

All-Party Parliamentary Group for High Speed Rail
Rail Capacity Inquiry

1. INTRODUCTION

- 1.1. This is a collective response on behalf of the Greater Manchester Local Enterprise Partnership, Manchester City Council and Transport for Greater Manchester. We welcome the opportunity to contribute to the All Party Parliamentary Group for High Speed Rail inquiry to establish the future capacity requirements of Britain's railway structure. Transport is recognised as a priority by the Greater Manchester Combined Authority which has identified the need to "significantly improve connectivity into and within the city region" as a strategic objective. It was in recognition of this that the Greater Manchester Transport Fund (GMTF) was developed, an innovative £1.5bn package of schemes developed and prioritised on the basis of their contribution to regional productivity through a measure of increase in GVA per £ of whole life cost whilst also demonstrating positive benefits in terms of environmental and social outcomes. Funded by a combination of local, regional and national funding streams, the prioritised list of schemes alone is forecast to increase employment in the city region by 20,000 and lead to a GVA increase of £1.3bn per annum by 2021.
- 1.2. Greater Manchester is fully supportive of the Government's proposals for a high speed rail network, which has the potential to strengthen the region's economy by improving connectivity to the capital and continent and by releasing capacity on the existing rail network, which can be used to improve services for commuters and freight.

2. HOW DO YOU VIEW THE CURRENT CAPACITY SITUATION ON BRITAIN'S RAILWAYS?

- 2.1. There is a significant lack of capacity on Britain's railway network, and this issue must be addressed if future economic growth is not to be constrained.
- 2.2. Since 1980, the number of journeys made by rail has gone up by 68 per cent, from 760 million to 1,274 million and the network is now carrying more passengers than at any time since the Second World War, yet on a network approximately half the size.
- 2.3. Despite £9bn of upgrades, the West Coast Mainline (WCML) is set to again exceed capacity by mid-2020. The West Coast is the only direct link between Manchester and London, and is set to see passenger demand grow by as much as 61% by 2025 according to the West Coast RUS. Further incremental upgrades to the line would be short sighted when set against the option to develop a new dedicated high-speed inter-urban network, which will provided unparalleled economic benefits.
- 2.4. Increasing capacity through a new high speed rail (HSR) line will not just benefit long distance passengers, crucially it will free up capacity on existing local network. At present 5% of trains arriving in Manchester during the 3hour morning peak are overcrowded. This figure is set to rise to over 17% by 2025. The extra capacity a new high speed rail line (HSR) will create would allow increased frequencies to local

destinations and new services to more locations benefiting local commuters, leisure travellers and freight services.

3. WHAT CAPACITY DO YOU BELIEVE BRITAIN'S RAILWAYS WILL REQUIRE IN THE FUTURE?

- 3.1. The WCML is projected to reach full capacity in the next 12 years. Passenger demand according to the West Coast RUS is forecast to grow by as much as 61% by 2025 between Manchester and London, and historically passenger forecasts have significantly underestimated demand growth
- 3.2. Similar levels of growth have been predicted on Britain's other inter-regional lines;
 - On East Coast Main Line services between Leeds and London passenger demands is forecast to grow 44%, and London-Newcastle 22% between 2006 and 2016;
 - Midland Main Line demand set to increase by over 30% in the next 10 years from Derby, Nottingham & Leicester to London.
- 3.3. If capacity is not created to cater for the increased passenger demand levels, the entire British inter-regional network will experience severe overcrowding issues and higher fare rises, damaging the national economy.
- 3.4. Of equal importance is capacity for freight services. The Freight RUS predict national rail freight volumes are set to increase by as much as 140% between 2006/07 and 2030/31, and is vital for the nation's economy. 90% of inter-modal freight uses the WCML at some point. Rail freight currently contributes directly £870 million to the nation's economy yet data from the Office of National Statistics suggests that the industry is supporting an economic output of six times its direct turnover.

4. WHAT IS THE BEST WAY OF PROVIDING CAPACITY AND FUTURE-PROOFING BRITAIN'S RAIL NETWORK?

- 4.1. HS2 is the only option to provide the capacity needed to cope with the ever increasing levels of passenger and freight demand on the West Coast Mainline. Long term planning is required to effectively integrate a new high speed line providing intercity connectivity to the local classic network, to aid onward connectivity to support regional economic development, and at the same time future-proofing Britain's rail network.
- 4.2. The alternatives to HS2 generate much lower cost benefits and crucially don't provide the long term capacity increases needed. Rail Package 2a (RP2a), which is by far the best performing of the alternative schemes to HS2 has a comparable benefit cost ratio but only increases capacity by 54% as compared to the 200% rise in capacity HS2 would create. Further incremental upgrades and investment would suffer from the law of diminishing returns.
- 4.3. Similarly investing in a new conventional new rail line will only cost only nine per cent less than a high-speed line, yet would not provide the required capacity improvements,

and significantly none of the journey time savings which deliver huge economic benefits.

