



RAIL IN THE NORTH
All Party Parliamentary Group

Fair investment, better services, more economic growth

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THE ALL PARTY PARLIAMENTARY RAIL IN THE NORTH GROUP

Chair • Julie Hilling MP

Vice Chairs • Jason McCartney MP, Ian Mearns MP and Andrew Jones MP

Secretary/Treasurer • Pat Glass MP

The All Party Parliamentary Rail in the North Group was established at the time of the General Election in order to inform debate over the future of railways in the North of England. The group has quickly proved itself to be a useful platform for developing and maintaining effective dialogue between key political influencers and stakeholders, including Network Rail, Passenger Transport Executives and Train Operating Companies. It helps to raise the profile of rail issues in the North of England within Parliament and Government.

The involvement of organisations across the rail industry enables the group to develop a programme of meetings and other activities on key issues affecting rail transport in the North, in recent times meeting to discuss key topical issues including metal theft and the Initial Industry Plans. The important role that the group is now playing in the policy debate is also evidenced in its submissions to recent Department for Transport consultations on rail franchising reform and on HS2.

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Welcome to *Fair investment, better services, more economic growth*, a new pamphlet we have commissioned to reflect on the past year as the All Party Parliamentary Rail in the North Group. The articles included provide the key

sponsors and opinionmakers for the North's railways with the opportunity to explore the key policy issues affecting rail transport provision in our region, and provoke discussion on how we as parliamentarians, sponsors and stakeholders can work together to improve the North's railways.

One of the key reasons why the group was established and why it has enjoyed crossparty support in its first year of existence is that the needs of the North's railways are very evident to anyone who has used them. In the past the North has consistently done poorly in terms of rail investment, resulting in poor quality rolling stock, overcrowding and unmet passenger demand, and a ever increasing sense of general frustration among those of us who care about the railways.

All this is against a background of record passenger growth, which is set to continue well into the future. Growth that exceeds that of London (an estimated 4% per annum compared to 1.5% for London routes according to industry estimates). These levels of growth had not been anticipated in the current franchises for the North and as a consequence the opportunities to capture the benefits of growth to reinvest have been lost. We must not allow that to happen again.

The All Party Group of MPs believes that there are a series of specific priorities with regards to transport infrastructure which should be committed to. It is absolutely crucial to secure an ongoing commitment to additional trains in the near term to relieve over crowding and replace the old and unsuitable rolling stock, as well as making the case for further electrification across the North.

The All Party Parliamentary Group also believes that a commitment to full funding of the Northern Hub project in the next Control Period (2014-2019) must be secured, and will continue to act as a key supporter of the Government's plans to bring High Speed 2 to the North of England as quickly as possible. As a group we will be making our views clear to the Government, to industry and

to our partners over the coming year, as it is a critical year for the sector. The debate on reforming the railways continues as the Government responds to Sir Roy McNulty's value for money review; the future of high speed rail is to be settled; and, critically, the process for letting the franchises for the North (Northern and Transpennine) begins in earnest.

Whilst the year ahead promises to be full of opportunities for us to influence the development of the railway, we all believe that without a concerted push, there is a very real danger that the North's needs are once more ignored. As Chair of the group I am grateful for the support of the sponsors and other partners who have helped us over the past year. I am keen that the Group continues to be a forum for raising and discussing the needs our railways and it is important for us, as Parliamentarians to hear what the industry, local authorities, rail users and others have to say.

A handwritten signature in blue ink that reads "Julie Hilling".

Julie Hilling MP
Chair, All Party Parliamentary
Rail in the North Group

A SERIOUS AND CREDIBLE PROGRAMME FOR GROWTH



**The Rt Hon Theresa Villiers MP
Minister of State
for Transport**

For nearly 200 years, the railway has been bringing prosperity to the North. Connecting people with the workplace, and goods with the marketplace. Providing the links on which businesses rely. And the Coalition Government believe that rail can play a vital role in spurring growth in modern Britain. That's why the Coalition is today overseeing the biggest rail upgrade programme since the Victorian era.

For decades, British Governments have responded to the need to rein in spending by reducing capital investment - typically in large scale infrastructure schemes. Today, though, our priorities are clear. Despite severe pressure on budgets, we have made a strategic choice to increase capital investment in those parts of the

infrastructure that best deliver sustainable economic growth - including rail. That is why rail was allocated £18bn of funding in last year's Spending Review. That has come with a downside - an RPI +3% increase in fares for three years to help fund the vital improvements we need. But even taking that into account, rail came out of the spending review far more strongly than anyone expected. And I think the outgoing Secretary of State deserved all the many accolades he received for his part in securing that result.

There are a number of reasons why the Chancellor chose to prioritise investment in rail. Not only can rail deliver growth. It can deliver more balanced sustainable economic growth across the country, helping to tackle the prosperity gap that continues to divide North and South. £300m will be invested in rail electrification in the North West over the next 6 years, upgrading crucial routes between Manchester, Liverpool, and Wigan, delivering significant environmental, economic and passenger benefits. Electrification will also allow these lines to benefit from the rolling stock cascade triggered by the Thameslink programme and allow existing diesel trains to be used on other routes.

In addition to this, the Ordsall Chord has finally got the go ahead. The Ordsall Chord project will tackle a major bottleneck in the network, and enable faster and much more frequent services to run across the North of England - including between Liverpool, Manchester, Leeds, Newcastle, and Hull.

We also recognise the benefits that the remainder of the Northern Hub programme could offer, and will be looking very seriously at the whole proposal in the run up to next July's HLOS 2 statement. Affordability issues will need careful consideration, and it will be necessary to make a judgment on the different components individually. This is unlikely to be an 'all-or-nothing' decision. Alongside measures to improve the infrastructure, we're also modernising our rolling stock. In total, we're investing in 2,700 new carriages across the rail network to ease overcrowding on many routes. In Leeds alone commuters are set to benefit from an extra 2,000 seats a day.

