



**FINAL**

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Consultation Response

## **High Speed Rail: Investing in Britain's Future**

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## 1. Introduction

- 1.1. **pteg** represents the six Passenger Transport Executives (PTEs) in England which between them serve more than eleven million people in Tyne and Wear ('Nexus'), West Yorkshire ('Metro'), South Yorkshire, Greater Manchester, Merseyside ('Merseytravel') and the West Midlands ('Centro'). Leicester City Council, Nottingham City Council, Transport for London (TfL) and Strathclyde Partnership for Transport (SPT) are associate members of **pteg**, though this response does not represent their views. The PTEs plan, procure, provide and promote public transport in some of Britain's largest city regions, with the aim of providing integrated public transport networks accessible to all.

## 2. High Speed Rail and the City Regions

- 2.1. **pteg** support the development of a High Speed Rail (HSR) network for the UK. We support the government's view that this is '*a once in a generation opportunity to transform the way we travel in Britain*<sup>i</sup>'.
- 2.2. We believe that there is a pressing need to better connect the major urban centres of the UK, in particular those in the North and the Midlands, with London and, critically, with each other. Alongside improvements to the 'classic' network, HSR offers the potential to dramatically improve connectivity of key city centres, thereby opening up new opportunities for business growth, extended labour markets and wider economic benefits associated with tourism and leisure markets.

## 3. Consultation Questions

### **Strategy & Wider Context: Do you agree that there is a strong case for enhancing the capacity and performance of Britain's inter-city rail network to support economic growth over the coming decades?**

- 3.1. Yes. Evidence from the rail industry shows that additional rail capacity is needed to prevent overcrowding on rail services in the future (i.e. that demand for long distance travel will increase by 70%; and regional rail services double by 2034<sup>ii</sup>). Without this additional capacity, travel conditions will decline, overcrowding will increase and services are likely to become more expensive, damaging the economic prospects of our cities and the country's economic competitiveness.
- 3.2. HSR will provide the best value for money solution to the capacity challenge as new railway lines deliver a step-change in capacity and reliability that cannot be matched by upgrading the existing rail network. HSR will release substantial capacity on the existing rail network for additional local and commuter services and for an increase in rail freight.
- 3.3. Research has identified the potential capacity benefits of HS2 route and demonstrated the potential for substantial improvements to capacity, stating that:  
*'Services to most of the stations along the route can be transformed: frequencies typically doubled, connections dramatically improved and in some cases, quicker journeys too. Irritating limitations on the commuter peak timetable will become history.'*<sup>iii</sup>
- 3.4. We might expect to see similar gains from the properly planned implementation north of Birmingham of the two legs of the Y network to Leeds and Manchester.

- 3.5. We believe that improved inter-urban connectivity has significant economic benefits. Improving the linkages between the major cities as well as with London is a key outcome for the North and West Midlands.

**The Case for High Speed Rail: Do you agree that a national high speed rail network from London to Birmingham, Leeds and Manchester (the Y Network) would provide the best value for money solution (best balance of costs and benefits) for enhancing rail capacity and performance?**

