

**SOUTH EAST ENGLAND
REGIONAL TRANSPORT BOARD**

Date: 26 October 2007

Subject: **Rail White Paper**

Report of: Planning Manager
South East England Regional Assembly

Recommendations:

It is recommended that the Board:

- i) Welcomes the support of Government to deliver capacity improvements at Reading Station and the Thameslink project;
- ii) Write to the Secretary of State for Transport emphasising the importance of securing long-term safeguarding of the extension of Crossrail to Reading in order to support economic growth and development in the western part of the region;
- iii) Write to the Office of Rail Regulation and Network Rail emphasising the importance of delivering capacity improvements at Oxford Station, Milton Keynes/Bletchley and at Gatwick Airport Station to delivering planned growth;
- iv) Seek early engagement with Network Rail in the preparation of the updated Route Utilisation Strategies for the Great Western Main Line and Kent/Sussex areas;
- v) Seek early engagement with the Department for Transport in the preparation of the franchise specification for the southern central franchise;
- vi) Work with Local Transport Authorities and Network Rail with a view to identifying priority projects for consideration as part of Network Rail's fund for investment in medium sized stations;
- vii) Write to the Mayor for London and the Secretary of State for Transport requesting urgent discussions in respect of the region's representation on the Transport for London Board.

Purpose of Report:

To advise the Board on the Rail White Paper "Delivering a Sustainable Railway" published in July 2007 and its implications for the region. To identify the likely impact of the White Paper on the refresh of the regional programme, together with opportunities for the Board to take on a leadership role on behalf of the region.

Key Issues:

The White Paper sets out a 30 year strategy for rail, and importantly contains the parameters for rail spending between 2009 and 2014 – known as the High Level Output Specification (HLOS). This is the new process of controlling and directing rail spending enacted by the Railways Act 2005. It is important to note that the HLOS does not contain detail on particular schemes, unless these are specifically deemed to be of fundamental importance to the strategy, rather this is left to more detailed work managed by the ORR and developed by Network Rail. That work will conclude in Spring 2008 with an adopted strategic business plan for Network Rail up to 2014 setting out in more detail spending priorities for the rail industry.

1. The Rail White Paper

- 1.1 Annex I provides a high level review of the White Paper. It focuses heavily on the financial issues associated with the provision of rail services for the next five years; that is after all the purpose of the High Level Output Statement. However, it should also provide a longer-term vision within which those involved in the provision and development of rail services can plan effectively. In this requirement the document is sadly lacking.
- 1.2 Dig below the headlines and the detail within the document shows that the period up to 2014 will be one of incremental improvement rather than 'step-change'. It appears that the capacity of most routes in the region will increase roughly in line with background growth. Such investment while welcome will do nothing to address current levels of over crowding nor will it provide much scope for the region to achieve the significant modal shift that is necessary.
- 1.3 Furthermore the White Paper is a missed opportunity to set out how Government seeks to use opportunity of the 2012 Games to derive a legacy benefit for the rail system. Proposals such as Airtrack and improvements to the station at Gatwick Airport are clear examples of capacity enhancements that need to be delivered in time to support the 2012 Games. Their legacy is that they support delivery of the growth set out in the South East Plan. Using the White Paper to set out and develop such linkages would have provided the Government with the opportunity to demonstrate a co-ordinated approach to investment.

2. Proposals of National Significance

- 2.1 The White Paper commits the Government to removing the capacity bottleneck at Reading Station. This Board has taken a proactive role in promoting the benefits of this scheme and has identified a contribution towards its cost through the Regional Funding Allocation. Subsequent discussions with the scheme promoters has identified a potential issue regarding the funding of the work needed to develop the scheme to a state of readiness; this issue is considered more fully as part of Agenda Item 9.