Yet despite our very significant commitment to updating and improving the existing railway, we also recognise its inherent constraints. That's why in 2008, in Opposition, I championed high speed rail - at

a time when the Labour Government had dismissed it as an option and ruled it out of their 30 year strategy for the railways. I said then and I continue to believe that this is a project which can transform the economic and social geography of Britain. Contrary to the allegations made by its detractors, HS2 is not, and never has been, about shaving a few minutes off the journey time to Birmingham. It is about meeting the long term transport needs of our economy. It is about delivering the intercity transport links that are absolutely crucial for future economic success. I firmly believe that HS2 will do more to tackle the economic imbalance between the North and South than any policy tried by the long succession of Governments that have grappled with this seemingly intractable problem.

Although we are clear that the scheme will deliver benefits to the whole country, it is the North that stands to get most from HS2 - in the same way regional cities around Europe have flourished when connected to high speed rail. It would also free up huge amounts of capacity on existing lines, providing space for more commuter, regional and freight services on the West Coast, East Coast and Midland Main lines. Following the consultation we are currently analysing

thousands of responses and will publish our response towards the end of the year.

As we do in so many areas, this Government also recognises the benefits localised decision-making can bring to transport. The success of community rail gives us a hint of the benefits local input and commitment could bring. The upcoming refranchising process for Northern and TransPennine Express will provide a real opportunity to test the case for devolving more decisions to local authorities and PTEs. Discussions are ongoing between the DfT and the PTEs, with a number of options on the table. There are many issues to resolve, not least of which is whether to devolve right down to a very local area or try to create a consortia of local authorities to input into decisions across more of the Northern franchise network.

Another key area for reform we are pursuing is franchising. The Coalition Agreement commits us to longer more flexible franchises and a departure from the excessive micro-management that characterised the approach of the previous Government. By introducing longer, less prescriptive franchises, we want to give the industry more freedom to innovate, and a stronger incentive

to invest in better services and address passenger needs.

We'll also be reviewing fares regulation to see if we can eliminate some of the many anomalies it contains, smooth out the most extreme cliff edges, and better incentivise off-peak travel. I will be expecting the rail industry to step up to ensure that they deliver a more user-friendly system for passengers. A modern fares system that helps fill up empty trains and spends less on transport thin air is bound to involve some complexity. So an important component of a successful reform should be aimed at ensuring that when passengers buy tickets, they can navigate the choices available and find the best ticket for their journey without too much uncertainty and too much hassle.

I genuinely believe that the measures I have outlined in this article represent a serious and credible programme to generate growth and strengthen the competitiveness of the North of England by improving its transport infrastructure. I think they give us the chance to deliver a real shot in the arm for the Northern economy. A chance to deliver the improved capacity and connections that cities and communities across the North need to grow and prosper.

RAIL IN THE NORTH: A TRAIN OPERATORS PERSPECTIVE



Northern is the largest train operator in the country, connecting people with jobs, families and leisure activities across the north of England. We provide 2,500 local and regional train services every day, with over 88 million journeys being made on our services each year.

Over the last seven years, much has been achieved for the benefit of our customers through a combination of hard work, innovation and a strong ethos of partnership. Serco and Abellio, the owners of Northern, have invested more than £30 million and our partners more than £100 million to deliver more trains, better stations and new services.

That investment has been delivered as a result of the strong, effective partnerships we have built with Network Rail, the five Passenger Transport Executives in the north of England, many local authorities and dozens of community organisations.

The investment delivered by those partnerships, combined with dramatic improvements in punctuality and

reliability, has helped us to attract 38% more passengers since the start of the franchise – a staggering achievement for a franchise which was awarded on a ‘no growth’ assumption.

From day one, we have focussed on delivering consistently good local train services for our customers. However, we have always been aware that our services have also brought considerable economic, social and environmental benefits to the regions. To help us quantify these benefits, we recently commissioned Arup, an independent firm of consultants, to investigate.

Drawing on a range of data and research, Arup explored a number of subjects ranging from the role that our services play in supporting economic growth, through to the environmental benefits that our services deliver. Perhaps most importantly in this challenging economic climate, Arup found that each year, our services generate over £650 million of economic and other benefits for the north of England. This is based on a range of

factors such as journey time benefits, tourism impacts and direct employment benefits.

Clearly, this is a substantial figure. Even taking account of the subsidy which we receive from regional and central Government to operate our network of services, this still equates to a very positive benefit cost ratio in the region of 2:1.

“our services generate over £650 million of economic and other benefits per year for the North of England”

The research also highlighted the role that our services play in reducing the carbon footprint from travel. Arup found that our average passengers generate 69g of CO₂ per passenger kilometre, compared with 129g of CO₂ if the same journey was made by car. Clearly, this significant reduction in carbon emissions can only help the north to achieve a low carbon economy.

Following the publication of Sir Roy McNulty’s Rail Value for Money Study, it is clear that significant cost savings need to be made across the industry so that we can afford to invest to meet future demand. At Northern, we know how to make a little investment go a long way and we are talking to our partners, including Network Rail, about how to do things more effectively and achieve even better value for money.

There will be changes in what we do and how we do it to reflect improvements in technology and changes in society, but we must always remember this is a public service that is growing and could grow even more with further investment.

Over the coming years, we will continue to work with all of our partners to improve the railway in the north and make the case for further investment into the network.

