



Department
for Transport

Lara Date
Second Clerk
Assembly Commission Staff
National Assembly for Wales
Cardiff Bay
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From Managing Director, Passenger Services
Peter Wilkinson

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Our Ref:
Your Ref:

29th January 2019

Dear Lara,

Evidence to the Economy, Infrastructure and Skills Committee

I understand you are the clerk in respect of the investigation by the Economy, Infrastructure and Skills Committee into the railway performance in 2018. If this is incorrect, please can you pass this on to the right official.

The Department for Transport (the Department) has examined the transcript of the evidence session held on 5th December at:

<http://record.assembly.wales/Committee/5150>

and on the basis that the Department was mentioned a number of times during that session, requests that it be able to submit written evidence in response.

In particular, oral evidence was presented asserting that, during the period when the railway franchise was operated by Arriva Trains Wales (ATW), rolling stock was a matter for the UK Government (which the Department does not accept) – and that failings in undertaking such responsibilities contributed to the poor performance of the railway after Transport for Wales Rail Services (TfWRS) took over in autumn 2018.

How responsibilities were divided between the Department and the Welsh Government during the ATW franchise was agreed in a Joint Parties Agreement (JPA) entered into on 16th March 2006, which became operative on 1st April 2006.

A copy of this agreement is separately enclosed which the Committee can review, but the key point that the Department would wish to highlight is that the document describes the different rights and liabilities under the ATW Franchise Agreement and that for the majority of them they are divided according to the service area, of which there were three – ‘Wales-only Services’ and ‘Welsh Services’ (i.e. those that cross the border) and ‘English Services’.

The ‘Assembly’ (i.e. the Welsh Government) was responsible for the first two categories and the ‘Secretary of State’ (i.e. the Department) was only responsible for the latter. Schedule 1 lists the franchise responsibilities that are divided by area and these include ‘Train Services’ and ‘Provision of Capacity’ (i.e. rolling stock).

In addition, clause 10.1 confirms that the ‘Assembly shall be responsible for the management of the Franchise...’ and that a separate agreement transferred the funding attributable to Wales-only and Welsh Services to the Welsh Assembly Government from 1st April 2006. Subsequently, from 1st April 2008, this funding transfer ceased to be a matter for the Department but was built into the ‘baseline’ (i.e. block grant from HMT) of the Welsh Assembly Government. A copy of this funding agreement is enclosed for completeness.

This division of responsibilities in the JPA was followed in practice, as a number of changes to the ATW rolling stock fleet took place during the 12 years of the JPA, which were agreed and funded by the Welsh Government using its discretion under the devolution arrangements as it saw fit.

Finally, it is worth noting that, whilst performance can always improve, ATW was consistently one of the better performing train operators for punctuality, especially given the size of its network.

It is therefore pleasing to see that since the problems of the autumn, the efforts of TfWRS have restored its train services to their normal position of being among the best performing in the country. On 28th January, for example, TfWRS achieved 94.0% of all services arriving within five minutes of the timetabled arrival time (the 'Public Performance Measure'). The moving average since the 5th January stood at 95.3%, with only two (much smaller) operators in the whole of Great Britain doing better than this.

I trust this information is helpful, but if yourself or the Committee require further clarification or evidence to be provided, then please contact my Deputy Director, Eddie Muraszko (eddie.muraszko@dft.gov.uk or 07769 960264). I would also be grateful to receive a copy of the Report when it is published.

I am copying this letter to Simon Jones, Director, Economic Infrastructure at the Welsh Government.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peter Wilkinson', with a small flourish at the end.

PETER WILKINSON