

**National Infrastructure Commission (NIC):**

**Rail Needs Assessment (RNA) Interim Report**

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| Notes:   1. This response has been prepared with close reference to that submitted by Leicestershire County Council and Leicester City Council. We support their document and our response has been constructed to demonstrate this. 2. North West Leicestershire District Council is a stakeholder in the County and City’s Rail Strategy, and we support the aspirations set out within it. 3. We are also stakeholders in the work of the East Midlands Councils and Midlands Connect 4. This response has been prepared in the context of the COVID-19 pandemic, and an awareness that while travel habits may change in the short and medium term, it is still vital to work on long-term plans. |

1. **Introduction**
   1. North West Leicestershire District Council submitted a response to the NIC’s Call for Evidence in July 2020. We welcome the opportunity to engage further with this process.
   2. In our response, the Council set out what we believe are the essential requirements to achieving an integrated rail plan that meets the needs of the District over the next 20 years. This included:

* Completion of electrification of the Midland Main Line (MML)
* Works to enable the reopening of the Ivanhoe Line to passenger traffic
* Amendment of HS2’s design at Toton to enable a connection between the MML and HS2, which will enable service enhancements that directly benefit the District and areas further south
* Improving connectivity between the East Midlands and other regional and national centres, as per Midland Connect’s proposals
* Investment in the quality and capacity of Leicester station
  1. A key point was that investments in MML electrification, HS2 Eastern Leg, Midlands Connect projects and in Leicester station are all linked in order to deliver a result that works as a whole and which can deliver the most benefits for connectivity and capacity for rail users; for the environment and for the operational efficiency for the rail network.
  2. Works on the Ivanhoe Line are vital for economic growth in the District, particularly in the context of planned housing growth and decarbonisation/sustainability targets. We do not view this as a purely local project as it would open up better access to both the MML and the WCML (via Burton-on-Trent), restoring a long-lost connection between North West Leicestershire and the national rail network. Better access via rail to the East and West Midlands and beyond will help us to ensure that NWL is truly “open for business”.
  3. The RNA Interim Report has set out the NIC’s proposed approach to developing packages of projects for Government decision and asks for comments on the proposed methodology for developing those packages.

1. **General Observations**
   1. The Interim Report (p8) recognises that on current plans the Eastern Leg of HS2 will not be open until 2040, and states “it should not take 20 years to address problems that are already acute.” However, the full extent of HS2, Northern Powerhouse Rail and Midlands Engine proposals are likely to result in the NIC’s remit of between 1 and 1.2% of GDP across all infrastructure investment categories being exceeded. As a result, the NIC will look at opportunities for acceleration, phasing and the integration of schemes. We strongly support this approach – it is unreasonable to plan transformational change in public transport on the basis that a single scheme will take 20 years to deliver. Some elements of the requirements outlined in section 1.2 above could be delivered within the next 5 to 10 years, including completion of MML electrification and investment in Leicester station. Works on the Ivanhoe Line could be carried out in the context of the construction of the Ashby Railhead proposed as part of HS2 and connect to both the MML and WCML (via Burton-on-Trent), giving access to the East and West Midlands and beyond.
   2. We have three general comments on the criteria and assessment methodology proposed, as described in this section, and then in the following sections we address the specific questions posed in the Interim Report.
   3. In our response (introductory notes and section 9.1) we stated that the impacts of the COVID-19 pandemic are likely to have long term implications on future infrastructure planning. However, we believe that continued investment is vital to the country’s recovery plans.

***De-carbonisation and Sustainability***

* 1. These criteria must continue to be part of the NIC methodology. “Lifecycle carbon emissions” forms one of the NIC’s proposed criteria, but it is also about providing opportunities for embedding sustainable behaviours in the population. When the national lockdown was imposed in March, use of public transport decreased significantly. In the lockdown travel survey undertaken for the Department for Transport published on 23rd July 2020[[1]](#footnote-1) 63% of respondents stated that in the long term climate change is as serious a crisis as the virus, and despite short term fear over public transport, 34% said they would be willing to use it more to reduce their contribution to climate change.

