



Ein cyf/Our ref ATISN 11309

6 July 2017

Dear ,

Request for Information – ATISN 11309

I wrote to you on 21 June regarding your request for information. You asked for:

1. A copy of all correspondence between the Welsh Government and Arriva Train Wales in relation to the direct provision of funds to Arriva to employ 18 new train crew as part of the extra services on the Cambrian and Heart of Wales rail line, announced by Transport minister Edwina Hart on 8th April 2014.
2. The titles and numbers of all the posts created and confirmation that they have now been filled by Arriva.

I can confirm we hold information relating to your request which has been enclosed at Annex A. I have concluded however, that some of the information within the document is exempt from disclosure under Section 43, Commercial Interests, of the Freedom of Information Act, 2000. Full reasoning for applying this exemption can be seen at Annex B to this letter. Please note that names and personal details have been redacted as they have not been considered relevant to the request. Within the captured information I have not included the entire minutes of meetings with ATW as the other agenda items for discussion are not relevant to your request.

If you are dissatisfied with the Welsh Government's handling of your request, you can ask for an internal review within 40 working days of the date of this response. Requests for an internal review should be addressed to the Welsh Government's Freedom of Information Officer at:

Information Rights Unit, Welsh Government, Cathays Park, Cardiff, CF10 3NQ or
FreedomOfInformationOfficer@wales.gsi.gov.uk.



E&I FOI Team
Welsh Government
Treforest - QED Centre
Main Avenue
Treforest Industrial Estate
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CF37 5YR

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FOI@wales.gsi.gov.uk
www.gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Please remember to quote the ATISN reference number above.

You also have the right to complain to the Information Commissioner. The Information Commissioner can be contacted at: Information Commissioner's Office,

Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF.

However, please note that the Commissioner will not normally investigate a complaint until it has been through our own internal review process.

Yours sincerely

From: ATW

Sent: 25 April 2014 13:16

To: WG

Subject: RE: Recruitment of staff for additional Cambrian and HOWL services.

Many thanks for your email and I am pleased to confirm we will commence making job offers to enable sufficient driver training time to meet the May 2015 commencement.

From: WG

Sent: 24 April 2014 17:15

To: ATW

Subject: Recruitment of staff for additional Cambrian and HOWL services.

As you are aware the Minister for Economy, Science and Transport has agreed to provide funding for additional services on the Cambrian and Heart of Wales lines. The Minister announced these services as three year trials under Section 36 Railways Act 2005 "experimental services" designation.

Further to the discussions at the Quarterly ATW/DfT/Welsh Government meeting on Tuesday we understand that for you to operate the additional services from May 2015 you need to begin the recruitment of additional staff immediately.

The Welsh Government are content for you to now begin the recruitment of the necessary additional staff you identified in your proposals to avoid any potential delay to the implementation of the services.

I confirm that the Welsh Government will reimburse ATW for staff and training costs and that you will be held harmless from the costs incurred employing the additional staff, should the services cease following their introduction, until the additional staff can be incorporated into the core train crew workforce following natural wastage or redundancies.

We are in the process of developing a draft contract for the additional services which we will share with you for your agreement as soon as possible.

I trust that this email provides you with the necessary reassurance to enable you to begin the recruitment of staff to deliver these much anticipated services.

From: ATW

Sent: 22 January 2016 15:06

To: WG

Subject: FW: Scanned image from Finance 2

HOWL/CAMBRIAN set up costs

I've attached a summary table for all 14 trainees & copies of the signed contracts (signed by a member of the HR team). Names & NI numbers have been removed due to the data protection act. Yes you are correct in querying the recruitment at the depots that do not operate the HOWL or the Cambrian lines this being a direct result of a number of depot transfers from existing drivers/conductors hence creating the need to recruit back up to the required levels.

If you have any further questions please do not hesitate to contact me.

PDF ATTACHMENT 1



ATISN 11309.pdf

From: ATW
Sent: 12 November 2015 12:02
To: WG
Subject: FW: HOWL/CAMBRIAN

PDF ATTACHMENT 2



scanner@arrivatw.c
o.uk_20151109_1049

PDF ATTACHMENT 3



scanner@arrivatw.c
o.uk_20151109_1049

HOWL/CAMBRIAN TRAINING CHARGES 397K – (BACKUP ATTACHED)

I have attached a breakdown of the revised training costs (**Costs withheld under s43**) associated with the Cambrian & Heart of Wales services.

