

## **Submission to the All-Party Parliamentary Group for High Speed Rail Capacity Inquiry**

This submission is on behalf of Stop HS2.

Stop HS2 is a grassroots campaign organisation. We formed in summer 2010, after carefully studying the HS2 documentation released in March 2010. In October 2011, we delivered a petition with over 100,000 signatures from across the UK to Downing Street.

### **1. Background to Rail Capacity Issues:**

In October 2010, the House of Commons Committee of Public Accounts (PAC) published a report entitled "Increasing Passenger Rail Capacity"

Their conclusions included

1. All but one of the fifteen English rail franchises have no requirements for the operator to meet demand without excessive overcrowding, and so the taxpayer usually has to provide additional funding for extra carriages.
3. The Department's knowledge of how many people use which parts of the rail network and when is inadequate, sketchy and so gives a poor basis for decision making
6. The unique and complex structure of the rail industry makes it inherently cumbersome and expensive, and provides little external challenge to its vested interest in its own growth.<sup>1</sup>

This was followed by the publication of the McNulty review in May 2011. One of the Recommendations was that

There should be a move away from "predict and provide" to "predict, manage and provide",<sup>2</sup> with a much greater focus on making better use of existing system capacity.<sup>2</sup>

In November 2011, the Transport Select Committee inquiry into High Speed Rail said there were two views about rail growth:

The debate on capacity seems to us to reveal two contrasting views. On one view, rising demand on the West Coast corridor is essentially a problem, to be tackled by least-cost incremental improvements coupled with measures to suppress demand. On the other view, rising demand is, for strategic reasons, to be welcomed and indeed fostered.

In this submission, Stop HS2 will look at ways of managing demand for travel, in line with McNulty's recommendation. Some of these will be specifically rail related, other methods may also reduce demand for road and air travel.

### **2. Quality of Existing Data on rail usage.**

The 2010 PAC report was critical of the poor quality of the knowledge regarding how many people used which parts of the rail network. They said that the main source of information

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<sup>1</sup> House of Commons, Committee of Public Accounts, Increasing Passenger Rail Capacity Oct 2010

<sup>2</sup> McNulty Realising the Potential of GB rail, Report of the Rail Value for Money Study May 2011

had been annual counts on a single day at a single point on the route. Although the PAC acknowledged the situation was improving, with increasing numbers of automatic counting equipment, within the rail industry there are still concerns about the level of precise knowledge.

The latest data peak demand into London and other cities is from autumn 2010.<sup>3</sup> However, due to the poor quality of the data available before 2010, it will be difficult to properly analyse earlier trends and hence difficult to make accurate predictions about the future.

Information is not always available to the public. For instance the DfT have refused FOI requests on passenger loadings on the WCML. Justine Greening was asked about this at the TSC last year. She recently refused to make the data available to MPs, citing commercial confidentiality<sup>4</sup>.

An independently verified survey last year showed that average peak-time long distance loadings on the WCML were 56%.<sup>5</sup>

### **3. Smart Card Ticketing**

We welcome Justine Greening's announcement on Thursday 8<sup>th</sup> March 2012 that the Department for Transport will look into

“...moving ticketing into the 21st century, including on how we can make sure that the approach to ticketing reflects working practices today and the fact that people work flexibly and part-time, rather than expecting them to fit into a ticketing approach that would be better placed in the 1980s.”

Smart ticketing was discussed in the PAC report, and has been raised by Stop HS2 on several occasions since 2010.

During the oral evidence session for the PAC inquiry it was pointed out that once someone has bought a season ticket, they have no financial incentive to not travel: for instance when deciding to work from home for a day. Similar considerations affect part-time workers.

### **4. Remote Working, Video-Conferencing and Digital Technology**

As part of the policy to reduce demand for travel, the Dft is promoting the 'Anywhere Working' initiative: this is funded by a business consortium including Microsoft, Regus, Vodafone UK, Nuffield and Nokia.

As Norman Baker said at the launch

“It's simply not necessary for us to always trudge to and from meetings when modern technology allows you to circumnavigate the globe virtually from the comfort of your front room, local coffee shop or when you're on the move.”<sup>6</sup>

The growth in digital technologies makes communication with someone in a distant location easier and more effective. This reduces the need for business travel, saving both time and travel expenses.

