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**Report to:** Transport Committee

**Date:** 16 March 2018

**Subject:** **East Coast Main Line: Franchise and infrastructure update, including proposed response to route study**

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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 checked="" type="checkbox"/> Yes <input 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:	

## 1 Purpose of this report

1.1 This report provides an update on a number of matters relating to the East Coast Main Line (ECML). It sets out the Combined Authority's position on these matters, and seeks endorsement of the proposed response to the consultation draft ECML Route Study.

1.2 The matters are:

- an update on the proposed termination of the InterCity East Coast franchise, the potential implications for the Leeds City Region, and actions to address these implications;
- an update on Network Rail's infrastructure enhancements programme for the ECML; and
- the proposed response to the Network Rail ECML Route Study.

## 2 Information

### **Background**

#### The East Coast Main Line

- 2.1 The importance of the ECML to the Leeds City Region is hard to overstate. Until the advent of HS2, it is the City Region's primary rail link to London, and indirectly the South-East, Lincolnshire, Cambridgeshire, East Anglia and the Home Counties, as well as mainland Europe. It is also the basis of rail links to Scotland, the north east, Teesside and North Yorkshire, a role which will continue and intensify beyond the delivery of HS2 and, it is hoped, Northern Powerhouse Rail (NPR).
- 2.2 Research commissioned by the Consortium of East Coast Main Line Authorities<sup>1</sup> confirms that the ECML connects economies that already contribute over £300bn each year to the UK economy. This research also identified that the delivery of the services proposed as the basis for the Virgin Trains East Coast (VTEC) franchise (including the necessary enabling infrastructure) would realise £154m of economic benefits per year. The same research also identifies the compelling case for further investment in the medium term, with £9billion of potential benefits attached to investment of £3bn in the line.
- 2.3 Section 1 of Appendix 1 sets out further background to the route.

#### The InterCity East Coast Franchise

- 2.4 The current InterCity East Coast franchise was awarded in November 2014 and commenced on 1 March 2015. It was intended to run to 31 March 2023 (eight years), with the option for a one-year extension to 31 March 2024 at DfT's discretion. Further information on the franchise is set out in section 2 of Appendix 1, including the details of proposed timetable changes and new trains.
- 2.5 The franchise includes provision for more frequent through trains to and from London and Horsforth / Harrogate and Shipley / Bradford, together with a new Monday to Friday daily through service to Dewsbury and Huddersfield from May 2019. In addition, more frequent services on the core route to Leeds and York are due from the same date. These improvements compared to the current timetable are summarised in Table 2.1, and set out in detail at Appendix 2.

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<sup>1</sup> *Investing for Economic Growth, ECMA Research 2016, available at [www.investineastcoast.co.uk](http://www.investineastcoast.co.uk)*

*Table 2.1 Summary of minimum service levels from May 2019 as specified Mondays to Fridays in current InterCity East Coast franchise*

	Current timetable		Minimum franchise requirement from May 2019	
	To London	From London	To London	From London
Leeds	32	33	37	37
York	37	37	46	44
Dewsbury	-	-	1	1
Huddersfield	-	-	1	1
Shipley	2	1	8	7
Bradford F Sq.	1	1	7	7
Horsforth	1	-	6	6
Harrogate	1	1	6	6

- 2.6 No change in the number of through services to Keighley, Skipton and Selby is proposed.
- 2.7 In addition to the extra trains, weekday journey times are due to be accelerated. The franchise agreement requires faster Leeds to London journey times from May 2020; the promise trailed by DfT when the franchise was awarded was for “regular journey times of 2 hours” between Leeds and London. This compares to regular weekday journey times in the region of 2 hours 13 minutes at present. It is understood that this reduction in journey times was to be achieved through a combination of the enhanced performance of the new trains (operating in electric mode) and infrastructure improvements, plus changes to stopping patterns.