Ian Bevan
Managing Director
Northern Rail



RAIL - THE GREAT SUCCESS STORY OF OUR AGE



Maria Eagle MP
Shadow
Secretary of State
for Transport

Rail is the great transport success story of our age, with more people travelling by train than at any time for almost a century. There has been a 6% increase in passengers in the last year, while Integrated Transport Authorities across the North of England have seen rail growth of more than a fifth during the past decade. Record investment over that period has seen reliability, punctuality and safety all improve while journey times have been substantially reduced on many routes.

Yet despite all this good news, there is real cause for concern about the direction that the present government is taking on rail. The progress that has been made in

recent years, outlined above, risks being thrown into reverse by the decisions to hike fares and cut back vital investment in infrastructure.

Firstly, the decision to raise fares by far more than had been planned by the previous Government risks pricing people off the railways. Making it harder for people to afford to travel to work and take up new employment opportunities can only damage growth, push up unemployment and make it harder to reduce the deficit by increasing welfare costs. Increasing fares by 3% above inflation every year for the next three years is unjustified and will hit commuters hard. Alongside this, handing back to train companies the right to average out the fare cap will mean many commuters face double digit percentage increases each year, an eye watering 30% increase over the next three years.

The effect these fare increases could have on the North is stark. By 2015 a season ticket between Manchester and Liverpool will have increased by over £700; Newcastle to York by over £1,400; and

Newcastle to Leeds by £1,775. It cannot be right that commuters face paying more for their season ticket than for their mortgage or rent, just to get to work. Households are facing a cost of living crisis and the decision to increase commuting costs is simply making the situation worse for families up and down the country.

It is also a huge mistake to be pressing ahead with proposals for the biggest closure of ticket offices and loss of frontline staff for a generation. From Berwick to Burnley, from Salford to Settle, nearly over 600 ticket offices face closure across the country. It is already hard enough for passengers to get the best deal thanks to our overly complex ticketing system; replacing people with machines will leave customers paying more just as ticket prices are spiralling.

It is of course right that we take steps to reduce the £4 billion subsidy required by the rail industry, but higher fares, closing ticket offices and employing fewer staff is not the right answer. Instead, I believe we need to tackle the fragmented structure

of the rail industry that is the legacy of botched privatisation and do more to reduce the money leaving the industry each year in profit, while the costs to taxpayers and farepayers rise.

I also feel that at a time when we need a credible plan for growth, the decision to scale back investment in rail infrastructure is economically illiterate. It is excellent news for the North that the Government is continuing to take forward our plans for a new high speed rail line between London, Birmingham, Manchester, Sheffield and Leeds. There is simply no credible alternative way of addressing the worsening capacity constraints on the existing main lines.

“we now need to see a real commitment to completing the Northern Hub project”

However, the Government is wrong to have decided only to legislate for the first phase of the new line from London to Birmingham in this Parliament. That's why

I have called for a single bill to include the whole route through to the North, giving much needed certainty to the whole project.

The decision to press ahead with the previous Government's plans for electrification in the North West is also sensible, but we now need to see a real commitment to completing the Northern Hub project. This ambitious plan to provide 700 more trains each day, improving connectivity between our Northern towns and cities and enabling 3.5 million more passengers every year to use the network, has the potential to transform rail in the North. We also need a commitment to the electrification of the Midland Main Line from London to Derby, Nottingham and Sheffield.

The Government is continuing with the project to deliver a new generation of high speed inter-city trains, but is wrong to have cut the order from the planned 1,400 to just 600 carriages. It is also a mistake to scale back the plans for other new rolling stock, vitally needed across the North.

The Government is also wrong to deliver a body blow to British train manufacturing with its decision to award the Thameslink rolling stock contract to a foreignbased consortium. The loss of highly skilled jobs and apprenticeships across the country thanks to this decision shows we need to change the way in which we procure rolling stock.

What is needed is a clear plan for growth and jobs with transport infrastructure at its heart - British manufacturing should play a central part in that.

Labour will continue to press the Coalition to sustain the investment begun by the previous government on our rail network across the North of England, while ensuring passengers are not priced off the railways with extortionate fare rises.

The evidence so far is that the Government's ideological decision to cut too far and too fast risks throwing the progress that was made in recent years into reverse.



Louise Ellman MP
Chair, House of Commons
Transport Select Committee

The main challenge in rail policy today is to enhance the network whilst bringing down the cost to both the taxpayer and passengers. A successful outcome appears within the Government's grasp, but it will require firm leadership from ministers as well as from those within the rail industry to achieve this goal.

Personally, my focus is primarily on the passenger experience. Millions of people use the railway for commuting, business trips and leisure. Rail is a relatively safe and environmentally friendly means of transporting people around the country.

But currently passengers are frustrated by delays, disruption and longrunning engineering works which can wipe out evening and weekend services; they are annoyed by the lack of real time information during periods of disruption; and they are fed up with overcrowded carriages. Most of all, though, passengers are struggling to pay fares which are rising steeply at a time when incomes are stagnant. Ever higher season ticket prices pose enormous dilemmas for families: change job, move house, or cut the household budget to stay in work.

New rolling stock, better track and signalling, upgraded stations and infrastructure all require significant financial investment. The previous Labour Government's spending plans for rail have been largely maintained by the present Government and there have been recent welcome announcements for the North, for example on the electrification of lines in the North West and the renewed work on the Ordsall Chord.

Following these announcements, it is essential that current spending on rail infrastructure is at least maintained in the next Network Rail control period, from 2014 to 2019. However, it is also time for spending on rail to be re-balanced, with more emphasis on enhancements to the network in the North and other areas far from London. London's transport network has rightly benefited from investment – for example in Thameslink and Crossrail – but there is a pressing need to improve connections between our major cities away from London and to relieve capacity constraints where demand has grown more strongly than expected. Commuter services into both Manchester and Birmingham are overcrowded – not just in London.

