An Inquiry into the wider social and economic benefits (and opportunities) of major infrastructure investment in the East Midlands

Call for Evidence Deadline: Friday 9th June 2023

Background

The East Midlands continues to be 'under invested' relative to the UK average across a range of functions, most notably transport. This has had a negative impact on regional economic growth, productivity and social mobility. Improving and maintaining the region's infrastructure is critical to achieving the 'levelling up' agenda and the transition to 'net zero'.

However, construction costs have risen sharply in recent months and Government budgets are constrained. There is increasing uncertainty about the delivery of long-standing infrastructure priorities in the East Midlands and a greater focus on securing 'value for money'.

The National Infrastructure Commission (NIC) advises the Government on priorities for 'economic infrastructure': transport, water, flood resilience, energy, waste and digital. The NIC is due to publish its second National Infrastructure Assessment in Autumn 2023, which the Treasury is required to respond to in the form of a revised 'National Infrastructure Strategy'.

The APPG is keen to understand the extent to which national infrastructure investment underpins local investment by businesses and councils that results in social and economic benefits for people and places. This analysis will be used by Parliamentarians to engage with Government and the NIC to address the Region's infrastructure deficit.

APPG Administration

The Secretariate for the East Midlands All Party Parliamentary Group is jointly provided by East Midlands Councils and East Midlands Chamber. https://www.emcouncils.gov.uk/Call-for-Evidence

Further details available at: East Midlands All Parliamentary Group (emcouncils.gov.uk).

For this Inquiry, the APPG will also work closely with the East Midlands branch of the Institution of Civil Engineers (ICE).

Submissions

Written submissions of no more than 1,500 words are invited by 5.00pm on Friday 9th June 2023.

Please provide your:

- Organisation name and sector (or name if an individual);

  Railfuture.

  Railfuture is the UK's leading independent voluntary sector organisation campaigning for a bigger, better railway in Britain. Improved passenger and freight rail services will help to maximise rail's contribution to the nation's economic, environmental and social objectives. A fair level of investment in rail infrastructure in the East Midlands is essential to achieving these objectives.

  This response is from Railfuture's East Midlands Branch.

- Contact details including email and phone number;

  Steve Jones, East Midlands Branch Secretary, Railfuture,
  steve.jones@railfuture.org.uk M:07837 158833

- Willingness to come and speak at a meeting of the APPG;

  Yes, agreed.

and

- Consent (or not) for your submission to be made public.

  Yes, agreed.

Submissions should be sent by email to: emappg@emcouncils.gov.uk

APPG Questions

The APPG is keen to hear evidence relating to the following questions. Please cite specific examples where appropriate.

- **Are there local economic and social benefits resulting from national infrastructure investment which fall outside of traditional business case analysis - and how best might they be captured?**

  Decarbonising transport is essential. Rail can help, both directly and through modal shift. The need for a rolling programme of electrification is well understood, but it is still not happening: (https://publications.parliament.uk/pa/cm5801/cmselect/cmtrans/876/87606.htm).

  The Midland Main Line is being electrified as far as Wigston but, as yet, no further. The new 'Aurora' bi-mode trains are seen as justification; they can enter service without the whole route being electrified. However, lack of continuity in the electrification project risks disbanding a skilled workforce and equipment, greatly increasing costs in any future re-start: (https://www.imeche.org/news/news-article/uk-government-still-too-slow-on-rail-electrification#msdynttrid=qn1DAAULE4HNoddpWFlxWJVCCVE7rzZoxMKK2rPAan8). Diesel emissions and noise will therefore continue. Though difficult to quantify, electrification represents a vote of confidence in the region; the East Midlands lags behind others in this regard. Moreover, including the north side of the triangular junction at Trent could enable decarbonisation of regional routes such as Nottingham to Matlock and Crewe by using electric + battery bi-mode trains. We welcome authorisation of the 'OLE125' project to increase electric train speeds south of Bedford, and we look to recently relaxed technical specifications to reduce electrification costs: (https://www.rssb.co.uk/standards-catalogue/CatalogueItem/glrt1210-iss-3).

Ironically, we fear that HS2 East uncertainty may now affect MML electrification. In a letter to Ruth Edwards MP on 26th April 2023, the Minister of State wrote: "*We continue the development of HS2 East, for which Midland Mainline electrification is essential*". Though true, could it mean that any cancellation of HS2 East may thereby diminish the case for MML wiring?

Good rail services are important in attracting inward investment, especially by larger organisations - which also rely on and strengthen local supply chains.

The uncertainty over electrification means the MML has had less investment than other major Intercity routes, yet it charges comparatively high fares; (e.g. Super Off-Peak Singles: St Pancras to Leicester (99 miles) £71.50; Kings Cross to Grantham (105 miles) £35.50: (https://www.brfares.com/!fares?orig=STP&dest=LEI).