#### East Coast Main Line Infrastructure

- 2.8 The enhanced timetables from May 2019 and May 2020 are based on assumptions at the time the franchise was let about the availability of additional trains and extra capacity on the ECML that would become available as a result of proposed infrastructure works.
- 2.9 A package of infrastructure works identified as the ‘East Coast Connectivity Fund’ was proposed for delivery between 2014 and 2019. These had the objective of increasing capacity and reducing journey times on the ECML. The works include, amongst others, four-tracking the railway between Woodwalton (south of Peterborough) and Huntingdon, grade-separating Werrington junction (north of Peterborough), and Northallerton to Newcastle freight loops. A new Platform 0 at Doncaster has been delivered.
- 2.10 Letters exchanged between the Chair of the Commons Transport Select Committee and Virgin Trains and Network Rail<sup>2</sup> in January 2018 confirm that the necessary infrastructure works to enable the enhanced timetables will not

<sup>2</sup> Letters available at the Commons Transport Select Committee website:  
<http://www.parliament.uk/business/committees/committees-a-z/commons-select/transport-committee/>

be complete until May 2021 at best. The new trains are now under construction. Although nothing has been confirmed in writing, it is understood that the new trains marginally delayed, but this is not expected to be a major issue.

- 2.11 For the City Region, the delayed infrastructure is primarily an issue for the additional services to and from York and the north (particularly Middlesbrough). The additional through services via Leeds into West and North Yorkshire are based mainly on extending the existing basic half-hourly Leeds – London services. The main enabler for extending the services beyond Leeds is the availability of additional trains.
- 2.12 The Network Rail Strategic Business Plan for 2019-2024 (Control Period 6) was published in February 2018. This makes it clear that Network Rail does not believe that it will be in a position to meet the performance (reliability) commitments required by the franchisees, including VTEC. In particular, the Strategic Business Plan recognises that much of the ECML infrastructure is becoming ‘life expired’. Track and power asset reliability is forecast to deteriorate in Control Period 6 without a commitment to additional renewals funding beyond that assumed to be available. In response, Network Rail has produced an East Coast Supplementary Plan which has shown that there is a potential Value for Money Case for additional renewals investment of up to £1.4-£1.5 billion.
- 2.13 Failure of the current franchise and implications for the City Region
- 2.14 The background to and events leading up to the most recent announcement about the franchise are set out in section 3 of Appendix 1.
- 2.15 Section 4 of Appendix 1 sets out an analysis of the main issues and implications for the City Region that arise. In summary, it has become clear that:
  - The infrastructure necessary to accommodate the proposed May 2019 timetable required in the current franchise will not be available until at least May 2021, and even then subject to final investment decisions by DfT. The specific implications of this for the City Region are currently unclear, but it will impact on the proposed enhancement to service frequencies between London and York and north thereof.
  - Additional through services to and from London via Leeds serving Horsforth, Harrogate, Shipley and Bradford Forster Square should remain achievable. These are extensions of existing services, and depend on the availability of additional trains, currently being delivered (although understood to be marginally behind schedule).
  - Doubts appear to be cast over the new through service to Dewsbury and Huddersfield, but nothing has been confirmed in writing. The main issue here relates to the previous assumption that this service could be operated by high-performance electric trains.

- It appears unlikely that the promised journey time improvements between Leeds and London from May 2020 will be achieved by that date.
- There is currently a funding shortfall for the required scale of asset renewals on the line identified in the Strategic Business Plan for CP6 – unless this addressed then performance (reliability) of services on the route is likely to continue to deteriorate.
- DfT will become directly responsible for the operation of InterCity East Coast services, including all revenue risks, in the short term, either through a management contract with VTEC remaining the operator, or through appointing its own body as ‘operator of last resort’.
- DfT is likely to commence procurement of a new private sector partner to operate InterCity East Coast rail services in 2019. There is an opportunity through 2018 to influence the structure of the new Partnership (assuming this option is progressed) and to set out service priorities for InterCity East Coast services.

2.16 The Chair of the Combined Authority and Chair of the Transport Committee wrote a joint letter to the Secretary of State for Transport on 20 February 2018. This letter sought written reassurance about the May 2019 service commitments set out in the franchise agreement. A copy of this letter is included at Appendix 3. At the time of writing, a response had not yet been received.

#### East Coast Main Line Route Study

2.17 As part of its Long-Term Planning Process, Network Rail is currently consulting on its proposed ECML Route Study. This was published during the Christmas break as a draft ‘Railway Investment Choices’ document, reflecting a change in the way railway enhancements are to be funded in future. It is this document that is subject to consultation. Combined Authority officers have been engaged with Network Rail throughout 2017 in activities leading up to the production of this draft.

