

Report on Transport for Wales' performance 2024-25

April 2025

1. Introduction

- 1.** At the beginning of this Senedd term, the Committee agreed to produce an annual report on Transport for Wales (TfW), followed by a debate in Plenary. This is the third such report.
- 2.** This report covers TfW Rail and TfW Group as a corporate entity.
- 3.** The report has been informed by a scrutiny session with representatives from TfW on 23 January 2025.
- 4.** On 7 November 2024, members of the Committee visited TfW's Metro Depot and Control Centre at Taff's Well. The Committee is grateful for the welcome it received and for the time spent by TfW staff in presenting the impressive facilities.



2. TfW's corporate and organisational development

Progress on gender balance

5. TfW's 2023-24 annual report highlights a two per cent year-on-year increase in the proportion of women employed by the TfW Group and a 0.7 per cent increase for TfW Rail.

6. When he appeared before the Committee, James Price described TfW's progress on these matters as "reasonable and steady." He emphasised the commitment of the board of TfW and its senior leadership team to increasing the number of female staff in the organisation and addressing the gender pay gap.

7. He cautioned that the figures in the annual report could be misleading due to the different rates of growth of TfW's rail and non-rail divisions. He explained:

"If you look at the aggregate figure, it looks like we've gone backwards, and that is a trick of maths, basically, because the rail part of the business has grown faster than the non-rail part of the business, and the rail part of the business, because of the historic nature of rail, is more male dominated. Therefore, when you aggregate all the figures up into one, the aggregate figure looks like it's gone backwards, but every single team within it has gone in the right direction."

8. James Price noted that women accounted for over 50% of staff in senior management roles, graduate training schemes, and internships. However, other roles, such as operational roles in rail, have historically been male-dominated and continue to be so, primarily due to low staff turnover. He highlighted that such issues have a knock-on effect on TfW's gender pay gap figures: "the two front-line roles in rail, that of a guard and that of a driver, are paid higher than, arguably, equivalent roles in other parts of the business."²

9. TfW has attempted to increase the number of women in the organisation, particularly in operational rail roles. Heather Clash outlined the "positive steps

¹ Oral evidence, CCEI Committee meeting, 23/01/2025

² Oral evidence, CCEI Committee meeting, 23/01/2025

recruitment event"³ and work with female role models, such as conductors, drivers, and engineers as examples.

10. The Committee questioned TfW on how it is addressing the diversity of its staff more widely. James Price stressed the importance of achieving diversity in customer-facing roles, stating that "having a team that more accurately reflects the people that you are serving leads to you being a better team."⁴ He acknowledged that progress in this regard had been slower than hoped, particularly in relation to ethnic diversity. TfW has targeted recruitment in specific areas, such as Cardiff Bay and Butetown, in an attempt to attract a more representative workforce.

11. TfW has also partnered with organisations such as Oasis, a charity supporting refugees, to help more women enter the workforce, and is engaging with schools to promote career opportunities in the sector.

TfW's budget process

12. The Committee has previously recommended that TfW's full budget should be available for scrutiny alongside the Welsh Government's draft budget. While this has not yet happened, the Welsh Government's draft budget paper and TfW's evidence submission indicate that attempts have been made to improve financial planning and ensure greater transparency.

13. During scrutiny of the draft budget 2025-26, the Cabinet Secretary told the Committee that it is unlikely that TfW's budget will be published at the same time as the Welsh Government's draft budget. The Welsh Government published TfW's budget as an addendum, as soon as possible after the publication of the draft budget. The Committee felt this was an acceptable compromise and sought the Cabinet Secretary's commitment that the same approach will be taken in future years.

14. James Price described TfW's budgeting process as "more streamlined" in recent years. However, he clarified that TfW still does not operate with a single budget. He explained:

"Our budget, as such, is made up of a whole number of different budget lines and the corporate centre is funded via a percentage charge on those individual budget lines. So, it is

³ Oral evidence, CCEI Committee meeting, 23/01/2025

⁴ Oral evidence, CCEI Committee meeting, 23/01/2025

*quite a different model and therefore it is more complex than, maybe, a different arm's-length body."*⁵

15. During its scrutiny of the draft budget, the Welsh Government said it had challenged TfW to move towards a "multi-year, forward-look" approach. Heather Clash confirmed that TfW had introduced a multi-year financial outlook in the previous year and that an updated version would be provided in February 2025. James Price acknowledged the inherent challenges of multi-year budgeting, including the need for accurate, longer-term financial forecasts. As an example, he gave revenue from ticket sales, explaining, "Any commercial business would not be able to put a number on the product they're going to sell, probably, even two years out, let alone five years out." He added that such an approach was complicated when the Welsh Government does not have multi-year budget settlements.