Revisions made as follows:

- HOWL Avantix Machines (5 units) – This cost has been removed as we no longer intend to purchase & have managed to utilise the existing equipment
- Uniforms - have been updated for the actual rates & the quantities required

If you have any further queries please can you contact or myself.

From: ATW
Sent: 09 November 2015 10:53
To: ATW
Subject: Re: HOWL/CAMBRIAN

Not in Cardiff this week but I would welcome the chance to look at it. Perhaps we can catch up by phone on Wednesday?

From: ATW
Sent: Monday, November 09, 2015 10:46 AM
To: ATW
Subject: HOWL/CAMBRIAN

I've had a quick sit down with this morning with regards to the HOWL/CAMBRIAN 400k recharge. Are you around in Cardiff anytime this week to discuss the final version with & myself as I would like your approval before sending off to WG ?

From: WG
Sent: 24 March 2016 11:39
To: ATW
Subject: RE: Year end

Thanks for the update.

- Appreciate the narrative relating to the Cambrian and HoWL extra service staffing.

- An increase of £10k to the revenue for Fishguard is acceptable to WG. I've updated the cost spreadsheet accordingly (see attached). I believe we have already paid the invoices for the current year, so I suggest that the £10k is credited to the first payment in the new financial year.
- We are content with the proposals for concessionary fares.
- Thank you for the observations on fares compensation. We will consider this alongside payments already made to ATW, as well as compensation due for the 2015 and 2016 calendar year decisions and get back to you/colleagues with a proposal.

From: ATW

Sent: 24 March 2016 00:33

To: WG

Subject: RE: Year end

In reply to this and recent emails, I have annotated some notes below (in red font) and attached various supporting workings.

I will be on leave now until 11 April. I have copied in _____ and _____ who between them may be able to help clarify anything in my absence, but I hope the below and attached will serve to cover off your urgent requirements for the 31 March year end.

From: WG

Sent: 23 March 2016 15:13

To: ATW

Subject: Year end

Further to our conversation this morning, a couple of other matters relating to year-end.

Heart of Wales/Cambrian additional services

One further item required here. For audit purposes, we still need some better form evidence for the staff numbers than we have at present. Our suggestion is a relatively short letter outlining the requirement (number and reason/purpose) for the additional staff above the level prior to the introduction of the new services and confirmation from ATW that these this stated number of additional staff have been taken on to deliver the services.

Cambrian:

Looking back at the workings indicates an additional three drivers in establishment at each of Machynlleth and Pwllheli depots. The five conductors represent an increased establishment at Machynlleth (+1) and Pwllheli (+4). The exact numbers reflect the totality of driver and conductor workings across all services staffed from the relevant traincrew depots.

The additional services (weekly) amount to:

- | | |
|--|-------------------|
| · Aberystwyth – Shrewsbury x 26 | Typically 1hr 45 |
| · Shrewsbury – Aberystwyth x 26 | Typically 1hr 45 |
| · Machynlleth – Aberystwyth x 7 | Typically 0.5 hrs |
| · Aberystwyth – Machynlleth x 14 | Typically 0.5 hrs |
| · Machynlleth Pwllheli x 6 | Typically 2hrs 15 |
| · Shrewsbury – Wrexham General x 5 | Typically 0.5 hrs |
| · Wrexham General – Birmingham International x 5 | Typically 2 hrs |

Hence total weekly hours in passenger service of around 127.5 hrs. Assuming a 30 hr week, this would require at least 4 drivers/conductors. The additional (to make it 6 drivers and 5 conductors) is associated with annual leave, STUD days, typical sickness etc, as well as some inherent “downtime” in traincrew diagrams, which includes (for drivers) empty stock moves.

