

£5 billion investment to transform rail services across Wales

Following a rigorous procurement process under the Utilities Contracts Regulations 2016, First Minister Carwyn Jones today (4 June) announced the Welsh Government has contracted KeolisAmey to operate and develop the Wales and Borders rail service and South Wales Metro working in partnership with Transport for Wales.

The 15-year contract will run from 4 June, 2018 until 16 October, 2033, with KeolisAmey taking over the Wales and Borders rail service from Arriva Trains Wales on 14th October, 2018.

A joint venture partnership of international public transport operator Keolis with infrastructure asset management specialist Amey, KeolisAmey will work in partnership with Transport for Wales, running all services under the Transport for Wales brand.

Transport for Wales is the not-for-profit company driving forward the Welsh Government's vision of a high-quality, safe, integrated, affordable and accessible transport network in Wales.

The First Minister, with Transport Secretary Ken Skates, announced the new contract at a special event at the Railway Training Centre at Coleg y Cymoedd, Nantgarw, accompanied by Keolis President Jean-Pierre Farandou and Amey Chief Executive Officer Andy Milner.

The First Minister said:

“This is an important moment for transport in Wales and begins a new chapter for rail services in this country.

“The way we shaped this procurement was different. We put passengers' priorities at the centre of our thinking and threw out a challenge to all of the bidders to address the concerns they had about seat capacity, journey times and service frequency. People said they wanted affordable fares and newer, cleaner trains and we have worked hard to ensure this is reflected in what we are launching today.

“This is a chance not simply to build a modern, forward looking transport system, but to use it as an important tool to shape the life of the nation around us. This is a landmark moment in the future development of Wales.”

The announcement comes as rail powers are devolved to the Welsh Government. This follows detailed discussions between the Department for Transport and the Welsh Government.

The agreement takes into account the fact that many of the rail services operate on both sides of the border between England and Wales and includes safeguards to protect all passengers using these routes.

Major benefits of the new Wales and Borders rail contract include:

- An additional 600 staff will be recruited to deliver the service in a range of roles and 450 new apprenticeships (30 every year) will also be created over the life of the contract.
- £1.9 billion will be invested in improving passengers' travel experience, including an £800 million investment in trains, boosting overall service capacity by 65 per cent.
- All trains will be replaced by 2023 when 95 per cent of journeys will be on brand new trains, half of which will be assembled in Wales.
- £194 million will be invested to modernise all 247 stations and build four new stations: Gabalfa, Crwys Road, Loudoun Square and the Flourish.
- Stations will be powered 100 per cent by renewable energy, at least 50 per cent of which will be sourced in Wales. This is just one of the ways that the new service will contribute to achieving the policy goals of the Wellbeing of Future Generations Act.
- Investment in active travel initiatives will include the installation of new cycle lockers and a target to achieve Secure Station accreditation for all stations.
- Passengers will start to see improvements in service levels from December 2018, with increased capacity on the valleys lines and new services between Chester and Liverpool.
- By the end of 2023, passengers will be able to take advantage of an additional 285 services each weekday across Wales (a 29 per cent increase). This will include improvements to the Ebbw Vale and Wrexham – Bidston lines as well as the Cambrian and Heart of Wales lines.
- Sunday services will be boosted by 61 per cent with an additional 294 services across Wales, creating a true seven-day-a-week service.
- Smart ticketing will ensure that fares are more flexible and cheaper off-peak fares will be introduced including fare reductions in North Wales and at approximately 50 per cent of stations in the valleys.
- New technology will also help to reduce disruption and improve services.
- In response to customer demand, more frequent trains, reduced journey times and more flexible fares will make travelling easier and more cost effective.
- Greater capacity and improved services will also help to maximise the economic development opportunities provided by the new service, enabling people to take advantage of more and better employment opportunities.

Welcoming the benefits for transport and economy in Wales, Ken Skates, Cabinet Secretary for Economy and Infrastructure said:

“This is the first time a rail service has been procured and awarded in Wales, for Wales. It follows over four years of intense work to develop a bespoke, innovative approach and responds to the lessons learned from rail franchising and infrastructure delivery

across the UK in recent years.

“Too often in our history, we’ve talked about the ownership models for rail, without also thinking through clearly enough what we wanted to do with the network itself. We now have a once in a generation opportunity here to correct this.

“I will be using the new cross-government delivery board I have set up through the new Economic Action Plan to work with Transport for Wales, ministerial colleagues across government and partners such as the Development Bank of Wales and the Valleys Taskforce to ensure we maximise the economic development opportunity we have in front of us.”

James Price, Chief Executive of Transport for Wales said:

“This is the beginning of an exciting journey of transformation that will dramatically improve rail services throughout Wales and its borders and we’ve put our customers’ needs at the heart of this transformation.

“This is more than a significant investment in rail services, it’s also an investment in the future prosperity of Wales. The people and communities of Wales will be better connected by new and improved rail services, opening up a wealth of employment, leisure and other opportunities.”

UK Rail Minister Jo Johnson said:

“This is a historic day for passengers because it puts more control of regional train services into local hands and benefits rail users on both sides of the border.

“We have worked closely with the Welsh Government to secure the best deal and the new franchise will bring extra services and record investment. We are also investing £125 million to establish a new metro service connecting towns and villages across South Wales.”

Alistair Gordon, Chief Executive of Keolis UK, said:

“We are excited about the transformation we’re going to deliver here in Wales, working alongside Amey once again and in partnership with Transport for Wales.

“For too long the railways in Wales have suffered from under investment and, while the changes we need to make will take time, we are creating a platform for future economic growth and

prosperity that will benefit all of Wales now and for generations to come.

“In five years’ time, the railway will be unrecognisable from what it is today thanks to the vision of the Welsh Government. We can’t wait to get started.”

Andy Milner, Amey’s Chief Executive, said:

“Building on our successful partnership with Keolis, which already sees us deliver two high performing services – the Greater Manchester Metrolink and London’s Docklands Light Railway – we are excited to be taking on the Wales and Borders contract.

“This is a great opportunity for us to use our joint capabilities to deliver a first-rate service for Wales and its communities. As well as creating new jobs and apprenticeship opportunities, we will be focused on upgrading the existing infrastructure and introducing new trains to significantly improve the passenger experience.

“We are looking forward to working with Transport for Wales in a partnership which will see the full replacement of all trains, and major upgrades.

“We are also looking forward to working with the very proud and dedicated men and women running the railway in Wales today, who will join us on this exciting journey.”