16. The Committee sought clarification on whether the 2025-26 budget would be sufficient to meet TfW's remit. James Price responded that no final budget had been confirmed, only indicative funding lines. He said, "It would be wrong of me to sit here and say I've got a budget, because I don't,"⁶ but reassured the Committee that TfW was working closely with the Welsh Government to clarify its funding position. On revenue funding, he went on to highlight that TfW's income figures had improved significantly:

*"I think the good news is that our income figures have been really very good. Broadly speaking, we grew from £130 million to £150 million. We're expecting to achieve around £175 million this year, and then we're targeting £200 million next year. The figures that we are talking to the Welsh Government about, with some significant stretch on those figures, which I can't guarantee we can achieve, and some significant stretch on squeezing costs, which, again, I can't at the minute guarantee we can achieve, feel much, much more close together than they have before."*⁷

17. Regarding capital funding, James Price noted that while there are challenges, the nature of infrastructure projects allows for greater flexibility in capital spending. He explained that capital funding requirements can vary throughout the year, but the scale of adjustments required for TfW is relatively

⁵ Oral evidence, CCEI Committee meeting, 23/01/2025

⁶ Oral evidence, CCEI Committee meeting, 23/01/2025

⁷ Oral evidence, CCEI Committee meeting, 23/01/2025

small compared to the Welsh Government's overall capital budget. Heather Clash agreed, stating that the capital funding challenge was "lower than previous years"⁸ but would still require careful management.

18. The Committee has previously been told that TfW has introduced a "performance board" approach intended to provide stronger oversight of TfW's operations. James Price explained that a senior Welsh Government official - usually the Director of Transport - currently attends board meetings as a "participant observer." This provides a direct channel of communication between TfW and the Welsh Government. TfW has invited other participant observers, including a trade union representative and the leader of the WLGA to attend its board meetings.

Publication of corporate Key Performance Indicators (KPIs)

19. TfW has introduced corporate KPIs across five areas: For Safety, For Customers, For People, For Finance, and For Sustainability. These KPIs are reported quarterly through a scorecard system to the Performance Board, which scrutinises trends and escalates any concerns.

20. Heather Clash confirmed that TfW has published quarterly KPI updates. Reports compare current performance with previous years to track trends, covering customer satisfaction, diversity and inclusion, procurement, and major projects. She described this approach as assessing "the whole health of the organisation."

21. James Price acknowledged that while TfW has made progress on KPIs, the approach remains a work in progress:

"I don't think we've got it entirely right yet, for what it's worth, and some of the KPIs are used much more intensively than others. So, for me, the rail performance KPIs are used really intensively. In the rail board that I chair, those are the headlines that we look at all the time, and we focus the entire business around them, basically. Within the business, we have a traffic light system on the KPIs, and the ones that are working really well will flash between red and green, because that's what you're trying to do: you're trying to stretch people all the time,

⁸ Oral evidence, CCEI Committee meeting, 23/01/2025

and stretch yourself, to make them green. But, if they never went red, there would be no stretch.”⁹

22. He explained that some indicators, such as those related to workforce and passenger injuries, are "not very useful" due to their static nature (i.e. their “traffic light” status does not change). He said the KPIs would be reviewed to ensure they are “genuinely useful in driving the right behaviour”¹⁰.

23. TfW is also developing performance metrics for bus services. Lee Robinson outlined plans for three initial KPIs, focused on access, opportunity, and connectivity, as part of the wider bus franchising and integration process.

Our view

We were pleased to hear that there has generally been an improvement in the levels of female staff in TfW, but we note that the gender pay gap has widened. We would like to see further progress in recruiting women into key operational roles in rail, such as train driving and engineering. Not only will this address the gender balance of the organisation, but it will also help to close the gender pay gap. Targeted recruitment, mentoring, and leadership schemes will all be valuable interventions in addressing these issues. We would be grateful for an update within 6 months on progress in this area, including details of specific interventions to address these matters.

