

The Autumn Budget and Spending Review 2021: Railfuture's marking of Rishi's Homework

We said Railfuture will be marking the Budget and Spending Review – and the COP26 Announcements (in due course), against our wish list. So far we are overall “Disappointed”: 1 Very Disappointed, 7 * Disappointed, 1 * Mainly disappointed (ie elements of ‘Good’ and ‘Small start’), 1 * Good start and 1 *To be Determined.

We said (https://railfuture.org.uk/Press-release-26th-October-2021)	We think
<p>1. Committed to giving the railway time to think – and to understand future demand – so no panic measures. Passenger demand is still evolving (e.g. how often will we be in the office), but there is good evidence of plenty of leisure demand. No rash decisions that undermine the long term future of the railway.</p>	<p>£5.7bn was allocated, including for some investments. We are still digesting whether this is enough;</p> <ul style="list-style-type: none"> • Good to see though £360m to modernise ticketing & retail systems. • We suspect the £205m for GBR is a re-mention of existing plans & funding.
<p>2. Committed to a focus on the net cost to the taxpayer – not just costs in isolation. Cost savings that reduce passenger demand end up costing the taxpayer as the fare revenue lost is greater than the saving. Conversely there should be a willingness to spend to increase revenue. So frequency, capacity and good timetables etc all create a service that appeals to intending passengers – who then go on to use the railway and pay fares that reduce the taxpayer burden.</p>	
<p>3. Committing to ensuring rail use is not financially disadvantaged versus other modes e.g. a fares freeze – or at least no bigger than CPI.</p>	<p>We're very disappointed – Domestic Air Passenger Duty reduced, Fuel Duty frozen; HGV Excise Duty likewise -and no announcement of a below inflation fare rise nor help for the rail sector</p>
<p>4. Making some key immediate investment announcements:</p> <ul style="list-style-type: none"> • That as soon as possible actual battery, and hydrogen trains to be in service to assess their suitability for the 15% of lines where electrification is not practical. • Funding for Round 4 of the New Stations fund. • A decision made on round 3 of Restoring Your Railway. <ul style="list-style-type: none"> • Money for better bus connectivity at stations. • Retaining and expanding funding for individual improvements such as step-free station access (100 more stations by 2024). 	<p>A good start: £710m for Merseyrail battery trains was pre-announced – more saved for COP26?</p> <p>Disappointed – no announcement</p> <p>Mainly disappointed: But at least 13 of 89 schemes got the go-ahead for £50,000 of feasibility work (each) – A “Good”. Are the other 76 a “No” or still a WIP? Note of the 13 given the go-ahead only 6 met Railfuture's viability test¹. See also the analysis by geography at the end of the document. Also a small start: just three announcements on actually delivering: Stations in Wellington (Somerset) and Cullompton, Devon & the railway line between Totton and Fawley</p> <p>Disappointed – no announcement</p> <p>Disappointed – no announcement</p>

¹ Stoke to Leek; Ashton to Stockport; Oswestry to Gobowen; Tavistock to Plymouth; Middlewich and Gadbrook Park and to re-open Corsham station

We said (https://railfuture.org.uk/Press-release-26th-October-2021)	We think
5. Announces funding for rolling programme of electrification as priority for major investment, target 2040 to complete at least 85% of current non electrified lines. To work in parallel with strategy on decarbonisation. A good first start would be a commitment to electrify the Midland Mainline from Market Harborough northward to Leicester, Nottingham, Derby, Sheffield and Leeds	Disappointed – no announcement: Saved for COP26?
6. Releases an Integrated Rail Plan for the Midlands and North, including delivery of HS2E (by adopting Railfuture’s smart solution), Northern Powerhouse rail (including Trans Pennine upgrades) that will create a railway the North can be proud of.	Disappointed – already leaked as deferred to mid-November; saved for COP26? We believe the headline of £35bn to largely be a re-hash of previous announcements, although good to see £6.9bn for city regions already announced, which includes £710m for Merseyrail battery trains (see above) and £1bn for Brierley Hill metro extension
7. Invests in rail capacity and operation for increasing rail freight capacity and performance; most notably: <ul style="list-style-type: none"> On day to day operation, reform to lead to improved certainty for the cost of electric current for traction (EC4T). Investment to address specific pinch points such as those between Felixstowe and Midlands and the North; also gauge clearance works. 	Disappointed – no announcement: Saved for COP26?
8. Commits to maintaining funding stability – multi-year funding, also to allow long-term planning (which leads to efficiency and better value): <ul style="list-style-type: none"> Certainty in both medium and long term capital and revenue funding, as is done in Europe. Certainty needs to be a 3 and more year deal (the last Treasury statement was only for 1 year). Approving positive investment projects and programmes so they secure funding (network capacity). Release of a new edition of the Rail Network Enhancements Pipeline (RNEP) that contains the capacity and green improvements needed to meet the UK’s needs for low carbon transport; and linked to this commitment to fund development & delivery of RNEP. 	Disappointed

