



CONSULTATION RESPONSE

HIGH SPEED RAIL

HOUSE OF COMMONS TRANSPORT SELECT COMMITTEE

0. Introduction

0.1 Scottish Chambers of Commerce (SCC) welcomes the opportunity to contribute to the Transport Select Committee's inquiry into the strategic case for High Speed Rail (HSR). SCC is the umbrella organisation for the 20 key Chambers of Commerce across Scotland. Our Chambers represent 10,000 member businesses of all sizes, from sole traders to large multinationals, and operate across all industry sectors. HSR has long been a priority for Chambers of Commerce and our members across Scotland and we believe that Scotland should be an integral part of the UK HSR network from an early stage.

1. What are the main arguments either for or against HSR?

1.1 Scottish travellers are currently highly reliant on air transport for journeys to and from London and indeed to other key UK cities. The creation of a UK wide HSR network would widen the transport options for travel between Scotland and the rest of the UK, it would reduce our reliance on air travel and would boost the Scottish economy. HSR would bring economic, environmental and social benefits to Scotland. It would bring the UK closer together in terms of travel times and would help bring our transport network up towards the standards already enjoyed by many of our major competitor nations.

2. How does HSR fit with the Government's transport policy objectives?

2.1 HSR is designed to improve inter-urban connectivity. How does that objective compare in importance to other transport policy objectives and spending programmes, including those for the strategic road network?

2.1.1 Effective and efficient connectivity between our cities is a bare minimum in terms of a national transport strategy. Britain's cities are the keys to national economic growth and their strength can be maximised by excellent communications and transport links. In turn, the connectivity of these cities with the wider economy can ensure that the

benefits of wealth generation can be enjoyed by as wide a range of society as possible. Of course, HSR will largely directly improve the movement of people across the UK, and transport policy must continue to support the movement of goods and services. HSR should free up capacity on the conventional rail network for improved regional services and enhanced freight capacity. Nevertheless it will remain important to invest in our road network to maintain existing services and to enhance areas where the infrastructure requires to be brought up to an acceptable standard, for example the A1 north of Newcastle. From a Scottish perspective, HSR would improve links beyond London into continental Europe. In addition, it could help to address both the UK and Scottish Government's longer term environmental goals by reducing carbon emissions as passengers move from carbon hungry air travel towards electrically powered HSR trains, which will increasingly draw their power from renewable sources.

2.2 Focusing on rail, what would be the implications of expenditure on HSR on funding for the 'classic' network, for example in relation to investment to increase track and rolling stock capacities in and around major cities?

2.2.1 The UK HSR network should comprise new, dedicated lines, freeing up capacity on the existing conventional lines, which in many parts of the country have become severely congested. Investment in the conventional rail network must continue in order to ensure that regional transport can be improved and that new freight services can be explored, taking further freight off of our pressured road network. This is one of the reasons why the UK HSR network should incorporate Scotland from an early stage in order to reduce the congestion of HSR trains operating on conventional lines north of Birmingham and actually adding to congestion problems in the wider rail network.

2.3 What are the implications for domestic aviation?

2.3.1 Scotland is the part of the UK where the advent of HSR would have the most positive effect in terms of aviation. Currently, six million out of seven million passenger journeys each year between Scotland and London are undertaken by air. Without HSR, these passengers are likely to continue to use air transport as neither the East or West Coast Main Lines are geared up towards accommodating an additional six million passengers per year. HSR would widen transport options when travelling to or from Scotland and would facilitate additional capacity. Experience from France and Spain has shown that where journey times can be reduced to under three hours, the train becomes a more attractive option than air travel. A direct HSR link from Glasgow and Edinburgh to London would deliver sub-three hour travel times and would herald a significant modal shift from air to rail. This would have a number of advantages for business in Scotland including a more productive travel experience in comfort with wi-fi broadband communications available for the duration of the journey. A reduction in air services could also free up slots at London airports which could be used to guarantee essential air routes to more distant Scottish airports such as Aberdeen and Inverness. We would also hope that freed-up capacity at Scottish Airports could be used to facilitate additional direct routes to international destination and improved connectivity from Highlands and Islands Airports to the central belt of Scotland.

3. Business Case

3.1 How robust are the assumptions and methodology – for example, on passenger forecasts, modal shifts, fare levels, scheme costs, economic assumptions (eg about the value of time) and the impact of lost revenue on the 'classic' network?

3.1.1 SCC believes that the full benefits of HSR can only be achieved by including Scotland in the new network from the outset. Modal shift will only be a major factor with the inclusion of Scotland in the network, where HSR should increase the market share of rail journeys on the Scotland-London route from around 15% to over 65%. Greengauge 21 have calculated that HSR could deliver £19.8 billion of economic benefits for Scotland at a benefit to cost ration of over 3.5:1. Network Rail studies have also shown that Scotland-London HSR revenues could cover operating costs, negating the need for ongoing subsidy.

3.2 What would be the pros and cons of resolving capacity issues in other ways, for example by upgrading the West Coast Main Line or building a new conventional line?

3.2.1 The West Coast Main Line has already been upgraded at significant expense and great disruption, particularly at weekends which had an unwelcome impact on Scotland's tourist sector. The result has been only a marginal improvement in service. The solution is to create a dedicated HSR line to free up capacity on existing lines.

3.3 What would be the pros and cons of alternative means of managing demand in rail travel, for example by price?

3.3.1 It is difficult to see how price could be used effectively to vary demand on rail services between Scotland and London other than to drive customers away through higher prices. As stated earlier, conventional rail would find it impossible to cope with six million additional passengers each year across the ECML and WCML.

3.4 What lessons should the Government learn from other major transport projects to ensure that any new high speed lines are built on time and to budget?