2.18 Consultation responses are due on 16 March 2018, but Network Rail has agreed to allow the Combined Authority until 30 March to submit its response, in order that Transport Committee can give the matter proper scrutiny. A copy of the proposed full response has been previously circulated to Committee members.

2.19 A thorough response to the consultation is proposed, reflecting the importance of the ECML to the City Region and to address the areas of concern.

2.20 The principal main areas of concern are:

- a) The document lacks any clear, explicit objectives about what Network Rail wants the ECML to achieve, and as a result lacks a coherent strategy to meet them. There are however prioritisations that imply a narrow set of objectives in relation to rail industry revenue and to a

narrow view of economic growth that does not clearly address social inclusion or environmental sustainability have been applied.

- b) Geographic focus: there appears to be an emerging tendency to favour further investment in the southern end of the route.
- c) The Study is intended to offer investment choices, although in many cases the consultation document fails to set out options to meet identified problems, together with a summary of the pros and cons of each. The proposals that are set out are not always robustly and systematically supported with a business case for example. In some cases these are not the proposals that the Combined Authority would anticipate, and it is difficult to discern why this is the case.

2.21 The consultation draft identifies a number of the 'East Coast Connectivity Fund' enhancement schemes as investment choices, reflecting the new way that investment decisions on rail infrastructure enhancements are now to be taken. DfT will ultimately be responsible for agreeing these individual investment decisions. These schemes were previously regarded as committed for delivery in Control Period 5 (2014 to 2019), and are essential to enable the service commitments of the InterCity East Coast and TransPennine Express franchises to be delivered. This underlines the ongoing need to make a strong case for investment in the ECML.

2.22 Against this background, the proposed response:

- a) Sets out the Combined Authority's objectives for inclusive growth in the context of strategic rail planning, and the implications in terms of unlocking opportunities, improving the region's strategic connectivity to other centres, and achieving modal shift for passengers and freight.
- b) Underlines the important roles played by the ECML to the Leeds City Region.
- c) Emphasises the importance of completing the delivery of ECML schemes that were previously regarded as committed.
- d) Discusses the need for the Route Study to address the case for the types of investment that evidence shows are necessary now and in the future to provide the capacity and network capability the City Region needs. This includes providing sufficient peak commuting capacity, improving journey times, enabling improved frequencies on regional services, providing network robustness and resilience, and accommodating Northern Powerhouse Rail as well as High Speed 2, without compromising the ability of rail freight to grow.
- e) Translates this into interventions at specific locations, such as Wakefield – Doncaster four-tracking, improvements at Doncaster, Newark flat crossing, York station and approaches, and capacity northwards towards Newcastle.

- f) Challenges Network Rail's proposal for compromising long-distance intercity services in advance of HS2 by inserting additional stops at the southern end of the route to provide additional London commuting capacity.
- g) Highlights the need for the major connecting nodes along the ECML (such as York, Doncaster and Peterborough) to work better for passengers, which implies providing sufficient network capacity and resilience for reliable interchange.
- h) Emphasises the need in particular for Northern Powerhouse Rail to be considered in much more detail than at present.
- i) Sets out specific examples of future direct connectivity which the ECML needs to accommodate, including for example Leeds – Doncaster – Lincoln and between the Leeds City Region and Cambridge.
- j) Considers the case for faster running on the ECML, in particular the balance of where it could offer clear benefits in a post-HS2 and NPR scenario (such as running up to 140mph north of York);
- k) Reiterates the Combined Authority's support for rail freight, including modal shift and supporting the industries of the future.
- l) Highlights the need for Network Rail and the wider industry to improve their delivery of major enhancements to make them affordable and reduce disruption and uncertainty.

2.23 The proposed response also enters into a number of specific points of detail, in line with the above principles. In conclusion, it invites Network Rail to re-think its approach to the Route Study, and to offer the Combined Authority's assistance in helping the industry to develop a better Route Study that fully addresses the strategic questions the ECML faces, and better sets out the potential routes to the future to inform stakeholders and funders.