New rolling stock to be introduced in the South will lead to carriages being redeployed in the North and elsewhere, with the potential to improve the travelling experience, particularly if the use of Pacer trains can be quickly phased out. However we will only achieve these potential benefits if the redeployed stock is in good condition.

Passengers are increasingly sceptical of the argument that higher fares are needed to pay for improvements to the network. There is an increasing sense that rail journeys are not value for money; walk-on fares on inter-city routes are particularly difficult to justify.

The previous Government commissioned Sir Roy McNulty to examine costs in the rail industry and his detailed report is now being studied by the Coalition. Its response is due later this autumn and will be closely scrutinised by the Transport Select Committee, though there does seem to be a broad consensus that costs in the UK rail industry are significantly higher than in Europe and higher than they should be. If this is the case, it should be possible to reduce rail subsidies, keep a grip on fares, and at least maintain current levels of investment in the network by driving out excess costs.

There has already been extensive debate about whether or not Sir Roy's recommendations will be effective

in achieving this and I look forward to hearing the arguments when the Transport Committee comes to look at the issue. So far, the Government has emphasised the role Network Rail should play in leading the industry, through the work of a new Rail Delivery Group. We will be interested to see what difference this group makes to the running of the rail industry and whether the different players in such a fragmented industry can find a common purpose.

“it is time for spending on rail to be re-balanced, with more emphasis on enhancements to the network in the North and other areas far from London”

Network Rail's Chairman, Rick Haythornthwaite, recently talked of launching a dialogue with the public about the tough choices facing rail policy

and a vision for the future for rail. This sounds like a call for a strategy for rail. The Transport Committee has previously commented on the absence of strategic thinking in the Department for Transport and it is incumbent on ministers to engage with parliament and the public about what sort of railway they want, and how it can be paid for. While I applaud Mr Haythornthwaite's willingness to grasp this nettle, he is asking questions which I would expect the Secretary of State to pose.

In September, Philip Hammond MP, the then Secretary of State, told the Transport Committee that it was an “uncomfortable fact” that rail was “a rich man's toy”. This is particularly the case for commuters and people who pay walk-on fares who cannot make use of heavily discounted advance tickets. The Government cannot sit back and accept this situation. Rail is vital to people of all incomes and should be accessible to all. It is time for the Government to achieve this by setting out a strategy for rail which includes a clear commitment to lower fares.

RAIL IN THE NORTH: A VIEW FROM MERSEYSIDE

The Liverpool City Region economy has experienced a 9% rise in employment, 62% rise in total economic value, and a 21% rise in business density over the past 10 years. Substantial investment is being made by both the private and public sectors, including the £1billion investment by Grosvenor in Liverpool One that has moved Liverpool from 17th to 5th in the league table of retail cities. Merseytravel has a long term vision to develop a high quality rail network which meets the needs of the people of Merseyside in a secure, accessible, sustainable and cost effective way and supports the economic regeneration of the Liverpool City Region.

As part of our ongoing commitment to delivering this, the Merseyrail Electrics Concession is a real success story, with annual passenger journeys having risen by 14.7% between 2003/04 and 2010/11, from 27.8 million in to 31.9 million.

This growth, well above DfT but not local expectations, highlights the importance of continued investment in the Merseyrail network. Liverpool Central, the busiest Merseyrail station, struggles to handle

the number of passengers wishing to use it and already operates at well above its theoretical capacity during peak hours and on Saturdays. Major modernisation works will take place over the next two years at all the underground stations, but extra investment to grow passenger capacity is vital as part of our ongoing plans.

As well as investing in our existing station network, we also hold several plans for possible extensions of the Merseyrail network. The most promising is to reopen the Halton Curve, a direct line between Runcorn and Frodsham, and introduce a new hourly service between Liverpool Lime Street, Liverpool South Parkway, Runcorn and Chester, which could be extended to Wrexham with the necessary support from the Welsh Assembly Government. Looking to the longer term, other network extensions could include a new line from Kirkby to Headbolt Lane and Skelmersdale and the possible reopening of the Burscough Curves.

In terms of rolling stock, the Merseyrail Electrics fleet is due for replacement by 2018, providing us with an excellent

opportunity to provide extra capacity and introduce units capable of operation on both the third rail and overhead electrification systems, opening the door to network extensions and through services beyond the present electric terminus.

The InterCity West Coast franchise, operated by Virgin Trains, expires in 2012. All 4 bidders have shown interest in increasing the Liverpool – London service to half-hourly, with the second train calling at Milton Keynes. Separately, the case has been made to extend London Midland’s London – Crewe fast service to Liverpool, which would give a through service between Liverpool, the Trent Valley towns and Northampton.

“extra investment to grow passenger capacity is vital as part of our ongoing plans”

The North West electrification scheme announced by this Government is a positive move which gives crucial additional capacity on the Merseyrail City Lines, as

well as the opportunity to introduce a half-hourly electric service between Liverpool and Preston and to reinstate long distance through services between Liverpool and Edinburgh or Glasgow. In addition to this, resignalling of Liverpool Lime Street station is due in 2016 and we believe this will give a key opportunity to increase capacity in the station throat, with the construction of at least one extra platform to handle the additional traffic generated by electrification and Northern Hub projects, meeting the aspirations of Merseytravel, the train operators and franchise bidders.

Merseytravel also welcomes the approval for the first stage of the Northern Hub project, the construction of the Ordsall

Curve. It looks forward to the approval for the full scheme, which will bring much greater benefits to Merseyside, especially a 15 minute service of express trains between Liverpool and Manchester Victoria and half-hourly services of express trains between Liverpool and Leeds and between Liverpool, Warrington, Manchester and Sheffield.

