

Peninsula Rail Task Force

Consultation on the re- planning of Network Rail's Investment Programme(Hendy Review)

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1. Introduction

The Peninsula Rail Task Force (PRTF) welcomes the opportunity to respond to the proposed re-planning of the Network Rail (NR) Investment Programme (re-plan). PRTF also welcomes the strategic overview that the re-plan intends to apply across the whole network.

PRTF recognises the complexities and difficulties involved in this work, and the factors that have resulted in significant slippage of a range of major schemes across the network.

It is widely accepted that the rail services and infrastructure to the South West peninsula have not received the levels of investment seen elsewhere across the UK for the past 40 years and clearly any delays to the current programme of improvements to the South West is keenly felt.

The South West peninsula has a bigger economy than that of Greater Bristol or South Wales, yet infrastructure investment into transport networks has not kept pace. Recent severe weather events have compounded existing issues, highlighting our fragile resilience and at times, severing entire counties from the rest of the UK. We are linked to London by a single but vital rail line via Westbury, with a separate gateway to Bristol and the West Midlands through another single link. Investment into our infrastructure will not only yield significant economic growth, but as crucially, it will enable far greater connectivity to national and international markets, creating opportunity and fostering ambition. Passenger growth (double the UK trend) consistently outstrips forecasts, with an urgent need to catch up through more trains and greater frequencies on London and local services.

Our request of Government is for:

- A resilient and reliable railway
- With faster journey times, and better connectivity
- And sufficient capacity and comfort.

Severe bad weather has caused havoc across the South West over two consecutive winters, cutting off Somerset, Devon and Cornwall from the rest of the UK. The line was severed at Dawlish, whilst floods and landslips shut the remaining services for weeks. Businesses lost confidence, operational costs escalated; with an estimated £1.2bn¹ being the impact to their economy in Devon and Cornwall for period the Dawlish line was closed.

The South West is peninsula, has an overall population of 2.2 million with an equally significant economy of £4.2bn GVA, but is characterised by dispersed communities. As GVA drops 6% for every 100 miles from London², the further down the peninsula the greater the challenges become. Ensuring shorter journey times, with more opportunities to connect at both a local and national level is critical. We therefore welcome the fact that the Western Rail link to Heathrow is still included for development, which would see a significant reduction in journey time taken to access Heathrow airport from the South West.

The increase in the number of people using the trains in the South West is double the national rate of growth – and demand is outstripping supply. Trains are cramped,

¹ Holding the Line? Report for the Devon Maritime Forum (2015)

² PRTF Productivity and Wider Economic Impact Study April (2015)

overcrowded, unreliable and slow. Not only will this prevent further investment in the rail market but it also limits our inward investment potential.

In this response, in the hope that this will aid comprehension of our response, below we have responded to the specific questions asked in the consultation document.

2. Question 1

Do you have any comments on the projects which have been selected for completion in CP5? Do you consider that other projects, originally scheduled for completion in CP5 but not now planned to be completed in this Control Period, should have been prioritised ahead of the projects identified by the Hendy Report? Do you have any comments on the re-planning process generally? In all cases, please give reasons for the opinions that you express.

2.1. The PRTF was tasked by the Prime Minister and the Secretary of State for Transport with producing a 20 year investment plan for the South West peninsula's rail network following the catastrophic events of the winter of 2014 at Dawlish. This is widely seen as needed in order to address years of relative under-investment in the peninsula compared to that which has been enjoyed across other parts of the network. Whilst it is recognised that there is electrification and a new rolling stock programme for parts of South Wales and the Bristol area from London, the benefits to the South West peninsula are extremely small. The last serious route upgrade to the South West peninsula took place over 40 years ago with the introduction of the HST's. The need to reduce journey times to and from London and other key regional cities like Bristol is critical to the economy of the South West peninsula, and as research demonstrates for every 100 minutes journey time from London productivity decreases by 6%.³

2.2 Research has indicated that the Devon and Cornwall mainline has seen a high level of passenger journey growth as other mainlines in the UK, without the level of investment enjoyed by those other lines. It can therefore be surmised that a significant level of untapped demand could be released if investment and improvements are forthcoming to this region. The graph in Figure 1 below demonstrates the increase in passenger journeys.

