

Report to: West Yorkshire Combined Authority

Date: 4 February 2021

Subject: **Strategic Rail Update**

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	N/A

1. Purpose of this report

- 1.1 To update and seek feedback from the members of the Combined Authority on strategic rail matters affecting the City Region.

2. Information

Rail Strategy

- 2.1 At its meeting of 20 November 2020, the Transport Committee considered and approved the draft Rail Vision and endorsed the document to be considered by the Combined Authority at its December meeting for public engagement as part of the wider Connectivity Plan suite of documents (see Background Documents section).
- 2.2 As the first product of the new Rail Strategy, the Rail Vision sets the local ambition for rail in West Yorkshire. Attention now turns to the development of the strategy in full in 2021 – developing the vision into an evidence-based, prioritised strategy for rail investment in our region.

Rail Needs Assessment and Integrated Rail Plan (IRP)

- 2.3 Following the Oakervee review of HS2 in February 2020, the Government announced its intention to draw up an IRP for the North and the Midlands which will identify the most effective scoping, phasing and sequencing of relevant investments and how to integrate HS2, Northern Powerhouse Rail, Midlands Rail Hub and other proposed rail investments. This IRP will be informed by the National Infrastructure Commission's (NIC) independent assessment of the rail needs of the Midlands and the North. The Infrastructure and Projects Authority is conducting a review of the lessons learned from HS2 Phases 1 and 2a on the supply chain, costs and delivery which will also feed into the Government's Plan.
- 2.4 The NIC published the Rail Needs Assessment on 15 December 2020. Ultimately, it is for the Government to draw up the IRP and decide on the appropriate level of investment in rail. It is envisaged that the IRP will be published in early 2021, possibly around the same time as the Union Connectivity Review Interim Report.
- 2.5 Rail investment in general and therefore the direction of travel set out in both the NIC's Rail Needs Assessment and Government IRP, are an essential strategic part of 'levelling up'. West Yorkshire Leaders have written to the Secretary of State for Transport conveying the message that they do not recognise the NIC's report as an assessment of what the North needs from rail. They feel that it fails to sufficiently address the economic consequences of the rail projects for the city region and does not provide a holistic picture of how rail investment can meet West Yorkshire's objectives.
- 2.6 The NIC has presented 5 packages of rail investment within three illustrative budgets (baseline, 'plus 25 per cent' and 'plus 50 per cent'). The packages of options are summarised below:
- **Baseline** – completing the western leg of HS2 Phase 2b and upgrading key existing lines including the East Coast Main Line and Midland Main Line.
 - Prioritising regional links – two options are set out:
 - **'Plus 25 per cent'** package will deliver major upgrades on the Liverpool, Manchester, Leeds corridor, addressing congestion between Leeds and York and improving links to Bradford, a new high-speed line from Birmingham to the East Midlands providing direct services to Nottingham, upgrades to the Midland Main Line and East Coast Main Line, improving links to Birmingham Airport and enhancements across the Midlands through the Midlands Rail Hub.
 - **'Plus 50 per cent'** package includes building new lines across the Liverpool, Manchester, Leeds corridor which also serve Bradford, increasing capacity between Leeds and Newcastle and upgrading the route from Manchester to Sheffield, delivering a new line into Leeds, providing improved journey times to/from Sheffield, and upgrades to

the Erewash Valley route, as well as the Midland Main Line, building a new high speed line from Birmingham to the East Midlands, improving links to Birmingham Airport and enhancements across the Midlands through the Midlands Rail Hub.

- Prioritising long distance links – two options are set out:
 - **‘Plus 25 per cent’** package focuses on delivering the full HS2 Phase 2b network to improve long distance connections, completing the Transpennine Route Upgrade between Leeds and Manchester, and Midlands Connect schemes that utilise the eastern leg of HS2.
 - **‘Plus 50 per cent’** package could deliver schemes in the ‘plus 25 per cent’ package, as well as adding additional tracks to the Transpennine Route Upgrade between York and Manchester, upgrading connections and capacity from York to Newcastle, and Manchester to Liverpool, and building the Midlands Rail Hub to improve capacity into and across the Midlands.