3.4.1 There are of course many variables that affect all major infrastructure projects and not all of these are within the control of contractors or Government (e.g. exchange rates, raw materials prices, availability etc). Whilst some of these can be hedged, there are always some issues which can conspire to make things difficult. That said, there are numerous examples both nationally and internationally of large scale projects which have been delivered on time and on budget. In Scotland, the Scottish Futures Trust has been engaged to deliver best value on large scale infrastructure projects and is currently engaged on the Forth Replacement Crossing Programme. Its wealth of expertise may be a useful potential source of advice to the UK Government as well as the Scottish Government on HSR.

4. The strategic route

4.1 The proposed route to the West Midlands has stations at Euston, Old Oak Common, Birmingham International and Birmingham Curzon Street. Are these the best possible locations? What criteria should be used to assess the case for more (or fewer) intermediate stations?

4.1.1 The strategic importance of HSR should be to link up the UK quickly and efficiently. From a Scottish point of view, we want to see fast links from Scotland's key cities to London and the key cities of England. A priority for Scottish business is a rapid direct link to central London.

4.2 Which cities should be served by an eventual high speed network? Is the proposed Y configuration the right choice?

4.2.1 Ultimately, the UK's HSR network should serve all of our major cities from Inverness and Aberdeen to Cardiff, Bristol and London. Initial plans for the network should not be limited to the proposed Y shaped route to Manchester and Leeds. Scotland must be included as part of the core network from a very early stage, otherwise the UK is failing to realise the full benefits that HSR can bring. Completion of a Y shaped network, as currently proposed, would result in Scotland being proportionately further away from London in terms of travel time than it already is, prejudicing future investment.

4.3 Is the Government correct to build the network in stages, moving from London northwards?

4.3.1 Any network of this scale must necessarily be built in stages and we support the construction of the Birmingham-London section as an initial part of HS2. We do not accept that the route must necessarily be built northwards from London. Commencing work at both ends, i.e. Scotland and London, is the most sensible option if we are to ensure that this project is completed. This method was employed during the construction of the Channel Tunnel. Whilst this would require close co-operation between the UK and Scottish Governments, particularly at the planning phase, alongside agencies such as Transport Scotland, this is desirable and, in our view, is the best available option.

4.4 The Government proposes a link to HS1 as part of Phase 1 but a direct link to Heathrow only as part of Phase 2. Are those right decisions?

4.4.1 Yes. Direct HSR links to London and continental Europe are a higher priority than a link to Heathrow.

5. Economic rebalancing and equity

5.1 What evidence is there that HSR will promote economic regeneration and help bridge the north-south economic divide?

5.1.1 HSR will only help bridge the north-south economic divide if it more effectively links the north and south of the UK. Certainly by putting Edinburgh and Glasgow within a 2.5 – 3 hour travel radius from London will assist in making Scotland a more attractive place to do business and this will increase employment and regeneration opportunities. The

estimated economic benefits for Scotland, at £19.8 billion, are immense and undoubtedly new business opportunities will arise in the vicinity of Scotland's HSR stations.

5.2 To what extent should the shape of the network be influenced by the desirability of supporting local and regional regeneration?

5.2.1 This is an extremely important consideration. The purpose of the HSR network should be to maximise economic benefit for the UK and its nations and regions.

5.3 Which locations and socio-economic groups will benefit from HSR?

5.3.1 HSR will benefit the areas surrounding the cities and towns on the network and those areas accessible to them. Businesses will find these areas attractive and have the opportunity to expand and create new employment, assisting a wide range of socio-economic groups.

5.4 How should the Government ensure that all major beneficiaries of HSR (including local authorities and business interests) make the appropriate financial contribution and bear risks appropriately? Should the Government seek support from the EU's TEN-T programme?

5.4.1 All revenue sources possible, including the private sector and Europe must be exploited. It would probably aid an application for funding under the TEN-T programme if the Government was presenting a truly UK wide HSR network incorporating Scotland, and possibly Wales, at the outset in order to ensure a wide and maximised coverage of the potential economic and social benefits of the project.

6. Impact

6.1 What will be the overall impact of HSR on UK carbon emissions? How much modal shift from aviation and roads would be needed for HSR to reduce carbon?

6.1.1 Modal shift towards rail will only be maximised if Scotland is part of the HSR network from an early stage. All English cities are already within a three hour rail travel radius from London and therefore it is only travel from Scotland that would fall to within this important threshold following the construction of HSR. As mentioned earlier, the experience of France and Spain has shown that three hours is the tipping point for modal shift from air to rail and that Scotland-London rail journeys could move from around 17% to over 65% market share as a result of HSR. However if the Government's Y network is not expanded, journey times from, e.g. central Edinburgh to central London will still be quicker by air than rail even by 2033, with rail journey times still at 3 hours and 30 minutes. Road journeys from Scotland to London represent a very small market share.

6.2 Are environmental costs and benefits (including in relation to noise) correctly accounted for in the business case?

6.2.1 The environmental benefits of HSR are substantial and increase the further north the network spreads. Modal shift from air to rail will only be achieved in large measure

when journey times from the central belt of Scotland to London are reduced to sub-three hours.

6.3 What would be the impact on freight services on the ‘classic’ network?

6.3.1 A dedicated HSR line between Scotland and London would free up capacity on the conventional rail network which could be utilised by freight services.

6.4 How much disruption will there be to services on the ‘classic’ network during construction, particularly during the rebuilding of Euston?

6.4.1 Some degree of disruption will be inevitable, particularly where new HSR track is joining with the conventional rail network during the initial phases on the project. Ultimately we envision a future network largely separate from the conventional network other than where interfaces at mainline stations occur.

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