



Transport Officers Group

13th September 2019

Agenda Item Number 5: England's Economic Heartland's Rail Study

Recommendation:

It is recommended that the meeting:

- a) Review and agree the specification of work to be commissioned that will identify the future role for the Heartland's rail system (Annex A)**
- b) Consider the need for a Rail Study Steering Group to evaluate proposals, monitor progress of the commission and attend an inception meeting with appointed consultant(s)**

1. Rail Study: Strategic Context

- 1.1. To date, the success of the Heartland has been without the levels of investment in infrastructure and services needed to ensure growth is sustainable in the long term. If the Heartland is to realise its economic potential, in a way that delivers environmental net gain, then the rail system is going to play an essential role.
- 1.2. Rail passenger services play a key role in supporting activity across the Heartland including inter-regional opportunities and the wider benefits associated with this.
- 1.3. Traditionally, whilst the passenger franchise map has evolved over time, the principles of its geography have remained broadly static. Changes to the map have been driven largely by the operational needs of the railway as opposed to supporting long term strategic growth ambitions.
- 1.4. The use of rail as a viable travel option is central to the vision set out in the Outline Transport Strategy and EEH's key principles of enabling economic growth, encouraging accessibility and inclusion, and improving the quality of life and the environment.
- 1.5. Realising the potential of this region will require a new approach to the planning and investment of transport. An approach that is in part guided by aligning transport investment with delivery of planned economic and housing growth.
- 1.6. Transformational investment, such as the delivery of East West Rail will play a major role in changing the socio-economic geography. What is currently a series of discrete housing markets and functional economic areas will soon become one. This connectivity will create a ripple effect along the corridor and in the round that will act as a catalyst in unleashing the region's economy and productivity, supported by essential investment in first/last mile connectivity.

- 1.7. The impact this transport investment is already having on this region's ability to attract skills and investment, coupled with the wider socio-economic and accessibility benefits it will deliver signifies the need to plan to maximise the efficiency of the Heartland's rail system.
- 1.8. The approach to the long-term planning and development of our rail network must evolve quickly if we are to better address the need for it to support the changing spatial geography of this region.
- 1.9. These principles are the mandate for a rail study that looks to review the current pattern of rail services in the Heartland and the role the Heartland's rail system can play, in both delivering infrastructure and services to enhance capacity, which will in turn drive economic activity and planned growth.

2. Williams Rail Review

- 2.1. The William's Rail Review provides an opportunity to look at the structure of the rail industry and the way it's delivered. The findings will set out the government's intention for reform of the rail sector in for the form of a white paper published in autumn 2019.
- 2.2. EEH have met regularly with the William's review team to press the need for change. The Forum's submission to the review set out the need for new organisational and commercial frameworks to consider a number of themes. The Rail Study will help provide the evidence base that wraps around the principles set out in EEH's submission to that review, which are summarised as followed:
- 2.3. Recognition of the role of the rail transport system in enabling the delivery of planned growth must always be reflected in developing the specification for passenger services. There is a need to develop an approach that enables investment in new infrastructure and services to be better linked with planned growth, one that ensures that investment in rail is enabling investment that provides sustainable travel choices from day one of a new development. The benefits of investment in schemes such as East West Rail should be taken into account when planning subsequent investment in strategic highway schemes.
- 2.4. Proposals for devolution of the rail industry based on the historic network of radial routes and services run the severe risk of perpetuating a London-centric system. Not only does this run counter to broader Government ambitions to rebalance the economy nationally – it risks missing the opportunity afforded by East West Rail to create travel choices that better reflect the needs of the Heartland's residents and businesses and avoid the need to travel via London.
- 2.5. Planning for and delivering capacity for rail freight should take into consideration wider public sector policy objectives. Moving forward this may require the state being prepared to invest in strategic capability. For example, East West Rail has the potential to relieve freight movements into London, thus freeing up capacity for more passenger services – a key objective in the Mayor of London's Transport Strategy. The challenge currently is that investment in freight capacity is driven by market forces. There is a case for the public sector to accept the need to invest based on the basis of the wider public good derived from it.



- 2.6. Finally, The Review should examine the extent to which competition laws might inadvertently prevent the realisation of a truly integrated transport system. For example, potential bidders for franchises cannot include proposals to integrate local bus services to deliver an integrated offer to the public. In a desire to avoid creating monopolistic positions, the system may be inadvertently missing opportunities to deliver the joined approach that will encourage greater use of public transport.
- 2.7. The Forum will consider the findings of the review later this year.

3. Rail Study: Collaboration Opportunities

- 3.1. EEH has developed a partnership with Network Rail System Operator who is providing the Business Unit with technical support to develop priorities for the Heartland's rail system to be included within its Transport Strategy.
- 3.2. Sub-national rail meetings with Midlands Connect is also providing collaboration opportunities to take forward cross-regional proposals.
- 3.3. Engagement on our Outline Transport Strategy has provide us with the framework from which to strengthen our working relationship with the Rail Delivery Group and individual operators. The publication of our Freight and Logistics Study has secured a positive reaction from the major rail freight interest groups who are interested in supporting EEH with further feasibility work.
- 3.4. These groups have shaped the brief of work set out in Annex 1. EEH encourages partners to be part of a Rail Study Steering Group supported by these groups and others, to oversee this commission.

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