

**SOUTH EAST ENGLAND REGIONAL ASSEMBLY
PLANNING COMMITTEE**

Date: 12 October 2001

Subject: **UP-DATE ON RAIL ISSUES**

Report of: Head of Regional Transport Planning

Recommendation:

That the Chairman and Vice Chairman of this Committee present the Regional Assembly's concerns regarding the future development of the rail industry to the Chief Executive of the Strategic Rail Authority at an earlier meeting.

1 Background

- 1.1 Planning Policy Guidance Note 11 (PPG11) states that the Regional Transport Strategy should provide, inter alia, a strategic steer on the role and future development of railways in the region for both passenger and freight consistent with national policy. It should also provide guidance on the measures to increase transport choice, including better integration of rail and buses.
- 1.2 The last year has seen the rail sector face a series of a series of challenges the like of which have been unparalleled in its history. The aftermath of the tragic events at Hatfield, together with the implications of the recommendations arising from the outcome of the inquiries into the accidents at Southall and Ladbroke Grove when set against the backdrop of a continuing shortage of employees with key skills have conspired to cast doubts as to the ability of the industry to deliver the bigger, better railway to which the outgoing Chairman aspires.
- 1.3 The most recent edition of "National Rail Trends" published by the Strategic Rail Authority (SRA) serves only to reinforce these doubts by painting an uncertain picture of the future for the rail network in terms of business growth. The SRA's Public Performance Measure (used to monitor passenger train performance) for London and the South East has yet to recover to pre-Hatfield levels, but more worryingly the longer-term trend is one of continued decline. In a

similar way the freight sector has been badly affected, with the growth of the sector now stalled.

- 1.4 This report summarises the key issues currently facing the rail sector as they affect the South East region and highlights a number of concerns. It is recommended that a meeting between the Chairman of this Committee and the Chief Executive of the Strategic Rail Authority be sought at the earliest opportunity to discuss these concerns in greater detail.

2 The Strategic Plan

- 2.1 On 29 June 2001 the Secretary of State published for consultation a draft version of his revised Directions and Guidance to the SRA. This document reaffirmed the requirement for the SRA to submit its first Strategic Plan to the Secretary of State by November 2001. It also confirmed that the Strategic Plan would be reviewed on an annual basis and that any such review would need to take into account the views of key stakeholders.
- 2.2 The Secretariat responded to the consultation on behalf of the Regional Assembly.
- 2.3 The key issues raised were:
 - the need for a greater degree of formal consultation between the SRA and Regional Planning Bodies;
 - the need to review the operation of the delivery mechanisms (including any review of fares policy) and budget available to the SRA;
 - the need to review the appraisal mechanism used by the SRA in order to identify priorities for investment; and
 - the change in Government policy regarding the future of passenger rail franchises.
- 2.4 The need to review the operation of the delivery mechanisms is particularly pertinent given the SRA's recent decision regarding the bid for Rail Passenger Partnership funding for the East-West rail project. This link is identified in RPG9 as a project of regional significance and its failure to secure funding through this process is all the more regrettable as a consequence.
- 2.5 Officers of the Regional Assembly met informally with the SRA in September at which they were briefed on the some of the issues under consideration as part of the development of the Strategic Plan. Arising from this meeting it is clear that an early meeting with

the SRA at which the Regional Assembly's concerns could be raised would be timely.

3 Franchising Statement

- 3.1 Shortly after publishing the draft Directions and Guidance for consultation the Secretary of State published his draft Franchising Statement, also for consultation.
- 3.2 The principle focus of this Statement was the change in policy away from the delivery of a better railway through longer term franchising (as announced in the 10 Year Plan) towards short-term 2 year franchise extensions.
- 3.3 Again the Secretariat responded on behalf of the Regional Assembly and a copy of the response is set out in the Annex.
- 3.4 Whilst it is acknowledged that there is the potential to secure some benefits for rail users in the short term through this process, the greater concern for the Regional Assembly is that the change in Government policy will delay the achievement of a long-term stable framework within which beneficial rail investment might be delivered.

4 Freight Issues

- 4.1 In May 2001 the SRA published its national freight strategy. Subsequent to its publication the SRA is now working on the development of more detailed regional freight strategies. Work on the development of these strategies has been slower than had been originally intended. Whilst the strategy for the South East of England is identified as one of the early priorities there is no indication as to when this might be published. Officers of the Regional Assembly continue to monitor progress on this work with the SRA.
- 4.2 The future of the proposal from Central Railway remains unclear. The Secretary of State is aware of the Regional Assembly's concerns and has been advised of the resolution passed by this Committee at its meeting on 23 May 2001.
- 4.3 It is understood that the study commissioned by the SRA at the request of the Secretary of State into Central Railway's proposal has been completed. Although the remit of this study is not in the public domain, it is thought unlikely to have covered the issues raised by the Regional Assembly. In particular it is unlikely to have given any consideration to the potential for alternative routes for a strategic rail link between the Channel ports and the rest of the United Kingdom.
- 4.4 The SRA will in due course advise the Secretary of State on the merits of the proposal in light of the recommendations arising from the study. The Secretary of State may then decide to make an

announcement regarding the nature of any Government support for the proposal. Your Officers continue to press the need for consultation with the Regional Assembly in its role as Regional Planning Body prior to any announcement should one be made.

5 Summary

- 5.1 The recent European Transport White Paper (reported elsewhere on this agenda) has highlighted the vital role that the rail network has to play in redressing the modal balance. It has also served to reinforce the need for transport policy to be developed in a comprehensive and integrated manner with other policy areas.
- 5.2 The rail industry continues to face considerable challenges in a climate of uncertainty. A major concern continues to be the lack of a clear strategic overview of the role that the rail network needs to play in facilitating a more sustainable pattern of development. Moreover, it is clear from the work that the Regional Assembly is undertaking to develop the Regional Transport Strategy that there is a need to ensure that such a strategic vision must be developed in a wider policy context at both National and Regional level.
- 5.3 The development of the RTS provides the opportunity for the Regional Assembly to engage with the SRA on the future development of the rail network. It is recommended therefore that the Chairman and Vice Chairman of this Committee and officers should meet with Chief Executive of the SRA and emphasise the key regional needs that should be part of both the SRA vision and the Regional Transport Strategy.

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Head of Regional Transport Planning
1 October 2001