- 2.2 The proposal for Reading Station makes passive provision for the extension of Crossrail to Reading; an objective set out in regional policy documents. A subsequent announcement by the Government has confirmed its commitment to deliver the core part of the Crossrail scheme as covered by the provisions of the Hybrid Bill currently before Parliament.
- 2.3 The view remains that the logical termination points for Crossrail in the region should be Reading in the west and Ebbsfleet in the east. An indication of the Government's commitment to ultimately extend Crossrail from Abbey Wood to Ebbsfleet is provided in the form of a proposal to safeguard the route at this stage. Given the positive progress now being made with the scheme now is an appropriate time for the Board to restate the region's case for affording a similar level of protection for the westward extension of the route from Maidenhead to Reading.
- 2.4 There is a commitment to deliver the Thameslink project. This is identified in the draft South East Plan as a scheme of national significance that has benefits for the delivery of the spatial strategy; a view confirmed by the Panel that conducted the Examination in Public of the draft South East Plan.

3. Regional Leadership

3.1 Overall approach to targeting investment

- 3.1.1 It is important that the funding proposals for the period to 2014 ensure that both Network Rail and the Office of Rail Regulation take into account the need to ensure funds are made available to progress with the detailed development of schemes to a state of readiness. Unless sufficient regard is given to ensuring that the pipeline of new proposals continues to flow, the capacity enhancements required to support the growth set out in the draft South East Plan and the Regional Economic Strategy will not be delivered in a timely manner.
- 3.1.2 In considering the need to invest in the development of schemes to a point at which they are ready to be delivered, regard be given to those schemes of regional significance. This Board has identified capacity enhancements at Oxford Station and in the Milton Keynes/Bletchley area as being of regional significance. Equally investment in Gatwick will significantly build on the Brighton Main Line RUS and the future Southern Franchise.
- 3.1.3 The development of the rail system will be a significant element of the infrastructure requirement for the region. The announcement in the White Paper of 1300 extra carriages and associated infrastructure targeted to those areas in greatest need is therefore welcomed. This Board will need to strongly urge the Government to ensure that a proportionately high percentage of these carriages are provided for the benefits of passengers in South East England.
- 3.1.4 The regional policy framework sets out a network of hubs, including 'diamonds for growth', that will be the focus for future growth. Over the course of the next year

Network Rail will begin work on updating the Route Utilisation Strategies for the Great Western Main Line and routes in Kent and Sussex. In addition the south central franchise is scheduled to be re-let by Government in 2009. The Board will have a key role in ensuring that the role of the rail network in supporting delivery of growth is fully reflected in this work.

3.1.5 The Rail White Paper announced a new fund targeted at improving the quality and standard of medium sized rail stations. Through the Regional Funding Allocation the Board has already allocated funds to support the development of transport packages in a number of key hubs. The Board should look to build upon its work to date and seek to work with local authorities and Network Rail with a view to putting forward a list of priorities for funding through this new fund. Such an approach would help ensure that we achieve greater alignment of funding sources at the regional level even if this is not possible at the national level.

3.2 Ticketing

3.2.1 The emphasis given to the 'roll out' of ITSO ticketing is to be welcomed and reflects the approach adopted by the Department for Transport in terms of the conditions associated with recent franchises. However the potential of this technology is not restricted to rail services. Picking up the theme in the White Paper of the need to consider the 'whole journey' it is important that the public sector at National and Regional level play a proactive role in seeking to extend the application of this technology to other forms of transport, particularly other forms of public transport.

3.2.2 The Action Plan set out in relation to Mobility Management (Agenda Item 5a) emphasises this point. One of the work packages proposed as part of that Action Plan proposes that regional partners work with local transport authorities with a view to encouraging detailed proposals being funded, in part, through the RFA that would encourage wider roll-out of ITSO ticketing as part of a co-ordinated approach to transport services.

3.3 Strategic Freight Issues

3.3.1 The concept of developing a Strategic Freight Network (SFN) is to be welcomed. The initial investment of £200m in the period to 2014 is however unlikely to see radical change. Once again the opportunity should be taken to ensure that the freight network reflects the priorities set out in regional policy. Here the importance of the region's gateways is clearly set, together with the need for investment in the development of the landside infrastructure to support their operation. Our regionally significant ports are located at Southampton, Portsmouth, Dover, Medway (Sheerness) and Medway (Thamesport).

