

High Speed Rail: All-Party Parliamentary Group Leeds, York and North Yorkshire Chamber of Commerce Response

1. Introduction

- 1.1. The Leeds, York and North Yorkshire Chamber of Commerce is pleased to submit this response to the All-Party Parliamentary Group (APPG) for High Speed Rail into the inquiry examining Britain's rail capacity. The Chamber represents the views of over 2,000 businesses across the Leeds City Region ranging from sole-traders to multi-national corporations. The Chamber represents a wide-range of sectors, such as manufacturing, financial & professional services, creative & digital and property. In Autumn 2009, the Chamber polled its members on High Speed Rail, which showed that 9 out of 10 businesses in our geographic area are in favour of investing in the infrastructure.
- 1.2. Rail serves a vital function in facilitating economic activity in Leeds, York and North Yorkshire by connecting people to jobs and wider services and functions within the city region, across the north of England and nationally. Rail is also critical to the Leeds City Region's ambition to increase both manufacturing & service sector exports by providing connections to international airports, ports and London St Pancras. Developing a long term strategy for the national rail network, as part of an integrated approach to the transport network as a whole, will be vital in supporting future growth. High Speed Rail is an important part of this strategy enhancing connectivity, creating essential new capacity and reducing journey times between major centres.

2. Supporting Growth and Development in Leeds and York

- 2.1. The Chamber recognises the vital played by rail supporting economic growth in Leeds and York, as well as the wider Leeds City Region. Leeds and York are important drivers of the economic success and potential of not just the Leeds City Region, but the UK as a whole. The Leeds City Region has a population of about 3 million people and 1.3m jobs, Within the York and North Yorkshire LEP area, which crosses over with the Leeds City Region LEP, there is 1.1m people and 465,000 jobs
- 2.2. Between 2001 and 2008, employment in Leeds grew at a faster rate than any of the other Core Cities, with 10% employment growth in Leeds city centre (almost 12,000 jobs) between 2002 and 2008. Furthermore, the City of York has a strong presence in financial and business services, whilst Science City York has attracted significant research expertise. The Leeds City Region has the largest concentration of jobs in financial and business services outside London with important centres in Leeds, York, Halifax, Harrogate and Bradford¹.
- 2.3. The rail network supports significant commuting flows to the main business centres, and provides connections between major population centres. Much of the growth in jobs has been supported by significant increases in rail patronage, with the number of passengers using Leeds station growing from 11.3m in

¹ Northern Way (2009) City Relationships: Economic Linkages in Northern City Regions Leeds City Region

2002/03 to 22m in 2009/10, a 95% increase². The number of people using the rail network has remained fairly constant throughout the recent economic downturn and as such is likely to grow significantly when economic conditions improve, particularly if external factors, such as car fuel prices, remain high. Rail enables business travel, by helping firms to access markets and facilitating economic activity across the city region. Long distance rail services that provide essential external connectivity to other city regions and London are particularly important.

3. Capacity Issues Affecting Britain's Railways

- 3.1. Future population growth in Leeds and York will create further pressures for the rail network. The population of Leeds is predicted to exceed one million people by 2033. Rail demand to / from Leeds is forecast to increase by 63% by 2029³. Therefore, the rail network must be capable of supporting this projected demand to contribute to the economic success of the Leeds City Region and to help the Government's plans to ensure that the entire country can fulfil its economic potential.
- 3.2. Fast, high quality rail links are essential to support economic growth. Without continuing investment into the rail network the ability of businesses to grow and to improve productivity will be limited, so it is vital that the Government delivers its proposals for enhancing the capacity and performance of Britain's long distance network to support economic growth.
- 3.3. The Chamber welcomes the investment outlined in Network Rail's Strategic Business Plan for the current Control Period (CP4, to be delivered by 2014) which includes about £560m of investment in capacity enhancements. These improvements will reduce journey times and help to make better use of existing capacity for passenger and freight. The revised passenger timetable introduced in May 2011 creates sufficient capacity for 6 passenger services per hour, plus an hourly freight service between London and Doncaster during the off-peak.
- 3.4. Network Rail has recently published the Initial Industry Plan which sets out the potential investment for the East Coast Main Line between 2014 and 2019. A provisional sum of £500m has been included in this plan to deliver a number of solutions to help enhance capacity. This includes additional capacity between Huntingdon to Peterborough, Doncaster to Wakefield and the approaches to Newcastle, as well as improvements at Peterborough, Doncaster and Darlington stations, and junction improvements north of Newark.
- 3.5. In addition, the Chamber supports the proposed Intercity Express Programme (IEP) for new trains, which are needed to replace the current ageing fleet and will provide higher seating capacities per train, as well as faster journey times. This new rolling stock is vital to maintain high quality express rail services to West and North Yorkshire.

