

Strategic Transport Forum

22nd June 2018

Agenda Item 4b: Strategic Rail Priorities

Recommendation: It is recommended that the Forum:

- a) Endorses the progress being made with the Oxfordshire Rail Connectivity Study given its strategic significance
- b) Agrees to make a contribution of £25,000 as part of the local 'match funding' required for the Oxfordshire Rail Connectivity Study
- c) Agrees that train service planning associated with the Western Section of East West Rail must consider the opportunity to reallocate existing capacity between Oxford and Didcot in order to support improved connectivity across the Heartland area
- d) Agrees that train service planning associated with the West Coast Main Line subsequent to the opening of HS2 must give equal consideration to the potential to achieve improved north-south connectivity along the Northampton – Milton Keynes/Bletchley – Aylesbury – High Wycombe – Old Oak Common corridor

1. Context

- 1.1. In November 2017 the Forum set out its strategic rail priorities in a position paper (Annex 1). This continues to form the basis for the Forum's work on strategic rail issues.
- 1.2. In addition to identifying the critical importance of delivering the East West Rail project the Forum's strategic priorities also include (para 4.6 of Annex 1):
 - Addressing capacity constraints on the Didcot – Oxford corridor (which would need to be considered alongside issues associated with the parallel strategic road corridor);
 - Addressing capacity constraints on the 'Cambridge corridor'; *and*
 - Realising the opportunities to improve north-south connectivity on the Northampton – Milton Keynes – Bletchley – Aylesbury – High Wycombe – Old Oak Common/Park Royal corridor.
- 1.3. The purpose of this report is to provide an update on the work in relation to strategic rail priorities, and, where required, seek a further steer from the Forum on activity for the year ahead.

2. East West Rail: An Update

- 2.1. The East West Rail Consortium (the local authority led consortium that champions the project) had its most recent meeting on 14th June. Key points for this Forum to note are:
- a) The Terms of Reference for the EWR Consortium have been updated, this includes setting out the role of the Chairman and Vice-Chairman of the Consortium in relation to the governance framework associated with the newly established East West Railway Company (EWRCo)
 - b) Cllr Mark Shaw (Buckinghamshire County Council) was elected Chairman, and Cllr Sue Clark (Central Bedfordshire Council) was Vice-Chairman
 - c) Submission of the Transport and Works Act Order for the Western Section is scheduled for this summer: the application will be made by Network Rail
 - d) EWRCo is continuing to take forward work to identify a preferred route for the Central Section, with a non-statutory consultation scheduled for Q4 2018, enabling an announcement on the preferred route in early 2019.
 - e) The EWR Consortium members are preparing a 'prospectus' for the Eastern Section, drawing on the output of technical work commissioned by the Consortium that has identified a number of significant opportunities to improve connectivity by rail in advance of the restoration of the Central Section
 - f) The EWR Consortium has identified the need to undertake further work to examine the potential for rail freight along the EWR corridor: this to include consideration of the issues identified by the London Mayor in regard to diverting rail freight from routes from corridors within London to free up capacity for additional passenger services
- 2.2. In addition the EWR Consortium meeting identified a number of specific issues that this Forum needs to consider in greater detail given their relevance to the Forum's agreed strategic rail priorities.

Oxfordshire Rail Connectivity Study

- 2.3. In the Government's 2017 Autumn Statement, £300,000 of Government funding was identified for a rail connectivity study for Oxfordshire, reflecting the National Infrastructure Commission's November report to the Treasury.
- 2.4. The study was endorsed by the Oxfordshire Growth Board in February 2018. The Growth Board recognised the wider strategic rail context within which rail infrastructure and service enhancement projects sit – for example the linkage between improving the rail corridor through (and including) Oxford Station and delivery of East West Rail Western Section.
- 2.5. Following discussions between the Department for Transport, Network Rail, Oxfordshire County Council (and other Growth Board partners) and representatives from the East West Rail Company, work is underway to develop the remit for the study. Specifically, it has been agreed that the Study needs to go above and beyond

'traditional' rail investment planning, and more overtly considers as a priority how rail investment would support growth in Oxfordshire, along the wider Oxford to Cambridge corridor and beyond.