Merseytravel is also a strong supporter of the Government's proposals for HS2, coupled with a determination that Merseyside should extract the maximum economic benefit from a truly national high speed rail network. However our support for the proposals is based on the project

being the first stage of a truly national high speed rail network.

In particular we remain concerned that under present plans Liverpool – London high speed travel will take 28mins longer than Manchester – London, a significant incentive to businesses to locate in Manchester rather than Liverpool. Overall though there is strong support for HS2, coupled with a determination that Merseyside should extract the maximum economic benefit from a truly national high speed rail network.

Neil Scales OBE
Chief Executive and Director General
Merseytravel



NEW ROUTES TO GROWTH IN NORTH EAST ENGLAND

North East England was the birthplace of modern railways as engineers like Stephenson and Hackworth met the challenge of supporting the growing coal industry, and finding new ways to get minerals from the mines to market.

The importance of good rail infrastructure to underpin economic growth is just as important today – and can provide further benefits in the region by taking freight and passenger traffic away from congestion hotspots across the Tyne and Wear river crossings and on the A1 and A1(M) in Gateshead and further south.

The Tyne and Wear Integrated Transport Authority is at the heart of work in the region to maintain and enhance local rail services, in partnership with Network Rail, the business community and local authorities across the North East.

It is also overseeing the £385 million modernisation of the Tyne and Wear Metro by Nexus, the Tyne and Wear Passenger Transport Executive, which owns and manages the system.

Metro is the busiest urban light rail system outside London with 40 million passengers, covering a network of 60 stations focussed around Newcastle and Sunderland city centres and including three of the 20 busiest railway stations of any kind outside the London commuter area.

Yet whilst Metro is the core of the region's local passenger rail network, it is not the only part of it. Metro shares the line between Newcastle and Sunderland station, recently refurbished in an awardwinning £7 million Nexus project, with Northern Rail regional services as well as with openaccess operator Grand Central's intercity trains to London.

There are also important local and regional passenger services between Newcastle and Carlisle on the Tyne Valley Line, between Newcastle and Morpeth on the East Coast Mainline, and between Newcastle and the Tees Valley both via Sunderland and Darlington to the south.

Capacity is a growing issue as these routes vie for space with national and inter-regional passenger services as well as with growing freight traffic from the ports of Tyne

and Blyth. This is a particular issue south of Newcastle, where the East Coast Mainline is limited to a single line in each direction for much of the way to York.

“while the ITA supports the principle of new high speed lines and a Y-shaped route map, current proposals for high speed provision as far as Leeds offer very limited benefit to the North East of England, compared to improvements to the existing direct route to London on the East Coast Mainline”

As part of the ongoing development of the rail infrastructure in our region, the Integrated Transport Authority continues to promote the restoration of the Leamside line from Gateshead to Tursdale, County Durham, which when linked to further diversionary routes in County Durham and

North Yorkshire would significantly relieve East Coast Mainline capacity as far south as Northallerton.

The case for re-opening the Leamside Line, last used in 1991, is strengthened by its potential to provide both local and national rail solutions. It could provide a new local commuter rail or Metro route for Washington and Durham, with Park and Ride sites on the A1(M) and reduce regional rail journey times between Newcastle and the Tees Valley to less than an hour.

As a local freight route it would link the Nissan car plant in Washington, the most productive in Europe, to the company's distribution hub at Port of Tyne and destinations across Europe, relieving congestion on the A19 Tyne Tunnel approaches. Not only this, as part of the national network it is well placed to handle growing traffic from Port of Tyne as well as acting as a freight and passenger relief route to the East Coast Mainline.

Network Rail has already invested to improve rail routes out of the Port by reinstating the Boldon Chord onto the Durham Coast line, but this route is itself

busy with frequent Metro and passenger services through Sunderland. The Leamside line would provide local economic benefits and important extra capacity to the national network.

Aside from the case for re-opening the Leamside Line, across the north of the Tyne we believe that there is potential to exploit in future the existing freight route between Ashington, Blyth and Newcastle by improving capacity through resignalling the existing route and extending the passenger service from Newcastle to Morpeth on into Bedlington.

The future also holds the possibility of High Speed 2, and while the ITA supports the principle of new high speed lines and a Y-shaped route map, current proposals for high speed provision as far as Leeds offer very limited benefit to the North East of England, compared to improvements to the existing direct route to London on the East Coast Mainline.

In line with our continued commitment to developing rail infrastructure in the North East, Phase 2 of the Metro Modernisation Programme began in April 2010. The programme has already seen 12km of

infrastructure dating back to Stephenson's era comprehensively renewed, the first of 90 Metrocars to be refurbished re-enter service, and rebuilding and refurbishment of four stations well advanced, with a further two at Haymarket (Newcastle city centre) and Sunderland already complete.

A parallel project to replace all ticket machines and introduce smart ticketing through the Pop Card brand is also progressing well, with the first new models being rolled out to stations. More than 50,000 Pop Cards have already been issued to the under 16 market.

Nexus and the ITA is beginning to plan ahead for the third phase of Metro modernisation, a decade away. This will include the replacement of the by then 40 year old train fleet with new rolling stock, meeting higher accessibility standards and providing, in conjunction with mode advanced signalling technology, sufficient capacity for the decades ahead.