3.3.2 In terms of developing the SFN improvements to the loading gauge will be of critical importance. The Board continues to support the work being lead by SEEDA to secure funding from the Transport Innovation Fund to improve the loading gauge on the Southampton to West Midlands corridor. However, there is also a need to look longer term both in terms of diversionary routes and alternative routes that give access to the West Coast Mainline.

3.4 London

- 3.4.1 The Rail White Paper sets out again the importance of ensuring that the rail system serving London realises its full potential. However, as the Board has pointed out previously, it is important that the needs of London are not given undue weight over the needs of the surrounding regions.
- 3.4.2 The region supported the proposal to give enhanced powers to the Mayor in respect of his ability to specify the level of service on a limited number of rail services that extend into the adjoining regions. However, this support was conditional on the Mayor seeking the views of the region on who should represent its views on the Transport for London Board.
- 3.4.3 The Department for Transport has confirmed that the Mayor has now been given additional powers however there has been no discussion, nor a clear timeline, as to how the region's voice will be heard on the TfL Board. This needs to be addressed as a matter of urgency and we look to the Mayor to discuss with the Regional Transport Board the means by which the region's voice will be taken into account.
- 3.4.4 It is acknowledged that investment in additional capacity at London stations can have substantial benefit to the region. Where this is the case we will continue to look to work with the Mayor to ensure that such opportunities are realised at the earliest opportunity. The opportunity presented by the relocation of Eurostar away from London Waterloo is a case in point. Similarly we acknowledge the opportunity to develop the interchange facilities at Clapham Junction, however this will need to be carefully planned so as to ensure that the potential negative impact on long-distance services is minimised.

4. Next Steps

- 4.1 The publication of the Rail White Paper, including the High Level Output Statement, represents one step in the process of determining the financial framework for the rail industry in the period to 2014. Network Rail will now prepare a revised business plan setting out how the outputs identified by the Government might be delivered, following which the Office of Rail Regulation will consider the financial implications of that business plan within the framework of funds available from Government.
- 4.2 This paper identifies the key issues for the region arising from the White Paper and sets out the basis on which it can continue to work with the rail industry on realising our policy objectives.

Andy Barton
Planning Manager
12 October 2007

Contact: Andy Barton, Planning Manager
T: 01483 555215 E: andybarton@southeast-ra.gov.uk

RAIL WHITE PAPER DELIVERING A SUSTAINABLE RAILWAY

1. Overview

- 1.1 The Rail White Paper is the first since the Railways Act 2005. It sets out three goals for the industry:
- increase its carrying capacity and ease crowding, focusing first on routes which have the worst crowding problems
 - constantly improve the quality of its service to meet the increased demands of current passengers and attract new users
 - must reduce its carbon footprint in terms of CO² emissions per passenger and tone of goods moved, and maintain its advantage on these and other environmental issues
- 1.2 The Government aims to do this against a backdrop of a forecast of 30% growth in passenger demand over next 10 yrs, which follows the 40% growth since 1996. It doing so it sets the ambition to develop a railway that “can handle double today’s level of freight and passenger traffic”.

2. Performance Reliability

- 2.1 The White Paper sets a network wide performance reliability target of 92.6% by 2014, with a more stringent target of 93% in London and the South East (up from 88% today). It also sets a new target of 21% reduction in delays of more than 30 minutes in London and South East. There is recognition of the importance of considering the end to end journey (i.e. including getting to stations, purchasing tickets etc). Proposals are set out to monitor this issue and a suggestion that a target may be set post 2014.

3. Capacity Enhancements

- 3.1 The approach to enhancing capacity is set out within the White Paper. This will guide the development of Network Rail’s Business Plan in the future. The approach proposed by Government is:
- i) maximise the use of existing assets;
 - ii) lengthen existing train services;
 - iii) enhance infrastructure to improve frequency and capacity;
 - iv) simplify service patterns;
 - v) step change in infrastructure provision.
- 3.2 Previous Government announcements to purchase an additional 1000 carriages by 2014 are confirmed. The need for an additional 300 carriages is also identified bringing

the total to 1300 carriages. The White Paper sets out that this additional capacity will be targeted at those areas suffering the worst over crowding. This is expected to lead to at least 70% (or approximately 900 carriages) being allocated to services in the Greater South East.