- 2.6. This will mean, amongst other approaches, there would be increased emphasis on quantifying economic and related benefits, with scenario planning that includes consideration of Gross Value Added (GVA) uplift and incorporating new evidence data from the Local Industrial Strategy.
- 2.7. Securing the £300,000 of Government funding for the rail connectivity study is dependent upon securing local 'match funding'. The Oxfordshire Growth Board has identified up to £200,000 of local contribution.
- 2.8. The East West Rail Consortium at its meeting on 14th June agreed to make a £25,000 contribution towards the local 'match funding' element; a reflection of the strategic significance of the study to the wider East West Rail project.
- 2.9. Given that addressing capacity constraints on the Oxford – Didcot corridor is also identified as a strategic priority for this Forum it is recommended that a contribution of £25,000 is made towards the local 'match funding' element.

East West Rail Western Section: Train Service Planning

- 2.10. As work to deliver the Western Section of East West Rail progress this Forum needs to consider two issues relating to train service planning that have implications for two of the three strategic rail issues previously identified:
 - a) Oxford to Didcot – linked with the work to be taken forward through the Oxford Rail Connectivity Study, the issue of platform capacity at Oxford Station is one that is likely to act as a constraint on the train service pattern that is achievable on East West Rail.

The key issue here is the extent to which the train service pattern on East West Rail is dictated by the need to rely on use of the bay platforms at Oxford Station. The EWR Consortium have identified the opportunity to consider the opportunity to reallocate existing capacity between Oxford and Didcot, specifically making use of capacity currently used by local stopping services. The reletting of the Great Western franchise affords the opportunity to consider making these available for use by East West Rail services.

Not only would this potentially remove the operational constraint imposed by use of the bay platforms at Oxford Station, it would also lead to improved connectivity from Didcot Parkway (and services on the Great Western Main Line) with the rest of the Heartland area.

- b) West Coast Main Line – the Department for Transport is in the process of letting the West Coast Partnership franchise: this franchise will be responsible for operating the West Coast Main Line during the construction of Hs2, and for its operation in the immediate period following its opening.

Whilst it is accepted that in terms of work related to train service planning for East West Rail Western Section needs to start with the current West Coast Main Line timetable, it is equally important that the opportunities created by the opening of HS2 to reallocate capacity on the West Coast Main Line is not missed.

This Forum has already identified the potential opportunity created by the opening of HS2 to realise improved north-south connectivity along the Northampton – Milton Keynes/Bletchley – Aylesbury – High Wycombe – Old Oak Common corridor: an opportunity also identified by Network Rail in their work as part of the Chilterns Route Strategy.

- 2.11. Both of these issues relate to strategic rail priorities identified by this Forum. It is therefore recommended that the Forum pursue both issues as strategic priorities through its own work programme and in support of the work of the East West Rail Consortium.

Martin Tugwell
Programme Director

June 2018

Annex 1**Strategic Rail Investment Priorities***November 2017*

- 1.1. England's Economic Heartland Strategic Alliance established the Strategic Transport Forum in February 2016. Membership of the Strategic Alliance covers the area from Oxfordshire, through Milton Keynes and across to Cambridgeshire, and from Northamptonshire across to Luton.
- 1.2. The Forum is the emerging Sub-national Transport Body (STB) for the Heartland area, and works closely with the Department for Transport and Network Rail, both of whom are members of the Forum
- 1.3. The Strategic Transport Forum is the focus for a single conversation on strategic transport issues across the Heartland and maintains the overview of strategic investment priorities.
- 1.4. The Department for Transport's (DfT) recently published Transport Investment Strategy emphasises the importance of STBs in providing local partners with the opportunity to shape future strategic investment priorities. In parallel to developing an STB proposal, a Transport Strategy is being prepared that will outline the strategic infrastructure requirements necessary to enable economic growth.

