



Transport North East Committee

Thursday 9th October, 2014 at 2.00 pm

Meeting to be held at North Tyneside Council, Quadrant, The Silverlink North, Cobalt Business Park, NE27 0BY

www.northeastca.gov.uk

AGENDA

Page No

5. Prospectus for Investment in the East Coast Main Line

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Contact Officer: Victoria Miller Tel: 0191 211 5118 E-mail: victoria.miller@newcastle.gov.uk

To All Members

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North East Combined Authority

Transport North East Committee

DATE: 9th October 2014

SUBJECT: Prospectus for Investment in the East Coast Main Line

REPORT OF: Transport Lead Executive Officer

EXECUTIVE SUMMARY

The purpose of this report is to inform Members of the key findings from the Prospectus for Investment in the East Coast Main Line recently produced by the Consortium of East Coast Main Line Authorities

RECOMMENDATIONS

It is recommended that the Committee note the content of this report.

North East Combined Authority

Transport North East Committee

1 Background Information

- 1.1 Three members of the North East Combined Authority (Durham County Council, Newcastle City Council and Northumberland County Council) are members of the Consortium of East Coast Main Line Authorities (ECMA), which represents Local Authorities and Scottish Regional Transport Partnerships from areas served by the East Coast Main Line. The Consortium's role is to represent the communities served by the East Coast Main Line and, by working in partnership with both Governments, the rail industry and business, to secure the investment that is needed to enable economic growth along the route.

2 Proposals

- 2.1 In furtherance of its objectives, the Consortium commissioned JMP Consultants to produce an authoritative document outlining the economic benefits of the route to the communities it serves, and to the UK as a whole – as well as the longer-term benefits from further investment.

The resultant "Prospectus for Investment in the East Coast Main Line" was published in September 2014 and sets out in detail the economic benefits of the route and the service levels required at stations along the route in order to unlock the economic potential of the East Coast Main Line corridor. Its key messages are:

- The economies served from the East Coast Main Line (ECML) are significant and contribute over £300 billion per annum (Gross Value Added) to the UK economy;
- All these economies have tremendous growth potential;
- The potential benefits from investment can be realised straight away;
- Investment to improve both passenger and freight services is needed. The evidence shows that a further £5 billion in Gross Domestic Product could be generated if passenger services were improved;
- Investment in the East Coast Main Line and in all its services is beneficial and complementary to the case for High Speed 2 (HS2) Phase 2 to Leeds and York. Services from HS2 will create the conditions along the whole ECML that would generate a higher total Gross Domestic Product of £9 billion.

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Transport North East Committee

- 2.2 To support the case put forward and enable wider public and media engagement, the Consortium has also published a 9-page public-facing manifesto which summarises key messages from the JMP study and outlines a number of key actions needed to deliver the potential economic growth that is identified in the research.

3 Next Steps

- 3.1 The ECMA Consortium will continue to work with industry partners to make the case for additional resources to improve reliability and journey times during the current Network Rail Control Period (CP5 – 2014 to 2019); and in the longer term to secure extra capacity during future Control Periods. The manifesto identifies the following actions that the Consortium feel are required and which will need to be delivered in conjunction with the rail industry, business and government:
- Working in partnership to develop specific proposals;
 - Securing significant additional investment in the East Coast Main Line to deliver the specific proposals;
 - Specifying franchised services that connect existing and emerging economies supported by the East Coast Main Line;
 - Continuing to invest in rail freight related infrastructure; and
 - Ensuring that HS2 services start to serve Leeds, York, the North East and Edinburgh sooner than is currently proposed and that these services are fully integrated with existing ones.

4 Potential Impact on Objectives

- 4.1 Active participation in ECMA and securing of an improved service on the East Coast Main Line will assist the Combined Authority in delivering its objective to maximise the area's opportunities and potential.