- **To what extent is the delivery of local projects and initiatives dependent on the delivery of planned national infrastructure?**

  The National Infrastructure Commission's *Rail Needs Assessment for the Midlands and the North* (2019)(https://nic.org.uk/studies-reports/rail-needs-assessment-for-the-midlands-and-the-north/rna-final-report/) identifies that good rail connectivity can support economic growth, by increasing productivity, supporting local industrial strategies, facilitating access, and indicating that an area is worth investing in.

  The Toton & Chetwynd regeneration masterplan, (https://www.broxtowe.gov.uk/media/10162/toton-and-chetwynd-spd-september-2022.pdf), was originally based around the EM HS2 Hub. The subsequent recommendation in the Integrated Rail Plan (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1062157/integrated-rail-plan-for-the-north-and-midlands-web-version.pdf) not to proceed with HS2 at Toton changes the nature and viability of the regeneration scheme. No decision has yet been made on a conventional station there.

  Similarly, the EM Development Corporation and Freeport area needs good surface access both for passengers and freight: (https://www.emdevco.co.uk/devco-asked-to-make-the-most-of-multi-billion-rail-investment-in-east-midlands/). As well as a redesigned HS2 East to EM Parkway, this requires substantial improvement of the existing Trent Junctions.

  Greater Nottingham is seeing much new housebuilding to the east, but much employment development is to the west. This requires good transport across the conurbation, to link residents to jobs and training, and employers to recruits. Enhanced rail and rapid transit provision is essential: (https://gnplan.inconsult.uk/consult.ti/gnspgo/viewCompoundDoc?docid=11636308).

The East Midlands (especially Leicester and Derby) are poorly connected by rail to Manchester. The Peaks & Dales Railway proposal to reinstate the line north from Matlock via Chinley would significantly improve connectivity, plus access to a largely car-dependent Peak District: (https://www.peaksanddalesrailway.com/reinstatement).

The Midlands Connect plan for a Bedford – Leicester – Leeds service via HS2 East would have provided much faster journeys between the East Midlands and the north: (https://www.midlandsconnect.uk/media/1158/81901_tfem-mc_joint_priorities_summary_2022_final.pdf).

In both cases, economic and leisure activity remains stifled by sub-optimum connectivity.

- **To what extent has private sector investment been undermined by uncertainty about the delivery of national infrastructure?**

Cancellation of HS2 Toton Hub can only be detrimental to private sector investment in the adjacent regeneration area. It needs a conventional station on an upgraded Erewash Valley Line.

Derby has "*one of the largest clusters of rail companies in the world*" (Rail Forum: https://www.railforum.uk/). Though these firms serve a worldwide market, their success also depends on certainty of rail investment in the UK, not least in their home region.

We would expect that business confidence is undermined by the continued failure to electrify the whole MML.

- **How has blight resulting from delayed or cancelled national infrastructure projects impacted on local communities, businesses and property owners?**

Again, cancellation of HS2 at Toton is causing blight, described as 'devastating' in Long Eaton, with houses left empty (https://www.nottinghampost.com/news/local-news/hs2-uncertainty-devastating-amid-empty-8320255).

However, EM Parkway is widely considered a better location for integrating HS2 with the existing network. If HS2 East is finally cancelled in its entirety, that area, too, will suffer blight, including the Ratcliffe Power Station redevelopment site.

Faster rail journeys are needed between Birmingham and Nottingham. HS2 East via EM Parkway is seen as the way to achieve this; trains continuing over upgraded existing lines into Nottingham. The Castle Donington freight route, bypassing Derby, gives an interim opportunity to speed up this journey. Midlands Connect have not pursued this, on the grounds that HS2 will provide a better, permanent, solution. That remains unauthorised and may yet be cancelled. Meanwhile, nothing is done and journeys on this vital corridor remain slow.

The uncertainty over MML electrification is also unhelpful. The route's main cities have long held ambitions to get within significant threshold journey times from London: 'Leicester in 60', 'Nottingham in 90' and 'Sheffield in 120' minutes. This is seen as economically important; for example, the Leicester & Leicestershire Rail Strategy (2016 https://politics.leics.gov.uk/documents/s126315/Appendix%20B%20-%20Leicester%20and%20Leicestershire%20Rail%20Strategy.pdf) refers (para 7.3.7) to "*the demand for sub-60 minute journey times*" in the context of MML services post-HS2. (HS2 will not serve Leicester).

See also next question regarding freight.

- **To what extent can national infrastructure investment be used to drive more productive local supply chains and more inclusive local employment policies?**

  Freight must not be overlooked. Tarmac Group have commented that "*if their trains are able to average 25mph terminal to terminal it is a near miracle*". Likewise, speeding-up freight trains through Leicester would reduce congestion affecting both freight and passengers and reduce operating costs.