2.7 The NIC’s report (see Background Documents) concludes that:

- Focusing on upgrades will not address the issues in the Midlands and North.
- The report does not rule out the further development of HS2 Phase 2b eastern leg, and the full eastern leg from Birmingham to Leeds is included in the packages prioritising long distance links. However, it suggests that regional links have the highest potential economic benefits overall for cities in the Midlands and the North.
- All options include at least £15 billion funding for decarbonisation, digital signalling and ‘early wins’.

2.8 West Yorkshire Leaders have written to Ministers highlighting concerns:

- The overall funding envelope creates a choice between Northern Powerhouse Rail (NPR) and HS2 East, when both projects are vital for economic growth, recovery, ‘levelling up’ and skills development.
- None of the scenarios deliver NPR in full, with a new line between Leeds, Bradford and Manchester,
- While Leeds is the main bottleneck of the rail network and suffers from the worst reliability in the North, which constrains growth across the region, investment at Leeds and its approaches are not recognised or prioritised.
- The indecision on HS2 eastern leg will significantly undermine business confidence and cause development blight around Leeds station for years.
- The report takes no account of the severe capacity constraints that exist on the approaches to Leeds and the very significant land assembly challenges that would be faced once meaningful design work was undertaken.

2.9 The letter calls on the Government to:

- Increase the fiscal envelope by real investment in rail, skills and training.

- Provide certainty on rail investment in the short, medium and the long terms to restore businesses confidence. These include Leeds capacity improvements (station and track), Transpennine Route Upgrade, electrification, and the full Northern Powerhouse Rail with a new line between Leeds, Bradford city centre and Manchester.
- Provide certainty on the future of HS2 East which is currently paused and honour its commitment to deliver the eastern leg of HS2 in full and do so on the same timescale as the western leg.
- Break the cycle of promises followed by downgrade or cancellation

Spending Review and Impact on Rail Budget

- 2.10 The Spending Review confirmed the level of investment available for rail infrastructure, committing over £40bn. This includes £17.5 billion for renewing and upgrading the rail network over the next three years, in addition to £22.6 billion funding for HS2 phase 1. Funding for the delivery of HS2 phase 2b east, however, is still pending until the publication of the Integrated Rail Plan.
- 2.11 Over £2 billion of funding was confirmed for 2021-22 for rail services, building on the estimated £12.8 billion of support for transport services that the government has already committed to provide in 2020-21. This has supported the ongoing provision of rail services in the context of substantially reduced revenue due to the COVID-19 crisis.
- 2.12 The rail enhancements budget for the five-year period from 2019-24 has been reduced to £9.4bn from £10.4bn, on the basis that it was *“required to strike the best balance between the interests of taxpayers and passengers and making the best use of public spending in the face of serious economic challenges”*.
- 2.13 This budget reduction has not cancelled funding of any committed rail enhancement projects. The Department for Transport indicated that it will *“continue to use a portfolio approach and the Rail Network Enhancement Pipeline (RNEP) to manage the progression of schemes and decisions on individual schemes will be considered as they reach appropriate levels of maturity within the context of the new funding envelope”*.
- 2.14 The budget for Network Rail’s operations, maintenance and renewals for the 2019-24 period remains unchanged.

Northern Powerhouse Rail Strategic Outline Case

- 2.15 At its meeting on 18 November 2020, the Transport for the North (TfN) Board agreed an initial preferred approach to the NPR network and potential construction phasing. The proposed network includes:
- A new line between Manchester and Leeds via central Bradford.
 - Significant upgrades of the East Coast Main Line from Leeds to Newcastle, which includes restoration of the closed Leamside Line.
 - Electrification and line speed improvements between Leeds and Hull.