³ PRTF Productivity and Wider Economic Impact Study April (2015)

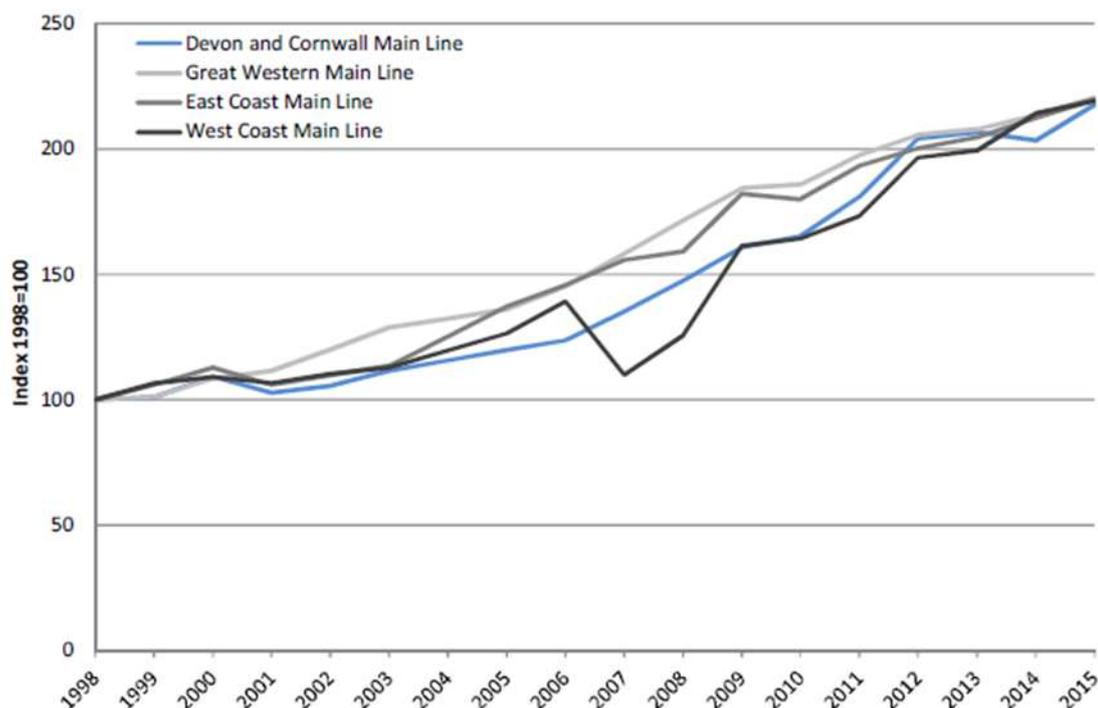


Figure 1; Indexed number of passenger journeys on various mainlines in comparison to the Devon and Cornwall Main Line⁴

2.3 The removal of the CP6 development fund at short notice clearly caused the PRTF and NR some difficulty in relation to undertaking the GRIP 2 study for the report mentioned above, and whilst we understand the need to review the spending plans the lack of visibility that supported which schemes remained funded or were dropped caused significant concern amongst stakeholders.

2.4 The vulnerability of the South West peninsula's transport network should not be underestimated with access only available through one major strategic road and one mainline rail line.

2.5 The size of the peninsula economy and population has only recently been recognised; the population being equivalent to that of West Yorkshire, and greater than Greater Glasgow and Tyne and Wear, with an economic output of £35.81bn⁵. Therefore the contribution of the necessary rail network improvements to the overall economy of the region (and UK) is starting to be recognised, and potential decisions about investment slippage need to be evaluated in this overall context.

2.6. It is a particular concern that the work that PRTF is undertaking with Network Rail and DfT is not reflected under the Great Western and Wessex headings. A reliable railway is surely the first of all asks – even ahead of modernisation and capacity improvements, especially given the vulnerable nature of the mainline. If the railway cannot operate reliably, other targets and returns on investment are likely to be illusory.

⁴ Dawlish Additional Line study PRTF 2016

⁵ The South West Spine Report, PRTF 2013

2.7. While some current CP5 commitments are reflected in the re-plan (Western Route Flood Resilience; Cornwall Capacity enabling Scheme), it would be helpful for other major schemes of similar significance to be similarly reflected, namely:

- (i) Dawlish/ Teignmouth Coastal section resilience work: NR's study into the work required to make this section of track resilient is well underway with the final report due at the end of March 2016. PRTF understands that NR believes that there is a strong business case to commence this work as early as possible - and certainly within CP5 - to minimise overall costs during the overall life of the works.

Early commencement to fund the works in full, commencing during CP5, would also appear to align with - and deliver on – strong commitments made by the Prime Minister, Chancellor of the Exchequer and Secretary of State to “do what it takes” to ensure that this section of line is made fully resilient.

The lack of reference to this high profile and much needed project is in stark contrast to the *LSE Weather Resilience Fund* that applies only to London and the South East.

