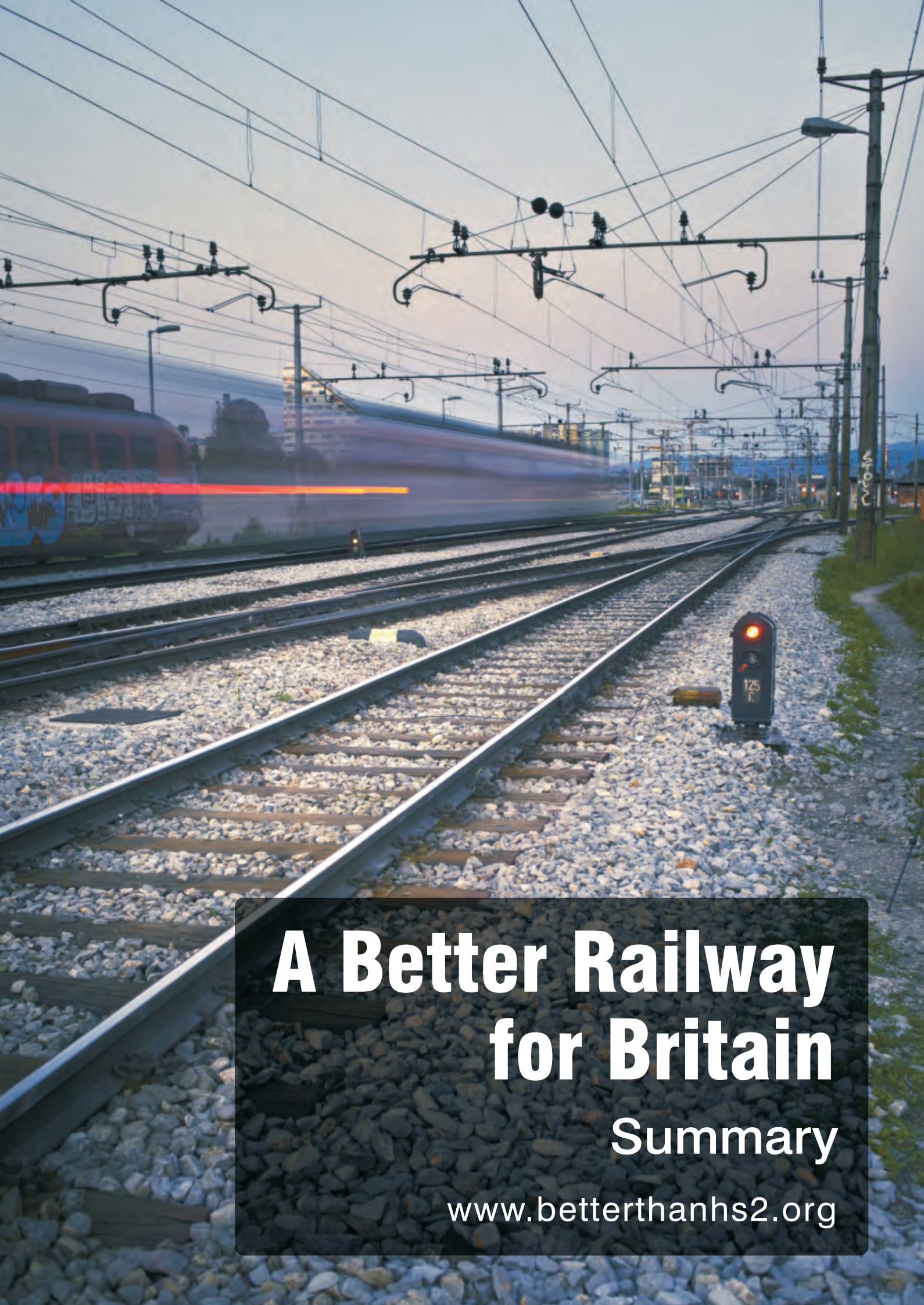

A Better Railway for Britain

Summary

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A BETTER RAILWAY FOR BRITAIN

SUMMARY

SEPTEMBER 2011

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'HS2 is no substitute for comprehensive regional investment and national sustainable transport strategies. The DfT have ignored all the evidence that shows high speed rail will likely result in higher carbon emissions, and poorer areas will still be on the outside looking in.'

