

# Why can't the Welsh government promote a rail electrifi...

Published: January 13, 2026, 10:43 am

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The Tories announced the scrapping of two major rail electrification schemes last week. One was the Midland main line. The other the [Cardiff to Swansea route](#). Both have been long promised and both, I think are of as much, if not greater, importance than HS2, which is continuing.

And both are achievable. After all, the cost of government borrowing is actually negative at present, meaning that the funding for these projects could be secured at rates so low people might actually pay the government to take their money off their hands so that the projects might go forward.

Which point is precisely what got me thinking, especially in the case of the the Welsh route. I have [long advocated](#) the use of local bonds to finance infrastructure projects, linking the idea to the [Green New Deal](#), pension investment and the [fundamental pension contract](#) about which I wrote yesterday.

My question is a simple one and is why can't the Welsh government promote a bond to raise the funding to pay for the electrification of the line? Offer 2.5% interest. Maybe add a little bit of inflation linking into the rate (say, make in third of the return inflation linked). Make sure it can be wrapped in an ISA. And put the idea to local people, their pension funds, and some institutional investors and see if the funding is likely to be raised.

If, as I suspect the money would be easy to find (it could even underpin a new Welsh National Savings system) then the political challenge to the UK government would then be obvious. In that case this project will not be proceeding because of a lack of funding or viability but because the government has decided it will not invest in Wales and will not invest in green transport infrastructure. Making the point tangibly is better than any number of words.

Of course it can be argued there may be legal obstacles to this. But it is the job of politicians to suggest ways to overcome these when they stand in the way of real progress, and not to accept them. In the case of the Midlands main line it is hard to see

who can make the case for change. For Cardiff to Swansea it is obvious that Welsh politicians can, and should. I sincerely hope they will. They could provide Wales with the infrastructure it needs whilst pioneering reform in the savings and pensions sectors and deliver green investment. Those are goals worth working for.