

Better than HS2

The 51m Alternative Infrastructure Investment Strategy

Delivering Jobs and Growth Now





51m is the cross party alliance of 19 local authorities reviewing and challenging the case for HS2.

Each Council has signed up to the following position statement:

“We are opposed to the current high speed rail proposals as they are presently outlined and do not believe that they are in the best interests of the UK as a whole in terms of the benefits claimed in the business case.

“We are not opposed to the need for higher speed rail per se and fully acknowledge the need for strategic improvement to the national rail infrastructure but cannot agree with the current proposals as the economic and environmental benefits are not at all credible.

“We do not believe that all the other alternatives to achieve the transport capacity, regeneration and environmental benefits have been fully explored by the Government and, with in excess of £30billion (now £50 billion), proposed to be invested, we owe it to the nation to ensure these are fully explored.”

“The increased costs of HS2 are a matter of concern... for HS2 to go ahead it has to wash its face. The value for money test has to be properly applied. There is a strong case for the money to be spent on boosting rail capacity on the West Coast Mainline.”

John Cridland, CBI Director General, July 2013

“We agree with need for key infrastructure spending, but... it is time for the government to look at a thousand smaller projects instead of... one grand folly”

Simon Walker, IOD Director General, August 2013



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Executive summary

Local authorities are used to taking difficult and sometimes unpopular decisions. When dealing with hard pressed taxpayers' money, however, it is important to demonstrate good value, that it delivers major benefits for the public and that all alternatives have been properly evaluated and compared

51m has reviewed the business case for HS2 and found it wanting in all instances. The arguments against HS2 - poor economic return, unfounded assumptions and unproven claims - are now well rehearsed. This criticism has been supported by independent analyses from bodies such as the National Audit Office, the Public Accounts Committee, the Institute of Directors, and the Institute of Economic Affairs. Eminent figures from all political parties with experience in both Government and opposition have also cast doubt on the soundness of the project.

However, the local authorities in 51m are fully committed to investing in key infrastructure critical for the country's future success. 51m has already set out its fully deliverable and costed 'Optimised Alternative' alternative to HS2, upgrading the existing West Coast Mainline. This solution not only meets the capacity proposed by HS2 but at a fraction of the cost (c.£2billion) and more quickly - providing relief for both commuter and intercity routes, matching demand as it arises. An independent assessment commissioned by the Department for Transport reported that this solution will deliver more than £5 of return for every £1 invested, far better than the return for HS2.

In this paper 51m has gone further, explaining different ways to invest £50 billion (HS2's planned cost including rolling stock) to drive economic recovery across the country, delivering jobs and growth now. As well as providing the 'Optimised Alternative', 51m proposes:

- Investing in existing rail and road routes, accelerating delivery of some 'shovel ready' schemes, and addressing commuter congestion in the near future rather than in 20 years.
- Major strategic investment in the 'communications infrastructure of the 21st century' - ultra-fast broadband and 4G mobile - to enable the UK to be competitive with emerging economies in the Far East, transform the country's connectivity, supporting both creative and media industries, and vital small and medium enterprises.
- Investing in line with Lord Heseltine's report 'No Stone Unturned', devolving substantial capital and revenue funding to our great major cities to help drive local economic growth in partnerships between business and local communities.
- Substantial and guaranteed long term funding for Local Enterprise Partnerships enabling them to become the true 'Engine for Growth', planning and delivering business critical infrastructure in their areas. This will drive national growth, not just growth restricted to cities, and now in this decade, when it is needed most.
- Many issues are raised by this strategy. Addressing 'state aid' issues to roll out ultra-fast Broadband, phasing the capital funding devolved to LEPs, and the importance of a long term commitment to funding. This strategy demonstrates that far from being inward looking, the local authorities that make up 51m are committed to working with the Government to deliver great world class infrastructure, and importantly jobs and growth for every part of the nation.