5 Finance and Other Resources

- 5.1 There are no financial or resource implications for the Combined Authority arising directly from this report. Investment in the East Coast Main Line could bring significant economic benefits to the Combined Authority area and assist in delivering its objectives.

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- 5.2 The prospectus identifies the net steps in terms of rail organisations securing the necessary rail investment as - ECMA will work with the rail industry to develop the best solutions and investments to make the economic growth potential in the corridor a reality. For Network Rail to identify the interventions required, including infrastructure, rolling stock, station and service improvements. These will each be costed and assessed in terms of value for money and deliverability, and a programme of short, medium and long-term interventions produced.

6 Legal

- 6.1 There are no legal implications arising directly from this report.

7 Other Considerations

7.1 Consultation/Community Engagement

There are no specific Consultation/Community Engagement implications arising from this report.

7.2 Human Rights

There are no specific Human Rights implications arising from this report.

7.3 Equalities and Diversity

There are no specific Equalities and Diversity implications arising from this report.

7.4 Risk Management

There are no specific Risk Management implications arising from this report.

7.5 Crime and Disorder

There are no specific Crime and Disorder implications arising from this report.

7.6 Environment and Sustainability

Improving rail services on the East Coast Main Line will have environmental benefits by providing an attractive and sustainable alternative to road or air travel between the North of England/Scotland and London.

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8 Background Documents

- 8.1 The Executive Summary from the JMP Prospectus is attached together with the ECMA manifesto brochure. The full Prospectus is available for download at http://www.york.gov.uk/downloads/file/14680/ecma_prospectus_with_annexes

9 Links to Plans in the Policy Framework

- 9.1 This report links to the North East's Strategic Economic Plan (SEP) where better rail services are identified as a key priority for the wider area.

10 Appendices

- 10.1 Prospectus for Investment in the East Coast Main Line – Executive Summary
Keeping the Economy on Track – ECMA Manifesto Brochure

11 Contact Officers

- 11.1 Mark Wilson, Regional Transport Principal Advisor
mark.wilson@newcastle.gov.uk (0191) 211 5679

12 Sign Off

- Head of Paid Service ✓
- Monitoring Officer ✓
- Chief Finance Officer ✓

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PROSPECTUS FOR INVESTMENT IN THE EAST COAST MAIN LINE

EXECUTIVE SUMMARY

1 September 2014



PROSPECTUS FOR INVESTMENT IN THE EAST COAST MAIN LINE

EXECUTIVE SUMMARY

1 September 2014

Job No	NEA7026
Report No	2
Prepared By	Martin Revill
Verified By	
Approved By	Alan Beswick
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JMP Consultants Limited
100 Wellington Street
Leeds
LS1 1BA

T 0113 397 9740
E leeds@jmp.co.uk

www.jmp.co.uk

Executive Summary

The Consortium of East Coast Main Line Authorities (ECMA) represents Local Authorities and Scottish Regional Transport Partnerships throughout the area served by the East Coast Main Line.

The Consortium has commissioned independent, specialist research from JMP Consultants and Albion Economics to provide a complete view of the growth potential of economies linked by the East Coast Main Line.

Through this report the Consortium demonstrates the case for further investment in the East Coast Main Line and in the services (both passenger and freight) that use it, so that all economies and communities connected by the route can fulfil their potential and achieve significant economic growth.

The East Coast corridor is an important driver of the UK economy

The economies served from the East Coast Main Line are significant. Our research shows that they contribute over £300 billion per annum Gross Value Added (GVA) to the United Kingdom economy, not including London. When London is included they represent almost half of UK economic output.



The economies along the length of the route have tremendous growth potential

Many of the local economies in the corridor are highly productive, with GVA per capita amongst its highest in London; Aberdeen & North East Scotland with its valuable oil and gas production sector; and Edinburgh, South East Scotland, Leeds City Region, and Hertfordshire, where finance and business services are strong elements of the economy.

And there is tremendous potential for the East Coast corridor to contribute even further.