New Economics Foundation

'In most developed economies high-speed railways fail to bridge regional divides and sometimes exacerbate them... Especially in smaller countries, upgrading existing, slower networks often makes more sense. Capacity can be increased with longer trains and extended platforms. Some spacious first-class carriages could be converted to more compressed second-class ones; Better signalling can increase the average speed of journeys. Britain still has time to ditch this grand infrastructure project—and should.'

The Economist

'It is utterly indefensible that the Government is planning on spending such an incredible amount of money on this project. There are more affordable ways of getting the capacity needed and a high speed line for the rich, on a route already served by very quick trains, can't be the priority over giving ordinary families and firms across the country a better deal.'

The TaxPayers' Alliance

'HS2 is a hugely expensive scheme which will benefit a minority of wealthy travellers while doing nothing to solve the dire transport problems faced by the majority of the population. If HS2 offered good value for money or significant environmental and economic benefits then perhaps a case could be made for it. Unfortunately it does neither.'

RAC Foundation

'The burning need in public transport is not for sexy, pointy-nosed high speed trains whose economics simply don't stack up. It's for boring unglamorous improvements to the services we actually use.'

Andrew Gilligan, The Daily Telegraph

'Too much is being spent on these big vanity projects, such as High Speed 2, and not enough on local schemes that will offer practical benefits in people's daily lives.'

Andrew Lee, Sustainable Development Commission

INTRODUCTION

The £30 billion High Speed 2 rail project has rightly triggered a national debate about our railways. Is HS2 the right project to address the issues our railways face? Is it value for money? Are there better alternatives? How does a new high speed rail (HSR) line fit into the UK's overall rail strategy? Sir Rod Eddington in his 2006 rail study asked similar questions and concluded (as McNulty in 2011 also has) that we should generally prioritise getting greater use from our existing assets before building new ones. This document is intended as a contribution to this wider debate.

The business case for HS2 is very weak and has been based on a number of false premises. It fails to recognise that time spent on trains can be economically productive (so the boost to productivity it claims is overstated). It does not use a realistic comparator (so the benefit of reducing overcrowding is exaggerated). The required sensitivity analysis has not been done (so it does not say what would happen if the growth in demand falls, for instance due to new technology).

There is little evidence that a new railway would bring regeneration or significant job creation. The claimed 'regeneration' jobs are unlikely to be new jobs and even the Department for Transport (DfT) say that most will be in London. Furthermore, HS2 will leave many areas with slower train travel, the Euston rebuild will cause chaos for 8 years and it costs £½ billion for every minute saved to Birmingham.

Nor is there an environmental case: HS2 say 87% of passengers will be either new journeys or from lower carbon classic rail. Only 6% are expected to come from air travel – and BAA say any domestic slots made available will be replaced by international flights. The line runs through an Area of Outstanding Natural Beauty, sites of Special Scientific Interest, ancient woodlands and some of Britain's most tranquil countryside.

It is therefore important to look at the alternatives to HS2. There are better ways to improve capacity and speed on mainline services between London and the North. These alternatives can meet forecast demand, and will benefit more people, more quickly and at a much lower cost.

The starting point, however, is to step back and look at key rail needs. Services between London and the North are already high speed and are not the most congested routes. This broader needs-based approach is picked up in Part 1. The specific issue of mainline capacity to the Midlands and North is covered in Part 2.

But the debate is wider than just rail. Investment in roads tends to have much higher returns than rail. While motorists contribute 4p per mile to the Treasury, rail requires an average 21p per mile subsidy. And while road is part of everyday travel for most people, rail is for the few, and long-distance rail is for the wealthier few – with 47% of journeys taken by those with the top 20% of incomes.