Introduction

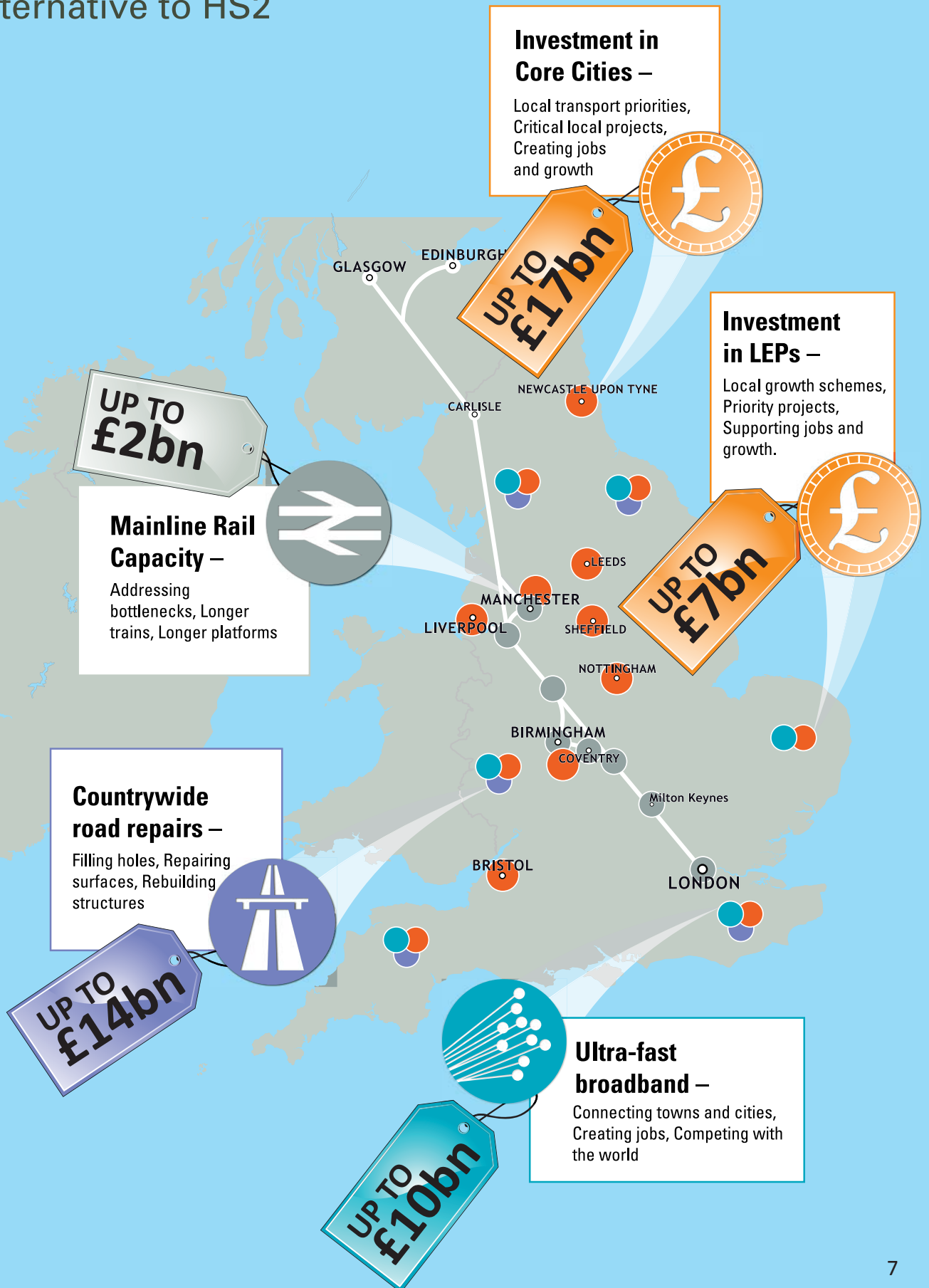
The 51m Alternative Investment Strategy comprises:

- Increase capacity on north-south rail network:
£2 billion (including contingency)
- Restore and upgrade the nation's roads:
£14 billion
- Ultrafast broadband and 4G mobile:
£10 billion
- Core City infrastructure investment:
£17 billion
- Devolved funding to Local Enterprise Partnerships:
£7 billion

Delivering Jobs and Growth Now

Delivering Jobs and Growth Now

The 51m Infrastructure Investment Strategy –
an alternative to HS2



Alternative Investment Strategy

1) Mainline rail capacity £2 billion

HS2 provides no additional rail capacity between London and Birmingham until 2026 at the earliest, and 2033 for the North of England.

The West Coast Main Line is the least crowded main line to London, and, unlike many other routes, its capacity can be increased by lengthening and reconfiguring trains, at a fraction of the cost of HS2.

The capacity arguments for HS2 are fundamentally flawed

Ministers constantly quote Network Rail stating that ‘the West Coast Main Line will be full by the mid-2020s’ but there has been no objective, independent review of this statement. Even on Network Rail’s own evidence¹, the West Coast Main Line is, apart from HS1, the least crowded main line into and out of London:

| Service group (long distance services into London) | Load factor (3 hour morning peak - 2010) |
|--|--|
| Paddington (Main Line and other fast trains) | 99% |
| Waterloo (South West Main Line) | 91% |
| St.Pancras (Midland Main Line) | 80% |
| Liverpool Street (Great Eastern Main Line) | 78% |
| Victoria (fast trains via East Croydon) | 72% |
| Kings Cross (ECML long distance) | 65% |
| Euston (long distance) | 60% |
| St.Pancras (HS1 domestic) | 41% |

There is much other evidence that West Coast Main Line services are nowhere near full. The average number of passengers on Virgin Trains services in 2012/13 was 164², much lower than for the East Coast Main Line (224). The majority of West Coast trains now have 589 seats, a ‘load factor’ of 28%, compared to airlines of between 80-90%. And routes such as main lines into Waterloo, Victoria and Liverpool Street and key commuter routes into cities such as Birmingham, Manchester and Leeds are full now - and in many cases the Government has no plans to provide extra capacity.

¹ London and South East Route Utilisation Strategy July 2011 (page 55)

<http://www.networkrail.co.uk/browse%20documents/rus%20documents/route%20utilisation%20strategies/rus%20generation%202/london%20and%20south%20east/london%20and%20south%20east%20route%20utilisation%20strategy.pdf>

² Derived from Office of Rail Regulation statistics <http://dataportal.orr.gov.uk/browsereports/9>

*Commuter demand on lines into Victoria, Liverpool Street, Waterloo and into Manchester, Birmingham and Leeds is at capacity **NOW***

The Department of Transport has repeatedly refused to provide data on train loadings for Virgin Trains on the grounds of 'commercial confidentiality', even though rail franchises are major government contracts, and there is an obvious public interest for the taxpayer. Some data released to the High Court as part of the Judicial Review case in December 2012 showed that evening peak Inter City departures from Euston (2011) carried on average 229 passengers, a load factor of only 52.2%. These counts were carried out before the programme to lengthen 35 of 56 Pendolinos from 9 to 11 carriages was implemented. This alone provided a further 150 standard class seats in each train. Assuming 20 of 29 Pendolinos leaving Euston in the evening peak are now 11 carriages, the standard class load factor is just 45.8%. Peak passengers from other London terminals would think this was commuter heaven!