- 4.4. Most importantly, the HSR programme should not be viewed as an alternate approach to investment on the existing network, but as an addition, in order to future-proof Greater Manchester and Britain's strategic rail network. The effectiveness of the HSR programme is reliant upon the efficient running of the conventional network to aid onward connectivity. It is critical that HSR stations and infrastructure are well integrated into existing local rail and tram networks, as the immediate area surrounding the HSR station is unlikely to be the ultimate origin or destination of any journey. Investment must be made where necessary to existing facilities or new connections created to allow passengers to quickly transfer to and from their ultimate origin and destination.
- 4.5. The success of HSR in Manchester and the wider Northern region will be reliant upon investment in the Northern Hub scheme, which will enhance inter-urban connectivity in the North, complimenting the HSR proposal in order for the full social and economic benefits of HS2 to be realised in the North West.
- 4.6. Network Rail has stated that the completion of the Northern Hub scheme is a prerequisite to a high speed line to Manchester, and is a number 1 priority for control period 5. The Northern Hub plans include a 40% increase in train services through Greater Manchester, which would mean 700 extra daily trains, adding capacity for an extra 3.5 million passenger per year and helping reduce overcrowding levels.
- 4.7. The Hub scheme (which generates a benefit cost ratio of 4:1) will generate additional economic benefits, with conservative estimates suggesting that the Hub could support an additional 23,000 additional jobs across the Northern Way area, and increase GVA £2.1billion by 2021. As such, money must be made available for Network Rail to commit and deliver the Hub programme in control period 5.

5. WHAT WILL THE EFFECTS OF PROVIDING EXTRA CAPACITY BE, BEYOND ADDRESSING JOURNEY SUPPLY?

- 5.1. Providing extra capacity through HSR has the potential to help generate significant economic benefits across the whole of Greater Manchester. Local studies predict almost 10,000 jobs would be generated across the region covered by the Northern Way partnership as a result of a high speed line to Greater Manchester, boosting productivity and growing the economic output across the area by £967 million per year.
- 5.2. The introduction of a HSR network would also have positive impacts on freight services and increase the £870 million the industry already contributes to the nation's economy, as freight operators will benefit from the reduced demand for inter-urban services on the existing rail network freeing capacity on the 'classic' network.
- 5.3. A HSR network also has the potential to significantly reduce carbon emission levels in the UK as faster journey times will induce a modal shift from the carbon-intensive

modes of car and air travel. According to the Department for Transport, in 2008 domestic transport accounted for 21% of the UK's domestic emissions of carbon dioxide. ATOC research demonstrates that HSR travel produces only one-third of the carbon emissions of car travel and one-quarter the emissions of an equivalent trip by air, taking into account the average loadings typically achieved on each mode. A national HSR network incorporating Scotland is forecast to reduce CO2 emissions by one million tonnes each year by 2055. Significantly, HSR's carbon output will fall further in the future due to the progressive de-carbonisation of the UK's electricity generation facilities.

6. WHAT WOULD BE RISKED BY FAILING TO PROVIDE THAT CAPACITY?

- 6.1. Failing to provide extra capacity will constrain the UK's economic growth and limit job creation in the North, as emphasised in the above response.
- 6.2. The UK economy is increasingly dependent on its cities. The Core Cities of Manchester, Birmingham, Bristol, Leeds, Liverpool, Newcastle, Nottingham and Sheffield are the main drivers of the country's economy outside London and the South East. The Northern and Midland regions contributed £415bn, or 34% of total GVA, to the UK economy in 2009.
- 6.3. These cities have an economic base centred on new knowledge-intensive and high-tech industries which serve local, regional and international markets.
- 6.4. The continued successful expansion of these industries is dependent on high quality intercity links, allowing firms to gain agglomeration benefits by accessing new and more diversified markets throughout the UK and Europe.
- 6.5. Failure to provide the extra capacity needed to connect Britain's major cities will result in the North-South imbalance, which currently costs the UK economy £38bn p.a in GDP, further widening –contradicting the Government's vision for sustainable, balanced growth across the whole of the United Kingdom.