2. Strategic Context

- 2.1. The National Infrastructure Commission's (NIC) Interim Report of November 2016 identified the economic potential of the Heartland area as being of national significance to the long term future of the UK economy. The Interim Report identified the value of the Heartland economy (currently £92.5bn per annum) increasing by between £85bn and £163bn over the next 30 years.
- 2.2. The Commission in their Interim Report identified improved connectivity as being one of two critical issues that needed to be addressed in order to realise that opportunity.
- 2.3. The Government endorsed the Commission's view in the 2016 Autumn Statement, in which it identified additional funding specifically targeted at enabling work on two critical infrastructure investments – East West Rail and the 'expressway' – to be taken forward to the next stage. Delivery of these schemes is seen by Government and the Strategic Alliance as a 'once-in-a-generation' opportunity to create a multi-modal spine across the Heartland.
- 2.4. Economic opportunity on this scale is truly transformational in nature. Delivery of the multi-modal spine across the Heartland area will have wider implications for both housing and economic geographies. These will have implications for the scale and distribution of movement across the Heartland area which will need to be reflected in future rail infrastructure schemes and rail franchises.

3. Strategic Rail Priorities

- 3.1. It is essential that any future strategic investment in rail infrastructure and services reflects the needs of the Heartland economy. This paper outlines the Strategic Transport Forum's priorities for the infrastructure investment programme (delivered by Network Rail) and the passenger franchising process (overseen by the Department for Transport).
- 3.2. The paper also highlights how the Forum wishes to engage in future decision making for the rail industry going forward in order to help ensure that the needs of the Heartland economy are embedded into future programmes/processes.

4. Strategic Infrastructure Investment Priorities

- 4.1. Network Rail is devolving greater responsibility to its individual 'routes' when it comes to developing business plans for managing, maintaining and enhancing the infrastructure.
- 4.2. For the Heartland the focus on Network Rail 'routes' runs the risk of reinforcing the bias towards primarily considering rail corridors in terms of into/out of London. A number of 'routes' bisect the Heartland, however the National Infrastructure Commission's Interim Report highlighted that improved connectivity (particularly east-west) is critical to enabling the Heartland to realise its economic potential.
- 4.3. Increasingly the Forum's relationship with Network Rail is through their System Operator – the role of this team being explicitly to provide the strategic overview across the entire network.
- 4.4. Regular liaison meetings are held with officials from the System Operator, over and above their involvement in both the Transport Officer Support Group and the Strategic Transport Forum. A key role for the System Operator is to understand the key strategic (rail infrastructure) issues.
- 4.5. Delivery of East West Rail as a project – both Western and Central Sections – remains the Forum's key priority moving forward: it should also be noted that the East West Rail consortium has also been working with the Department for Transport on opportunities to improve connectivity beyond Cambridge – the 'Eastern Section'.
- 4.6. Whilst East West Rail remains the number one strategic rail infrastructure priority, the Forum has identified a number of other rail issues that are of strategic importance. These will be developed in more detail as work on the overarching Transport Strategy is taken forward. However based on current understanding, the strategic issues that need to be considered in order to support delivery of planned growth and improve overall connectivity of immediate strategic importance are:
 - Addressing capacity constraints on the Didcot – Oxford corridor (which would need to be considered alongside issues associated with the parallel strategic road corridor);
 - Addressing capacity constraints on the 'Cambridge corridor'; *and*

- Realising the opportunities to improve north-south connectivity on the Northampton – Milton Keynes – Bletchley – Aylesbury – High Wycombe – Old Oak Common/Park Royal corridor.

5. A Rail Strategy for the Chilterns and East West Rail

- 5.1. At the end of July Network Rail published its rail strategy for the Chilterns and East West Rail. As the emerging Sub-national Transport Body, England's Economic Heartland contributed to the preparation of the strategy – the first opportunity to do so.
- 5.2. The rail strategy is an important document in terms of setting out the opportunities for rail to support economic growth. The document reflects the opportunities for East West Rail to improve connectivity along the Oxford – Milton Keynes – Cambridge axis.
- 5.3. The rail strategy also identifies the strategic importance of improving north-south connectivity along the Northampton to Old Oak Common/Park Royal axis. Delivery of East West Rail infrastructure, in combination with the opening of HS2 (providing relief to the current West Coast Main Line) provides the opportunity to improve connectivity along an axis that links up a number of urban areas that are centres of economic and housing growth.
- 5.4. Of equal strategic importance is the opportunity to create a strategic connection with the Old Oak Common/Park Royal Development Opportunity.
- 5.5. The identification of the strategic importance of the Northampton – Old Oak Common/Park Royal corridor is to be welcomed. Improved connectivity across the Heartland area is essential if the economic potential identified by the National Infrastructure Commission is to be realised.
- 5.6. The Strategic Transport Forum will use the content of Network Rail rail Route Strategies as an input into the development of its overarching Transport Strategy. In the meantime the Forum will ensure that the wider strategic opportunities (north-south) provided by the East West Rail infrastructure and delivery of HS2 are realised.