Investing in the East Coast Main Line and its services will enable the UK to realise this potential. Many sectors of the economy can

benefit from improved connectivity to facilitate the transport of goods to markets, to widen labour markets or improve business to business connections.



This work has shown that investment in the East Coast Main Line corridor and its rail services stands to bring benefits to all of the local economies along the length of the corridor:

- to London and its airports, for finance, government, business and international connectivity;
- to Edinburgh as a centre of government, and finance and business;
- between London, Edinburgh and other important centres of finance and business, such as Leeds;

- between North & North East Scotland, the Tay, the Tyne, the Tees and the Humber for renewable energy, and the North Sea and gas industry;
- between growing centres of life science and biotechnology businesses along the length of the corridor;
- to centres of applied and advanced manufacturing excellence;
- to all areas for emerging digital and creative sectors and a diverse tourism industry;
- to freight routes and East Coast ports.



However the East Coast Main Line is not just about supporting region-to-region economic linkages. Supporting local economies through services that provide commuting opportunities is also important and is a major contributor to the labour market GDP benefits.

Investment to unlock this potential could generate GDP benefits in excess of £5 billion

The research and analysis presented in this report demonstrates that the economies could generate over £5 billion in additional GDP if passenger services on the route are improved.

Investment to realise up to eight long distance high speed (LDHS) train paths out of London, and nine north of Peterborough, could generate over £0.3bn of additional GDP per year in the form of improved business-to-business connectivity (agglomeration benefits) and labour market enhancements.

This would be worth over £5bn to the UK economy over the next 60 years, on top of the significant benefits to the economy that would arise from the journey time savings and improved reliability that such investment would bring.



This investment needs to improve both passenger and freight services

However, in spite of the demonstrable importance of the economies served in the East Coast corridor to the UK economy the East Coast Main Line has not always enjoyed the level of investment it warrants.

This has resulted in some significant capacity constraints and pinch points on the East Coast Main Line which limit the pattern of passenger services and available freight paths, and stifle innovation in service provision, resulting in:

- slow journey times, particularly in Scotland and northern England;
- poor service reliability, an issue critical to business;
- poor connectivity to London, particularly for places 'off' the East Coast Main Line including Lincoln, Grimsby, Hull, Bradford, Middlesbrough and Sunderland;
- poor connectivity to other key destinations, particularly in Northern Scotland, and to northern destinations from southern England including Stevenage and Peterborough;
- inconsistent quality of rolling stock and stations.

All of this adds up to variability in the customer experience, which can be poor at times.



The research informing this case for investment has focused on identifying the service outcomes required to unlock the economic potential of the East Coast Main Line corridor, expressed in terms of **conditional outputs**. These include:

At key stations - *Peterborough, Doncaster, Leeds, York, Darlington, Newcastle and Edinburgh:*

- At least 2-3 services per hour, to London and other key stations offering an average speed of circa 100mph;
- At some stations, including Leeds, further enhancements associated with the High Speed Rail HS2 proposals.

At intermediate stations - *Stevenage, Huntingdon, Grantham, Newark, Retford, Wakefield, Northallerton, Durham, Morpeth, Alnmouth, Berwick-upon-Tweed and Dunbar:*

- Increased frequency and speed to London and more direct services to a wider range of key and intermediate stations.

At associated stations including *Lincoln, Scunthorpe, Grimsby, Hull, Bradford, Harrogate, Scarborough, Middlesbrough and Sunderland:*

- Regular direct services to London;
- Improved service levels to some key and intermediate stations.

In Scotland, the focus should be on enhanced Anglo-Scottish services where journey time improvements and targeted service extensions, particularly northwards to Aberdeen and Inverness, would bring benefits to both Scottish internal services and Anglo-Scottish services and provide more cross border options.

By 2019 existing committed investment in the East Coast Main Line will have delivered a capacity of seven LDHS paths per hour for passenger services from London to Doncaster.