Bernard Garner
Director General
NEXUS

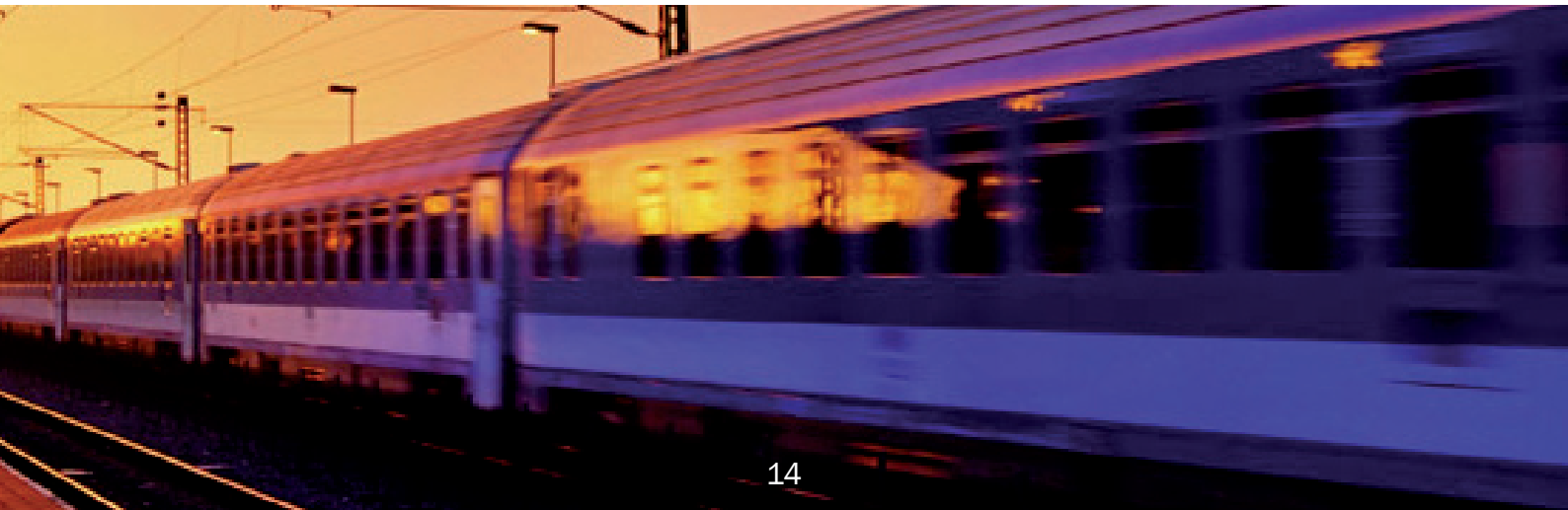
NORTHERN HUB AND HIGH SPEED RAIL - CRUCIAL TO THE NORTH WEST ECONOMY

The North West Rail Campaign (NWRC) is a partnership of organisations representing the private and public sector. The overarching aim of the campaign is to boost economic growth in the North West, in line with the Government's first stated priority of rebalancing the economy outside of the South East. In transport terms, this means investment in rail projects that will connect people with jobs, cities with each other and increase the productivity of the labour market in the North West, through solving the

problems of capacity and connectivity. The North West's economy is the second largest outside of the South East and reliant on rail connectivity and capacity to ensure further growth in the future. With the West Coast Mainline approaching peak capacity in the next 10 - 15 years and connectivity / capacity constraints in the North West's rail network, certain rail investments must be made if we are to realise the future economic potential of the region. The first is the Northern Hub, which if fully funded will have the ability

to release further network capacity and improving connectivity on the North West rail network.

Early investment in the Northern Hub is crucial to address existing capacity blockages, and the Government has already made the first step in recognising this by announcing an £85 million investment in the Ordsall Chord, linking Manchester Victoria with Manchester Piccadilly. The new chord will free up capacity at Piccadilly from



the Transpennine route and allow better connections with Leeds and Liverpool. Whilst this is a very welcome investment there are a number of further investments to be made and they all need to be complete in order to successfully deliver what must be the most important investment in rail this century: HS2.

“It is estimated that a significant increase in rail capacity across the North West, through HS2, could see up to 10,000 jobs created across the North West, increasing productivity and economic outputs by almost £1 billion per year”

The case for high speed rail is primarily driven by the huge increase in passenger demand seen over the past 10 - 15 years and the projected need over the next 20

-30 years for yet more rail capacity. The West Coast Mainline upgrade was only recently completed and is already due to reach peak capacity in the next 10-15 years. Such saturation will inevitably have negative economic impacts for the North West as time progresses. It is also generally accepted that existing road capacity cannot meet the forecast increase in demand and other solutions, including on the rail network, must be found.

Increasing rail capacity in the North West has real benefits for the economy, moving freight more quickly and improving journey times for passengers. It is estimated that a significant increase in rail capacity across the North West, through HS2, could see up to 10,000 jobs created across the North West, increasing productivity and economic outputs by almost £1 billion per year.

The advent of the Pendolino service from Manchester to London has also encouraged modal shift from air to rail for the business traveller. HS2 will continue

and increase this modal shift, creating a more sustainable transport system.

HS2 meets the Government's first priority- to rebalance the economy outside of the South East. As the largest economy outside of London, the North West is well placed to address this challenge. Linking businesses in the North West with other markets in both the United Kingdom and Europe will provide a significant and sustained benefit to the regional economy, whilst freeing up space on the existing network will also create capacity for local and freight services.

Business leaders have been united and vocal in supporting HS2, as the benefits are huge and long term. It is important that the support seen already is built upon so that this unique opportunity is not lost and the North West can address the productivity gap that will help this country reach its full economic potential.

Susan Williams
Campaign Director
NWRC



FACING UP TO KEY CHALLENGES

Rail services across the North of England face a number of key challenges in the coming few years.

The first of these is positive: How to respond to its recent success in attracting rail **passenger growth**. Rail growth has been strong in recent years; nationally, the number of passenger kilometres travelled by rail has grown by around 45% in the last 10 years. This national trend has also been reflected in South Yorkshire, where we have seen a growth in passenger numbers of around 20%.