***Efficiency in Operations***

* 1. The railway infrastructure in the UK is designed to accommodate peak loadings, and this drives significant investment in assets (trains, track and signalling) that are not strictly required throughout the day. It is likely that the pandemic will help to accelerate longer term changes in commuting habits and more working from home. These changes may make the net costs of the railway higher than they were, and we believe that investment in efficiency should, therefore, be a criterion for the NIC so that public funds are available for further improvements.
  2. In the light of both contexts – climate change and efficiency, the completion of electrification of the MML becomes a priority. Operating under solely electric power is likely to save c.30% in vehicle operating costs compared to diesel/bi-mode operation.

***Alleviating Deprivation***

* 1. We agree with the statement on p11 of the Interim Report that Benefit Cost Ratios are not always the best measure. They fail to properly capture employment and urban development benefits, and they risk “investment being channelled to areas that are already doing well”, which has already created the need to improve transport in the Midlands and the North.
  2. The response submitted by LCC highlights that according to the latest Indices of Deprivation (2019) dataset, Leicester is the 32nd most deprived local authority in England, and the areas that surround the railway station are all amongst the most deprived 20% of areas nationally. Naturally, we support any initiatives that will benefit the county as a whole, as NWL will also benefit.
  3. North West Leicestershire is more affected by socio-economic deprivation than Leicestershire as a whole, with 3.5% of the population living in neighbourhoods that have been classified as the most deprived nationally. North West is the second most deprived local authority in the County. Leicestershire’s Joint Strategic Needs Assessment profile for NWL identifies Coalville, Thringston, Whitwick Greenhill, Ashby, Measham, Ibstock, Moira and Castle Donington as priority neighbourhoods. Most of these locations are near to the Ivanhoe Line and would be able to benefit from its reopening. See map representation of deprivation below.



* 1. The Interim Report notes that “rail is primarily used by those in the highest income groups” (p33). This assumption does not take into account rail’s importance for groups that do not have access to a car, and who therefore have a higher dependence on public transport. According to the “All Change? Travel Tracker” survey (p11):

*“those without access to either a car or a bicycle/e-bike – and thus likely to be relatively more dependent on public transport – are disproportionately drawn from the following groups:*

* *49% are not in work compared to 37% of the UK population (based on this survey)*
* *40% are living in lower income households (annual income of less than £16,106) compared to 24%*
* *24% are aged 25-34 years old compared to 19%*
* *17% are from BAME groups compared to 13%”* 
  1. The criteria proposed by the NIC in the Interim Report include a variety of “sustainability and quality of life” measures, but the impact on deprivation is not explicitly captured, and we would recommend that a measure is developed for this. However, we feel that sustainability and quality of life are important measures as overall these add much more detail than measuring benefits in strictly economic terms such as BCR.

1. **Question 1: Please provide specific sources for evidence that the Commission could use in estimating costs and the impact of proposals on journey time and capacity.**
   1. We are pleased to note that the NIC will be considering a range of options for inclusion in the packages to be put to Government, including (p36): the scoping, phasing and sequencing of HS2 Phase 2b, Northern Powerhouse Rail and Midlands Engine Rail; improvements to existing lines (including the MML) and “generic interventions such as electrification”.
   2. Particular sources of evidence on costs, journey time and capacity benefits in relation to Leicestershire which we would urge the NIC to consider include:

* The Leicestershire County Council and Leicester City Council Rail Strategy, to which we are a stakeholder
* The work undertaken previously by Network Rail on developing the design, costings and business case for electrification of the MML north of its current limit at Market Harborough
* The forthcoming work to be undertaken on a feasibility study for the Ivanhoe Line. This will be commissioned by the Campaign to Reopen the Ivanhoe Line (CRIL), but the District Council have contributed towards the costs of this and have expressed our support for reinstatement of the line in our original response and elsewhere in this document. As stated above, we believe that there are wide-ranging connectivity and economic benefits to reopening the line and restoring local and national rail access to NWL. The District has been without local rail access for decades and this needs to be addressed.