Standard class on the 0820 Euston to Manchester (12/8/13)

This is a peak morning business train with 589 seats, carrying only 18 first class and 70 standard class passengers

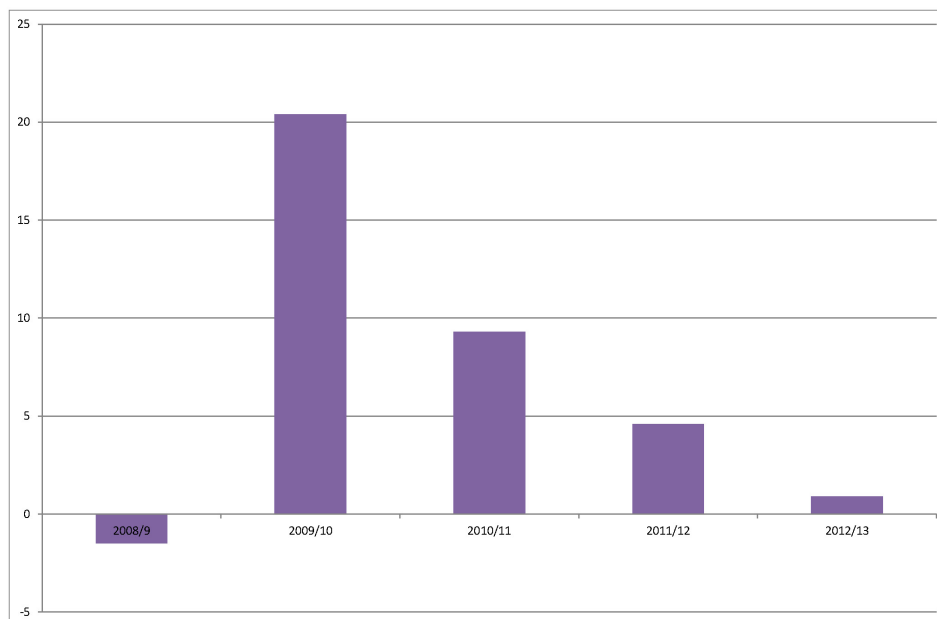
The West Coast Mainline is the least crowded main line in and out of London. Most trains have 589 seats but even evening peak trains carry an average of just 229 passengers

Future demand

Passenger numbers on the West Coast Main Line grew dramatically after the route upgrade was completed in 2008. This isn't surprising, as frequencies were improved and journey times were slashed. Using London to Manchester as an example, there had previously been just one train an hour taking 2 hours 40 minutes, but now there are three trains an hour taking 2 hours 8 minutes. This has led to a big change from air travel, with almost everyone now travelling to central London by train - the remainder are either transferring flights, or fly because the destination airport is more convenient than Euston.

But Virgin Rail's figures³ show that rapid growth is now over:

Passenger miles growth (%) for Virgin West Coast [Source: Stagecoach Annual reports]



The same thing happened when the West Coast main Line was electrified in the 1960s, with initial rapid growth, and then plateaued passenger numbers. Future growth on West Coast Main Line is now only likely to come from growth in the total transport market, rather than transfer from road or air, which has already happened. Rail is already dominant for travel to central London, with the Department for Transport's statistics showing business travel in decline, almost certainly because businesses are increasingly using IT as a smart, cost effective alternative.

The Government should make sure it has a good understanding of what's actually happening rather than just extrapolating constant rail growth into the future. After all, passenger miles grew by less than 1% in 2012/13, well below the growth assumed for HS2.

West Coast Mainline capacity

The Department for Transport (DfT) forecast 102% background growth in long distance demand from 2008 (in 2011 consultation documents). Based on recent trends, this looks highly unlikely. Even if rail growth does continue, there are much cheaper and quicker ways to increase long distance capacity on West Coast Main Line. The alternative developed by 51m⁴, the group of local authorities opposed to HS2, achieves a major increase by:

- Changing one first class carriage to standard (still leaving three first class coaches per train).
- Lengthening trains from the present 9 or 11 carriages to 12 (except for Liverpool trains which would remain 11 carriages because of constraints at Liverpool Lime Street).

This approach gives 693 seats on most trains - more than three times the current average evening peak demand.