The second key challenge for rail in the North is the growing problem of significant **overcrowding** on peak hour trains. Even in a recession, the Northern franchise is still reporting passenger growth of 8% within the last year, and PTEs such as SYPTe are acutely aware of unmet demand for increased capacity on many routes.

The third key challenge, particularly in South Yorkshire, is the decrepit state of our existing **rolling stock**. For example, in 2007, around a third of the rolling stock in northern PTE areas was 20 years old or more, whilst the Northern franchise has received no new carriages in the last five years, compared to 580 in the

South East over the same period. During this period the only new trains to be put into service in the North have been entirely funded locally.

Whilst significant improvements have been delivered such as at Sheffield, Barnsley and Doncaster Stations, and work to rebuild Rotherham Central Station nears completion, there are still a number of priorities which SYPTe is trying to tackle as rail services are increasingly fundamental to economic growth within South Yorkshire. It links people to jobs and opportunities as well as providing a wider employment pool and improved access for investors and employers.

To address these three fundamental challenges, we believe the following are essential:

- 1** Increasing the **funding** for railways in the North. Currently there is a massive imbalance in government funding on transport, with the gap in public spending on transport between London and the regions growing wider in recent years. We must strive to work innovatively to reduce this imbalance over time and look for more innovative ways to raise funding, for example by taking the

revenue risk on rail fares, or by charging more to fund local investment. Put simply, we want funding to invest locally in **new rolling stock**, to help address the challenge of decrepit trains.

“PTEs such as SYLTE are acutely aware of unmet demand for increased capacity on many routes”

2 The second essential for SYLTE is to take up the Government’s stated intention to devolve **franchise management** to local bodies. While there is a great deal to work through before a final decision can be taken, the prospect of being able to control our own destiny through specifying and managing northern trains would enable PTEs to do some fantastic things, including:

- using **rail revenue** to drive investment to fund new rolling stock;
- **integrating rail with other modes** – delivering value for money integrated ticketing, as well as connecting buses to trains and trams and providing better through journeys;
- enabling a **more refined customer**

offer, on trains and on stations, more responsive to local needs, but making prudent savings which are then retained locally;

- ensuring that **priority investments** can be made to those projects that can most facilitate stronger economic growth in South Yorkshire.

3 Continuing to lobby for **high speed rail** as part of a coherent national strategy for the long distance rail network, though support for HS2 should be pursued alongside upgrades to the existing network. Critical in this regard are concurrent journey time and frequency improvements to the Midland Mainline and East Coast Mainline.

4 Lower cost alternatives to heavy rail are also important. The Department for Transport is shortly to make an announcement on the funding for new **tram-train** vehicles proposed for the Sheffield-Rotherham line. If successful we believe tram-train could play a key role in unlocking capacity in South Yorkshire and elsewhere.

5 Finally we return to investment again, but this time in the form of **rail infrastructure**. We need to support Network Rail in their efforts to take costs out of their

processes so that unit costs are kept under control. We must also be clear on the main investments we want for the rail network in the North. Across the North there is agreement in the importance of the **Northern Hub**, which will free up capacity for more frequent and regular services to and from Sheffield. Within South Yorkshire we are undertaking work to test and provide sound evidence that the following are also critical to our economic growth:

- Performance and capacity improvements at **Sheffield station** and its approaches;
- Performance and capacity improvements at **Doncaster station approaches**;
- Increased capacity on the **Sheffield to Leeds** via Barnsley and Leeds via Rotherham lines, as well as routes between Sheffield and Doncaster;
- Journey time improvements to Leeds, Nottingham and Manchester.

In these challenging economic times it is imperative that we plan now to put these badly needed investments in place to meet the eventual economic recovery.

David Brown
Director General
SYLTE



IMPROVED RAIL CAPACITY AND FASTER, MORE EFFICIENT RAIL SERVICES

Since the Northern franchise was last let, on a no-growth basis, rail patronage in Greater Manchester has increased by 35%. That alone is a solid justification for why the All Party Parliamentary Rail in the North Group is absolutely necessary. Alongside this, it's clear that the demand for rail services in the North is strongly linked with the successful growth of the northern economy, and that improving and expanding the rail network must be an investment priority if the region is to continue to prosper.

We have already seen some welcome central government investment in heavy rail here in the North. Electrification of lines between Liverpool, Manchester and Preston, due to be complete by 2016, is a positive step towards reducing the cost of our railways – both rolling stock and track maintenance are considerably cheaper on electrified routes than they are on routes using diesel trains - and improving the speed and efficiency of services on those routes. It should also have a knock-on effect in terms of available rolling stock. The Government's commitment to a key stage in the Northern Hub proposals,

the building of the Ordsall Chord, is also encouraging.

But the fact remains that we will need to see more investment in the North's rail network if the region is to reach its full economic potential as a centre of commerce and industry. The Ordsall Chord alone, for instance, will not be enough to address the current shortcomings in rail capacity in and around Greater Manchester.

It is absolutely essential that we see a commitment to the remainder of the Northern Hub proposals, which will benefit not just Greater Manchester, or even just the North West, but the North of England as a whole. Major rail infrastructure projects like the Northern Hub not only boost economic growth by improving connectivity and capacity for business, employment, tourism and leisure, but the construction itself also brings new jobs to the region.

Greater Manchester's two key rail franchises, currently operated by Northern and First TransPennine, are due for renewal in 2015, and the growth we have



seen in recent years is a clear indication that refranchising will need to take both recent and future growth fully into account.

