

# **Written Evidence to the All Party Parliamentary Group for High Speed Rail**

## **Rail Capacity Inquiry**

### **Introduction**

1. This Evidence is submitted by the Association of North East Councils (ANEC), the representative body for local government in the North East. It represents all 12 local authorities throughout Northumberland, Tyne and Wear, Durham and the Tees Valley, on issues of concern to them and the communities they serve. It is a cross-party organisation, with all of its members democratically elected and accountable politicians.

2. For the North East to compete effectively in the 21<sup>st</sup> century, it is vital that this area continues to be at the heart of the future of the rail industry. This includes capacity improvements to conventional rail infrastructure, alongside the case for linking to North East to a high speed rail network. These should be considered in a complementary way as part of a coherent long term strategy for rail in the UK.

### **Current capacity on Britain's railways**

3. Growth in rail demand has been significant over the past decade across the UK, and in the North East. Passenger numbers on the East Coast Main Line increased by 36% up to 2007/08<sup>1</sup>, whilst on the local networks growth has been even higher. For example there has been an average increase of 66% in passenger numbers at stations across the Tees Valley since 2000<sup>2</sup>. Despite the recent economic climate, passenger numbers have continued to rise, and this trend is expected to continue. Network Rail forecast increases in all-day passenger demand on East Coast services between London King's Cross, Doncaster, York, Newcastle, Edinburgh and beyond which could rise to 41% by 2029<sup>3</sup>.

4. Current transport links between many of the large centres in the North are often relatively weak, with slow journey times being a common characteristic.

5. Road traffic on the major roads in the North East grew by 9% between 1999 and 2009<sup>4</sup>, and road traffic across the UK is forecast to rise by another 35% between now and 2035<sup>5</sup>. Should this predicted growth come to fruition, it will add further pressure to key strategic connections in the North East, such as the A1, A19, A66 and A69, where congestion is already evident and economic growth is stifled.

### **Required future capacity of Britain's railways**

6. Through its Route Utilisation Strategy process and as part of its New Line Programme work, Network Rail has identified that, even with incremental enhancements, forecast growth in passenger demand is such that each of the north-south main lines – the West Coast Main Line (WCML), the Midland Main Line (MML) and the East Coast Main Line (ECML) – will reach their effective capacity for long distance services in the 2020s<sup>6</sup>. Additional capacity on these corridors is vital for the UK economy and it is encouraging that enhancements at Darlington are now being assessed in detail as part of the InterCity Express Programme (IEP). Darlington is a critical transport hub for the Tees Valley and consequently the LEP and industry partners are currently developing a long-term solution that will cater for the combined needs of long-distance and high speed rail, local rail and freight traffic, for submission into the IEP process.

7. Part of the North East's plan for economic recovery includes the development of the two major ports in the North East; Teesport and the Port of Tyne. Both ports have the potential for expansion, and so it is vital that onward connections by rail are possible to minimise additional lorry miles. There is an opportunity to use released capacity on the ECML to accommodate growing freight traffic, which is an important element of the North East's economy. Some £2.4

million will be invested in the Tees Valley's rail network later this year to allow the passage of larger containers and support the expansion of Teesport.

8. As the North's economy grows and as it restructures, north-south links, particularly to London, will become more, not less, important over time. Improved connections to London are not at risk of draining economic activity from the North, in the same way that the evidence from France is that HSR has not resulted in a concentration of economic activity in Paris at the expense of other towns and cities served by HSR. Indeed, there is evidence that cities such as Lyon and Lille have experienced significant economic benefits from HSR due to the enhanced connections to Paris<sup>7</sup>.

9. To support the re-balancing of the economy, there is a need to enhance the connectivity within and between the North's LEP areas. This in turn requires increased rail capacity in terms of both conventional rail and high speed links. Whilst the importance of connections to London was stressed above, almost 60% of the productivity benefits forecast for the North East from HSR result from improved connections to other UK centres outside London including South Yorkshire, the East Midlands and Birmingham<sup>8</sup>.

### **The best way to provide capacity and future- proof Britain's rail network**

10. Increasing the capacity of the rail network to meet forecast demand using the existing routes is predicted to give a poor rate of return<sup>9</sup>. The supporting evidence for HS2 shows that the cost of building a new rail line between London and the West Midlands that would operate at maximum speeds currently found on the national network would be only 9% less than building a line that can operate at high speeds<sup>10</sup>. Hence, the marginal cost of building a high speed line is small, whilst the benefits are much greater.

