

**East West Rail Consortium
17th September 2019**

Agenda Item 9: Wider Linkages

Recommendation: It is recommended that the meeting:

- a) Notes the importance of economic links between the Oxford-Cambridge Arc and the East Midlands, and the importance of rail in supporting these.**
- b) Notes the risks identified in paragraph 3.2 that this connectivity could get worse.**
- c) Endorses the “options for development” identified in section 4.**
- d) Considers how these options should be taken forward, including engagement with Midlands Connect, East Midlands Councils, EWR, DfT and others.**

1. Purpose and Context

1.1 This paper has been prepared by Bedford Borough Council to evidence the case that:

- There is significant economic activity between the Oxford-Cambridge Arc (the Arc) and the East Midlands, and significant potential for more.
- Rail connectivity between the Arc and the East Midlands is currently poor, and is at risk of becoming poorer.
- There are opportunities to transform this connectivity to the mutual advantage of both regions.

1.2 There are a number of current “live issues” that are directly relevant:

- Service patterns to be introduced on the Midland Main Line by the new East Midlands Railway franchise
- Decisions about the routing of the Central Section of East West Rail
- Business case work by Midlands Connect in support of services between the Arc and Leeds via HS2

1.3 This paper considers these issues in the context of what a desirable future scenario might look like.

2. Economic Links Between East Midlands and Oxford-Cambridge Arc

- 2.1 The value of rail for economic development is now understood by policy makers nationally, regionally and locally. The work of the Consortium is just one example of that, now reflected in the Government's objective for East West Rail "to stimulate economic growth, housing and employment through the provision of new, reliable and attractive inter-urban passenger train services in the Oxford-Cambridge Arc"¹. Other examples include the creation of Midlands Connect in support of the Midlands Engine and Transport for the North in support of the Northern Powerhouse. It is important that each of these strategies should not be seen and developed in isolation, but should consider the key cross-regional economic links and improving transport between them.
- 2.2 Midlands Connect's Strategy, published in March 2017, identifies one of their intensive growth corridors as being "Birmingham – Coventry/Leicester – Northamptonshire – Milton Keynes and the South, and includes connections to Kettering, Corby and the East of England"². This is shown on the map taken from the strategy below.

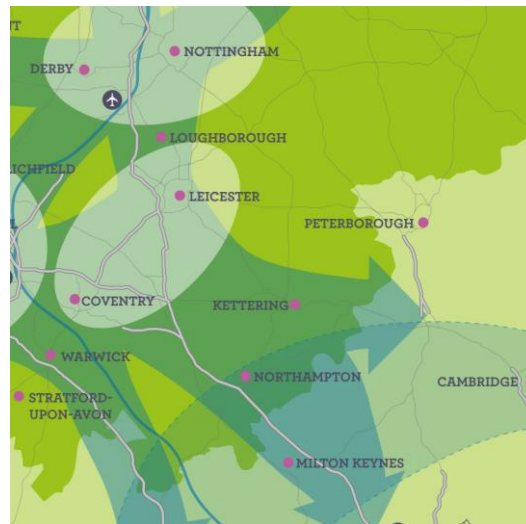


Figure 1 - Midlands Connect Intensive Growth Corridors

- 2.3 This shows that Midlands Connect is thinking not just about intra-Midlands connectivity, but also connectivity outside of it, including to the Arc.
- 2.4 Taking Leicestershire as an example, Figure 2 shows that there is a strong correlation between the key sectors of Leicestershire's economy and those of the South East Midlands³.

¹ Central Section Route Option Consultation Technical Report, January 2019

² Midlands Connect Strategy – Powering the Midlands Engine, March 2017 p iii

³ LLEP graphic is taken from <https://www.llep.org.uk/wp-content/uploads/2018/04/Local-Industrial-Strategy-for-Leicester-and-Leicestershire.pdf>. SEMLEP graphic is from p22 of SEMLEP Strategic Economic Plan

