



Scottish Parliament Transport, Infrastructure and Climate Change Committee

Inquiry into the potential benefits of high-speed rail services - call for views

Submission from Scottish Chambers of Commerce (SCC)

Introduction

SCC welcomes the chance to respond to the committee's inquiry into this important matter.

There is high and growing demand for time and cost-efficient rapid transport between the UK's urban centres, including between Scotland's cities and the South.

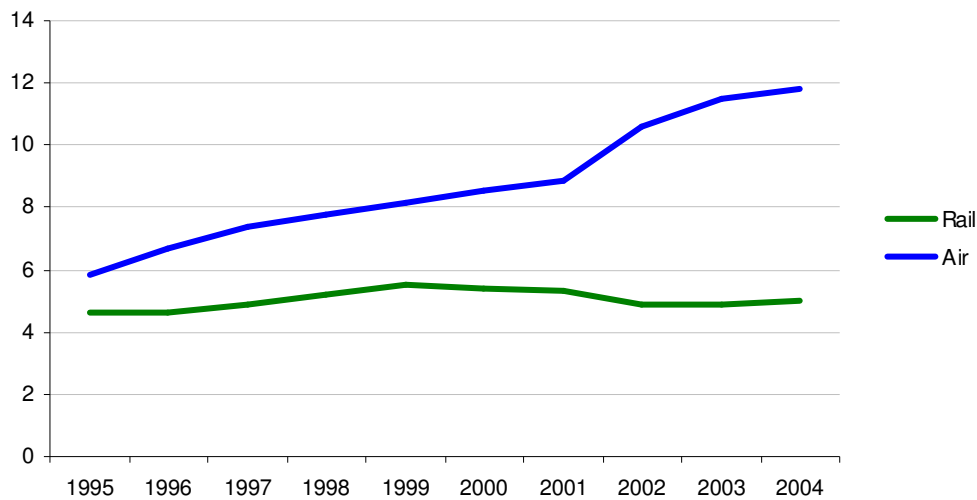
Over the last ten years passenger growth on the UK rail network has grown by 40% to more than one billion journeys a year. This is the fastest rate of growth in the EU, and usage has now surpassed the previous historic high of the early 1950's. Meanwhile freight traffic has also increased, by 49% over the same period¹.

At the same time, domestic air travel has experienced a boom in recent years. This is particularly important in Scotland where business travel to London and most other English cities is less feasible by conventional train². Between 1995 and 2004 domestic air traffic between Scotland and England increased by 240% to nearly twelve million journeys:

¹ Statistics from the Railway Forum.

² The first train from Glasgow currently reaches Manchester at 10.20 a.m. after 3hrs 40 mins and London at 11.27 a.m. after 5 hrs 32mins.

Scotland to England Journeys (million)



Source: *Scottish Transport Statistics, Scottish Government*

Demand for inter-city travel is being driven by economic growth generally, and also by a shift in economic activity in Northern cities towards service-based, professional and technical industries that require extensive business travel, such as finance, oil & gas and business services.

The situation is exacerbated by increasing congestion on Britain's roads. Road traffic has increased by 79% since 1980, resulting in a 7% decline in average speeds.

This process of increasing demand is unlikely to stop in the near future. Rail passenger traffic is projected to grow by 69% on the East Coast Main Line and 104% on the West Coast Main Line by 2026³. Road traffic is set to grow by a further 30% over the next two decades.

Capacity constraints

Rising demand from these various sources is not likely to be met by existing and planned rail capacity. In the last ten years train numbers have increased by only 15%, severely constrained by limits to the rail network.

Despite improvements such as the West Coast Main Line upgrade, where an investment of over £6bn has achieved a 10mph improvement in speed, it is estimated that the West Coast line will reach full capacity in 2016, with the East Coast Main Line following suit by 2031.

³ Source: *Inter-Urban Rail Forecasts: Final Report*, WS Atkins, December 2006.

At present high usage problems are already frequent, as even minor incidents, and the inevitable need for maintenance and renewal cause disproportionate disruption to services. Weekend travel for leisure and tourism has been severely undermined. A full capacity network is in reality unachievable.