Moreover, the necessary extra capacity must be provided at a lower overall cost. Less reliance on expensive diesel trains, increased speeds to allow for more journeys per train, and more efficient ways of managing infrastructure and timetabling would all boost capacity on the railways of the North at a reduced cost.

“we will need to see more investment in the North’s rail network if the region is to reach its full economic potential as a centre of commerce and industry”

The people who are perhaps best placed to understand the needs of rail passengers and businesses in the North are those who have a detailed local knowledge of the network and the particular issues which most affect it, so there should be

a strong role for TfGM, the northern PTEs and the All Party Parliamentary Group in championing the region’s needs during the refranchising process. Put simply, improved rail capacity and faster, more efficient rail services between major urban centres in the North of England will play a major role in connecting businesses with people, and businesses with each other.

Many of the primary commuter services on Greater Manchester’s railways are already severely overcrowded at peak times, and without more investment in rolling stock, electrification and improved network capacity to cope with more trains, there is a risk that inadequate rail services will impede the region’s economic growth and stall the development of the North as a centre for business and innovation.

The formation of the All Party Parliamentary Group, which is looking at these issues and advocating strongly for rail investment where it is most needed, is a positive step forward for the North’s rail network and its continuing growth.

Stephen Clark
Rail Programme Director
Transport for Greater Manchester

COST REDUCTIONS, LOCAL DEVOLUTION AND INNOVATION

In common with other urban rail networks in the metropolitan areas, the West Yorkshire rail network is a huge success story. Over the last decade, peak-time rail journeys to and from Leeds have increased by 50%. The problem in Leeds City Region, as elsewhere, is that investment in infrastructure and train capacity has not kept pace. Metro is clear that overcrowding is now a major threat to future economic growth in our region.

The increase in demand has certainly been linked to recent economic growth, but even in the current financial climate passenger numbers continue to rise. There is clearly something more fundamental at play in the city regions, associated with changing lifestyles, growing road congestion and greater environmental awareness, all of which lead to our current rail renaissance.

This growth in passenger numbers has been stimulated by the investment that Metro and its partners have made in the rail network over the last 30 years, including opening new stations, routes and services and completing the electrification of the fantastically successful Airedale and Wharfedale route. Investment here has contributed to a 70% market share for some peak journeys. Despite this level of success, the current

system of rail franchising has not served Northern cities well. Two 'no growth' franchises and a centrally controlled transport system means that currently, local needs are not being fully met. That's why Metro and other PTEs are enthusiastic about proposals for further devolution and are working hard to develop a proposition that works locally and across the North. If local responsiveness can be successfully combined with a financial deal that works for PTEs, there's a substantial prize of greater economic growth to be had. In discussions with local businesses and the LEP Board, transport is consistently top of the priority list. We need the framework and flexibility to be able to respond to business needs.

“Metro is clear that overcrowding is now a major threat to future economic growth in our region”

As McNulty rightly pointed out the cost structure of the rail industry is a barrier to investment and must be tackled in order to make investment affordable. Like many others, I've experienced personally the frustrations of working with the industry where processes sometimes feel as though

they're designed to stop development rather than encourage it. Getting costs down is key and city region networks will have to play their part in this. This, coupled with devolution, not just of franchises but also the relationship with Network Rail, will allow decisions and trade-offs to be made much more effectively.

As an example, in the 1980s and 1990s Metro opened more than 20 new stations with basic structures often costing just a few hundred thousand pounds. These were generally constructed on marginal cost assumptions for the industry, and informal 'trade-offs' against performance risks. Investment in stations and service enhancements drove an overall doubling of passenger numbers. Unfortunately the current contractual culture doesn't allow this approach, with costs and risks added at several stages and multiplied together. This means that many smaller-scale rail infrastructure enhancements are simply priced out of the market. We need to get back to a simpler way of doing business with an agreed set of local priorities to which everyone is committed.

Work commissioned by Metro shows that some of the biggest productivity gains can

be made by reducing journey times and increasing frequencies on the main urban corridors. That's why the inclusion of the Northern Hub scheme in the Initial Industry Plan is good news – now we need to work together to ensure it is funded. The inclusion of journey time improvements between Leeds and Sheffield is also welcome and long overdue. Electrification features strongly in the Plan with the trans-Pennine route an obvious front-runner, building on Northern Hub.

This single scheme would deliver many economic benefits for the Leeds City Region. Aside from the obvious journey time improvements and uplift in quality from electrification, the provision of new rolling stock would provide a capacity boost and allow a cascade of the existing diesel trains to other inter-urban routes. Adding Leeds-Sheffield electrification to plans for the Midland Main Line would be a major boost.

I'd argue that we need to go further than the Initial Industry Plan and develop a much more ambitious blueprint for electrification of regional networks – a properly planned and managed programme to electrify the majority of routes. Other City Region priorities for electrification would be the Leeds-

Bradford-Halifax-Manchester and the Leeds - Harrogate lines. A programme aligned with the phased introduction of new rolling stock, could allow manufacturers and funders to plan with more certainty and drive costs down.

It's not just electrification which can deliver multiple outcomes. Innovations such as tram-train could deliver McNulty-style operating cost savings, capacity and frequency boosts, together with a lower-cost way of linking to growth areas not currently on the rail network.

Leeds is the largest city region in Europe without any form of rapid transit network. A progressive conversion of some routes to tram-train, coupled with the proposed trolleybus system, would provide a cost effective way of delivering rapid transit to support key growth areas.

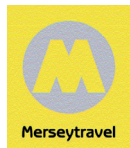
Despite the obvious challenges, the long run outlook for rail is very good if the building blocks of cost reductions, local devolution and innovation can be harnessed effectively.

David Hoggarth
Director – Development
Metro





The All Party Parliamentary Rail in the North Group is kindly supported by



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