The Autumn Statement: A summary for Rail

Key points from <https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-documents> :

- No news on rail fare rises, but APD halved on domestic flights and fuel duty frozen (for 12th time)
- Integrated Rail Plan can kicked down the road (as pre-leaked)
- £35bn investment over next 3 years
 - Includes £6.9Bn for city regions already announced, which includes £710m for Merseyrail battery trains and £1Bn for Brierley Hill metro extension
 - Includes HS2, enhancements and renewals (not new money)
- [4.67] SR21 will support rail services and invest in reforms to help the railways become more customer focused and financially sustainable, as set out in the Williams-Shapps Plan for Rail. This settlement provides £5.7 billion over three years to keep essential rail services running as we emerge from the pandemic and deliver reforms which enable the railway to become a modern and efficient service. This includes:

- £360 million to modernise ticketing and retail systems, including delivering Pay as You Go ticketing to passengers outside of London
 - £205 million to begin the mobilisation of Great British Railways, bringing new leadership to deliver a better co-ordinated and higher performing railway
5. [4.68] The settlement will support the delivery of the following priority outcomes:
- improve connectivity across the UK and grow and level up the economy by enhancing the transport network on time and on budget
 - tackle climate change and improve air quality, including by decarbonising transport
 - build confidence in the transport network as the country recovers from COVID-19 and improve transport users’ experience, ensuring that the network is safe, reliable and inclusive
6. 4.69 *Restoring Your Railway* In addition to the SR21 settlement, the government will continue to progress with the £500 million commitment to restore transport links previously lost in the Beeching cuts of the 1960s. This includes:
- £7 million development funding from 2021-22 to 2024-25 to reopen passenger services between Totton and Fawley in Hampshire and £5 million development funding over the SR period to reopen rail stations in Wellington, Somerset and Cullompton, Devon. These investments will help reconnect local communities and support regional growth
 - £650,000 to pay for feasibility work on 13 successful ‘Ideas Fund’ proposals for new lines and stations reinstating passenger links from: Stoke to Leek; Darlington to Weardale; Ashton to Stockport; Oswestry to Gobowen; Beverley to York; Middlewich and Gadbrook Park; Buckley Wells to Rawtenstall; Stocksbridge to Sheffield Victoria; Tavistock to Plymouth; Gaerwen to Amlwch; the Askern Branch line; and to re-open Corsham station and Stonehouse Bristol Road station.

Restoring Your Railway – Geographic analysis

North East	1	Up to £50,000 through the Restoring Your Railway ‘Ideas Fund’ to develop an early-stage proposal to reinstate passenger rail links between Darlington and Weardale.
North West	3	Up to £50,000 each through the Restoring Your Railway ‘Ideas Fund’ to develop three early-stage proposals to reinstate passenger rail links between: Ashton and Stockport; Middlewich and Gadbrook Park; and Buckley Wells and Rawtenstall.
Yorkshire & The Humber	3	Up to £50,000 each through the Restore Your Railway ‘Ideas Fund’ to develop three early-stage proposals to reinstate passenger rail links between Beverley and York, Stocksbridge and Sheffield Victoria (Don Valley Line) and on the Askern Branch Line.
East Midlands	0	
West Midlands	2	Up to £50,000 each through the Restoring Your Railway ‘Ideas Fund’ to develop two early-stage proposals to reinstate passenger rail links between Stoke and Leek and Oswestry and Gobowen.
East of England	0	
London	0	
South East	0	But £7 million development funding to restore passenger rail links between Totton and Fawley
South West	3	Up to £50,000 each through the Restoring Your Railway ‘Ideas Fund’ to develop three early-stage proposals to reinstate passenger rail links between Tavistock and Plymouth, reopen Corsham station and reopen Stonehouse Bristol Road station; also £5 million development funding over the SR period to reopen rail stations in Wellington, Somerset and Cullompton, Devon
Wales	1	Up to £50,000 through the Restoring Your Railway ‘Ideas Fund’ to develop an early-stage proposal to reinstate passenger rail links between Gaerwen and Amlwch in Anglesey.
Scotland	-	N/A