While there is scope for increasing capacity at Scottish airports and others serving regional English cities, there are serious questions about capacity at the London airports. This is already prompting talk of a sixth terminal at Heathrow, Gatwick expansion and perhaps a new additional South-Eastern airport.

This overload is particularly disadvantageous to Aberdeen which relies disproportionately on air travel to London because of the uncompetitive nature of rail or car alternatives. The region already has concerns about securing additional landing slots as capacity constraints increase at London airports. Inverness faces similar disadvantages.

In addition, further big rises in domestic air travel will damage the UK's efforts to control atmospheric pollution, a point discussed further below.

It is clear that the UK's existing infrastructure plans will not accommodate projected domestic inter-city travel growth easily, and this represents a significant brake on future economic growth and international competitiveness.

Questions from the Committee

What do you think could be the potential economic and environmental benefits from the development of a high-speed rail link network?

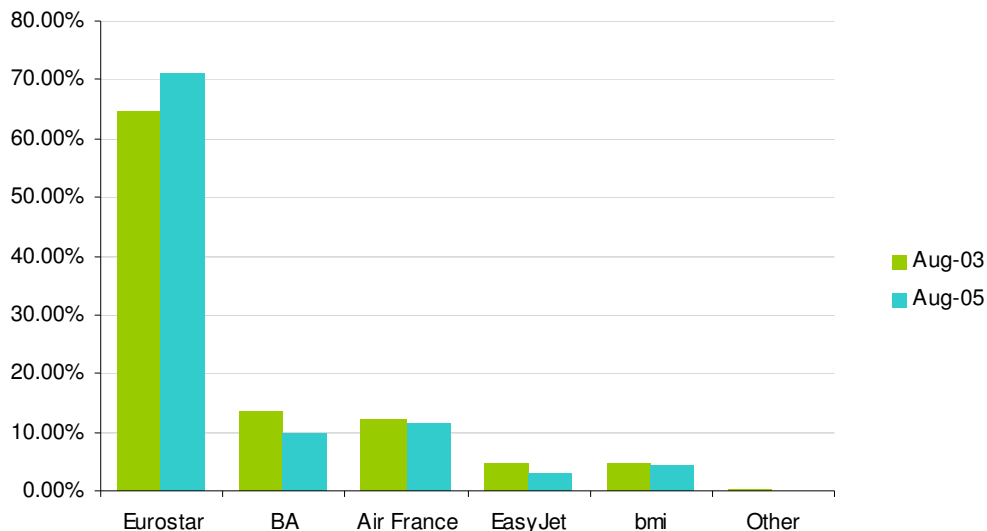
A dedicated High Speed Rail Line offers a number of economic and environmental benefits that would provide solutions to the problems outlined above, as well as new opportunities that would benefit the economy:

- Convenient, rapid inter-city travel. High Speed Rail offers a preferable alternative mode of travel to conventional rail, air or car for many business journeys because it allows business people to work while travelling, with few interruptions and changes, while total journey time is competitive with flying⁴. HSR thus represents a major time saving over other modes, allowing business people to use their working day more productively, and reducing the need to fund overnight accommodation. It also encourages trade, tourism and the exchange of ideas between cities and their regions. It increases labour market flexibility by expanding the possibilities for where working people can reside.

⁴ A London to Glasgow journey could be reduced to 2hrs 45 minutes. Indeed High Speed Rail travel is faster door-to door than flying for journeys up to 500 miles, according to Steer Davies Gleave, a transport consultancy.