We note that progress in broader workforce diversity has also been slower than expected. We welcome the targeted recruitment campaigns in areas like Cardiff Bay and Butetown, and we would encourage TfW to do more of this. Further, we believe that partnerships with organisations that support minority groups are essential and we would like to see this approach expanded, including to other parts of Wales.

Following our previous criticisms of TfW’s budget-setting process, we were pleased to hear that there has been an improvement. We also welcome the provision of TfW’s budget as an addendum, as soon as possible after the publication of the Welsh Government’s draft budget. However, we believe that more can be done to improve transparency, particularly in relation to the structure and presentation of TfW’s budget. Multiple budget lines make financial scrutiny of TfW challenging, and we believe that a full and comprehensive budget should be the aim, which would bring TfW into line

⁹ Oral evidence, CCEI Committee meeting, 23/01/2025

¹⁰ Oral evidence, CCEI Committee meeting, 23/01/2025

with other arms-length bodies. As set out in our report on the Welsh Government's draft budget, we support multi-year budgeting as a way to support and improve long-term planning.

We considered the operation of the performance board during our scrutiny of the draft budget and reiterate our request for further information about how the performance board has delivered measurable improvements in outcomes and value for money.

Regarding KPIs, we welcome the progress made over the last year. The regular publication of KPI data remains essential for accountability and driving improvements. However, we emphasise that it is important that the KPIs are presented in a way that makes it easy for users to understand TfW's performance and whether it is on a positive or negative trajectory. This longer-term context is important in enabling users to come to a full understanding. TfW should consider including a narrative in its annual report to address this. Finally, we note the comments that some KPIs are under review and may need to be refined. We would be grateful for an update on this matter in due course.

Recommendations

Recommendation 1. TfW should take further action to recruit women into key operational roles, such as train driving and engineering, through targeted recruitment, mentoring, and leadership schemes. An update on progress, including details of specific interventions, should be provided within six months.

Recommendation 2. TfW should accelerate efforts to improve workforce diversity by expanding targeted recruitment campaigns beyond Cardiff Bay and Butetown to other parts of Wales. In addition, TfW should strengthen partnerships with organisations that support minority groups to enhance inclusivity across the workforce. An update on progress, including details of specific interventions, should be provided within six months.

Recommendation 3. TfW should provide further information on the operation of the performance board, including specific details on how it has delivered measurable improvements in outcomes and value for money.

Recommendation 4. TfW should provide an update on the review of its KPIs, including any planned changes, within the next 6 months.

Recommendation 5. TfW should consider how it presents its KPIs, with the aim of ensuring that users are able to gain a full understanding of its performance.

This could include a section in the annual report which explains its progress compared to previous years.

3. Delivery of transport policy

Bus sector performance

24. Wales has experienced the slowest post-pandemic recovery in bus passenger numbers in the UK. According to UK Department for Transport (DfT) data, passenger numbers in Wales in the year to March 2024 were at 78.3% of their pre-pandemic levels (March 2020). This compares to 92.5% in Scotland, 89.5% in England, and 89.5% for Great Britain as a whole.

25. The Cabinet Secretary has previously suggested that while fare-paying passenger numbers have recovered, concessionary travel has not. This differs from trends in England and Scotland, where policies such as capped fares (£2 in England, rising to £3 from December 2024) and free bus travel for under-22s in Scotland have been introduced.

26. When he appeared before the Committee, James Price acknowledged that the recovery of bus passenger numbers in Wales has been slow. He pointed to Wales' historically high proportion of older bus users and suggested that the pandemic had led many to use online services, which had reduced their need to travel. He added that geographic and structural challenges also play a role, highlighting that Wales has fewer urban areas with large populations compared to England and Scotland, which can affect passenger usage figures.

27. He also noted that, unlike other parts of the UK, Wales had not engaged in "any form of aggressive bus planning" due to the absence of enabling legislation. He was optimistic that the bus franchising model could lead to a "period of sustained passenger growth" if it led to services being more reliable, easier to use, and underpinned by a simplified fare and ticketing system. Lee Robinson agreed and pointed to successful bus models, such as the TfL and Sherpa's Wyddfa routes, where improvements in reliability, frequency, and changes to fare structures have already driven growth in passenger numbers.