11. A large scale online upgrade would be extremely disruptive to existing services during construction and have an adverse impact on passenger numbers. This would have a damaging effect on the North East economy at a time when the area is seeking to nurture sustainable long term growth and moving from recession to recovery.

12. Consequently the North East supports the Government's decision to develop a national high speed rail network, which is designed to provide the best value for money solution for enhancing rail capacity and performance, with the main arguments in support of this conclusion being ones of capacity, speed, and the resultant economic benefit. High speed rail will deliver a transformational change to the way Britain works and competes in the 21<sup>st</sup> Century. By linking core cities and regions, it will create a national market for businesses.

13. The North East strongly supports the principle of the Y network proposed for HS2 in that it creates opportunities on both sides of the Pennines. It is critical that the North East is linked to high speed rail infrastructure and investment as achievement of the North East's ambitions to be a world leader in the low carbon economy and to maximise its strengths and assets in areas including digital and creative media, process and chemical industries, healthcare and life sciences, is significantly dependent upon North East being linked into a high speed network.

14. As the planned high speed network is predicated on having a limited number of stopping points, it will be essential to ensure that improvements in local connectivity, such as those already referred to at Darlington, are planned and implemented in parallel to, or in advance of, high speed rail development such that the whole of the North East can share the benefits.

15. In addition to conventional transport benefits, the eastern leg of the Y network is forecast to contribute some £2.6 billion in productivity benefits<sup>11</sup>. Although the majority of the benefits are through productivity benefits in producer services, all major sectors of the economy show predicted productivity benefits. The North East has significantly higher benefits through productivity benefits in manufacturing, one of the sectors leading the UK in its current recovery.

16. Aviation is also an important element in the North East's transport system. Given the North East's location relative to UK and European markets, aviation provides the international connectivity we need to succeed in the global economy. Consequently we regard air services and High Speed Rail as being complementary rather than competitive.

### **Effects of extra capacity and risks of failing to provide that capacity**

17. Transport and connectivity are intrinsically linked to the economic prosperity and competitiveness of cities. Prior to recession, the North East stood apart from the rest of the country in consistently producing a positive balance of trade and punching above its weight on exports. The capacity exists for the area to play a bigger role in UK growth, but efficient transport connections are vital to seize this opportunity.

18. Given the North East's geographical location, inter-urban connectivity is paramount to the well-being of the economy, and the North East has consistently argued for the importance of good rail, road, air and sea connections in the context of overall improvements to transport infrastructure that support economic growth and competitiveness<sup>12</sup>.

19. £2.6 million has been committed to upgrading the rail network in the North East to W12 gauge clearance standard, which will create a further 1,000 direct jobs over the next ten years at Teesport alone<sup>13</sup>. Network Rail estimates that future growth of tonne kilometres will be up to 140% by 2031, and concludes that to realise the full potential benefits of rail freight further investment beyond locally and nationally committed expenditure will be needed to increase capacity<sup>14</sup>. A reliable national rail network with sufficient capacity is vital for our ports to realise their full potential.

20. In supporting the construction of a new route, it is important to ensure that this provides the speed of connection between the major centres that people and business require. Reduced journey times benefit all travellers – for business travellers, less time spent travelling means that more time can be spent in productive work; for non-business travellers, there is a less direct economic benefit, but new markets can be encouraged, such as tourism. In 2008, the North East was the only region outside London to increase its visitor numbers<sup>15</sup>.

21. Both capacity and speed improvements support the most important argument for HS2 with the resultant benefits to the economy arising from enhanced connectivity. Improvements to the availability and speed of rail connections with the rest of the UK will benefit the economy of the North East in two ways. Firstly, it will make the existing economy more productive and provide economic benefits to non-business users; secondly, it creates the opportunity to support the further economic growth and regeneration of the North East and the re-balancing of the economy. It has been estimated that high speed rail could result in a £3.1 billion productivity increase for the North East<sup>16</sup>.

22. With regard to the business case presented for HS2, one important point to note is that the forecast benefits have been developed from assumed service patterns, the one for the Y network being included as Figure A2<sup>17</sup>. This service pattern includes a peak hour frequency of 18 trains per hour (tph) using HS2 between London and Birmingham, with six of these services serving the eastern side of the UK. No high speed line elsewhere in the world currently operates at a frequency of more than 12tph – the planned 18tph frequency is to be delivered by a new signalling system to be developed by the time of opening.