Further investment beyond 2019 should be focused on incrementally moving East Coast Main Line and associated services within the corridor to meet the standards described above. In the longer term providing eight LDHS paths each hour from London linking core and intermediate stations, and with nine LDHS paths each hour north of Peterborough, will help deliver the economic potential of the corridor.

This investment will be supported by jointly funded enhancement projects such as station upgrades and access improvements, which will be complementary to the delivery of the conditional outputs described here.

Investment in the East Coast Main Line Corridor is complementary to HS2

Investing in the East Coast Main Line and in High Speed 2 (HS2) Phase 2 to Leeds and York is complementary. Indeed these East Coast Main Line investments are essential if HS2 is to deliver to its full potential.

If developed in combination with the HS2 Phase 2 proposals our research shows that investment in both the East Coast Main Line and the eastern arm of HS2 would generate additional GDP of over £0.5bn per year. This would be worth up to £9bn to the UK economy over the next 60 years.

Next steps

Network Rail and others in the rail industry are best placed to develop the specific schemes that will be needed to achieve the potential for economic growth identified in the research. By working together, the Consortium, the rail industry, Government and businesses can deliver the potential economic growth that is identified in this research by:

- Securing significant additional investment in the East Coast Main Line to deliver the specific proposals;
- Specifying franchised services that connect East Coast economies together;
- Continuing to invest in rail freight related infrastructure;
- Ensuring that HS2 services start to serve Leeds, York, the North East and Edinburgh sooner than is currently proposed.



Prepared by:

ECMA, JMP Consultants and Albion Economics August 2014

ECMA contact details: Simon Houldsworth

simon.houldsworth@york.gov.uk

01904 551629

Keeping the economy on track



Our manifesto



The Consortium of East Coast Main Line Authorities

The Consortium of East Coast Main Line Authorities represents Local Authorities and Scottish Regional Transport Partnerships throughout the area served by the East Coast Main Line.

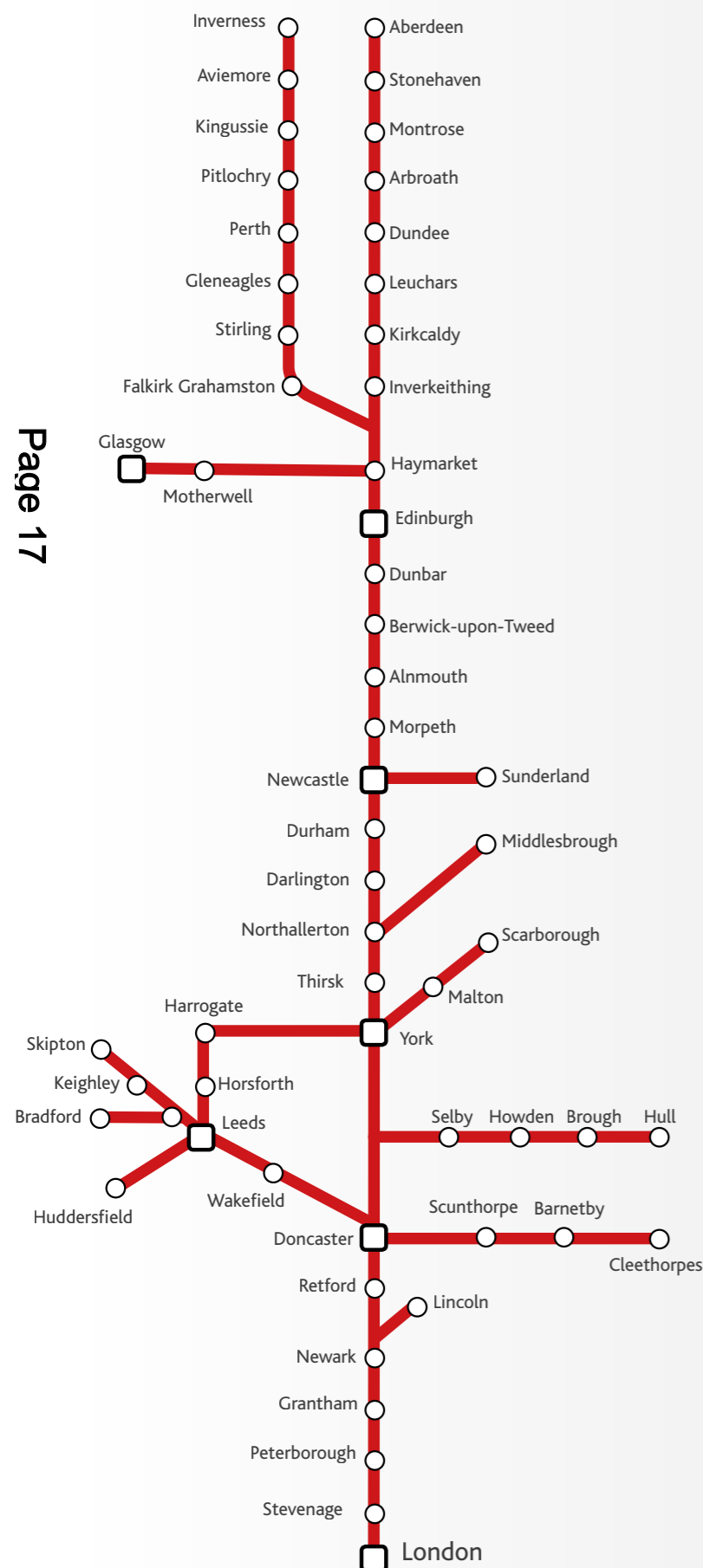
The many strategic decisions that need to be made about rail connectivity over the next few years mean that the Consortium has a vital role in representing all the communities served by the East Coast Main Line. We will work in partnership with both Governments, the rail industry and business to deliver the investment that is needed to enable economic growth.

