

Centro Evidence for All-Party Parliamentary Group for High Speed Rail

March 2012

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

1. We are grateful to be able to submit evidence to the Group's Rail Capacity Inquiry as Centro is gravely concerned about the current capacity constraints on the rail network - if overcrowding on British railways is not addressed it will harm the economy.
2. This is certainly the case in the West Midlands with serious capacity constraints clearly evident on our mixed-use twin-track network. The Transport Select Committee recognised recently that the need for additional rail capacity was most pressing between the West Midlands and London. Rail operator London Midland has recently (December 2011) added another 2,300 seats to its services in the West Midlands and recognises that overcrowding urgently needs to be addressed.
3. Industry figures (Association of Train Operating Companies) demonstrate rail passenger numbers are growing at 5-6% per year. We now have the highest number of rail passengers since the 1920s but with only half of the rail network that existed in those pre-Beeching days.
4. In the West Midlands passenger levels are forecast to grow by 32% by 2019 - but it is not just a case of passenger levels growing. The West Midlands rail network is a mixed use network serving intercity, regional, commuter and freight services. The West Midlands freight and logistics sector is a key employer and a significant contributor to the regional economy - the Rail Freight Group has reported that north-south rail freight has grown by 56% in the last eight years.
5. The British rail network cannot continue to 'patch and mend' as Lord Adonis described it. We consider that alternatives to HS2 will not provide the increase in capacity needed – as set out by Network Rail and numerous other transport organisations. There are also clear memories of the last upgrade of the West Coast Main Line a decade ago that caused severe problems for the West Midlands and nationally beyond and whose budget and timescales increased hugely as the project was undertaken. It is worth noting that Virgin Trains have seen patronage on the WCML double since 1999. That last upgrade of the WCML was a success to the extent that it is already insufficient for the increasing demand for rail travel.
6. Many key West Midlands rail corridors are approaching capacity and are particularly busy at peak times. Measures are already being taken to address this such as adding new services and extra carriages where possible. However we cannot continue to meet demand with our existing network. A step-change needs to be developed as a matter of urgency as rail demand continues to grow for intercity services both north and south, along with significant growth in commuter journeys and inter-regional services.

7. Centro is concerned that our local and regional services may suffer as train paths are given to the more profitable intercity services – as happened in 2003 and 2008 with the timetable reviews that saw intercity services greatly improved but to the detriment of local trains. Birmingham Chamber chief executive Jerry Blackett has stated that he believes our ability to do business and for our businesses to trade effectively and attract talent to the region will be hampered.
8. If we do not meet demand we risk forcing passengers and freight onto our congested roads. This is a serious issue for families, commuters and businesses in the West Midlands. HS2 would not only offer fast, direct links between our major cities but it would also hugely relieve congestion on our increasingly overcrowded existing rail network. Without addressing capacity constraints we will face some stark choices in the very near future.

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

Current growth:

9. In our modern economy people need access to strategic centres which are often the home of service/professional sector jobs. Rail provides the connectivity and accessibility for people to access jobs and for business to access the right people with the right skills for their business. People will also travel further to access the jobs they want, which are not always locally available. Major towns such as Milton Keynes and Northampton are commuter towns for London.
10. Huge investment in the rail network has created an attractive, safer, frequent, reliable mode of transport. Today's economy is more affluent than ever and leisure travel now makes up the biggest proportion of long distance rail journeys. Business markets are also opened up as a consequence of the internet and enhanced transport connections. As the economic powerhouse of the UK, London is a principal destination for all of the above, focused on the West and East Coast Main Lines.
11. Freight movements will continue to increase as the global economic marketplace provides ever more opportunities to trade internationally with huge growth in imports/exports via international shipping and cargo containers. Huge investment in rail has created an attractive, reliable and accessible rail freight market that is now facing serious capacity, rather than infrastructure (ie gauge clearance) constraints.

Future Growth Drivers:

12. UK's population is projected to increase by 4.9m people by 2020 to 67.2m, an annual increase of 490,000 per annum and is projected to reach 73.2M by 2035. Additional people will generate additional travel demands including rail, while increased levels of personal affluence and life expectancy will underpin increased leisure trips.
13. The modern economy will continue to require a highly skilled, flexible, adaptive workforce which means that people will travel further to access the jobs they require.

People on average will have more jobs during their working career than previous generations and will be less likely to move house as often.