The debate also includes the role of ultra-high-speed broadband. The internet has only been used by business for around 15 years. Applications and speed will continue to develop rapidly. Over

the last year, Skype has starting becoming a mainstream business alternative to physical meetings and webinars are also taking off. Meanwhile, the DfT is encouraging telecommuting. Software for 3D teleconferencing is already available. This technology will be a game changer and will cut growth in expensive, high CO_2 physical travel.

The debate is also about growth and jobs, on which HS2 scores badly. The proposals in this document are likely to do more to benefit the economy because they spread the benefits more widely and focus on gaining significant benefits at relatively low costs.

The bodies behind this document are in favour of higher speed rail but not the proposed HS2 project. In the debate it is important to recognise that we already have a rail system that compares favourably with the best in Europe. According to a recent Eurobarometer survey, there is a 92% satisfaction with journey times in the UK, higher than all our main European competitors.

Furthermore, we need to avoid the expensive disasters that many of our competitors have faced in their high speed rail projects and look at the opportunity cost of HS2 and alternatives that are more beneficial and appropriate to the situation in the UK.

We also need to avoid investing in heavily in current technology when new rail technology may be on the point of adoption. Some say that Maglev offers greener, quieter, cheaper and faster rail systems. Given reliability issues at the UK's first Maglev installation and given that the capacity offered by HS2 is not needed for many decades, we would be wise to wait.

We have a genuine win-win opportunity: we can meet the objectives of HSR – supporting growth and solving capacity issues, as well as achieving faster speeds – but without the need for ultra-high speed.

The many organisations across the political spectrum campaigning against HS2 and for better alternatives have been accused of being NIMBYs and Luddites. Personally, I am an entrepreneur, an innovator and a risk taker in the context of economic development. But the friend's flat full of Concorde memorabilia and the former Maglev carriage languishing as a shed in a field in Burton Green, serve as reminders of what can go wrong when political vanity and misjudgment cloud sound analysis and decision making.

Jerry Marshall, Chairman, AGAHST Federation

A BETTER RAILWAY FOR BRITAIN – EXECUTIVE SUMMARY

The Government's plans for a High Speed 2 railway line will cost in excess of £30 billion and benefit a few at the expense of the majority. The benefits are uncertain whilst the costs will add to our legacy of public debt. Meanwhile there are many pressing issues on our railways and wider transport networks that HS2 does not address. Our railways – and the passengers who use them – deserve better.

There is an alternative. An alternative that meets the capacity challenge but at much lower cost, that can be delivered sooner, that integrates with our existing transport networks, that does much less environmental damage, that improves customer service across a wider section of the railway network and that improves financial performance, reducing the spiral of public subsidy.

The manifesto argues the case for action on six key priorities.

1. MEETING THE CAPACITY CHALLENGE

Rail use has grown very strongly in the last fifteen years, and there is little capacity on many parts of the network. In particular:

- There is an emerging critical shortage of capacity on key London commuter routes
- There is a need for additional capacity on inter-urban routes
- There is a need for additional capacity in major urban areas, particularly Leeds and Manchester.

But solutions need to be developed on a cost effective basis. Rather than spending £30 billion on HS2, specific improvements – such as reducing the proportion of first-class seats, removing the artificial peaks caused by the current fare structure, and targeting pinch points on the network – can increase capacity on the West Coast Main Line at a fraction of the cost of HS2. Part 2 of the Manifesto sets these out in full.

WEST COAST MAIN LINE – A CASE STUDY

The incremental approach delivers a solution (the 51m 'Optimised Alternative') which fully meets foreseeable demand for both passenger and freight traffic. This is achieved at a fraction of the cost of HS2, which is an example of starting with the project before considering the realistic options.

The Optimised Alternative comprises:

- 12 car trains (3 cars first, 9 cars standard)
- Grade separated junction at Ledburn
- Additional track south of Nuneaton
- 'Stafford bypass'.

