



Report to Partnership Meeting 8th April 2011

STRATEGY DEVELOPMENT

High Speed Rail Consultations

PURPOSE OF REPORT

To inform the Board of the Consultations into the development of High Speed Rail (HSR) currently being undertaken, and to seek the views of the Partnership on the nature of any response that should be offered.

BACKGROUND

The **UK Government** believes that a national high speed rail network offers a once-in-a-generation opportunity to transform the way we travel in Britain. High speed railways were first built in Japan in the 1960s, and now span countries across Europe and Asia. The pace of development shows no sign of slowing, and China, France and Spain, amongst other countries, are all pressing ahead with ambitious plans. Our current railway system dates back to the Victorian era and will not be sufficient to keep Britain competitive in the twenty-first century. The Government considers a new high speed rail network would transform the country's economic geography. It would bring our key cities closer together, enable businesses to operate more productively, support employment growth and regeneration, provide a genuine alternative to domestic aviation, and create a platform for delivering long-term and sustainable economic growth and prosperity.

A Y-shaped national high speed rail network linking London to Birmingham, Manchester and Leeds, and including stops in the East Midlands and South Yorkshire, as well as direct links to the HS1 line and into Heathrow Airport, would cost £32 billion to construct, and it is estimated would generate benefits of around £44 billion, as well as revenues totalling a further £27 billion. It would deliver a huge increase in rail capacity to meet rising demand for long-distance rail travel, and ease overcrowding on existing railways.

It would significantly reduce journey times between cities, bringing London within 49 minutes of Birmingham, and to within 80 minutes or less of both Manchester and Leeds, and onward equivalent time savings for journeys further north. By linking the high speed network to the existing East Coast and West Coast Main Lines, London would be brought within around three and a half hours of both Glasgow and Edinburgh – significantly reducing the demand for internal UK flights. Short-haul aviation could be reduced further by international high speed rail services from cities across the country using a direct link via the High Speed 1 line to the Channel Tunnel.

The Government's proposed network also includes a direct link to Heathrow, which would bring Manchester and Leeds city centres within around 70 and 75 minutes of the country's main hub airport respectively. High speed rail also has the potential to play a central role in promoting long-term and sustainable economic growth. It is estimated the first phase alone of a

national network would support the creation of around 40,000 jobs and contribute to major regeneration programmes in Britain's inner cities.

New high speed links would enable the UK's key urban economies to improve their productivity, attract new businesses, and access more directly the economic strength of London and the South East.

The Government contends that a national high speed rail network would deliver unprecedented improvements in rail capacity and connectivity, as well as supporting job creation, urban regeneration and business productivity. Such a network could also promote longer-term strategic changes to Britain's economic geography – with potential to enhance economic growth and help to bridge the north-south divide. The network would be delivered in two phases, with the first phase being a high speed line from London to the West Midlands, including links to Crossrail and HS1, and connecting back to the West Coast Main Line in order to provide improved journey times to a wide range of cities on that corridor.

The Department for Transport launched a Consultation of 28 February on its proposals and seeks responses by not later than 29 July 2011.

On 18 March the **House of Commons Transport Select Committee** announced its own inquiry into High Speed Rail with a call for evidence under the following terms of reference.

'The Transport Committee has decided to undertake an inquiry into the strategic case for High Speed Rail (the HSR programme). The Committee will focus on the principal arguments for and against High Speed Rail.

The Committee is not intending to examine the precise specification of the HS2 route nor how the route would affect individual landowners, businesses and residents in the vicinity of the route. These issues would be dealt with in due course by a hybrid bill committee. The issues which the Committee will examine, along with an indication of the questions it will pursue, are set out below:

1. *What are the main arguments either for or against HSR.*
2. *How does HSR fit with the Government's transport policy objectives*
 - 2.1 *HSR is designed to improve inter-urban connectivity. How does that objective compare in importance to other transport policy objectives and spending programmes, including those for the strategic road network?*
 - 2.2 *Focusing on rail, what would be the implications of expenditure on HSR on funding for the 'classic' network, for example in relation to investment to increase track and rolling stock capacity in and around major cities?*
 - 2.3 *What are the implications for domestic aviation?*
3. *Business case*
 - 3.1 *How robust are the assumptions and methodology - for example, on passenger forecasts, modal shifts, fare levels, scheme costs, economic assumptions (eg about the value of time) and the impact of lost revenue on the 'classic' network?*
 - 3.2 *What would be the pros and cons of resolving capacity issues in other ways, for example by upgrading the West Coast Main Line or building a new conventional line?*
 - 3.3 *What would be the pros and cons of alternative means of managing demand for rail travel, for example by price?*
 - 3.4 *What lessons should the Government learn from other major transport projects to ensure that any new high speed lines are built on time and to budget?*