Bus franchising

28. The Welsh Government has committed to legislating for bus franchising during this Senedd term. TfW and the Welsh Government have outlined the phased implementation process in their document, "Our Roadmap to Bus Reform".

29. TfW's written evidence provides additional details on its preparation for franchising, including an engagement framework and the establishment of a Bus Reform Industry Panel. TfW is also testing aspects of bus franchising by applying key franchising objectives to the TrawsCymru network and working with local authorities on service retendering.

30. In reference to the development of plans for franchising, James Price and Lee Robinson described TfW's ongoing engagement with local authorities and Corporate Joint Committees (CJCs) to develop a shared approach. Lee Robinson explained that all 22 Welsh local authorities had approved a common franchising methodology. He said:

"That methodology is going well. The local authorities like it, and we can bespoke it according to the different regions. And, in the south-west, which is where we plan to start in 2027, we've had significant engagement with elected members there. And I have to say here that the engagement of the local authorities and officials has been fantastic."¹¹

31. Lee Robinson said engagement with the bus industry has been a priority. TfW has convened a bus industry panel involving operators, customers, trade unions, the WLGA, community transport groups, and Welsh Government representatives. TfW also holds regional meetings with CJCs and operators to address concerns. Lee Robinson acknowledged that further work is needed to clarify franchising details and ensure operators and stakeholders are prepared for the transition to franchising:

"I think the thing that we need to do more of is to get more and more into the detail, which people want to see and people want to understand, so that we can (a) make people comfortable and (b) make sure that we make the progress that we need to make in the time that we've got."¹²

32. In response to a question about ownership of depots under the new regime, Lee Robinson explained that TfW is likely to adopt a "mixed economy" approach, meaning that some depots will be publicly owned where it would support competition or decarbonisation. He referred to Transport for Greater Manchester as an example, which has taken a "depot-agnostic" approach to franchising,

¹¹ Oral evidence, CCEI Committee meeting, 23/01/2025

¹² Oral evidence, CCEI Committee meeting, 23/01/2025

ensuring operators without existing depots are not disadvantaged in the tendering process.

Support for Regional Transport Plan development and delivery

33. Regional Transport Plans (RTPs) are expected to be finalised in 2025. The Welsh Government has outlined its intention to devolve decision-making and funding to regional bodies, with CJsCs playing a central role. However, while CJsCs have a statutory duty to prepare RTPs, the delivery of transport projects will remain the responsibility of individual local authorities.

34. TfW is expected to play a key role in the regional approach, acting as a centre of excellence for transport planning, management, and infrastructure delivery. James Price described TfW as having two functions here:

“Firstly, try to provide the technical expertise and guidance that is necessary for CJsCs to build really well-evidenced, thought-through and integrated regional transport plans; and, secondly, to help CJsCs and help the Welsh Government make sure that the money that is being spent is being spent wisely and that we are delivering together that integrated plan.”¹³

35. TfW’s written evidence noted a shortage of skills in local government to deliver RTPs and that TfW is offering skills and services in support. TfW’s corporate strategy 2021-26 includes a commitment to:

“Establish industry-wide partnerships and initiatives to address the long-term skills gap and future needs of Wales’s transport sector.”

Integrated ticketing

36. TfW’s remit letter sets out an objective to deliver a fully integrated transport system based on the principle of “one network, one timetable, and one ticket.” To support this, TfW has launched a range of pilots and schemes to improve ticketing integration. In North Wales, TfW has introduced pay-as-you-go multi-operator bus pilots, while tap-on, tap-off technology for rail has been implemented on the CVL.

37. James Price suggested that bus franchising will be a key enabler for expanding tap-in and tap-out ticketing to bus services. A franchised system will

¹³ Oral evidence, CCEI Committee meeting, 23/01/2025

provide the regulatory and financial structure to deliver a seamless multi-modal ticketing system.