- 3.6. Yes. Alongside the capacity arguments above, we believe that there are strong economic and regeneration arguments for a high speed rail network.
- 3.7. HSR will reshape and rebalance the economic geography of Britain, closing the gap between the South East and the rest of the country over the longer term. On a per capita basis, GVA in the city regions is lower than that of the South East – e.g. the North is 80% of the South East<sup>iv</sup>. While manufacturing in the North and West Midlands remains an important part of the economy, and the service sector has been growing strongly, there are greater than average proportions of public sector employment – for example, 25% in the North East compared with 17% in the South East<sup>v</sup>. As a proportion of people available for work, unemployment is persistently higher in the North and Midlands than in the South East<sup>vi</sup>.
- 3.8. To support the re-balancing of the economy, there is a need to enhance the connectivity within and between the city regions; between the North and the rest of the country (London and the South East in particular); and to and from international gateways, including Heathrow Airport and the Channel Tunnel<sup>vii</sup>. Growing city region economies will also generate greater demand for travel<sup>viii</sup> between them as their economies become more interconnected.
- 3.9. As the economies of our city regions grow and restructure north-south links, particularly to London, will become more important over time in economic terms. London is a World City and global financial hub and as such offers financial, legal and other services essential to businesses in the North and West Midlands. Economic growth in these areas will increase demand for the internationally renowned services that London offers, not diminish it. On top of this, by virtue of its size and wealth London and the South East is the largest domestic market for our businesses and, of course, as the nation's capital it is the home of government<sup>ix</sup>.
- 3.10. HSR has the potential to radically transform the economies not just of the major cities, but also of the surrounding connected areas, extending its advantages beyond the places that it directly serves. Therefore ensuring that HSR is properly integrated into the classic rail and other public transport networks will mean that the maximum number of people benefit from the advantages of the network, reducing journey times for business and leisure.
- 3.11. For example, the economic benefits of HSR, combined with enhancements to the existing rail network, demonstrated that the West Midlands would benefit from an additional 22,000 jobs; generating £1.5bn GVA benefits and, with the attraction of higher value business sectors, an increase in average wages of £300 per annum<sup>x</sup>.

**Alternative investment**

- 3.12. With regard to alternatives, we believe there is no set of other solutions which come near to delivering the level of benefits that a high speed rail network will deliver. There are worthwhile and value for money proposals for increasing north-south rail capacity on the

existing main lines and these should be pursued. However, the capacity increment that such enhancements will bring is finite and not sufficient to meet the needs of our economies if they are to grow to their full potential. Any further capacity increases would be highly disruptive to implement (e.g. the experience of the West Coast Route Modernisation programme), as well as being very costly.

- 3.13. The most cost effective way to provide the north-south capacity that is required is to build new railway lines. The extra benefits that come from operating this new capacity at high speed transforms the economic and productivity benefits that the new capacity will deliver. Building a new conventional speed line would save around 9% of the cost of HS2 but would deliver only two thirds of the benefits and is therefore not considered to be a credible alternative to HS2.

#### **Investment in classic network and local transport**

- 3.14. To extract the maximum benefits from HSR, there is a need to continue to invest in and upgrade 'classic' rail services. For example, in the short to medium term there is a continued need to address the capacity constraints on the existing network, including rolling out electrification and major infrastructure schemes, such as the Northern Hub.
- 3.15. It is essential that HSR is placed within the context of a long term strategy for the enhancement of the longer distance rail links between city regions. This needs to establish an affordable and value for money programme of enhancements to the West Coast Main Line, Midland Main Line and East Coast Main Line in advance of HSR, and ultimately to complement a HSR network. Also needed is a strategy to enhance the transpennine routes which may not be part of the national HSR, but which evidence demonstrates are so important to the economy of the entire North.
- 3.16. Additionally we believe that HSR increases the need for complementary measures to maximise the benefits – a key concern for us is that local transport, including local rail services, can be properly integrated so that when HSR services arrive at our city centres, we have adequate and sustainable means of distributing passengers to their final destinations. A key objective in this regard is therefore the devolution of local rail services to PTEs which will help integrate rail more effectively and, potentially, unlock mainline station capacity through the wider implementation of light rail conversions and tram-train<sup>xi</sup>.

#### **Delivery of the Y Network: Do you agree with the government's proposals for the phased roll-out of a national high speed rail network, and for links to Heathrow Airport and to the High Speed 1 line to the Channel Tunnel?**

- 3.17. No. We believe that the programme for planning and delivery must be accelerated significantly.
- 3.18. Whilst it is inevitable that a national HSR network will need to be delivered in phases given the complexity of the task, it is important that the full network is delivered at the earliest possible timescale. We believe that the option to progress two Hybrid Bills (one for the London – West Midlands; and one for Birmingham to Leeds and Manchester) in parallel needs further consideration.
- 3.19. The option to build more than one section of route in parallel has not been fully explored within the strategy. Given that the benefits of HSR are about rebalancing the economy and that there are huge wider economic benefits to be had by bringing northern cities closer to

other city regions and London, there is a strong argument for beginning construction of HSR simultaneously in London and the north. It may be that there is scope to develop sections in parallel over the life of the project, particularly if there is an improvement to the macro-economic context.