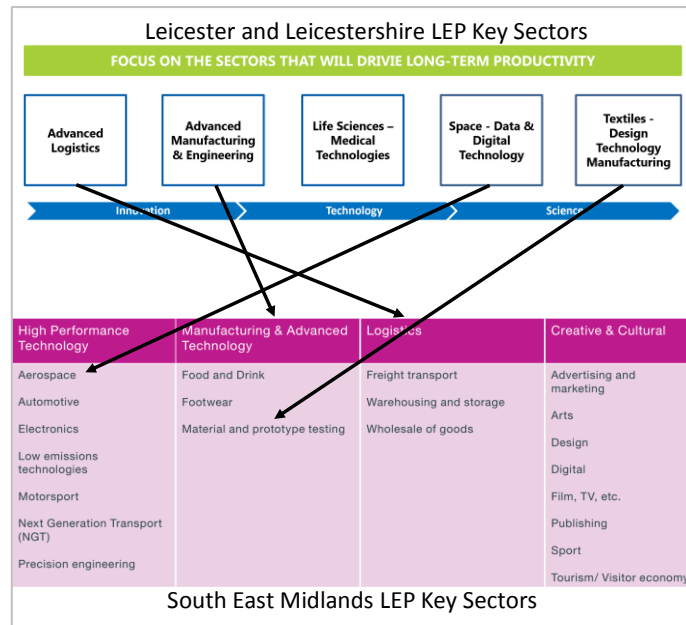


Figure 2 - LLEP and SEMLEP Key Sector Mapping

- 2.5 Knowledge sectors, such as professional, science and technology-based industries, are amongst the sectors that have grown most strongly in the period since 2008 in both the East Midlands and the Arc. People working in these occupations have a high propensity to use rail where an effective service exists.
- 2.6 The same is true for the academic sector. Links between universities are important for research and knowledge development. Leicester’s universities, for example, have specialisms including satellites/space, aeronautical engineering, earth sciences, medicine, pharmacology and data mining. Cambridge (in particular) and Oxford Universities are world centres for many of these subjects.
- 2.7 Growth in these sectors – targeted in both the East Midlands and in the Arc – will drive more economic dependency between the regions, and high-quality rail links will be needed to unlock this potential.
- 2.8 As England’s Economic Heartland has made clear: “Improving east west routes, such as East West Rail and the Oxford to Cambridge Expressway is a key priority. However, improving resilience for north-south corridors is also important for businesses.”⁴

3. Rail’s Role in Supporting Economic Links

- 3.1 The Western and Central Sections of EWR will transform connectivity within the Arc. However, there is a risk that rail connectivity between the Arc and the East Midlands will remain poor. Figure 3 shows the potential. It shows the GVA produced in the Arc and East Midlands LEP areas, with the Midland Main Line and East West Rail overlaid.

⁴ EEH – Planning for Growth, p18

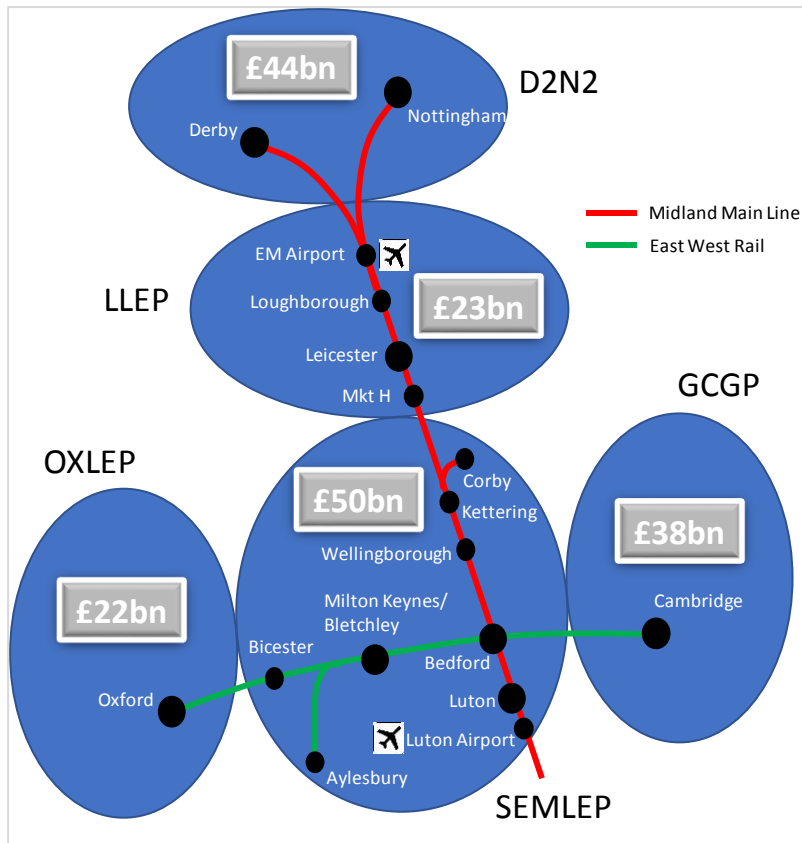


Figure 3 - Connectivity between LEP areas and GVA pa

3.2 Whilst Figure 3 shows the potential for connectivity between the Arc and the East Midlands via Bedford, the reality is that this connectivity risks becoming poorer:

- Already there are no peak services between the East Midlands and Bedford.
- The long-distance services on the Midland Main Line may not call at Bedford Midland (with only the Corby-London services stopping) from December 2020.
- The Central Section of EWR may bypass Bedford altogether, making interchange with the Midland Main Line unattractive (via two changes at Bedford South and Bedford Midland).
- The proposed Western Section service between Oxford and Bedford Midland from 2023, which would start to improve Arc-East Midlands connectivity, would be at risk depending on the Central Section route⁵.

⁵ P20 of the Consultation Technical Report: "If EWR services were to serve a new station to the south of Bedford, this could have implications for the planned service between Oxford and Bedford Midland that it is currently anticipated will follow the completion of the EWR western section. This will be considered further in advance of selecting a preferred route."

