

East West Rail Consortium Strategic Board 15 September 2021

Agenda Item 4: Spending Review 2021

Recommendation: It is recommended that the meeting:

- a) Endorses the East West Rail priorities being put forward by England's Economic Heartland and Transport East for the Spending Review**
- b) Agrees the Spending Review letter of support to be sent from the Partnership to DfT and HM Treasury.**

1. Context

- 1.1. On 25 November 2020 the Chancellor of the Exchequer presented a single year settlement for 2021/22. This differed from the original plan to have a longer-term spending review, but was an understandable position given the continued uncertainty caused by the COVID-19 pandemic.
- 1.2. On 7 September 2021, the government announced a three-year Spending Review to take place this autumn 2021. Given the time frames, the timing of the Spending Review from announcement to conclusion is extremely tight. The Spending Review will allow the government to put in place the medium-term financial plans that it was not able to commit to in autumn 2020.
- 1.3. Board members will be aware of the significance of this year's Spending Review, against a backdrop of significant pressure on public sector finances and the Government's ambition to 'build back better' from the pandemic.
- 1.4. As a net contributor to the Exchequer, investment in infrastructure to support and accelerate economic recovery in the region, and support the delivery of planned housing growth, will be fundamental to support the UK economy as a whole. As such, the commitment to invest in, and accelerate delivery of, infrastructure in the region should be a priority for the Government.
- 1.5. However, within the announcements made in autumn 2020 the government set out its commitment to prioritise investment away from London and the South East. The cessation of work on the development of Crossrail 2 is arguably an example of this emphasis.
- 1.6. Notwithstanding the identification of the Oxford-Cambridge Arc as a national economic priority we cannot assume that the case for strategic investments has necessarily been made and the funding secured. It is clear that the forthcoming Spending Review will be particularly challenging.

2. Consortium submission

- 2.1. As sub-national transport bodies, England's Economic Heartland and Transport East will be making the strongest possible case for investment in their respective regions.
- 2.2. Both the STBs' submissions will reinforce the importance of continued investment in East West Rail. Both submissions are awaiting final approval from their respective boards.

- 2.3. The Spending Review submission from England's Economic Heartland places a strong emphasis on delivery of the Aylesbury-Milton Keynes and Bletchley-Bedford sections of East West Rail as immediate infrastructure priorities. It also sets out the need to invest in the electrification of the scheme and delivery of East West Rail as a digital spine. It also makes the case for Felixstowe-Nuneaton as an immediate priority.
- 2.4. Transport East's submission makes the case for accelerating development of the Eastern Section, and the Ely area upgrade.
- 2.5. On this basis, it is proposed that a letter be submitted from the newly branded East West Main Line Partnership to DfT and Treasury. The letter will endorse the submissions of the two STBs in relation to East West Rail. A draft letter for agreement by the Board is set out at annex 1. The letter is also based on the lines agreed by the Board for the response to the East West Railway Company's Marston Vale Line consultation.
- 2.6. The Board is invited to agree the draft letter.

Annex 1: Spending Review submission to DfT

Dear Secretary of State

The East West Main Line Partnership (the new name for the East West Rail Consortium) brings elected members and officers from its constituent local authorities and representatives from local enterprise partnerships together in a collaborative partnership, the ambition of which is to promote and secure a strategic railway connecting East Anglia with Central, Southern and Western England, including the link to Aylesbury.

The Oxford to Cambridge Arc is identified by government as a national economic priority: delivery of East West Rail is the single most important opportunity for realising the ambition for the Arc. The National Infrastructure Commission in its report – Partnering for Prosperity – also endorsed the strategic importance of the East West Main Line.

The Partnership therefore welcomes the government’s continued commitment to restore the rail link between Oxford and Cambridge. Delivering and realising the full potential of East West Rail is a key transformational project for the region, for the UK and for our position on a global platform. Investment in East West Rail is providing high quality connectivity in an economic region that competes on a global scale. And, through the region’s commitment to planning the right first and last mile connectivity to East Rail Rail, both now and in the future, we are ensuring the railway continues to support creation of places in which people want to live, work and thrive.

The government has previously set out its commitment to complete the restoration of the Oxford to Cambridge rail link (including the Aylesbury-Milton Keynes link) by 2030. The Spending Review must ensure that this commitment remains, given the key role that East West Rail has in enabling the economic potential of the region to be realised, consistent with the requirement to achieve net zero carbon. This will enable partners along the corridor to bring forward long-term proposals for their communities with greater confidence. It will also give continued confidence to private sector investors when determining the location of their future investments.