#### Advocacy activity through the Consortium of East Coast Main Line Authorities

- 2.24 The issues raised in this paper make clear the ongoing importance of making a strong case for investment in the ECML, and in shaping the proposed new East Coast Partnership and the rail services it will provide.
- 2.25 The Consortium of East Coast Main Line Authorities (ECMA) comprises local authorities and Scottish Regional Transport Partnerships along the route served by the InterCity East Coast franchise. The objective of ECMA is to secure investment in the ECML to improve the passenger experience, improve capacity and reliability and shorten journey times.
- 2.26 ECMA is hosted and co-ordinated by City of York Council. The Combined Authority represents the five district councils at Consortium meetings. The

Combined Authority's current ECMA representative is Councillor Firth. Further background was set out in the paper presented to Transport Committee on 9 December 2016. The ECMA agenda for 2018/19 was due to be set at a Consortium meeting on 28 February in York. This was postponed due to travel disruption caused by heavy snow, but it is due to be rescheduled.

- 2.27 A new East Coast Main Line All Party Parliamentary Group (APPG) is due to be launched on 20 March 2018. This group will help to advocate the ECML investment case within Parliament. It is proposed that EMCA will offer secretariat and policy support to the APPG.
- 2.28 Recognising the strong degree of alignment between the objectives of ECMA and the HS2 East advocacy group, the decision was taken to better co-ordinate the activity of these two groups. There is already a strong degree of alignment in the technical evidence base. Importantly, the arrangement respects that a distinct role for each group remains, particularly south of Yorkshire. Five common principles have been agreed to frame future activity across the two groups.
- 2.29 The City of York Council, as ECMA host authority, has initially suggested that each local authority commits £2,000 per financial year for 2018/19 and 2019/20 with a target of establishing a meaningful fund to sustain advocacy activity and research, as well as offer support to the APPG. The Combined Authority represents the five West Yorkshire authorities in this context (City of York is represented in its own right). It is therefore proposed to commit £10,000 per year in the 2018/19 and 2019/20 financial years. In addition the Combined Authority will continue to offer greater support in the form of officer time.

### **3 Financial Implications**

- 3.1 Recognising the importance of the East Coast Main Line and the InterCity East Coast franchise to the City Region, and as set out, it is proposed to commit £10,000 per annum in the 2018/19 and 2019/20 financial years to support the activity of the Consortium of East Coast Main Line Authorities.

### **4 Legal Implications**

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

### **5 Staffing Implications**

- 5.1 Recognising the importance of the East Coast Main Line and the InterCity East Coast franchise to the City Region, the Combined Authority is supporting City of York Council with officer time to facilitate the work of the Consortium of East Coast Mainline Authorities. It is proposed that continues during the 2018/19 financial year.

## **6 External Consultees**

- 6.1 No formal external consultations have been undertaken at this stage. The Combined Authority anticipates working with other stakeholders such as the Chambers of Commerce and partners through the ECMA in further developing its advocacy case for investment into the ECML. In addition, informal consultation has taken place with Districts and with neighbouring authorities with regard to the proposed response to the ECML Route Study consultation

## **7 Recommendations**

- 7.1 Members are asked to:

- Note the background to the report, and the likelihood that additional information about the collapse of the current franchise, proposals for interim delivery of rail services, and delivery of infrastructure enhancements on the ECML is likely to emerge ahead of the Transport Committee meeting and in the weeks that follow as various inquiries progress.
- Endorse the importance attached to realising the franchise commitments set out in the existing InterCity East Coast franchise as the baseline for the future requirements of both the interim management arrangements and future proposed East Coast Partnership.
- Endorse the proposed consultation response to the draft East Coast Route Study Railway Investment Choices document, and the need to continue to make a strong and compelling case for investment in both renewal and enhancement of the infrastructure on the ECML.
- Agree the Combined Authority's proposed contribution of £10,000 per annum in the 2018/19 and 2019/20 financial years to support the activity of the Consortium of East Coast Main Line Authorities, together with the ongoing offer of officer support.

## **8 Background Documents**

East Coast Main Line Priorities. Paper to Transport Committee, 9 December 2016.

## **9 Appendices**

**Appendix 1** - Background to the East Coast Main Line and Intercity East Coast Franchise

**Appendix 2** - Current Intercity East Coast Franchise : Summary of Train Service Requirements from May 2019 for Leeds City Region

**Appendix 3** - Letter from Chair of the Combined Authority and Chair of the Transport Committee to Secretary of State for Transport