4. The strategic route

4.1 *The proposed route to the West Midlands has stations at Euston, Old Oak Common, Birmingham International and Birmingham Curzon Street. Are these the best possible locations? What criteria should be used to assess the case for more (or fewer) intermediate stations?*

4.2 *Which cities should be served by an eventual high speed network? Is the proposed Y configuration the right choice?*

4.3 *Is the Government correct to build the network in stages, moving from London northwards?*

4.4 *The Government proposes a link to HS1 as part of Phase 1 but a direct link to Heathrow only as part of Phase 2. Are those the right decisions?*

5. Economic rebalancing and equity

5.1 *What evidence is there that HSR will promote economic regeneration and help bridge the north-south economic divide?*

5.2 *To what extent should the shape of the network be influenced by the desirability of supporting local and regional regeneration?*

5.3 *Which locations and socio-economic groups will benefit from HSR?*

5.4 *How should the Government ensure that all major beneficiaries of HSR (including local authorities and business interests) make an appropriate financial contribution and bear risks appropriately? Should the Government seek support from the EU's TEN-T programme?*

6. Impact

6.1 *What will be the overall impact of HSR on UK carbon emissions? How much modal shift from aviation and roads would be needed for HSR to reduce carbon?*

6.2 *Are environmental costs and benefits (including in relation to noise) correctly accounted for in the business case?*

6.3 *What would be the impact on freight services on the 'classic' network?*

6.4 *How much disruption will be there to services on the 'classic' network during construction, particularly during the rebuilding of Euston?*

Written evidence is welcomed on some or all of these issues with submissions requested by 16 May.

IMPACT OF HSR ON THE HIGHLANDS AND ISLANDS

The HSR proposals now being considered by both the UK and Scottish Governments are clearly focussed on improving land based connectivity between the areas to be covered by the HSR network, and London and the South East. Within Scotland the major beneficiaries in economic terms, once the network is extended as far as the Central Belt, will be central Scotland, as rail journey times reduce to between 3 and 3 hours 30 minutes between city centres and the South East of England. The Government estimates the 3 hour 30 minute journey time target could be achieved by the mid 2030s by completion of the Y network to Manchester and Leeds, with further reductions at some later date with completion of the full network as far as the Central Belt.

With journey times between Moray, Highland and parts of Argyll and Bute, and Glasgow and Edinburgh unlikely to drop much below 3 hours in the foreseeable future it is clear that effective business access to London and the South East, and onward links to international markets, from the majority of the Highlands and Islands will have to continue to be by air transport.

As HSR develops, the demand for English Regional and latterly Central Belt air links to Heathrow and Gatwick should reduce potentially creating capacity to reserve slots at these hub

airports for regional centres which will not benefit from the reduced journey times facilitated by the HSR network. Government intervention would however be required to ensure this released capacity was used in this way to ensure economic benefit to the UK as a whole from the HSR investment, as the airlines and airports will clearly look towards the increased commercial rewards potentially available by passing UK regional air slots at these airports to new international services.

Members are asked to consider whether they would wish evidence to be presented to the House of Commons Transport Select Committee on HSR and on what basis. The other RTPs are equally considering the implications of HSR to their areas and it may well be that a view may emerge which would allow a consistent approach of support for development of the HSR network to be agreed as a common view and submission, with recognition within it of the need for those areas not directly benefiting from the new network to be afforded and guaranteed equal levels of access to the South East and international markets through air services into the Heathrow and Gatwick hubs, by some means of slot protection.

The Department of Transport Consultation does not require a response before the June Partnership Meeting and it would therefore be appropriate for Officers and Advisors to prepare a draft response to this consultation for that time.

RECOMMENDATIONS

The Board is asked

1. to agree to delegate to the Chair and Vice Chair the decision on the nature and detail of any individual or combined response to the request for evidence from the House of Commons Transport Select Committee and,
2. to instruct the Partnership Director to present a draft response to the Department of Transport HSR consultation to the Partnership Meeting in June.

Risk	impact	comment
RTS delivery	√	A key aspiration of the aviation horizontal theme in the RTS is to 'retain and increase links with the London and Gatwick hubs, and a positive outcome from the HSR consultation as suggested would achieve this aim.
Policy	-	
Financial	-	
Equality	-	

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Date: 30th March 2011