- Improving inter-modal travel. A new, dedicated rail link would allow the opportunity to connect many of the UK's major airports to the network, improving access to and from international and domestic air travel. This would encourage modal shift.
- Increasing rail capacity. Shifting medium and long distance rail travel to a dedicated HSRL would release significant capacity on the rest of the UK's rail network. This would allow further growth in local traffic, commuter traffic, freight and slower long distance travel.
- Increasing air capacity. Evidence from Continental Europe and the Eurostar link indicates that short haul air travel can be reduced by a HSRL. The number of scheduled flights in the London – Paris – Brussels triangle has fallen, as have domestic flights on routes such as Paris – Lyons. This releases airport capacity for medium and long haul travel, as well as journeys to regional centres not on the HSRL such as Aberdeen and Inverness:

London - Paris Rail and Air Tavel Market Share



Source: Eurostar

- Decreasing pressure on the road network. A new HSRL, combined with greater capacity on the existing rail network, will reduce passenger and freight vehicles on Britain roads. This will have the dual benefit of reducing journey times and the need for capital investment.
- Environmental benefits. Switching travellers to a HSRL offers considerable benefits in terms of atmospheric pollution. While the higher speeds increase average carbon dioxide emissions compared to conventional rail, this can be more than offset by the saving compared with domestic air

travel and car travel⁵. As Britain shifts its electricity generation capacity more towards non-carbon emitting sources such as nuclear and renewables, this equation is likely to improve further, and strengthens the government case for the move to reducing dependence on fossil fuel power generation. There are clearly considerable implications in terms of the construction process and ongoing disturbance, but these can be mitigated in a number of ways, and compare favourably to the impact of new motorway or airport capacity.

- Greater reliability. Establishing a dedicated HSRL, free from commuter traffic, freight and other rail traffic, would improve prospects for punctuality and reliability.
- Less disruption. Building a dedicated HSRL would not disrupt the existing network, avoiding the frustrations and costly delays associated with the West Coast Mainline upgrade, for example.

What would be the costs of any new links and how would they be funded?

Recent work by WS Atkins suggests that the economic benefits of a dedicated HSRL from London to Scotland, taking in Birmingham, Leeds and Newcastle, with a separate line to Manchester and Liverpool, would outweigh its costs by 2:1⁶ over a sixty year time frame.

The total cost would be £31 billion⁷. WS Atkins estimate a productivity gain to Scotland worth £7.3 billion in current prices over the period out of a total UK benefit of £45 billion⁸.

This compares favourably with an alternative proposal to upgrade the West Coast line further, which would yield a benefit / cost ratio of 0.7.

This calculation depends on differing factors including the technology used and the route, and such numbers are obviously exposed to changing economic circumstances. However, they do indicate that the overall net benefits are potentially significant for both Scotland and the UK at a time where capacity constraints in Britain's transport infrastructure are becoming ever more apparent.

⁵ High Speed Rail generates 25g of CO2 per UK passenger journey more than conventional rail, but 140g less than air travel, according to *The case for rail 2007 The first sustainable development review of the mainline railways of Great Britain*. RSSB 25/06/07.

⁶ The ratio would be 2.5:1 for an East Coast only line from London to Leeds and 1.7: for a West Coast only line from London to Manchester.

⁷ By comparison, the West Coast Main Line upgrade cost £7 bn, while the Channel Tunnel Rail Link cost £9 bn.

⁸ Based on the PLANET Strategic Model which takes into account business time savings, the agglomeration effect in cities, and improved labour market efficiencies. It does not include benefits from releasing congestion elsewhere in rail or air infrastructure.

The Amsterdam – Belgium line in the Netherlands, which is 80 mile long (of which 53m is dedicated High Speed track), and therefore of comparable length to any Scottish section of a UK network, is budgeted at E7.2bn⁹.

Further evidence from Continental Europe demonstrates the beneficial effects of a HSRL on towns such as Lille¹⁰. A HSRL from London to Scotland will bring numerous British regions, some of which have suffered from low growth and high levels of social deprivation, closer to London and European markets. For example, Scotland and the North East of England have the lowest historical rates of economic growth of any regions in the UK.

The benefits of a HSRL will come on stream as soon as the first section is completed. So a Glasgow - Edinburgh section is feasible as part of a larger network and need not be contemplated solely as a stand-alone project. The connection of the Central Belt super-region would enhance our ability to develop and market the Edinburgh-Glasgow axis as a world scale economic region. Business interests in NE England have shown marked enthusiasm for HSR connections to Scotland's Central Belt, recognising the economic significance of their Northern neighbours.