Climate adaptation

38. The Welsh Government published its most recent climate adaptation strategy in October 2024, which includes an Adaptation Action Plan for Transport. The Plan commits to ensuring that road, rail, airport, and major port authorities “conduct regular monitoring of climate risks and progress on resilience actions to improve maintenance practices”. For new transport infrastructure, it states that climate adaptation and resilience should be embedded into planning standards and design to avoid the costs of retrofitting in future.

39. TfW's Climate Adaptation and Resilience Plan was published in May 2023. In September 2023, the UK Climate Change Committee reported that it was still too early to assess whether TfW's climate adaptation measures were being delivered effectively. When he appeared before the Committee, James Price confirmed that TfW would provide a written update on progress.

40. TfW has indicated that while “a large number of the actions will be resourced and funded through our operations”, “it's likely that our climate resilience programme will be dependent on further investment”. When he appeared before the Committee, James Price acknowledged that climate adaptation is a priority for TfW and he was committed to working with the Welsh Government to explore options for funding this work.

41. James Price highlighted significant challenges in aligning infrastructure standards with changing climate risks. He explained: *“Many of the standards that we have to adhere to are standards of the past, rather than standards of the future.”* James Price also raised concerns about older railway infrastructure, particularly coastal rail lines built over a century ago.

42. Lee Robinson explained that TfW is working with CJC's to ensure that RTPs include climate resilience measures, particularly in relation to land-use planning and infrastructure investment.

43. Frequent weather-related disruptions, particularly flooding on the North Wales Main Line and through Hereford, were also raised as an area of concern. The Committee asked whether TfW could collaborate with landowners to help mitigate flood risks. In response, James Price highlighted that different regions

of the UK and Europe have varying tolerances for operating in severe weather. He said:

*"If you look at the way the railway operates in different parts of Europe, and even in different parts of the UK, they have different appetites for running services in poor weather. And it is true that we, for obvious reasons, sometimes look at what can happen if you get it wrong, with Talerddig. The system has become more risk averse in Wales than, say, it has in east Anglia, as an example. So, I think it would be a fair set of political challenges to say, 'Are we getting that balance right?', because if you cancel everything, you will certainly run a 100 per cent safe system, but if you're forcing people then to walk, take a bus or drive, and then you don't account for any accidents that happen there, maybe the aggregate system is not as safe as it can be. So, I think that would be worthy of wider conversation and wider challenge."*¹⁴

Our view

We remain concerned that bus passenger numbers in Wales remain below pre-pandemic levels and have recovered more slowly than in England and Scotland. A variety of factors have been suggested. Our primary concern is that the Welsh Government and TfW need to identify the factors driving this trend and ensure they take steps to address them. This is particularly important as Wales moves towards the implementation of bus franchising.

We welcome TfW's work on integrated ticketing but note the comments that the full benefits will not be realised until bus franchising is introduced. We believe that rural and long-distance services will require careful consideration in this context to ensure equality of access wherever you live in Wales. We are particularly interested in the use of tap-in, tap-out payment technologies for concessionary fares and how that might be introduced in Wales.

The transition to Corporate Joint Committees (CJCs) for Regional Transport Plans (RTPs) is a significant step, but questions remain about local authorities' capacity to manage delivery effectively. A shortage of in-house transport planning expertise within local authorities risks undermining the delivery of RTPs. We believe that TfW's technical support and independent evaluations

¹⁴ Oral evidence, CCEI Committee meeting, 23/01/2025

will be essential to ensuring alignment with national priorities. We would welcome further updates on these matters.

The frequency of severe weather events due to climate change requires an increasing focus on transport resilience. We note that TfW has developed its resilience plan and would be grateful for an update on the progress of implementing the actions in it. We also note that TfW is working with CJsCs to ensure that climate resilience is reflected in RTPs, and we would be grateful for an update on progress in due course.

Finally, flooding remains a significant issue for Welsh rail services, particularly on the North Wales Main Line and Hereford routes. TfW should work with landowners and Network Rail to develop better flood mitigation strategies in these areas.

Recommendations

Recommendation 6. TfW should work with the Welsh Government to identify the key factors contributing to the slower recovery of bus passenger numbers in Wales compared to England and Scotland. Based on this analysis, TfW should develop and implement measures to address these issues in preparation for bus franchising.