- (ii) The current GRIP 2 study on ensuring adequate capacity on the Exeter - Yeovil Junction - Castle Cary diversion route for diverted Paddington and Cross Country Trains and for increased capacity for 2 trains per hour local services East of Exeter. This work was commissioned due to the recognition of its importance regarding its contribution towards improved resilience; the diversion route has been much needed during the aftermath of recent weather-related events east of Exeter. A commitment to fund the delivery of this scheme at the earliest opportunity is sought.
- (iii) Network Rail's current project to identify the scope for line-speed improvements between Reading and Penzance which is needed to maximise the return on the investment from the new AT300 trains (due into service during 2018) by enabling this stock to use its high speed potential wherever possible. It is clear from discussion at a top-level that NR believes there is significant scope for line-speed/ journey time improvements on the route from London to Penzance. The PRTF, DfT and NR jointly identified that the scope for “quick wins” in this regards both exist and should be delivered early (in CP5). A further longer term project to increase line-speed is a necessary part of this approach that needs early commitment. In addition all parties have recognised that the introduction of the bi-mode express trains creates opportunities for innovative thinking in relation to maximising the use of short section electrification, previously not something that was considered.

It would be helpful if all the elements of this project were included in the re-plan as part of the *Intercity Express Programme*.

2.8. It is understood that the re-plan process is necessarily strategic, but the devil must inevitably lie in the detail. So the limited clarity provided in respect of these local schemes only serves to limit the extent to which PRTF is able to fully endorse the approach proposed, without that further locally focussed clarification (a) on how it will impact on current and proposed schemes in the peninsula and (b) on a

commitment to fund the work identified as necessary to bring the peninsula network up to standard.

2.9. Further clarity is therefore required on all the above – that we believe should sit alongside the current headings in the *Enhancements Delivery Plan Update*.

3. Question 2

Impact on users: Does the re-plan take appropriate account of passenger needs and passenger experience? Is the approach to freight appropriate in light of the current and projected demand?

3.1. While the PRTF welcomes the recognition in the consultation document *“Passenger demand is continuing to grow above initial forecasts and this is likely to put further pressures on the programme as we progress through the Control Period.”*, there needs to be further recognition that, over and above this factor, patronage growth has been consistently high in the South West peninsula. According to Network Rail, the annual growth rate for rail passenger demand in the South West region is between 2.0% and 3.2%. An annual growth rate of 3.2% for Exeter and Plymouth between 2008 and 2019 is predicted in the Great Western RUS (2010), whereas growth rates of 2.0%, 2.5%, and 3.2% are predicted for journeys across Cornwall between 2013 and 2043 in the Western Route Study (2015). Growth rates based on station entry and exit records from the Office of Rail and Road (ORR, 2015) for stations west of and including Exeter St David’s have been found to be higher than predicted by Network Rail. From 1998 to 2015 an annual growth rate of 4.7% is observed, and looking at more recent years the rate is even higher. From 2008 to 2015 the annual growth rate is 5.7%. This difference between industry predictions and reality is likely to mean that capacity will be required many years earlier than the rail industry is planning for. Our previous study into the growth being seen in the South West peninsula identified that industry forecasts for growth in 2019 was exceeded in 2012.⁶

3.2. We recognise that the investment being discussed in this consultation is there to solely serve train services and to enable improvements in those services. However we feel that there should be more emphasis placed on the economic impact of rail investment to the areas and regions that they serve. The need for train strengthening (ensuring a sufficient number of carriages on all trains) and timetable enhancements, promised in the December 2018 Great Western franchise, need to be honoured and delivered on-time, in order to ensure that the re-plan does in fact take account of passenger needs and experience. PRTF considers that the re-plan cannot be viewed in isolation from the need for on-time delivery of these improvements. The PRTF also recognises that any further delay in electrification could have serious implications for the introduction of the AT300 timetable in December 2018, and the unit cascade that allows GWR to implement the strengthening and increase in services promised and much needed in the region. The South West is at the end of this rolling stock cascade process and will be impacted heavily if EMU’s from the Thames Valley are further delayed in being introduced, holding up the release of DMU’s from the Bristol area and 90mph class 158’s to the South West.

⁶ Spine Report PRTF 2013

3.3 We therefore welcome the statement “The HLOS is framed against the background of forecast further strong average growth during CP5 in passenger demand and in freight. Its requirements were based on the need to reduce crowding, cut journey times, increase efficiency and improve the passenger experience, with particular focus placed on the provision of additional capacity.”

3.4 In this context, while exploring the details of how this can be done may not be appropriate in this response, PRTF would seek an early commitment to these service enhancements in December 2018, with close engagement with DfT, NR and Train Operating companies on evaluating the best way to achieve this.

3.5. Cascades from electrification: how these are managed will have a major bearing on the acceptability, or otherwise, of project slippage. To ensure a degree of fairness (and of necessarily "sharing the pain" associated with the "re-plan") cascades will need to be either honoured across all franchises, or delayed across all franchises. It cannot be justified to produce a scenarios where there may be a delayed cascade into a franchise but a cascade out is not similarly delayed – unless the shortfall can be made up in other ways in the short term.