6. East West Rail

Western Section

- 6.1. Good progress continues to be made with the Western Section. A further round of consultation as part of the preparation for the Transport and Works Act (TWA) has recently concluded, which the Strategic Transport Forum provided a strategic response to.
- 6.2. The consultation identified a number of issues where there is a need to find a solution. The East West Rail core team, on behalf of the East West Rail (EWR) Consortium, are working closely with the Department for Transport, Network Rail and the shadow East West Railway company to respond to these issues.

- 6.3. Whilst work on the TWA Order continues, the primary mechanism for delivering the Western Section will be the use of permitted development rights.
- 6.4. The EWR Consortium continues to work closely with the Department for Transport, Network Rail and the shadow East West Rail Limited on taking forward the Secretary of State's initiative to speed up delivery of the Western Section and reduce its cost. The work associated with the what is referred to as the Secretary of State's 'cost challenge' is extensive and on-going.
- 6.5. A key issue has been the need to press hard the EWR Consortium's position that delivery of the link to Aylesbury and delivery of the initial improvements to the Bletchley to Bedford section remain integral to the scope of the Western Section.
- 6.6. The 2017 Autumn Budget confirmed that funding is available to deliver phase two of the western section (Bicester to Bedford, and Milton Keynes to Princes Risborough), with the intention that services will be running in 2023 and the project to be complete by 2024.
- 6.7. In addition the 2017 Autumn Budget confirmed funding for an Oxfordshire Rail Corridor study. This will consider current and future rail growth across the area and establish opportunities for more services, routes and stations (such as Cowley).

Central Section

- 6.8. The 2017 Autumn Budget confirmed the establishment of the East West Rail Company as the vehicle charged with accelerating delivering of the overall East West Rail project. England's Economic Heartland supports the Secretary of State's initiative and continues to work closely with the new Company in support of its objective.
- 6.9. Also announced in the 2017 Budget, was a £5 million funding commitment from government towards delivery of proposals for Cambridge South station. Government is also commissioning Network Rail to report by summer 2018 on rail growth in Cambridgeshire up to 2043, and the enhancements needed for the increased demand. This work is supported by England's Economic Heartland as being required in order to support and accommodate the future growth of the area.

General

- 6.10. In his draft Transport Strategy the London Mayor identified the opportunity for East West Rail to accommodate inter-regional freight services that currently use the rail network within London. Ensuring that East West Rail infrastructure is capable of acting as an alternative for such movements is supported in principle by England's Economic Heartland, however, this would be in addition to the current planning assumptions in respect of freight paths.

7. East West Rail – West Coast Partnership

- 7.1. A key issue for the medium/longer term remains the use of capacity on the West Coast Main Line post the opening of HS2.

- 7.2. A key issue for the Strategic Transport Forum will be the importance of strong linkages between Milton Keynes and Bletchley - an issue which is important in terms of the longer term planning for growth in the Milton Keynes area.
- 7.3. Whilst the current West Coast Main Line timetable is being used as the basis for work associated with the Western Section, the Forum will press harder the importance of ensuring that the post-HS2 timetable is used as an opportunity to examine from first principles the allocation of capacity.
- 7.4. Work on letting the West Coast Partnership franchise is underway. This will cover the period up to and immediately after the opening HS2.
- 7.5. Given the strategic importance of the allocation of capacity on the West Coast Main Line post HS2 for the realisation of the wider strategic ambition for the economy identified by the National Infrastructure Commission, it is essential that the Forum works closely with both the Department for Transport and prospective franchisees.
- 7.6. The Department for Transport has recently announced the short-listed operators for the West Coast Partnership, with invitations to tender due to be issued later this autumn. The Forum will engage with the short-listed operators to ensure that their proposals take into account the Heartland's strategic requirements.
- 7.7. There is likely to be a need to commission specialist advice that can be used to press the need to reallocate capacity on the West Coast Main Line post-Hs2. This will be taken forward by the Forum if required.