4. Fares

- 4.1 Regulated rail fare increases up to 2014 will remain as present (i.e. retail price index plus 1% per annum). The White Paper sets out a desire to move towards a simplified fares structure, which will make it easier for passengers to understand the real costs and options open to them. Building on this, the Government proposes to introduce a 'Price Promise' to all franchises to ensure that passengers are offered the best deal, or that a refund is made of the difference.
- 4.2 Encouragement is given to the introduction of zonal pricing structures for services in urban environments (i.e. similar to the zonal price structure in London) but this will not be a requirement. The White Paper supports increasing use of smartcard and mobile phone ticket purchasing, wishing to see these available across all rail in major cities (including integration of these with Oyster).

5. Freight

- 5.1 The White Paper draws heavily on Network Rail's freight Route Utilisation Strategy. It announces the development of a strategic freight network, with an initial investment of £200mil up to 2014. These funds will be in addition to other funding streams (such as Transport Innovation Fund) that are already being used to improve the capacity for freight movements. In the first instance the additional funding will concentrate on gauge enhancement, and providing diversionary routes for the key freight flows.

6. Regionally Specific Issues

- 6.1 The White Paper identifies only three major capacity enhancements. Two of these will have significant benefits for this region. Confirmation of the delivery of improvements to Thameslink services (£5.5 billion) will improve capacity for north-south cross London movements and increase travel opportunities for large parts of Sussex, Kent and Surrey areas.
- 6.2 Removal of the bottleneck at Reading Station is confirmed as a major scheme, with £425 million identified to fund the works. The scheme will address capacity issues on the Great Western main line, as well as including passive provision for both the Airtrack and Crossrail schemes. It will also help improve capacity for north-south cross country movements. The latter is of importance for both passenger and freight services.
- 6.3 The White Paper does not consider in detail issues associated with the delivery of Crossrail. This proposal is currently the subject of a Hybrid Bill in Parliament. An

announcement on the funding arrangements for the proposal will be made separately at a future date.

- 6.4 There is an acknowledgement of the level of growth planned for the region within the White Paper and an awareness of the importance of investing in services and infrastructure to support it. It appears that the main focus for investment in the region will be a significant programme of train/platform lengthening running up to the 2020 period.

7. Other Initiatives

- 7.1 The White Paper proposes the development of rail station travel plans as part of the initiative to target the whole journey. Travel plans would need to be developed jointly between the train operator, Network Rail and Local Authorities.
- 7.2 A fund for enhancements to medium size stations is proposed. The £150m available will be targeted at improving the quality and capacity of stations.
- 7.3 The White Paper confirms that the Government does not plan to close any rail lines in the period to 2014. However, equally it does not identify any planned openings that will be funded by Government. This does not preclude proposals for re-openings coming forward, however any such proposal would have to identify its own funding source and this would need to be other than mainstream rail funds

8. Longer Term Strategy

- 8.1 The White Paper is billed as a long term strategy however its main focus is on the period up to 2014. There is however a commitment given to the replacement of the current fleet of Inter-City express trains that currently operates the majority of long-distance services out of London Paddington.
- 8.2 The White Paper places greater store in the potential for new signalling and communication systems to provide additional capacity and operational flexibility.
- 8.3 The Government does not support either MagLev or the development of new dedicated high-speed lines for long-distance services, arguing that the most pressing issue is capacity on the existing network. However it acknowledges the issue of high-speed lines will need to be revisited in the future. It rejects proposals that are responses to single issues (e.g. the Central Railways freight proposal) on basis that it is more sensible to invest in the overall network.
- 8.4 In terms of further electrification, the White Paper indicates that there may be a need to consider this in the medium term. However, it suggests that there other options may be more viable (i.e. bio-fuels and hydrogen fuel) over longer term that will assist in reducing emissions and carbon footprint. On all of these issues the Government argues that if they were implemented now it would result in delaying action to address more pressing issues.