Recommendation 7. TfW should ensure that rural and long-distance bus services are given specific consideration in the development of integrated ticketing to ensure equality of access across all parts of Wales. Within six months of the publication of this Report, TfW should provide an update on the progress of introducing tap-in, tap-out payment options for concessionary fares.

Recommendation 8. TfW should provide an update on the implementation of its climate resilience plan, detailing progress on specific actions taken to address the increasing risks posed by severe weather events.

Recommendation 9. TfW should continue working with CJsCs to integrate climate resilience into Regional Transport Plans (RTPs) and provide an update on progress in due course.

Recommendation 10. TfW should work with landowners and Network Rail to develop and implement improved mitigation strategies for rail routes that are vulnerable to flooding, particularly on the North Wales Main Line and Hereford routes.

4. Active travel

44. TfW has a significant and growing role in supporting active travel policy and delivery in Wales. Its remit includes oversight of the Welsh Government's Active Travel Delivery Plan, administration of the Active Travel Fund, and technical support for local authorities through the Active Travel Hub.

45. In September 2024, Audit Wales published a report on active travel, concluding that the Welsh Government remains "a long way" from achieving the transformational shift intended by the Active Travel (Wales) Act 2013. The report highlighted key challenges including:

- Inconsistent reporting – Local authorities are not meeting the Act's reporting requirements consistently, and the quality of reported data varies significantly.
- Lack of evaluation – The Welsh Government has no system to measure the impact of active travel funding.

46. In response, the Welsh Government stated that TfW is working with local authorities to develop new monitoring guidance and improve data collection methods. The Welsh Government has committed to completing a review of the Active Travel Act by July 2025.

47. This Committee has previously raised concerns about TfW's growing active travel team and whether this expansion could affect local authority capacity. The Cabinet Secretary has also expressed concerns about excessive spending on consultancy fees to support the development of funding bids. James Price acknowledged these concerns. He noted that while TfW has not spent heavily on consultants, the grant process has led to unnecessary expenditure. To address this, TfW has been building its internal expertise to provide direct technical support to local authorities to reduce the need for consultants.

48. Lee Robinson outlined how TfW's Active Travel Hub has evolved into a broader design hub, providing technical guidance across multiple transport modes. This is part of a broader multimodal approach, integrating active travel within public transport planning. He described the shift as moving from a narrow focus on disparate walking and cycling projects to a holistic transport strategy incorporating safer streets, improved lighting, and better pedestrian and cycling infrastructure

49. In its report, Audit Wales raised concerns about Sustrans' dual role in supporting local authorities with active travel funding applications and being involved in assessing those applications. The report recommended that TfW should strengthen safeguards to ensure transparency in how Sustrans staff participate in the Active Travel Fund process. TfW accepted this recommendation. When he appeared before the Committee, James Price offered to provide further written evidence explaining TfW's approach to managing this issue.

Our view

As we said in our report on the draft budget, the planned transition of active travel funding to regional budgets by 2026-27 has caused concern about prioritisation. We have asked for reassurance from the Cabinet Secretary of how he will ensure that active travel initiatives are given appropriate status within RTPs.

TfW's growing role in active travel support is welcome but must not weaken local authority capacity. We believe the Active Travel Hub's expansion into a broader design hub should enhance, rather than replace, local expertise. We also believe there should be an increased emphasis on training and technical support to help ensure local authorities can effectively plan and deliver projects.

We would be grateful for an update on TfW's work with local authorities to develop new monitoring guidance and improve data collection methods.

We note the concerns over Sustrans' role in supporting and assessing funding applications. We would be grateful for an update from TfW on the safeguards that are in place to address any perception of inappropriate influence.

Recommendations

Recommendation 11. TfW should provide an update on its work with local authorities to develop new monitoring guidance and improve data collection methods for active travel initiatives.

Recommendation 12. TfW should provide an update on the safeguards in place to ensure that Sustrans' dual role in supporting and assessing funding applications does not lead to any perception of inappropriate influence.

5. Rail performance and delivery

50. In November 2024, the Cabinet Secretary for Transport told the Committee that TfW had achieved significant improvements in punctuality and reliability during the first quarter of the financial year compared to the same period in the previous year. However, this improvement was followed by a decline.