14. Sustained long term economic growth creates new employment across the UK economy leading to further travel demand. At the same time, increased trade within the global economy will underpin ongoing rail freight growth demand, as will a greater policy focus on manufacturing. Today over 50% of all rail freight now starts or finishes its journey at a port. Finally, oil prices are projected to rise in the medium/long term meaning there will be further modal shift towards lower carbon forms of transit such as rail.
15. Electronic media and improving broadband capability will open up new business markets and opportunities by removing spatial barriers between businesses and people. Also, the digital economy will generate more trips as opposed to reducing them and London will take on a greater role in the UK economy as a world city.
16. Between now and 2025, the point at which HS2 services commence, we must focus on making best use of existing assets by maximising train lengths and maximising network capability. However, there is clear evidence that in a growing demand/fixed capacity scenario rail costs are increasing and some service types will be cut in favour of higher revenue services – for example, the introduction in December 2008 of the West Coast High Frequency Timetable that added a third intercity service per hour between Birmingham and London causing irregular local services between Birmingham and Coventry squeezed into the gaps. There is also evidence that rail connectivity gaps are appearing on the network. For example on the Trent Valley line (significant reductions for Tamworth, Lichfield and Atherstone) and through Staffordshire (Stone services reduced, Barlaston and Wedgewood stations closed).
17. Whilst Incremental enhancements up to the point HS2 opens is supported they cannot continue indefinitely. Huge capacity release is required and HS2 will provide that transformational uplift in national rail capacity by releasing capacity on the East and East Coast and Midland mainlines as well as the Cross Country network. We do still need to undertake certain key elements of Rail Package Two to keep up with demand up to 2025 but it is not a replacement for the need for HS2.

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

18. We believe the best way to provide capacity is to build HS2 and release pathways on our existing network. Centro has undertaken research to understand how this released capacity could be best used. In a recent survey Network Rail and Passenger Focus also asked commuters how they would like to benefit.
19. Centro supports HS2 as it provides fast, direct links between our major cities and Europe in a manner that attracts businesses and investment to the West Midlands. Much is often made of the benefits of bringing Birmingham just 45 minutes away from London. But it is also important to remember the West Midlands benefits from

significantly reduced journey times to Leeds (from 120 to 57 minutes) and Manchester (from 90 to 41 minutes).

20. The released capacity on the West Coast Main Line would provide more pathways for freight and not only safeguard but allow us to enhance local and regional rail services.
21. High speed rail will also allow space on the current network to provide significant connectivity improvements as well. Stations such as Wolverhampton and Coventry will benefit from additional services to Birmingham Airport, Northampton and Milton Keynes as well as direct services to Liverpool, Manchester and beyond.

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

22. In 2010 Centro commissioned a study into the effect on the regional economy of bringing high speed rail to the West Midlands. This report, produced by KPMG, concluded that HS2 will bring significant economic benefits to the West Midlands.
23. HS2 alone will bring 11,000 jobs and £600m per year to the West Midlands economy. However, Centro has drawn up plans to develop local and regional rail services using capacity released by HS2 on existing lines, along with additional public transport improvements to provide better connectivity to HS2.
24. KPMG reports that the combination of HS2 along with these additional existing rail network enhancements will bring 22,000 jobs to the West Midlands and generate £1.5 billion of GDP additionally per year into the regional economy.
25. If we fail to provide this capacity we will face services being cut and stations closed. Network Rail's report into the 51M Group alternative to HS2 concluded that stations in Staffordshire and Warwickshire would risk losing London services (effectively closing Stone and Atherstone) and there would be no allowance for growth in services between Coventry and Birmingham.
26. As we represent the interests of the West Midlands we would be strongly opposed to this scheme as it would effectively freeze rail services at current levels between Birmingham and Coventry and threaten local services elsewhere in our region. This would be bad news for businesses and communities in the West Midlands and force rail travellers to use other modes of transport which are likely to be less environmentally friendly.
27. We have already lost stations in Staffordshire (Wedgwood and Barlaston) in 2003 due to capacity constraints. There is pressure on local services in the Coventry area. If we do not create significant additional capacity to cope with the growth on our railways we will have to make stark choices about which stations are closed and services cut.

28. Centro has deep concerns that our local and regional services may suffer as rail paths are given to more lucrative long distance services. Birmingham Chamber chief executive Jerry Blakett believes our ability to do business and for our businesses to trade effectively and attract talent to the region will be hampered. If we do not meet demand we risk forcing passengers and freight onto our congested roads. This is a serious issue for families and businesses in the West Midlands. HS2 would not only offer fast, direct links between our major cities it would also relieve congestion on our increasingly overcrowded existing network.