Heart of Wales

The services (5 x weekdays) comprise:

- Llanelli – Llandovery x 1 1 hr
- Llandrindod – Shrewsbury x 1 1.5 hrs
- Shrewsbury – Llandrindod x 1 1.5 hrs
- Llandovery – Swansea x 1 1.5 hrs

This equates to 27.5 hrs of direct working service trains per week. This is not however the whole working week since time between services remains significant and the synergies with other services are less effective than elsewhere, meaning that incremental traincrew hours are much higher than this analysis would suggest. At least two drivers and conductors additional would be needed in any week and, again allowing for the leave, STUD days etc, it is unsurprising that additional establishment comes to three drivers and four conductors.

As noted, we still need to agree a mechanism for determining any changes to PPM on the Cambrian services.

Agreed; I think this will remain a work-in-progress by the end of March.

Fishguard

Redacted as not related to Cambrian or HoWL services

Concessionary fares

Redacted as not related to Cambrian or HoWL services

Fares compensation

Redacted as not related to Cambrian or HoWL services

From: ATW

Sent: 22 June 2015 15:19

To: WG

Subject: RE: Contractualisation of new services

(Costs withheld under s43)

I attach responses to two of the items below, namely a more detailed breakdown of costs for heart of Wales and Cambrian. Where mileage-related costs per mile differ, this is due to the differing classes of train – each will differ in terms of fuel consumption, variable track access charges etc.

From: WG

Sent: 28 April 2015 11:39

To: ATW

Subject: Contractualisation of new services

We would like to complete the contractualisation of a number of additional services that have been agreed and/or extended with ATW in recent months. These are:

1. Cost breakdowns i.e. we have top line financials but need these disaggregated (e.g. the staff figure broken down into number/cost of drivers, etc)
 - a. Fishguard services
 - b. Heart of Wales Line additional services
 - c. Cambrian additional services
2. Gerald contract
 - We need a cost proposal for the updated service, including new Mk III costs. As above, we will also need top-line costs disaggregated.
3. Extension of Ebbw Valley services to Ebbw Vale Town station
 - We need a cost proposal for the service extension to the new station. again, we will also need top-line costs disaggregated.

As a number of these have been outstanding for some time, could you provide a timeline of when each of these will be available.

**WELSH GOVERNMENT/ARRIVA TRAINS WALES MONTHLY FRANCHISE MEETING PERIOD
5 2014-15**

ST MARYS HOUSE – 9 September 2014

New Mid Wales services (Cambrian)

SP noted that Welsh Government were awaiting final costs and a timetable for the new services. SP advised that Welsh Government had received a proposed timetable that was potentially more resource efficient than the original proposal and that he would forward it on to ATW for consideration. **Action : WG**

**WELSH GOVERNMENT/ARRIVA TRAINS WALES MONTHLY FRANCHISE MEETING PERIOD
7 2014-15**

ST MARYS HOUSE – 4 November 2014

Contract Tracker / Service developments/Major projects

SP asked if ATW had considered the alternative timetable proposals suggested for the Cambrian Line additional services. ATW staff advised that ATW had considered the proposals but that they could not be made to work with train crew hours.

**WELSH GOVERNMENT/ARRIVA TRAINS WALES MONTHLY FRANCHISE MEETING PERIOD
1 2015-16**

ST MARYS HOUSE – 26 May 2015

Additional Service Contracts

SP advised that draft contracts for the additional Cambrian and HOWL services had been issued and that WG was awaiting ATW's response. ATW staff confirmed that ATW would provide a mechanism for applying no net loss no net gain principles for the performance of additional Cambrian services. SP asked for more detail and a breakdown of costs for the following additional services - Cambrian, HOWL, Fishguard and North South Express. **Action : ATW.** SP also asked for a final invoice and backing documents for the start up costs of the additional Cambrian and HOWL services. **Action : ATW.**

**WELSH GOVERNMENT/ARRIVA TRAINS WALES MONTHLY FRANCHISE MEETING PERIOD
4 2014-15**

ST MARYS HOUSE – 18 August 2015

Contract Tracker

SP advised that the Welsh Government was still awaiting ATW's response to the draft contracts for the additional Cambrian and Heart of Wales line services and the draft deed of amendment.