- 3.20. We believe that there should be a much firmer commitment to the whole of the network – either through provision in the Hybrid Bill, starting the second Hybrid Bill in parallel, or through the National Policy Statement on transport networks. It is particularly important that both legs of the 'Y' to Manchester and Leeds are delivered in parallel to avoid any economic imbalances.
- 3.21. We support onward connectivity to Heathrow Airport and the Channel Tunnel via High Speed 1, but do not have any comments on the detail.

**Specification for the London – West Midlands line: Do you agree with the principles and specification used by HS2 Ltd to underpin its proposals for new high speed lines and the route selection process HS2 Ltd undertook?**

- 3.22. We support the decision to design HS2 for a maximum speed of 400km/h (250mph) as it is sensible to provide for the likely evolution in HSR technology, particularly given the long lead-time of infrastructure schemes such as this.
- 3.23. We would urge that connectivity from the Y network northwards should not be compromised in the specification and design of the both trains and infrastructure. For example, the proposed rolling stock must be capable of matching or exceeding existing speeds over the classic lines beyond the Y network; and specific bottlenecks on the classic network will need to be tackled.
- 3.24. We have no comments on the route selection process.

**Route between London and the West Midlands: Do you agree that the government's proposed route, including the approach proposed for mitigating its impacts, is the best option for a new high speed rail line between London and the West Midlands?**

- 3.25. We have no specific comments on this question.

**Appraisal of Sustainability: Do you wish to comment on the Appraisal of Sustainability of the government's proposed route between London and the West Midlands that has been published to inform this consultation?**

- 3.26. We have no specific comments on this question.

**Blight and compensation: Do you agree with the options set out to assist those whose properties lose a significant amount of value as a result if any new high speed line?**

- 3.27. We have no specific comments on this question.

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<sup>i</sup> Department for Transport, 'High Speed Rail: Investing in Britain's Future Consultation Summary' Feb 2011, p3

<sup>ii</sup> Network Rail, ATOC and RFOA 'Planning Ahead 2010', 2010

<sup>iii</sup> Greengauge 21, 'Capturing the benefits of HS2 on existing lines', 2011, p5

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<sup>iv</sup> Calculations based on - [Office for National Statistics, Regional Gross Value Added, NUTS1 GVA \(1989-2009\) Data \(Table 1\)](#). GVA is defined as Headline Workplace Based GVA for 2009 (provisional estimates). North is defined as the Government Office Regions of Yorkshire and The Humber, The North West and the North East. The South East is defined as the Government Office Region of the South East.

<sup>v</sup> Table 1, *Public Sector Employment and Expenditure by Region*, House of Common Library, July 2010

<sup>vi</sup> Calculations based on - [Office for National Statistics, Regional Labour Market Statistics February 2011, \(Table S1\)](#).

<sup>vii</sup> The need to improve links within and between city regions, between the North and the South and to and from international gateways was identified in the Northern Way's March 2007 *Strategic Direction for Transport* and then reaffirmed in the Northern Way's September 2007 *Short, Medium and Long Term Transport Priorities*.

<sup>viii</sup> See Transport Demand in the North, The Northern Way, March 2010

<sup>ix</sup> For a fuller discussion of the North's position in the national economy see the Northern Way commissioned report *Northern Connection: Assessing the Comparative Economic Performance and Prospects of Northern England* Institute for Political and Economic Governance, University of Manchester and Centre for Urban Policy Studies, University of Manchester January 2008

<sup>x</sup> Centro Commissioned Report by KPMG "*High Speed Rail and supporting investments in the West Midlands Consequences for employment and economic growth*"

<sup>xi</sup> See 'Rail Cities in the 21<sup>st</sup> Century: the case for devolution', **pteg**, 2010  
<http://www.pteg.net/NR/rdonlyres/F5FB1E6E-EF2F-4EAD-B9D2-E4A235544B51/0/Railvisionfinalforwebsml.pdf>