

13 March 2012

All-Party Parliamentary Group for High Speed Rail
Rail Capacity Inquiry
House of Commons
London
SW1A 0AA

BRITISH CHAMBERS OF COMMERCE RESPONSE TO RAIL CAPACITY CONSULTATION

The British Chambers of Commerce (BCC) is the national voice of local business; a national network of quality-accredited Chambers of Commerce, uniquely positioned at the heart of every business community in the UK. The BCC represents 100,000 businesses of all sizes across all sectors of the economy that together employ over 5 million people.

The BCC is happy to respond to the All-Party Parliamentary Group (APPG) for High Speed Rail's consultation on rail capacity. The majority of our members feel this is a key issue, and the BCC fully supports the Government's recent decision to proceed with a high speed rail network. Only this solution offers the unique opportunity to improve connectivity and produce nationwide benefits.

Given the timescales required to build the full national network, the Government must progress this project and the Parliamentary process required to authorise it without delay – and ensure that the UK has the rail capacity required to link regional economies, transport commuters, move more freight and goods, and complement both road and air travel. This infrastructure project is necessary for future national economic growth and connectivity of the UK.

We would be happy for someone to appear before the APPG to give oral evidence, so if you wish to arrange this, or if you would like to discuss any element of our response in further detail, please contact Peter Campbell.

Yours Sincerely



Adam Marshall
Director of Policy & External Affairs



All-Party Parliamentary Group for High Speed Rail inquiry into rail capacity

Response from the British Chambers of Commerce

How do you view the current capacity situation on Britain's railways?

1. The current picture of capacity on the UK's trains is something of a mixed one at the present time. While there is capacity at certain times of the day, mainly in the off-peak periods, at other times it is 'standing room only.' It is also true that the first off-peak services after the evening rush hour are especially busy, owing to the large numbers of people wishing to take advantage of the fall in ticket prices after this time.
2. It also goes without saying that there are differences in passenger experience depending on the areas under consideration. The routes into the major cities are increasingly congested, particularly in the morning and evening peaks, while some rural routes experience no difference in demand across the day. In the view of the BCC, however, the key question is not necessarily how things currently stand, but rather how they will be in the future, and how we will address the issues that will arise.

What capacity do you believe Britain's railways will require in the future?

3. If current rising trends in rail usage are to be accommodated, then improved capacity and performance on our rail network is essential. These figures are, by their very nature, rough estimations of what demand will look like, however we have seen little evidence to suggest the number of journeys made on the rail network will fall in the future.
4. One thing that these figures show us is that the West Coast Main Line will reach full capacity within 20 years. Further rises in fuel prices, similar to those we have seen in recent years could lead to a modal shift from road to rail, further exacerbating congestion on British rail lines. The BCC believes only a radical solution will be able to provide the long term capacity our rail network needs to satisfy this future demand and safeguard the competitiveness of the UK economy.

What is the best way of providing capacity and future-proofing Britain's rail network?

5. The majority of our members feel that the construction of a High Speed Rail line between the UK's major cities is the best long term solution to creating additional much needed capacity in Britain's rail network. It will, in addition, free up capacity on the existing conventional rail. Plans to upgrade the East and West Coast Main Lines, such as 'Rail Package 2' (RP2), cannot provide the fundamental additional rail capacity that is needed for long term economic growth.
6. While we believe that the "Y" network favoured by the government provides the best value for money, our members emphasise the importance of a fully national network. It is vital that Scotland and the North of England are linked to strategic economic hubs as early as possible. The BCC feels talks should begin as soon as possible with the Scottish Government, to confirm the construction of High Speed Rail in Scotland. A study conducted by Atkins¹ outlined that construction of a full network would create economic benefits of around £63bn, and it is critical these benefits are realised.
7. The BCC supports proposals to connect this new High Speed Rail line with both Heathrow Airport and HS1. These connections fit with a vision of connected Britain where our road, rail, air and sea infrastructure are linked into one cohesive and co-ordinated transport network.
8. As the only major UK hub airport, it is necessary that High Speed Rail is connected to Heathrow. Only here is the connectivity to international markets inaccessible by other British airports provided. While we agree with the Government's initial proposals of connecting Heathrow through a spur however, this spur should eventually form a loop back on to the mainline. Heathrow should be a through station rather than a final destination and connections should not disadvantage passengers wishing to access central London.