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Consortium members are already investing significant sums to achieve economic growth, as set out in their economic strategies. There are many examples including:

- the **£1 billion** transformation of Dundee Waterfront including the new Victoria & Albert Museum of Design,
- the **£200m** Stephenson Quarter mixed use development adjacent to Newcastle station,
- the **£400m** iPort strategic road rail freight terminal at Doncaster,
- the **£22m** Lincoln Castle Revealed project anchoring the Magna Carta celebrations in 2015,
- the **£15m** Bourges Boulevard improvement schemes in Peterborough transforming the city centre particularly around the rail station, unlocking up to 5,000 jobs and 350 homes.

The economic benefits of investment in the East Coast Main Line

The Consortium has commissioned independent, specialist research to provide a complete view of the growth potential of economies linked by the East Coast Main Line (ECML)¹. Our methodology is consistent with that used by both the Department for Transport and Network Rail.

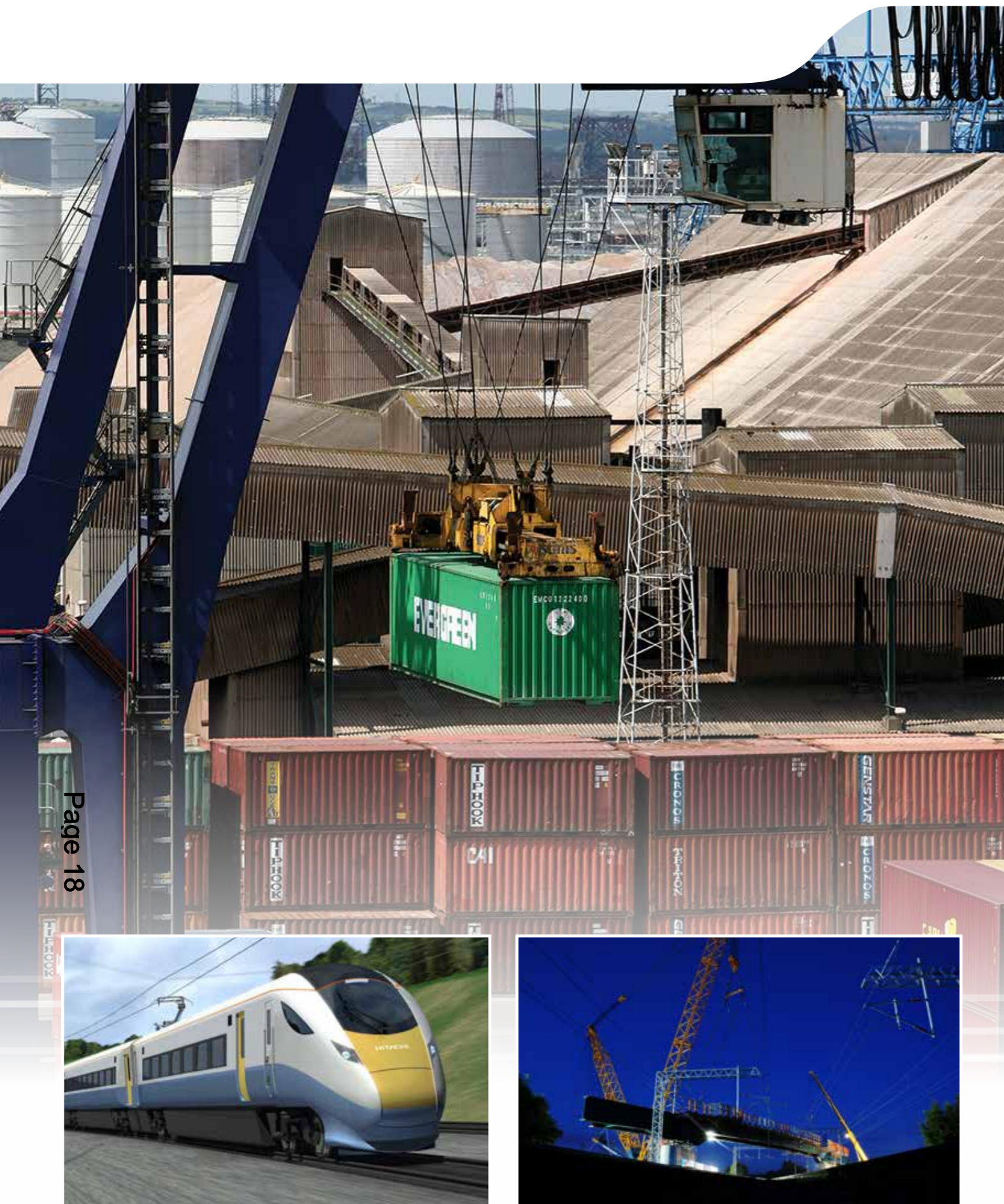


Our research includes evidence from businesses throughout the area about the important role of ECML services to the economy.

Our research shows that:

1. **The economies served from the ECML are significant.** They contribute over £300 billion per annum (Gross Value Added) to the United Kingdom economy. This figure rises when London's output is included.
2. **Our economies have tremendous growth potential.** Many sectors need good links to Edinburgh, London and other places along the route. The connectivity of the East Coast Main Line is the lifeblood of core and emerging business sectors. We are proud to be home to growing centres in finance and business services, life sciences and biotechnology, tourism, oil and gas, and advanced and applied manufacturing.
3. **The potential benefits from investment can be realised straight away.** Investment is being made to improve the capacity and reliability of the ECML as well as journey times. More can be done now to remove capacity constraints, increase connectivity between places and raise quality standards to aid economic growth.
4. **Investment to improve both passenger and freight services is needed.** The evidence shows that the economies could generate over £5 billion in additional Gross Domestic Product if passenger services were improved. These economic benefits are in addition to the transport benefits accruing from each specific scheme. We will see consequential employment, taxation and social benefits.

¹A copy of the Prospectus containing our research can be supplied upon request.