8. The Rail Franchising Map

- 8.1. Alongside engaging with Network Rail on the identification and delivery of investment in rail infrastructure, the Strategic Transport Forum also has a key role to play in ensuring that the franchising programme managed by the Department for Transport supports the strategic objective of improved connectivity across the Heartland as a means of enabling the acceleration of planned growth (economic and housing).
- 8.2. An initial overview of the current state of affairs suggests the following:
 - Great Western – the introduction of Crossrail (Elizabeth Line) services requires the transfer of some train paths in the Thames Valley to Transport for London – leaving a mixture of longer distance (inter-city) services and 'semi-fast' services.
 - Chiltern – the current franchise (which was uniquely a long-term 20-year franchise) will shortly come to an end.
 - East West Rail – with work on delivering the Western Section shortly to begin there is an urgent need to consider how the provision of new services might relate to other existing franchises.
 - West Coast Main Line – reference has been made above as to the urgent need for the Forum to develop its position in respect of its priorities for the use of capacity on the West Coast Main Line in the post-HS2 world.

- London Midland – inter-linked with the need to develop a position on the use of capacity on the West Coast Main Line, mindful that within the current franchise period services within the West Midlands will operate as a discrete business unit.
 - East Midlands – the Group has considered the issues related to the re-letting of the current franchise, however in looking forward it is important to begin thinking of how the delivery of East West Rail infrastructure might impact on subsequent franchises.
- 8.3. What this initial overview shows is the importance of the Forum taking an early view on whether – as a matter of principle - the current rail franchising map is capable of supporting the strategic objective of improved connectivity to support the delivery of accelerated growth within the Heartland. In order to help understand and assess this, the Forum is commissioning a short piece of technical advice which will provide a foundation for a subsequent discussion by the Forum early in the new year.
- 8.4. In addition to informing wider debate on the current rail franchising map the technical advice will contribute to the evidence base feeding into the development of the draft principles and objectives for the overarching Transport Strategy. It will also provide the basis for an informed engagement with the rail sector more generally as part of the commitment to strengthen the relationship between the Forum and public transport operators.
- 8.5. In seeking to develop a position on its expectations of the rail franchising framework, the Forum will ground its arguments in the need to support the realisation of the economic opportunities identified in the National Infrastructure Commission’s Interim Report.
- 9. Passenger Interchange**
- 9.1. A key objective of the emerging Transport Strategy for the Heartland will be the delivery of improvements that enable passengers to make a seamless journey. The Strategic Transport Forum views this as being of strategic importance.
- 9.2. The Forum is of the view that future franchise specifications should include a requirement on the new franchisee to work pro-actively with the relevant Local Transport Authority and local bus operators in order to deliver the seamless journey experience for public transport users, taking advantage of the provisions within the Bus Services Act 2017 where it helps to achieve this strategic outcome.
- 9.3. Any investment in new rolling stock must result in an improved passenger experience, in terms of journey times, frequencies and passenger comfort. It should also be a requirement of new franchises that there is investment made in the stations and supporting infrastructure (ticket machines, disabled access, length of platforms etc.)
- 9.4. In order to improve the passenger experience it should be a requirement of new franchises that free access to Wi-Fi is provided by the franchisee, both at stations and on-board services.

10. Collaborative Working

- 10.1. Ensuring that the rail system realises its potential to enable the delivery of planned growth is of interest to all local partners – local transport authorities, local planning authorities and local enterprise partnerships. The Strategic Transport Forum will continue to lead collaborative discussion and make strategic decisions on future rail need for the Heartland area in order to influence future investment.
- 10.2. The Forum, as the emerging Sub-national Transport Body, looks forward to achieving a higher level of engagement with the Department for Transport and Network Rail in the development of relevant franchise specifications going forward and the priority for investment in the future rail network.

November 2017