This delivers more than three times the standard class capacity in the 'base' used in the evaluation of HS2, and with faster commuter trains doubles peak commuter capacity to Milton Keynes and Northampton. Capacity increases can be delivered incrementally, as needed, at a total infrastructure cost of £2.06 billion – Phase 1 of HS2 costs £17 billion, and delivers no benefits until 2026.

2. NARROWING THE QUALITY GAP

The best parts of the British rail system provide services as good as or better than anywhere else in Europe. However, overall standards are very variable, in terms of service levels, rolling stock and the quality of the station environment.

There should be an audit of quality by route, to quickly identify the key 'gaps' in overall service quality, which in turn would drive future franchise specifications – based on outputs, not inputs.

3. MAKING BETTER CONNECTIONS

The timetable is fragmented on many parts of the network, with too many poor connections, often simply as a result of failures to co-ordinate between different train operating companies. The industry should be tasked with developing 'clockface' timetables, which would improve connections and save passengers' time.

4. DRIVING MODAL SHIFT

Rail already does well in two key markets, commuting to central London and InterCity travel to central London. Much of the latter is already high speed by EU definition – comparable with say the German ICE service – and speeds will increase further with ERTMS[1]. The faster journey time offered by HS2 is smaller than headline speed figures suggest because of short distances between stations and travel time to HS2 stations. Furthermore, time can be used very productively on trains so the value of the additional time saving is small, therefore modal shift from HS2 would be limited.

But the major opportunities to increase the use of rail and achieve mode shift to reduce congestion and deliver carbon savings are in markets where rail is weak at present. Away from the routes to London, speeds are generally low, many centres do not have frequent direct links, and on some routes the trains themselves are unattractive.

If we want to encourage more people to use trains, Britain should follow the Swiss example, developing a plan for a comprehensive, national network linking all the key centres of population with through services or attractive, regular connections. Delivery of this will not only require improved frequencies and 'clockface' services (departures at fixed times past the hour), but also targeted investment to raise line speeds, eliminate speed restrictions and ensure that modern, attractive rolling stock is provided on all routes.

5. CHARGING FAIR PRICES

For any but the simplest journey, finding the best value for money ticket requires sustained research and often a knowledge of the rail network that no-one should need to have. As a result,

[1] European Rail Traffic Management System, which includes the European Train Control System (ETCS), a standard for in-cab rather than external signaling, and GSM-R, the mobile communications standard for rail.

many passengers pay more than they need, or get a more restrictive ticket than they need, or both – or give up in frustration.

There should be a thorough review of the current fares structure, creating a national, affordable structure for 'walk on' fares. The review should not be limited to just looking at the off peak fare arrangements.

6. DELIVERING A MORE AFFORDABLE RAILWAY

The high cost base of our railway is the central theme of the 2011 McNulty review. Specific actions are discussed for achieving up to £1 billion p.a. savings by 2019.

In the more medium term there are already changes that Government have signed up to for cross boarder interoperability i.e. ERTMS (level 2) that can benefit affordability. ERTMS not only reduces our cost base (by lower maintenance costs) but coincidentally also enables more capacity (through more intensive use of the track) and shorter journey times (by allowing faster speeds across the whole intercity network).

This is exactly the way Eddington saw speed improvements being delivered – as a side benefit of changes made to secure other more important benefits, in this case lower costs.

We should be looking at these plans and benefits before developing new capacity and a dedicated HSR.

The Way Forward

- A committed, medium/long term programme of investment will progressively raise standards across the railway nationally on an affordable basis – perhaps half the level of expenditure envisaged for HS2 over the next twenty years.
- The improvements can better meet the capacity challenge, provide greater support for growth as well as achieve a higher speed core network
- The improvements to the network will increase revenue across the country, hence improve the financial performance of the industry.
- The improvements will also increase rail's share of the total transport market, relieving congestion and delivering environmental benefits
- A new fares policy will make the network easier to use and better value for money, while maintaining the 'walk on' benefits of high frequency

The manifesto sets out the basis for a better, faster railway for the whole country – a railway of which Britain can be proud.

Download the full document at www.betterthanhs2.org .

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