51. James Price characterised TfW's recent performance as “plateauing rather than declining” but acknowledged significant differences between the Core Valley Lines (CVL) and Wales and Cross-Border (WCB) services. While the former had remained relatively stable, the latter had been disrupted, primarily due to extreme weather. He said that recent storms had caused flooding, track washouts, power failures, and damage to infrastructure.

52. James Price said that a second aspect that had affected performance was “a slightly lower number of CAF units, new train units, coming out of the maintenance facility per day than we would like to see. So, we are roughly four units short a day.” Although it had not resulted in cancellations to the extent seen in the past, it had affected service provision. He said:

“It's an area, though, that we ourselves cannot sort, and we need CAF to come to the table. In essence, what I need to do is to get CAF, who are a very competent international rolling stock provider, to provide rolling stock in Wales to the same level of excellence that they provide in their best plants around the world. That's the journey that we are on.”¹⁵

53. In terms of measuring performance, James Price suggested that it is difficult to compare the performance of frequent metro-style services on the CVL with that of rural lines with more infrequent services. He suggested performance data often masks the real world impact on passengers. He explained:

“If we cancel a service—we would rarely cancel the full service, but you might see a train running fast through a number of stops to catch up—the impact of cancelling the service on the individual, me included, quite often, can be quite minor, because people are only waiting four to six minutes for the next train. That's on Core Valleys Lines. If you did that approach in

¹⁵ Oral evidence, CCEI Committee meeting, 23/01/2025

*rural Wales, where you've got four services a day, you'd have a horrendous problem."*¹⁶

54. He suggested that TfW would aim to develop tailored performance measures to reflect better the challenges affecting different service types across Wales.

55. The Committee revisited concerns about the termination of services, particularly in isolated and rural areas. James Price confirmed that decisions on service cancellations and alternative transport arrangements are made by TfW's control centre. Recent changes have given teams in the control centre greater discretion to prioritise passenger welfare when deciding where to terminate services. For example, TfW has designated Llandrindod Wells as a preferred drop-off point for replacement services, given its ready access to facilities, including taxis, hotels, and shops. James Price indicated that further improvements are planned for the next year and will be rolled out to the CVL.

Rail fares

56. TfW data shows that passenger numbers and farebox revenue have increased, with operational costs per passenger falling. The Welsh Government has tasked TfW with reviewing rail fares. A fares simplification strategy is being implemented to create:

*"A fairer, simpler, and more transparent charging mechanism—one that is distance-based and eliminates the current system where some routes in Wales carry disproportionately higher fares than others."*¹⁷

57. When he appeared before the Committee, James Price outlined TfW's approach to balancing fare revenue with affordability, stating that the goal is to:

- Charge higher fares for discretionary travel;
- Reduce fares for essential travel; and
- Gradually standardise fares across routes.

58. He went on to explain that TfW is implementing:

¹⁶ Oral evidence, CCEI Committee meeting, 23/01/2025

¹⁷ Oral evidence, CCEI Committee meeting, 23/01/2025

- Tap-in, tap-out pricing for frequent commuter services, which is already in place in South-East Wales;
- Dynamic pricing for “inter-urban” routes; and
- Simplified fares for rural routes.

Our view

We are pleased that the general direction of TfW's rail performance is positive. However, this is an area where we expect to see continuous improvement, particularly given the level of public investment in the service. We were deeply concerned to hear of the delays in the rollout of trains due to manufacturers not meeting agreed deadlines, particularly given the impact on the public purse. We believe TfW should use all options available to them to ensure that this last part of the contract is delivered on time. Given the impact on the public purse, this should include, if necessary, asking the Cabinet Secretary for Transport to intervene. We would be grateful for regular updates on progress in this area.

We welcome the suggestion that TfW will aim to develop tailored performance measures to reflect the different types of services in Wales. We believe that tailored performance measures could help to provide a clearer picture of the quality of service provided to passengers across the network.

We note that, currently, separate performance data is published for the CVL and Wales and Borders, but only for passenger time lost. We believe this should be extended to other metrics in the first instance. Building on this, we have previously recommended that TfW should aim to publish its rail performance data on a more granular level to enable passengers to understand how the services they use are performing. We continue to believe that this data should be made available to passengers and have not seen the progress in this area that we would expect.