3.6 Where cascade (or other) delays will result in an inability to meet the need for improved capacity to alleviate current overcrowding – i.e. promised timetable enhancements and train lengthening - special measures will need to be put in place to ensure that these needed enhancements still take place on time.

3.7. Given the delays in the electrification and other programmes, we strongly suggest the need to consider, where at all possible, how to carry out a “surge” of project work and resources to catch up, rather than arrange for a continued deferment of much needed investment – wherever this is possible. This will also ensure that an end can be brought to the long-term adverse effects of current slippage.

3.8 There would appear to be significant potential for greater freight usage on the South West peninsula lines. PRTF suggest that a separate workstream for enhancing freight usage is set up across PRTF, DfT and NR (following submission of the PRTF report to the Secretary of State).

4. Question 3

The supply chain: Has the re-plan appropriately taken into account the management of industry resources and ability of the supply chain to meet the requirements of the programme?

4.1 While we recognise that difficulties in producing a “surge” in the electrification programme, due to the limitations on supply of equipment and trained staff for this work, we believe there is scope for a package of schemes to be considered for commencement during CP5 as part of a “surge” to reduce the long-term fallout from widespread project slippage. We believe that there should be a national plan for electrification that is based on a continuing rolling programme allowing the retention of skilled resource, reduced cost of demobilisation and remobilising for each individual scheme, the retention of learning and training and better return on equipment investment.

4.2 PRTF will report back to the Secretary of State in July with the 20 year investment plan it was tasked to produce. This plan will contain a phased approach (post CP5) to delivering other much-needed investment in the peninsula rail network, to ensure optimum benefit to the economy of South West peninsula. PRTF considers that this further supports the need to consider a “surge” of investment activity in order to avoid slippage to the widely recognised and much-needed catch-up in the reliability and quality of the peninsula railway.

5. Question 4

Commitments: In so far as the re-plan may have an impact on any local economic development proposals or the delivery of other dependent schemes, please indicate your views on this and any suggested mitigations.

5.1 It is welcomed that Network Rail reviewed the rail upgrade programme and prioritised schemes:

- using current DfT commitments for franchises and rolling stock,
- to ensure that the re-plan maximises passenger and freight user benefits
- endeavouring to take into consideration impacts on third party schemes and wider economic development.

5.2 The PRTF has a concern over the possible reduction in renewals and maintenance work, as this reduces the opportunity to make cost effective incremental changes that can provide overall journey time benefits across the network. This is also seen as an opportunity to work with the industry over the level and type of blockades, where there can be a maximisation of return on time and money through longer closures and different methods of working; however this has to be framed in the context of long lasting improvements and not just maintenance. We are not convinced that the reduction in Network Rail's operating, maintenance and renewals will be beneficial to the railway. This is likely to lead to an increase in Temporary Speed restrictions across the network, leading to a reduction in operational performance and a worsening of the Public Performance Measure (PPM) and its subsequent increases in delays for customers using the railway. It can also be argued that if this position transpires it also reduces the opportunity for the South West peninsula to benefit from the introduction of new AT300 trains and their faster acceleration and higher speeds.

5.3. The reduction in funding across the various ring fenced funds (New station funds, ETCS cab fitment, Strategic Research and Development Fund, Innovation fund, CP development fund, Discretionary fund, National stations Improvement programme and the Access for all fund) is a concern for external parties. Much of this money is used to generate business cases for match funding and passenger improvements.

5.4. There is a widespread consensus across the industry, government and political leadership that the South West peninsula has suffered from relative under-investment in the railway, with a resultant loss of quality, reliability and contribution to the peninsula economy. To restate this: the South West peninsula economy will benefit significantly from addressing the past investment deficit. Aware of the national strategic overview embodied in the "re-plan", nevertheless the re-plan does not appear to sufficiently show evidence that this has been taken into account.

Much evidence already exists on the contribution to the economy that a reliable/resilient and quality railway with better connectivity will bring. It would be prudent at the very least for investment decisions to be taken in that overall economic context.

We intend to set this out in our 20 year plan which will be delivered to Government in the summer of this year.

5.4. With regard to the Mainline Signalling through Cornwall, and the development of a two train per hour service by 2019, there were some initial concerns. However it was encouraging that the Hendy Report confirmed an intention to proceed with the 'Cornwall Capacity Enabling Scheme' with a reduced amount of NR funding towards a wider programme. The 'enhancement delivery plan' (EDP) has an NR milestone for enhanced capacity by December 2018. That fact that this will now be stage 1 of a wider programme which will introduce extra block sections to reduce the headways has provided clarity for development of the European Funded element of the work.

It will also meet the expectations and anticipation of the operators and the community in Cornwall around the delivery of a main line two train per hour service throughout. A number of significant economic development initiatives and Trunk Road modelling for the Local Plan in Cornwall are predicated on the delivery of this service improvement.