**WELSH GOVERNMENT/ARRIVA TRAINS WALES MONTHLY FRANCHISE MEETING PERIOD
7 2014-15**

ST MARYS HOUSE – 11 November 2015

Contract Tracker

SP advised that Welsh Government were reviewing ATW's comments on the draft Cambrian and HoWL contracts. SP also advised that Welsh Government were not content with the initial evidence provided for the start-up costs as it appeared to be a series of generic estimates. ATW

staff advised that she would be reviewing this today and would supply further evidence by the end of next week. **Action : ATW.**

**WELSH GOVERNMENT/ARRIVA TRAINS WALES MONTHLY FRANCHISE MEETING PERIOD
8 2014-15**

ST MARYS HOUSE – 8 December 2015

Cambrian and Heart of Wales line contracts – SP confirmed that Welsh Government have sent revised contracts to ATW following receipt of ATWs comments. ATW staff agreed that ATW need to develop a proposal for holding ATW harmless from potential PPM impact on the new services.

**WELSH GOVERNMENT/ARRIVA TRAINS WALES MONTHLY FRANCHISE MEETING PERIOD
9 2014-15**

ST MARYS HOUSE – 12 January 2016

Contract Tracker

SP advised that both parties were close to finalising contracts for the additional Cambrian and Heart of Wales line services, there is still a need to bottom out the costs and additionality of staff and to resolve the NNL/NNG mechanism related to performance of the additional Cambrian services.

**WELSH GOVERNMENT/ARRIVA TRAINS WALES MONTHLY FRANCHISE MEETING PERIOD
11 2014-15**

ST MARYS HOUSE – 1 March 2016

Contract Tracker

SP advised that there was an issue to resolve with staff costs for the additional Cambrian and HoWL services. ATW staff confirmed that ATW have only charged for new staff, reduction in start up costs due to service being operated by new staff plus some existing staff who have transferred.

ATISN 11309 – Application for Exemption

Decisions relating to non-disclosure have been taken with due consideration of the exemptions identified under Section 43(2) of the Freedom of Information Act 2000 (FOIA). This states that information is exempt information if its disclosure under this Act would, or would be likely to, prejudice the commercial interests of any person (including the public authority holding it).

Section 43 is a qualified (public interest tested) exemption. This means that in order to engage it, I must show that the public interest in withholding the information is greater than the public interest in releasing it. I have therefore given consideration to the effects of disclosure of the information to the world at large as the information is made available to anybody and everybody, not just the requestor. As such, when considering your request I have considered the wider effects of disclosure rather than any personal interest you may have in being provided with the information.

Public Interest Test

I recognise the general public interest in openness and transparency. It is also recognised that there is a public interest in how public money is to be, or has been, used to ensure that Government gets the best value from the public purse.

The financial information which is attached to emails, and embedded within the text of emails, is confidential to ATW and not otherwise publically available. Release of the information would allow potential competitor's access to a level of detail that they otherwise wouldn't have so as to enable them to obtain a commercial advantage, I do not believe that facilitating this type of unfair competitive advantage would be in the wider public interest. There exists a public interest in ensuring that private companies, such as this, which aims to create a significant amount of new jobs for the people of Wales, can do so in the knowledge that its efforts will not be prejudiced by the disclosure of commercially sensitive information. To freely disclose the information would give any competitors a distinct commercial advantage which would be likely to put their own business at risk and therefore prejudice the company's ability to engage in future commercial activities. All of the information described above is commercially sensitive to the ATW. I also believe that disclosure would harm ATW's ability to compete on a level playing field with other suppliers in procurement activities it is involved in across the UK for similar or identical services both now and in the future as competitors would have access to information they otherwise wouldn't. As a consequence, I consider that release of information would be likely to prejudice the commercial interests of ATW. I do not believe that facilitating this type of unfair competitive advantage would be in the wider public interest.

I am aware that as a general rule, the sensitivity of information is likely to reduce over time, so that the age of information, or timing of the request may be relevant in determining whether to apply the exemption, or where the public interest may lie. ATW is currently providing information to Transport for Wales for bidder access as an obligation of this franchise therefore in this case, the information captured is very much current information.

In conclusion, I believe that the balance of the public interest therefore falls in favour of withholding certain information that has been captured by this request.