² Office of Rail Regulation Station Usage statistics 2002/03 and 2009/10

³ Network Rail (2011) Northern Route Utilisation Strategy

3.6. The Chamber also supports plans to upgrade and electrify the Midland Main Line which would not only reduce journey times between Sheffield and London but also would improve connections between Leeds and the East and South Midlands.

3.7. Many Cross Country services to Birmingham are already affected by overcrowding, and the forecast passenger growth of 48-95% presented in the Network Route Utilisation Strategy will exacerbate these constraints. The overcrowding problems are particularly severe on these trains, since there are less than 450 seats per hour in each direction between Yorkshire and the West Midlands.

4. Future Capacity Requirements for Britain's Railways

4.1. The opportunities to deliver further capacity improvements after 2019 on existing main lines will be limited, and the ECML is expected to be operating at capacity by the 2020s⁴. A step change in capacity will therefore be required to support the growth of the economy. Research undertaken by Network Rail has illustrated how upgrading the existing classic lines will not provide sufficient additional, long term capacity, with a new high speed line offering an alternative solution. Analysis by Oxera⁵ shows a high speed line will generate greater benefits than increasing capacity on the classic lines.

4.2. Evidence from the West Coast Main Line modernisation indicates there are a number of issues associated with upgrading existing routes. Cost estimates significantly exceeded the original estimate (increasing from £2 billion to £8 billion), there was significant disruption to passengers during the construction period, whilst the timetable only delivered one additional service in the peak hours.

4.3. Therefore, the Chamber strongly supports the proposed national high speed rail network that will deliver a step change in capacity, plus significant journey time reductions between selected stations in Yorkshire and the Midlands. The national high speed rail network will help to create a more integrated economic zone between city regions outside of London. The eastern leg of the "Y" would help to create, in effect, a single economic zone encompassing the East Midlands and the Leeds and Sheffield City Regions, which would have a combined population of 6.7 million people and three million jobs. With a maximum of 18tph on the core section to / from London, three services per hour from Leeds, with a further hourly train from York. The Chamber acknowledges other solutions fail to offer these benefits.

4.4. The High Speed Rail line will link London and Birmingham by 2026, with an extension to Yorkshire due to be completed by 2032-33. This new link will transform connectivity between London and other major cities generating significant economic benefits and will reduce journey times between London and Leeds by approximately 50 minutes and will help to alleviate the capacity problems affecting the existing network and it will transform economic potential of the north of England.

⁴ Network Rail (2009) Meeting the Capacity Challenge: the case for new lines

⁵ Oxera (2011) Review of the Government's case for a high speed rail programme

- 4.5. Analysis by HS2 Ltd demonstrates the business case for the link between Birmingham and Yorkshire is very strong, with a benefit cost ratio in excess of 5.0. The Chamber recognises the business case is stronger than the routes between London and Birmingham, and (with over double the benefit cost ratio) Birmingham to the North West. This makes the timely delivery of the line to Yorkshire more compelling and should be a priority for Government. Analysis by stakeholders in the City Region have estimated wider economic benefits of £2-2.3bn over a 60 year appraisal period, with the station expected to stimulate long term spatial development.
- 4.6. Given the scale of economic benefits a connection from the first phase of the high speed rail network to the Birmingham to Derby Line to enable onward services to Sheffield and Leeds must be a priority for Government as it could generate significant interim benefits, and would help to build the market in advance of the full route serving the eastern side of the UK.
- 4.7. The Chamber also supports the connectivity benefits offered by High Speed Rail from the city region to Heathrow with an hourly direct train given the lack of flights to Heathrow.
- 4.8. Although the high speed rail network will generate major benefits for the Leeds City Region, York and North Yorkshire it will be vital to also invest in the local transport networks to ensure that these benefits are maximised and distributed as widely as possible. In addition, it will be important to make use of capacity released on existing lines to create new journey opportunities. The improvements for the East Coast Main Line described earlier will be essential to maintain and enhance connectivity for catchments and passengers not on the HS2 network.
- 4.9. Strong local transport links is essential to help support the major population and employment catchments in the Leeds City Region and North Yorkshire. In understanding these local transport links it is important to consider all modes of transport to create an integrated approach to the challenges experienced. Attractive local rail networks are essential to enable people to easily connect to employment opportunities and provide linkages with strategic long distance networks.
- 4.10. The Chamber welcomes the recent announcement to electrify the rail corridor between Manchester, Huddersfield, Leeds and York which will generate important benefits for commuters in the city region and help to tackle capacity bottlenecks.
- 4.11. The Chamber recognises the importance of utilising different future funding sources to deliver the aspirations for the transport network in Leeds and York, particularly in the current fiscal climate. This has included both the use of public and private sector funds to bring schemes forward, for example the delivery of new railway stations in the city region. The Chamber also believes that the potential for a local transport fund in the City Region, similar to the Greater Manchester Transport Fund, would be beneficial for delivering supporting local transport infrastructure in the city region.
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