- Electrification and upgrades connecting Sheffield to the HS2 network at Clayton, to provide onward connectivity to Leeds (via HS2).
- 2.16 Overall, the proposed network responds to the LEP Board and Combined Authority's agreed ambitions and will significantly improve connectivity across the North and could start to deliver benefits by the middle of this decade.
- 2.17 There are still concerns in relation to timetabling assumptions for NPR, which could impact Sheffield services and some local Leeds services, for example. TfN has agreed to work more co-operatively with the Combined Authority on the next phase of work to resolve these issues.
- 2.18 Work is continuing on the NPR Strategic Outline Case (SOC), refining both costs and benefits with a final decision on the preferred way forward for the NPR network to be considered by the TfN Board in early 2021. TfN aims to submit the SOC to government in spring, although this may be dependent on the content of the Integrated Rail Plan, due to be published soon.

Union Connectivity Review

- 2.19 Sir Peter Hendy has been tasked with undertaking an independent review into the connectivity of the United Kingdom to ensure that all four nations (England, Scotland, Wales and Northern Ireland) are able to maximise the economic, cultural and social benefits of being part of the UK.
- 2.20 The review is considering
- The quality and reliability of major connections across the UK;
 - Likely current and future demand for transport links;
 - The environmental impact of policy options (including climate change); and
 - Existing work completed by the Government on cross-UK connectivity.
- 2.21 It will consider the work across modes to restart and recover from the COVID-19 pandemic.
- 2.22 The review will provide an overview of how connectivity between the nations of the United Kingdom can support economic growth and an improvement in quality of life. It will outline specific recommendations which will individually and collectively contribute to this outcome.
- 2.23 It is envisaged that an interim report will be published in January 2021 with a final report setting out recommendations in Summer 2021. See Background Documents for a link to the recent call for evidence and terms of reference.
- 2.24 In summary, the Combined Authority response calls for the development of higher-performing rail links including TRU, NPR and HS2, in order to develop new economic links to the other nations of the UK. Investment in rail should also help achieve modal shift from less sustainable modes of passenger and freight transport such as road and short-haul aviation in the context of the

need for sustainable clean growth and the move to a post-carbon economy.

Rail Industry Reform

- 2.25 The Williams Rail Review was commissioned by Government following the collapse of rail services in May 2018. It is a root and branch review of the entire rail industry, with its proposals for reform originally due to be published in autumn 2019, alongside a White Paper on implementation. Roger Marsh OBE DL was a member of the Expert Challenge Panel.
- 2.26 The Review and associated White Paper are expected to be published early in 2021, setting out a new framework for the operation of the railway, including a revised approach to devolution for implementation in the coming years.

3. Tackling the Climate Emergency Implications

- 3.1 Championing growth and development of the local rail network is an important way in which the Combined Authority can facilitate modal shift to more sustainable modes of transport and support continued economic growth.

4. Inclusive Growth Implications

- 4.1 Delivery of effective strategic rail connections is an essential driver of inclusive growth for our region.

5. Financial Implications

- 5.1 There are no financial implications directly arising from this report.

6. Legal Implications

- 6.1 There are no legal implications directly arising from this report.

7. Staffing Implications

- 7.1 There are no staffing implications directly arising from this report.

8. External Consultees

- 8.1 No external consultations have been undertaken.

9. Recommendations

- 9.1 That the Combined Authority notes the update and provides feedback on the strategic rail matters outlined in this report.

10. Background Documents

“West Yorkshire Rail Strategy – A vision for rail in the region” is available via this link: [Our vision for the future of transport in West Yorkshire - Combined Authority | Unlocking potential, accelerating growth \(westyorks-ca.gov.uk\)](https://www.westyorks-ca.gov.uk/our-vision-for-the-future-of-transport-in-west-yorkshire-combined-authority-unlocking-potential-accelerating-growth)

“Rail Needs Assessment for the Midlands and the North: Final report” is available via this link: <https://nic.org.uk/studies-reports/rail-needs-assessment-for-the-midlands-and-the-north/rna-final-report/>

“Union connectivity review: call for evidence” and terms of reference are available via this link: <https://www.gov.uk/government/consultations/union-connectivity-review-call-for-evidence>

11. Appendices

None.