We also wish to express support for the following which are set out in the Leicestershire County Council and Leicester City Council response:

* The Strategic Outline Business Case (SOBC) for the Leicester Station Masterplan, included as an attachment to the Call for Evidence response. This demonstrates a need for investment in the capacity and quality of the passenger facilities and access arrangements at the station to meet future demand.
* The Continuous Modular Strategy Planning study for the Leicester area, which Network Rail has just completed with the support of all stakeholders. This document sets out recommendations for capacity investment in the Leicester area which is essential for achieving the Midlands Engine Rail services associated with the Midlands Rail Hub, Coventry-Leicester and HS2 classic compatible services between Bedford and Leeds.
* The SOBCs produced by Midlands Connect for the above proposals. We understand that Midlands Connect has/will be providing these to the NIC.

1. **Question 2: Given the evidence for how transport impacts growth and competitiveness, is assessing against the Commission’s proposed criteria of productivity, connectivity, and unlocking investment in land around stations a reasonable approach to estimating the impacts of proposed rail investments? Please provide links to any specific sources of evidence you think that the Commission should use to support this methodology.**

**Note**: the response below is taken directly from the Leicestershire/Leicester document, as we subscribe to their views, particularly those on poor rail connectivity as this is particularly acute in North West Leicestershire. Economic impacts and benefits on the wider county filter down to the District. We have a particular interest in the proposed development around Toton as it is likely that some of our residents will be able to benefit from the expansion in jobs.

* 1. Since Network Rail undertook its Market Studies in 2013 there has been an increasing consensus about the link between perceived journey time (in the rail industry generally measured by Generalised Journey Time – a measure that takes account of actual time weighted for frequency and a penalty associated with interchange) and GVA. Leicester and Leicestershire’s own Rail Strategy, adopted in February 2017[[2]](#footnote-2) sets out the modelled impact on the City and County’s GVA of prioritised improvements in rail services. It states (p5):

“*The context is that Leicester and Leicestershire have relatively poor rail connectivity. Whilst the service to London is frequent from Leicester, the strategic connectivity to regional and national centres of economic activity is weak. Fast and frequent regional and national rail links are becoming increasingly important for business to business connectivity, as well as for travel to work and leisure journeys. The importance of business to business connectivity has been demonstrated comprehensively in work undertaken by Network Rail (Market Studies 2013) and by HS2 Limited (“Rebalancing Britain” – October 2014). The shortening of journey times and direct services between key cities and towns is vital to support economic growth.”*

* 1. The Councils’ Rail Strategy sets out (section 6.2.5) the following estimates of annual uplift in GVA for the City and County’s economy associated with the proposals examined.

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| Destination | GVA  p.a. |
| Sheffield, Leeds and North East England (direct services via HS2) | 40.9 |
| Swindon and Bristol (via East West Rail) | 19.5 |
| Sheffield, Leeds and North East England (via HS2 with change of train at Toton) | 17.4 |
| Thames Valley (via Coventry /  Leamington) | 14.9 |
| Thames Valley (via East West Rail) | 13.4 |
| Manchester | 9.1 |
| Enhanced service to London | 6.9 |
| Leeds and North East England (via conventional network) | 6.4 |
| Sussex Coast and/or Sevenoaks via Thameslink | 4.0 |
| Norwich | 1.5 |
| Burton-upon-Trent | 0.3 |

* 1. Since the Councils’ Rail Strategy was produced, the City has undertaken significant work on developing a Masterplan for Leicester Station. One of the key facets of the proposal is the development of a Multi-Storey Car Park on the existing station car park in order to release land for commercial development. The objectives of the Masterplan integrate land value, economic and transport benefits through addressing the following challenges together:
* There is a severe shortage of grade A office space in the City, and the railway station is the ideal place to provide this, and indeed one of the few city centre sites where it could be provided.
* The station does not present itself as a high-quality gateway and civic amenity that supports the growth and aspiration of the City.
* Having had no significant investment for over thirty years, the station is no longer adequate in terms of capacity or quality to support the demand that is forecast or the future expectations of passengers.
* The station does not support sustainable travel well (ie for onward travel by walking, cycling or bus).