23. Given that well over 60% of the benefits of the wider high speed rail network north of the West Midlands accrue to the eastern side of the UK<sup>18</sup>, it is vital that, should the 18tph frequency not be achievable in practice, the frequency of east coast services is maintained. If not, there is a risk of implementing a project that creates an economic imbalance across the North.

## **Impact**

24. Transport accounted for 15.5% of the North East's per capita CO<sub>2</sub> emissions in 2008<sup>19</sup>, so it is also vital that we seek options for future infrastructure that reduce carbon emissions as well as provide additional capacity. In terms of environmental impact, any project of this type such as development of a High Speed Network will have environmental impacts, but the evidence presented<sup>20</sup> demonstrates how these impacts will be minimised during construction and operation. It is important to achieve a sense of balance between localised impacts and a project that is of such importance to the UK economy.

## **Conclusion**

25. As outlined above, there is a clear need to enhance rail capacity across Britain. This would benefit the whole country, including the North East. It is the view of ANEC member authorities that High Speed Rail offers a once in a generation opportunity to transform the economic geography of the UK, support sustainable growth and international competitiveness and to rebalance the economy in line with Government policy. There are compelling economic arguments for the North East to be part of a HSR network and failure to be connected from the start will undoubtedly have a detrimental impact on the North East economy.

26. Whilst the HSR network represents vital investment in Britain's infrastructure, this should not be at the expense of conventional rail, which continues to play a key part in local and national transportation. Investment is needed to ensure that conventional rail can operate successfully as demand increases over time. It is vital to maintain and improve classic rail, in particular the East Coast Mainline, to both maintain connections and to release capacity on the ECML north of York for High Speed services to through run. If the North East benefitted from the frequency referred to in paragraph 22, this should not be to the detriment of regional services. Alignment generally across the various aspects of rail investment and policy will also be important, from High Speed plans, to classic rail expenditure, to the management of franchises nationally and more locally via rail devolution. Investment directed at the Network via the Intercity Express Programme (IEP) should also be aligned to ensure a coordinated approach is taken to rail investment and capacity.

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<sup>1</sup> East Coast Route Utilisation Strategy, Network Rail, February 2008.

<sup>2</sup> *Transport Monitoring Report*, Tees Valley Unlimited, October 2011.

<sup>3</sup> Northern Route Utilisation Strategy, Network Rail, May 2011

<sup>4</sup> Table TRA7903 at <http://www.dft.gov.uk/pgr/statistics/datatablespublications/regionallocal/regional>

<sup>5</sup> Table TRA9905 at <http://www.dft.gov.uk/pgr/statistics/datatablespublications/roads/traffic/#tables>

<sup>6</sup> *Network RUS – Scenarios and Long Distance Forecasts*, Network Rail, June 2009.

<sup>7</sup> *High Speed Rail: International Comparisons*, Steer Davies Gleave, 2004.

<sup>8</sup> *High Speed Rail Eastern Network Partnership – Technical Business Case Work*, Arup, May 2011.

<sup>9</sup> *High Speed Rail Strategic Alternatives Study – Strategic Alternatives to the Proposed 'Y' Network*, Atkins, February 2011.

<sup>10</sup> *High Speed Rail: Investing in Britain's Future*, Department for Transport, February 2011.

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<sup>11</sup> *ibid*, Arup, May 2011.

<sup>12</sup> ANEC Manifesto - '*The North East Commitment*', Association of North East Councils, June 2010.

<sup>13</sup> *Statement of Transport Ambition*, Tees Valley Unlimited, April 2011

<sup>14</sup> *Value and Importance of Rail Freight*, Network Rail, July 2010.

<sup>15</sup> *High Speed North East*, ANEC, October 2009.

<sup>16</sup> *Because Transport Matters*, Atkins, 2008.

<sup>17</sup> *Economic Case for HS2: The Y Network and London – West Midlands*, Department for Transport, February 2011.

<sup>18</sup> *ibid*, Arup, May 2011.

<sup>19</sup>

[http://www.decc.gov.uk/en/content/cms/statistics/climate\\_change/gg\\_emissions/uk\\_emissions/2008\\_local/2008\\_local.aspx](http://www.decc.gov.uk/en/content/cms/statistics/climate_change/gg_emissions/uk_emissions/2008_local/2008_local.aspx)

<sup>20</sup> *HS2 London to the West Midlands: Appraisal of Sustainability*, Booz & Co and Temple, February 2011