5. **Investment in the East Coast Main Line and in all its services is beneficial and complementary to the case for High Speed 2 Phase 2 to Leeds and York** (HS2 Phase 2). Our research shows that investment in both the ECML and the eastern arm of HS2 is complementary. Services from HS2 will create the conditions along the whole ECML that would generate a higher total Gross Domestic Product of £9 billion. Thus, investment in the ECML needs to be made as well as investment in HS2 to allow **both** to perform to their full economic potential.





Delivering the right schemes for economic growth

Network Rail and others in the rail industry are best placed to develop the specific schemes that will be needed to achieve the potential for economic growth identified in our research.



The research shows that the following actions would create the conditions that achieve strong levels of economic growth:

1. Providing eight, long distance, high speed passenger trains each hour from London linking core and intermediate stations together, with nine trains north of Peterborough in the longer term. These trains need to run at 100 mph along the ECML – our “Silver Standard”.
2. Providing through HS2 services in the longer term to Leeds, York, the North East and Edinburgh – our “Gold Standard”.
3. Providing regular direct services to London from places that currently have no or few trains each day to the capital and linking these places to other destinations on the ECML. Bradford, Scunthorpe and Middlesbrough are examples of places that need a regular service to the capital.
4. Providing a new direct passenger service from the north to Cambridge in the longer term, without reducing links between other ECML stations.
5. Improving the quality of the whole journey both on train and at platform, for example by providing 100% mobile connectivity throughout each journey to enable people to work whilst travelling.
6. Improving the movement of freight by completing gauge enhancement work, providing enough capacity for freight trains and connecting the ECML to the Electric Spine² to allow more electric haulage to key destinations such as ports, power stations and logistics sites.

²The Electric Spine will enable electrically powered freight trains to run from the Port of Southampton to the Midlands through the installation of overhead power lines.

The economies served from the
East Coast Main Line contribute over
£300 billion
per annum to the United Kingdom economy.



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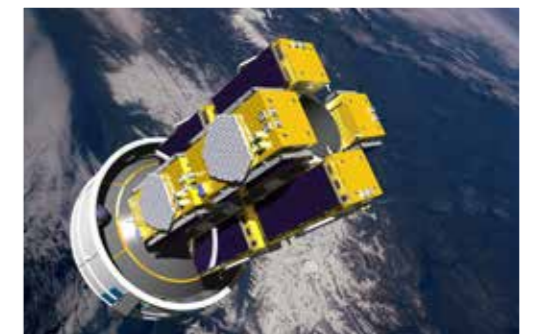


Working together

By working together, the Consortium, the rail industry, Government and businesses can deliver the potential economic growth that is identified in our research. We propose five actions to make this happen:



1. **Working in partnership** to develop specific proposals.
2. **Securing significant additional investment in the East Coast Main Line** to deliver the specific proposals.
3. **Specifying franchised services that connect East Coast economies together.**
Services need to link together existing and emerging economies supported by the East Coast Main Line. We need to deliver effective services not only along the route but to connected locations such as Sunderland and Lincoln.
4. Continuing to **invest in rail freight related infrastructure** that improves the movement of freight both between UK regional economies and to economies in other countries.
5. **Ensuring that HS2 services start to serve Leeds, York, the North East and Edinburgh sooner than is currently proposed** and that these services are fully integrated with existing ones, to maximise the economic benefits to all areas served by the ECML.



The overall economic benefit is

£9 billion*

Our commitment

Consortium members will work together to:

1. **Provide local business and community input on ECML issues on a whole line basis**, with an emphasis on economic growth.
2. **Continue to provide well established channels of communication** to enable us to work with the rail industry in delivering the right schemes.
3. **Provide resources to help deliver investment in the ECML**, including securing additional funding.



*The additional Gross Domestic Product from investing in both the ECML and the eastern arm of HS2 is £9 billion (Net Present Value).

Keeping the economy on track



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