* 1. Investment in Leicester station through the Masterplan will unlock investment in land around the station to create up to 200,000 sq ft of premium office space and a hotel.
  2. We would also urge the NIC to consider the efficiency benefits of rail investment as well as the productivity, connectivity and land benefits, as described in sections 2.4 and 2.5 above.

1. **Question 3: Given the evidence for how transport impacts sustainability and quality of life, is assessing against the Commission’s proposed criteria of amenity benefits, impact of rail freight, natural capital, and lifecycle carbon emissions, a reasonable approach to estimating the sustainability and quality of life impacts of proposed rail investments? Please provide links to any specific sources of evidence you think that the Commission should use to support this methodology.**
   1. We welcome the NIC’s proposal to use sustainability and quality of life criteria in assessing the proposals to be included in the packages for presentation to Government. Other than for the “Marginal External Cost” of passengers switching from car to rail, which is included in WebTAG, these factors are not generally included in transport business cases, even though they have important and tangible impacts on people’s lives. We feel this is particularly pertinent to North West Leicestershire as better access to rail would contribute towards the Council’s sustainability and quality of life targets.
   2. As highlighted in section 2.3 above we would welcome strengthening of the criterion on climate change to reflect the importance of embedding sustainable behaviours.
   3. As highlighted in sections 2.7 and 2.8 above we would welcome a criterion that specifically captures the beneficial impact of transport investment in alleviating deprivation. This is particularly important for North West Leicestershire as the second most deprived local authority in the County.
2. **Question 4: Do you agree with the Commission’s proposed approach to uncertainty?**
   1. The COVID-19 situation has had a very substantial short-term impact on public transport. Many thousands of people have been furloughed or are working from home and there has been less necessity for large numbers of people to travel to work every day, and only essential transport was encouraged. Since lockdown has been relaxed, some individuals are still wary of contact with others, particularly if they live with a vulnerable person. This has also affected use of public transport as many people are still only making necessary journeys. However, the long-term changes in behaviour and ways of working is clearly uncertain. Therefore, we agree it would be sensible for the NIC to commission a programme of social research as suggested in the Interim Report (p45).
   2. As the NIC is proposing to use an alternative approach to assessment (rather than conventional BCRs) that go wider than strict transport impacts, it would seem sensible for the results of this assessment to be presented alongside “*a list of what a decision-maker would have to accept in order to believe that the potential benefits…..would be realised*.” (Interim Report p46).
   3. The conventional application of “Optimism Bias” on the capital costs of schemes without incorporating the wider societal benefits of the proposal when linked with other (non-rail) initiatives can result in good schemes being shelved and schemes which channel investment into prosperous areas proceeding (as per p11 of the Interim Report). A rebalancing of this approach is long overdue. We feel that it is essential to include sustainability, wellbeing and quality of life, as mentioned in section 5 above.
   4. As an addendum, we feel that ending the uncertainty surrounding Phase 2b of HS2 is paramount. Our residents have lived with the proposals for HS2 since 2013, and in that time there have been proposed route changes and delays. The current review is adding yet more to the timescale and we feel it will be a great relief to residents and businesses to have a firm timeline for the project.
3. **Conclusions**
   1. In this response we have sought to:

* Demonstrate support for the NIC’s broad assessment methodology
* Suggest three areas where it can be enhanced: through criteria measuring efficiency of operations, embedding sustainable behaviours and alleviating deprivation
  1. Additionally, we have illustrated briefly how key schemes to provide economic and social benefits to the residents and businesses of the City and County can be assessed through use of the criteria. The four most important of these are:
* Electrification of the MML
* Reopening the Ivanhoe Line to passenger traffic
* Improved regional connectivity, including to Coventry, Birmingham and Leeds
* Investment in Leicester station and in the capacity through it in order that the Midlands Engine Rail proposals can be delivered

* 1. We look forward to continuing to assist the NIC in its work in any way that would be helpful.

**August 2020**

**North West Leicestershire District Council**

1. All Change? Travel Tracker June 2020, undertaken by IPSOS MORI for DfT [↑](#footnote-ref-1)
2. https://www.leicester.gov.uk/media/180873/rail-strategy-march-2017.pdf [↑](#footnote-ref-2)