4. Options for Development

4.1 The following options have the potential to realise the economic potential for Arc-East Midlands connectivity by rail.

- 1) On opening of the EWR Western Section, development of Bedford Midland into an Interchange Hub between the Western Section and the the East Midlands. (Note that, although there is currently an hourly direct train between Oxford and Derby, for all other route pairs the current journey is difficult).
- 2) Development of a Reading/Oxford to Nottingham direct service via Bedford, Wellingborough, Kettering and Leicester. This is a key aspiration of East Midlands stakeholders, and is forecast to generate £42m GVA pa and over 1,000 jobs across the locations affected.
- 3) On opening of EWR Central Section, the further development of the Interchange Hub concept to include connectivity between Cambridge and Nottinghamshire, Leicestershire and Northamptonshire. This would also compliment the redevelopment of Bedford station and its surrounds as a high-quality hub and gateway to the town.
- 4) In the short term, but also in support of the above, re-instatement and development of Midland Main Line services from Derby/Nottingham and Leicester to Bedford.

4.2 The combination of these four developments would result in transformational changes in journey time between the East Midlands and the Arc, as shown on Figure 4.

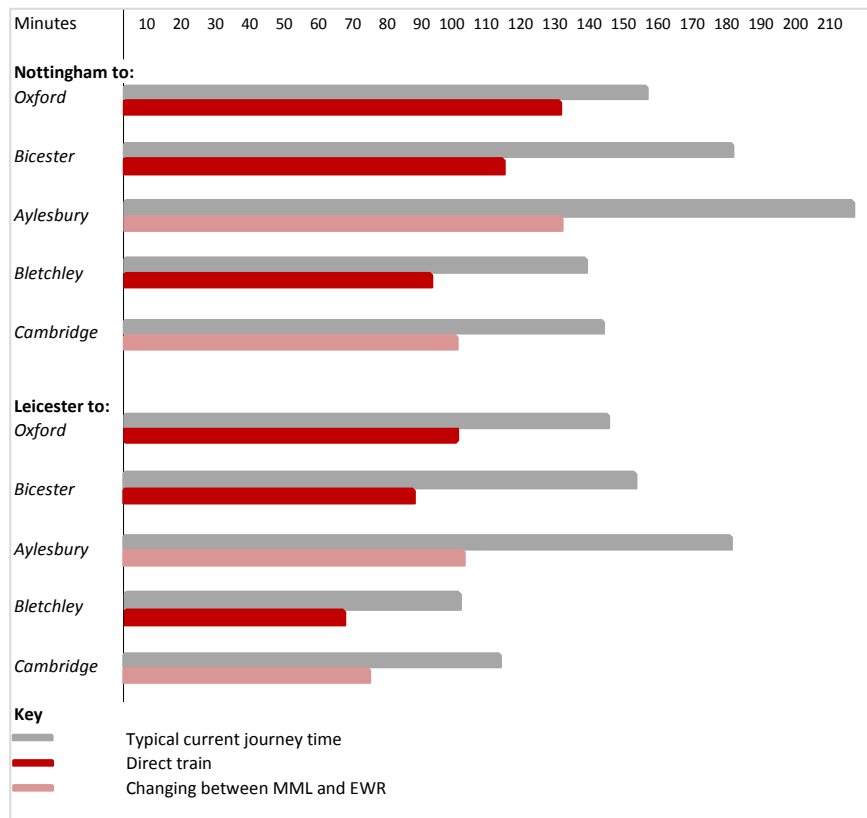


Figure 4 - Comparison of potential journey time savings

4.3 If HS2 Phase 2b Eastern Arm proceeds as planned, there is the opportunity to enhance further these connectivity benefits. Midlands Connect has developed a Strategic Outline Business Case (SOBC) for a Bedford-Leicester-East Midlands Interchange-Leeds service via HS2, using “classic compatible” rolling stock, and accessing HS2 via a junction immediately south of the new Interchange station. The SOBC has a Benefit:Cost Ratio of between 1.54 and 2.22 before Wider Economic Benefits are taken into account. The projected journey time between Bedford and Leeds is 1 hour 31 minutes. With an interchange at Bedford Midland, this would reduce the Cambridge to Leeds journey time compared to now by 40 minutes, and the Oxford to Leeds journey time by 30 minutes.

5. Conclusions

5.1 It can be seen that:

- There are significant economic linkages between the economies of the Arc and the East Midlands, especially in knowledge-intensive industries and academia, which are crucial to future economic development. These are activities for which rail is particularly suited and necessary.
- The current Arc-East Midlands connectivity is poor and could well get considerably worse.
- There are a series of potential service developments which would reverse this, transform travel between the Arc and the East Midlands and deliver significant economic benefits to both regions.

5.2 The achievement of these outcomes will require the two regions to work together, including with Midlands Connect and East Midlands Councils to create a compelling case.

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