Both England’s Economic Heartland and Transport East sub-national transport bodies have made Spending Review submissions which reference the importance of delivery of an East West Rail Main Line at the earliest opportunity. The Partnership endorses these submissions.

From within the submissions provided, the Partnership would like to reemphasise the need for focus and a commitment to deliver:

Aylesbury to Milton Keynes

Though each section of the East West Rail project will realise benefits for the communities and businesses it serves, the full transformational benefit will only be realised through the delivery of the East West Main Line in full.

In this context, delivery of the link between Aylesbury and Milton Keynes (planned for delivery as part of the ‘Western Section’) must continue to be viewed as an integral element of East West Rail. We urge the government, through this Spending Review to provide capital funding to enable its delivery at the earliest opportunity.

The link provides a key connection that will support future growth, improving connectivity in a way that reduces demand on the road network. In addition to linking the economic cluster centred on Milton Keynes with the planned growth centred on Aylesbury, the Aylesbury to Milton Keynes link forms part of the strategic opportunity to improve connectivity on the Northampton – Milton Keynes/Bletchley – Aylesbury – High Wycombe

– Old Oak Common corridor. Realisation of this strategic opportunity is identified in EEH’s transport strategy as a regional priority.

Bletchley-Bedford

At the same time, it is essential that delivery of Bletchley-Bedford section (also previously part of the ‘Western Section’) must continue without delay.

In its consultation response on the Marston Vale Line, the Partnership recognised the need for change to operations on the Marston Vale Line. However, to maintain pace, and to demonstrate the government’s commitment to supporting delivery of economic and housing growth in a sustainable way, the Spending Review must support the introduction of Oxford to Bedford services at the earliest possible opportunity.

We both consider it possible and essential to the ambitions of the region that these services be operational prior to the completion of the Bedford to Cambridge section.

Eastern Section

Whilst the remit of the East West Railway Company is to restore the rail link between Oxford and Cambridge, the strategic opportunity championed by the Partnership (and endorsed by the National Infrastructure Commission) is to connect services through Cambridge, and eastwards to Norwich and Ipswich.

The Partnership is completing a pre-Strategic Outline Business Case for the ‘Eastern Section’ – in respect of services east of Cambridge. Realisation of this strategic opportunity is a priority of both EEH and Transport East sub-national transport bodies and the Spending Review should provide revenue funding to enable the acceleration of this work.

Electrification

The imperative to decarbonise our transport system is front and centre of transport policy at national, regional and local level. Electrification of the East West Main Line offers the only realistic traction technology for high-speed, longer-distance passenger services and freight services that will operate on it. The scale of construction works required for the Marston Vale Line, combined with the need for new construction between Bedford and Cambridge should be taken as the opportunity to deliver these sections as electrified infrastructure from day one. With the West Anglian Main Line, East Coast Main Line, Midland Main Line and West Coast Main Line all electrified, the case for electrification is heightened from an operational perspective.

Experience shows that the cost of retrofitting infrastructure for electrification once a rail link is operational will be significantly higher than if the investment is made at the same time as the initial construction works. Committing to the delivery of the Bletchley/Bedford to Cambridge section as an electrified route will avoid unnecessary costs being incurred at a future date. The commitment to electrify the Bletchley/Bedford to Cambridge section should be viewed as part of the national programme of electrification that is required to support the government’s commitment to decarbonise our transport system.

Digitally enabled

The section between Bletchley and Cambridge should also be delivered as a digitally enabled infrastructure corridor. EEH and the Partnership worked closely with the East West Railway Company and government departments to enable the section between Bicester and Bletchley to be delivered as a digitally enabled infrastructure corridor: the additional capability being used to provide enhanced digital connectivity (including

provision of 5G) for surrounding communities and 'back-haul' services in support of the continued expansion of the digital economy.

All parties involved with the Bicester to Bletchley works recognise the added value of delivering new infrastructure as digitally enabled. This has demonstrated the need for future stages of the East West Main Line to be specified as needing to be digitally enabled infrastructure and for the cost of that provision to be included within the overall cost of the scheme.

The cost of providing enhanced digital connectivity as a percentage of the overall scheme cost is marginal. However, unless it is included within the specification of the works from the outset it can be difficult to secure the provision. Experience with the Bicester to Bletchley section suggests that enhanced digital connectivity can be delivered at 10% of the cost of retrofitting once the railway infrastructure is operational.

Delivery of East West Rail presents a once-in-a-generation opportunity to deliver a future proofed railway that puts the country's environmental commitments at the forefront of our approach to supporting economic growth. It is a flagship opportunity for Global Britain, and should be supported to ensure its delivery continues at pace.

Yours sincerely,

Cllr Steve Broadbent
Chair
East West Main Line Partnership