We also want to make the point that the material published about the Union Connectivity Review does not allow for any opportunities or evidence to be drawn to the attention of Sir Peter Hendy's team (see for instance: <https://www.gov.uk/government/publications/union-connectivity-review-terms-of-reference/union-connectivity-review-terms-of-reference>)

What we would hope is that the Union Connectivity Review will lead to greater funding and better cooperation between the Welsh and UK Governments.

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⁹ Available to download from: <https://www.networkrail.co.uk/campaigns/sustainability/>

¹⁰ Llywybr Newydd: A New Wales Transport Strategy at: <https://gov.wales/llwybr-newydd>