¹ Atkins study for SRA and 2008 update (Transport Matters)

9. This better connectivity to Heathrow could create a modal shift from air to rail, increasing the proportion of Scotland-London journeys made by rail from 17% to 65%². This increase would allow for a reduction in UK domestic air travel and a release of capacity at Heathrow that could be used to provide flights to emerging markets. Reduced journey times could also encourage better dispersal of passengers from all around the UK, allowing better use of spare capacity at other domestic airports, rather than taking a short haul flight to other European flight hubs.
10. We fully support the proposed links to HS1. Greater connectivity via the Channel Tunnel could provide businesses in the Midlands and the North a wider range of potential export markets and sale opportunities.
11. The recent upgrade of the West Coast Mainline had severe impacts on businesses, due to delays and loss of business. Between 1998 and 2008, maintenance delays increased journey times from Manchester to London to nearly 3 hours. Further potential disruptions caused by upgrades to the West Coast mainline, such as those proposed in RP2, or any other part of the conventional network would only damage the future growth of British businesses.
12. This has made the prospect of constructing a new High Speed Rail line all the more attractive to businesses. A recent poll conducted by Business West³, the Chamber of Commerce in the west of England, outlined that 70% of local businesses are supportive of investment in High Speed Rail despite being in an area of the country a significant distance from the proposed network.

What will the effects of providing extra capacity be, beyond addressing journey supply? What would be risked by failing to provide that capacity?

13. Poor transport connections to the financial capital has acted as a deterrent for inward investment. Chamber members argue that greater connectivity to the capital and other strategic economic and transport hubs will encourage future growth and investment.

² <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmtran/writetv/rail/m172.htm>

³ Business West online poll

14. Simply upgrading the current network will not create the same capacity benefits that a separate High Speed Rail line can. A High Speed Rail line will dramatically relieve congestion on the conventional rail line. This will greatly increase Britain's ability to transport freight and improve regional commuter services on the existing network, whilst simultaneously reducing journey times between the UK's key strategic economic hubs.
15. Investment in High Speed Rail however, must not come at the expense of other rail projects, such as the Northern Hub, western access to Heathrow, or the electrification of the Great Western and Midland Main Lines. In addition to a High Speed Line there needs to be further investment in local services if capacity benefits are to be fully realised. High Speed Rail must complement the existing network if its benefits are to be fully utilised, and the UK is to have the most effective and efficient rail network.
16. Reduced journey times further add to the benefits of High Speed Rail. The 2008 introduction of the Virgin Pendolino service between Manchester and London reduced journey times from two and a half hours to two hours eight minutes. This saw rail's market share on the Manchester-London corridor increase from 38% in 2003 to 80% in 2010. Reductions in journey times of a similar magnitude for those areas further away, as well as the greater connectivity will encourage additional modal shift from air and road to rail.
17. Speeds of 225 miles per hour would transform journey times, bringing Manchester and Liverpool within 100 minutes of London and 80 minutes of Birmingham. This would allow businesses to access wider markets and a larger labour pool through more trains going to more destinations.

18. Rail travel will further be more productive for businesses as this time can be utilised more effectively. Studies⁴ have found that worker productivity on trains is 98% of that, of a worker in an office environment. Faster journey times will encourage a modal shift from road to rail for longer distance business journeys in many cases resulting in increased worker productivity.
19. The UK risks falling behind our competitors and slipping down the global economic rankings if we do not adequately address the problem of capacity on our railways. Inward investment will go to those countries that can guarantee quick and reliable access to bigger markets, meaning jobs will not be created and prosperity will be lost.

⁴ <http://www.parliament.uk/documents/commons-committees/transport/HSR%20503%20-%20Oxera%20Report%20-%20Review%20of%20the%20government's%20case%20for%20an%20HSR%20programme.pdf> (Page 7)