  The East Midlands logistics 'Golden Triangle' of national distribution centres is increasingly served by rail. However, the railway must improve its ability to provide both the direct connections into rail freight interchanges (RFIs) and sufficient capacity on the related lines. Local concern arose in August 2022 when the developers of Northampton Gateway RFI sought an amended Development Consent Order, to allow up to 80% of the site to become operational in advance of any rail connection, and therefore road-serviced only - potentially in perpetuity. The reason was delays in providing the rail connection: (https://infrastructure.planninginspectorate.gov.uk/wp-content/ipc/uploads/projects/TR050006/TR050006-001352-Application%20Statement.pdf). Similar concerns have been raised about the proposed national RFI at Hinckley: (https://www.hinckleynrfi.co.uk/formal-consultation/). The intended rail access and capacity must be provided from 'Day 1'.

  The Felixstowe to Nuneaton ('F2N') freight corridor has capacity constraints at several locations, including Leicester. This limits rail container haulage between Felixstowe and the 'Golden Triangle'; which was reported in 2018 as amounting to 70% of Felixstowe's throughput: (https://www.eastsuffolk.gov.uk/assets/Planning/Suffolk-Coastal-Local-Plan/First-Draft-Local-Plan/Port-of-Felixstowe-Growth-and-Development-Needs-Study-July-2018.pdf, para 3.9).

  Felixstowe Port states that *"Rail volumes account for around 29% of the port's total UK domestic throughput, rising to 50% of traffic to the North and West Midlands"* (https://www.portoffelixstowe.co.uk/port/rail-services/). If we reasonably assume that the latter is all commercially viable for rail by virtue of its distance, then rail is missing out on half of it because of capacity limitations, adding to HGV traffic.

  Reinstating four tracks through Leicester, plus junction improvements, is needed to resolve conflicting moves between north–south and east–west rail traffic. Network Rail issued 'Strategic Advice' in July 2020: (https://sacuksprodnrdigital0001.blob.core.windows.net/regional-long-term-planning/Eastern/Leicester%20Area%20Strategic%20Advice%202021.pdf).

  It is ironic that the region with the least investment in infrastructure has such a pivotal role in transport for the entire country!

  Electrification also benefits freight. The Rail Freight Group and others called for a rolling programme in February 2020, but we are no further forward: (https://rfg.org.uk/government-needs-kick-start-rolling-programme-rail-electrification-say-business-passenger-freight-community-groups/).

  For passengers, Midlands Connect's plans for enhanced Leicester – Birmingham services and a new direct Coventry – Leicester service would greatly improve connectivity and promote economic activity. Rail's market share between Leicester and Coventry is only 3% (https://www.midlandsconnect.uk/news/coventry-leicester-nottingham-rail-link-dubbed-levelling-up-by-firms/): Midlands Connect see this as a significant opportunity. Indeed, a Leicester-based businessman commented to us how completion of the M69 in 1977 accelerated journeys, making business meetings possible. "*In three years, turnover doubled, and employment increased by 60%, with most of the additional turnover being from Coventry, Warwick and Leamington*". Improving the rail offering, with supporting infrastructure e.g. at Nuneaton, could have a similar effect now.

The Nottingham – Lincoln line remains "*infrequent and slow*": (https://www.midlandsconnect.uk/media/1158/81901_tfem-mc_joint_priorities_summary_2022_final.pdf). Grade-separation to replace the Newark flat crossing on the East Coast Main Line would significantly benefit both routes.

There are examples elsewhere of national rail developments providing major economic and employment benefits, such as the Borders Railway in Scotland: (https://dailybusinessgroup.co.uk/2017/06/borders-rail-acting-as-catalyst-for-growth/). We see a similar opportunity for the Leicester – Burton 'Ivanhoe Line' to improve connectivity along a forgotten but populous corridor.

- **How best can the delivery of national infrastructure be aligned with local skills strategies and the work of local schools and colleges to benefit local people?**

Derby is the centre of a major rail industry cluster, and the designated future headquarters of GBR, with associated high-skills employment and training. It is ironic that until the MML is electrified, Derby will remain about 30 miles from the nearest electrified railway.

There are two Rail Innovation & Development Centres in the East Midlands, at Melton and Tuxford: (https://www.networkrail.co.uk/industry-and-commercial/research-development-and-technology/rail-innovation-development-centres/). These offer high-skills employment, and they both facilitate and benefit from delivery of innovative rail investment.

National infrastructure delivery offers vocational skills opportunities to local people. Outreach work by infrastructure companies and their suppliers, such as Rail Forum's 'iRail' programme (https://www.railforum.uk/key-activities/), can help local schools and colleges promote careers in infrastructure delivery.

Ends