Similarly, once the initial line is complete, and benefits from it become apparent, a strengthened case will be made for further extensions to other regional centres such as Stirling to give a general N Scotland point of connection or Aberdeen¹¹.

Government will play a key role in financing the project, both by providing funds directly and arranging private sector involvement. It therefore needs to examine closely the long term financial benefits on offer and how investment can be procured to secure them.

This will need to include an assessment of a viable ticket pricing structure that will be competitive with other modes of travel. There are indications from Network Rail's own studies that a High Speed line would be free of the need for revenue support, being profitable to run. Finance should therefore be limited to establishment capital costs.

What would be the likely timescale for delivering a new network?

Government will also play a crucial role in providing strategic planning for the project to ensure that work can begin with a minimum of delay and avoidable

⁹ See <http://www.hslzuid.com/hsl/uk/hslzuid/index.jsp>

¹⁰ Lille has experienced something of an economic boom since being linked to Paris, Brussels and London by High Speed Rail. It has witnessed big falls in unemployment and the location of numerous businesses in the town.

¹¹ Which, along with other areas, will benefit from a HSRL even before it extends to North-East Scotland, as travel times to the South are reduced and the economic benefits spread out from Central Scotland.

costs. It should establish a clear timeframe taking into account route, planning process, financing and technological factors.

Within the planning, surveying and legal frameworks, actual construction times depend on the route. The 45 mile Channel Tunnel Rail Link took four and a half years to build. The Dutch line is scheduled to take eight years. A section linking Glasgow, Edinburgh and the border could be built in similar timeframes. There are strong indications that the North East of England would welcome northward connectivity to the Central Belt.

What would be the most appropriate technology and type of train required for use in the UK?

SCC have not yet taken a view on the particular technology that would be most suitable, because the technical and economic studies have not yet taken place to allow an informed view. There are a number of alternative technological possibilities for the line. These must be assessed to find the optimum cost / benefit balance, including whether options such as Maglev are viable, and whether freight would be allowable on the line. It would be inappropriate to pre-judge an unbiased study by presuming any particular solution. However it should be noticed that Maglev potentially offers higher speeds (although unproven on this scale), whilst High Speed Rail gives connectivity (and potentially line sharing) with the existing network, allowing incremental development. The study should be free to explore all possibilities.

How could the existing rail links with Scotland be improved to ensure that all rail users are able to take advantage of improved high-speed connections?

Network Rail is currently studying this question. We do not think this should impact on the studies for High Speed Rail. Whilst Network Rail is quite rightly looking at what can be done to speed up the existing network, we are clear that this will do little to increase existing capacity.

The project needs to be viewed as a parallel opportunity, not as an extension or alternative to existing plans for the rail network. Improving the existing network is still an option, but High Speed Rail offers a relief route from the appalling disruption (especially to leisure and tourism travel) that weekend and holiday maintenance (and its inevitable overruns) has engendered over recent years. High Speed Rail is a strategic investment that augments Britain's transport infrastructure as a whole.

Further consideration must be given to the route, which must maximise geographical proximity to markets while keeping overall distances and stops to a minimum. The preference should be to include at least the cities of Glasgow, Edinburgh, Newcastle, Leeds, Manchester and Birmingham. The potential of

using airport convenient parkway stations with swift City links should be considered. The HSRL would need to link well with the existing rail network and other forms of public transport.

Detailed work must be done to assess the impact on sectors such as the airline industry, as well as on regions peripheral to the network.

However, while to maximise the benefits we must envisage and aim for a comprehensive network UK-wide, the link can be built in stages. While SCC does not recommend a stand-alone Glasgow to Edinburgh HSRL as a sufficient end in itself, it could be built as part of a wider UK network.

You don't start a bridge on one bank and build to the other. You start on both banks and join in the middle. If Scotland is to benefit from any UK investment in HSR it must speak loudly for that principle. A twenty year promise of benefits from the Channel Tunnel will only be realised when the first Eurostar train leaves one of our major cities.

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