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<sup>3</sup> Theresa Villiers Written answer 20<sup>th</sup> Feb 2012, question asked by Angela Smith

<sup>4</sup> <http://www.stevebaker.info/2012/03/hs2-foi-rejected-for-west-coast-main-line-peak-time-loadings/>

<sup>5</sup> Survey by HS2AA, reported in Financial Times 02/12/11

<sup>6</sup> <http://www.dft.gov.uk/news/stories/dft-news-20120116>

Digital technologies are useful to a wide variety of professions: in October 2011, MPs held a debate on use of Twitter and similar by MPs from within the chamber of the House of Commons<sup>7</sup>. A speech given by Justine Greening in January 2012 was uploaded to Youtube by the Dft within hours: Youtube was only launched in 2005.

The young people of today will make the biggest changes to working practise as they enter the workforce. In schools now, teenagers use digital technologies to co-operate with schools in other continents with people they may never meet: they will expect to be able to use similar methods of working successfully in the business world.

These changes reduce the need to travel and hence reduce the amount of rail capacity that will be needed in the future

### **5. Experiences from the Olympics:**

We note that the Government are aiming to halve their commuting and business travel during the Olympic Games. They are encouraging businesses to travel less during the Games.

### **6. The risks of getting demand forecasts wrong:**

The inquiry asks “What would be risked by failing to provide that capacity?”

Although there can be issues with too little transport capacity, there are also costs of oversupply of rail capacity.

### **7. Difficulties of estimating future demand:**

Transport Planners can find it difficult to estimate demand in the future, especially as the forecast period gets longer. For instance a 2004 BBC report says

"Ministers should start planning for 200mph trains which would shrink the map of the UK, says top government adviser Professor David Begg, chairman of the Commission for Integrated Transport....

“A report from the commission warns that existing intercity routes will run out of capacity by 2015, forcing rail companies to price passengers off trains and onto already overcrowded roads<sup>8</sup>

Eight years later, the transport industry has extended this prediction, and now forecasting that the WCML will run out of capacity in the 2020s. This shows how unreliable long-distance forecasts can be.

The three economic cases released by HS2 Ltd have widely varying dates when demand will double. Notably, the difference between the 2010 case and the 2011 case was 10 years (demand would double in 2033 or in 2043 respectively).

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<sup>7</sup> Procedure Committee Reports [13 Oct 2011]  
<http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm111013/debtext/111013-0002.htm#11101351000002>

<sup>8</sup> BBC, High-speed lines 'would shrink Britain' <http://news.bbc.co.uk/1/hi/3465221.stm>

## **8. Opportunity costs of oversupply:**

Large scale government spending on capital projects means that there is less money for alternatives. The alternatives include other transport projects, reducing taxes or alternative government spending, such as high speed broadband to rural areas.

## **9. Risks of megaprojects versus incremental improvements**

A particularly risky form of capital investment are megaprojects which have to be implemented in large tranches if they are to have any effect. For instance, it has been possible to reduce the scope of the Edinburgh tram project. In contrast, the proposed HS2 project will only have an effect on capacity if the whole of the first phase is completed at a cost of £17 billion.

Academic study into megaprojects shows that 9 out of 10 rail projects overestimate demand.<sup>9</sup> Examples of overestimation include HS1.

Incremental improvements, such as proposed by 51M and HS2 Ltd's RP2, are less risky ways of increasing capacity compared to HS2. Each improvement brings benefits to passengers at an earlier date.

As economic factors change, the speed and order of investment can be altered, if appropriate.

## **10. Risks of disruption to existing Transport Infrastructure**

HS2 Ltd have said that reconstructing Euston for HS2 trains will take 7 – 8 years. There will also need to be changes made to the WCML as 'classic compatible' HS2 trains have to travel slower than current Pendolinos on existing track.

Building HS2 will also cause massive disruption to roads in the areas it passes through. Disruption to roads caused by building new railway infrastructure is not a cost to privatised railway companies, even if they expect to benefit from it.

## **11. Environmental damage**

Building infrastructure inevitably causes environmental damage on the area in which it is built. It is crucial therefore that this damage is mitigated as much as possible, especially if there is no corresponding benefit to that area from the infrastructure.

There are also broader issues of carbon emissions during construction.

## **12. Long term subsidy costs**

Parts of the public transport network require public subsidy, including railways and local buses. If there is excess rail capacity on certain railway lines needing subsidy, this either increases the burden on government budgets, or leads to cuts to other public transport.

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<sup>9</sup> [How \(In\)accurate Are Demand Forecasts in Public Works Projects? The Case of Transportation.](#) Principal author: Bent Flyvbjerg; co-authors: Mette Skamris Holm and Søren L. Buhl. *Journal of the American Planning Association*, vol. 71, no. 2, Spring 2005, pp. 131-146.