We were pleased to hear that progress has been made in addressing how decisions about last-minute terminations are made and their effect on passengers. We note that James Price indicated that further improvements are planned over the next year, including how it can be applied across other parts of the network. We would be grateful for an update on progress in due course.

We support the steps being taken by TfW to simplify fares and ticketing, such as through tap-in and tap-out systems. Passengers must always be able to access the lowest fare, rather than having to spend their time trying to “game” the system. We also believe that TfW should ensure that payment for ticketing is accessible to all, and that should mean that passengers are able to pay with cash should they so choose.

Safeguards are needed to prevent excessive fare increases. We believe that affordability for essential travel, particularly for lower-income passengers, should be a priority. We will keep this under review.

Finally, we note that the Welsh Government's budget agreement with the Liberal Democrats included a reduction in fares for bus travel for 16 to 21-year-olds for one year from September 2025. We would be grateful for an update from TfW on its plans for implementing this initiative and how it will assess its impact.

Recommendations

Recommendation 13. TfW should explore all options available to it to ensure the prompt delivery of outstanding trains. Given the impact on the public purse, if necessary, the Cabinet Secretary for Transport should intervene.

Recommendation 14. TfW should provide regular updates on the rollout of new trains, including progress against agreed deadlines and measures taken to mitigate delays, given the impact on public investment and service reliability.

Recommendation 15. TfW should develop and implement tailored performance measures to better reflect the different types of rail services in Wales.

Recommendation 16. TfW should regularly publish route-level performance data for its services in a way that is accessible to passengers.

Recommendation 17. TfW should continue its efforts to improve decision-making around service terminations and their effects, and provide an update on further planned improvements and how these will be applied across the network.

Recommendation 18. TfW should ensure that its work on fare simplification, including tap-in and tap-out systems, is accompanied by safeguards to prevent

excessive fare increases. Affordability for essential travel, particularly for lower-income passengers, should remain a priority.

6. Rail reform

59. The 2024 King's Speech set out plans for rail reform. The Passenger Rail Services (Public Ownership) Act will renationalise rail services when existing private sector contracts come to an end.

60. The UK Government also plans to establish (through legislation) Great British Railways (GBR) to manage infrastructure and passenger services. A shadow GBR was announced in September 2024.

61. In November 2024, the then Secretary of State for Transport announced that "at the earliest, we anticipate that [GBR] could be operational by the end of 2026". On 18 February 2025, the UK Government's Department for Transport launched a public consultation on proposals to establish GBR.

62. The Cabinet Secretary for Transport has described rail reform as a "huge opportunity" for Wales. He has confirmed that the Welsh Government is seeking a formal role in specifying services that operate in and out of Wales. He also stated that the UK Government had "committed to a statutory role for Welsh Ministers" in the management, planning, and development of the rail industry in Wales.

63. When he appeared before the Committee, James Price confirmed that TfW is actively engaged in discussions on UK rail reform and its potential impact on Wales. TfW holds regular meetings with the shadow GBR and Network Rail to discuss these matters. He cautioned that long-term rail reform must be designed to withstand political changes at UK, Welsh, and regional levels. He suggested that the Committee may wish to revisit the issue in the near future as discussions are evolving rapidly.

64. In response to a question about rail funding, James Price confirmed that TfW is actively involved in funding discussions between the Welsh Government and UK Government. He acknowledged that UK-wide spending constraints could reduce investment in rail but also noted that the UK Government has formally recognised that Wales has been underfunded in the past.

Our view

The UK Government's plan to renationalise rail services through the Passenger Rail Services (Public Ownership) Act and the creation of Great British Railways (GBR) will represent a significant change in rail governance in the UK. While a

shadow GBR has been launched, the full organisation is unlikely to be operational before late 2026, leaving a degree of uncertainty about how Welsh rail services will be affected.

TfW must continue to work with the Welsh and UK Governments to ensure Welsh interests are considered in GBR's development.

Recommendations

Recommendation 19. TfW should work with both the Welsh and UK Governments to ensure that Welsh rail interests are fully considered in the development and implementation of Great British Railways.

Recommendation 20. TfW should provide regular updates on how the transition to Great British Railways may impact Welsh rail services, including any anticipated challenges and proposed mitigation.