³ Data from Stagecoach annual reports - Stagecoach own 50% of Virgin Rail

⁴ Optimised Alternative to HS2: the scope for growth on the existing network

<http://51m.co.uk/sites/default/files/uploads/App%201%20-%20Optimised%20Alternative%20to%20HS2.pdf>

51m's alternative increases capacity to 693 seats - more than 3 times the average peak demand today at a cost of only £2bn

And eliminating three minor 'pinchpoints' (restrictions between Euston and Crewe) would allow an extra 15 InterCity trains in each direction daily, and increase freight capacity by separating InterCity and freight trains along the line.

Within the documents issued by the Government (January 2012) are reports commissioned by DfT from Network Rail⁵ and WS Atkins⁶. While the Network Rail report was intended to undermine the 51m alternative, it acknowledges that capacity calculations set out in the alternative are practical and deliverable, and the report from Atkins report states that the alternative has a Benefit Cost Ratio (BCR) of 5.1, compared with 1.4 for HS2. The capital cost of the alternative is £2bn, a fraction of the cost of HS2.

Euston commuter capacity

There is a major crowding problem on the fast commuter trains to Milton Keynes and Northampton today. The Department for Transport stated that three of the ten most overcrowded trains in the country last year were on this route.

The 51m alternative doubles fast peak commuter capacity on the route by building a new flyover south of Milton Keynes and introducing faster rolling stock. This could be done in five years whilst HS2 provides no extra capacity until 2026 at the earliest.

Major increases to capacity on shorter distance commuter services (e.g. Watford and Hemel Hempstead) can be achieved by increasing all trains to 12 carriages, and by operating extra commuter trains by changing stopping patterns and transferring a small number of freight trains to run outside peak periods.

HS2 doesn't help shorter distance commuters, as trains still have to operate on the 'slow lines' since DfT's plans for WCML show 'fast lines' busy with fast (125/110 mph trains) after HS2 is built.

There are major crowding problem today on fast commuter trains to Milton Keynes & Northampton. 51m's alternative would double the peak fast commuter train capacity in five years time.

5 Network Rail review of strategic alternatives November 2011

<http://assets.dft.gov.uk/publications/hs2-review-of-strategic-alternatives/hs2-review-of-strategic-alternatives.pdf>

6 Atkins strategic alternatives update January 2012

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/3664/hs2-strategic-alternatives-study-update.pdf (page 28)

Commuter capacity in Birmingham, Manchester and Leeds

The Government may also argue that HS2 is essential to address growing commuter demand in Birmingham, Manchester and Leeds. In reality, HS2 only has a marginal benefit in each case. Using the morning peak as an example, only two trains from London arrive at Manchester and Leeds before 9.00am today. HS2 only releases capacity for two more trains, on just one route into each city, a minimal benefit for Leeds or Manchester commuters despite the £50 billion price tag.

HS2 releases little or no commuter capacity in Manchester or Leeds

As proposed in this report it would be far better to invest up to £3bn in each Core City area to deliver big capacity increases for all routes to city centres.

Disruption

HS2 supporters argue that the 51m alternative will create major disruption because of the engineering work required. This simply isn't true because work is only necessary in three places (Ledburn Junction, south of Milton Keynes; Brinklow, Nuneaton; and Colwich junction, south of Stafford). This is similar to work already being carried out, for example the Nuneaton flyover, Bletchley remodelling, and Norton Bridge flyover. The work required cannot be compared to the previous WCML upgrade that involved comprehensive renewal and maintenance of the route.

By contrast, work to build HS2 will be VERY disruptive at Euston, with a permanent reduction in the number of approach tracks (six to four) and platforms (18 to 13/14) from early on in the construction programme, leading to reduced peak services. This will also impact on Scottish sleeper services, which will no longer be able to stand at Euston after arrival in the morning; it is quite likely that these trains will have to be permanently transferred to another terminal.

Even away from London, HS2 requires work that will cause as much (if not more) disruption as the 51m alternative, with construction of grade separated junctions near Lichfield, south of Crewe, and south of Wigan.

HS2 releases little or no commuter capacity in Manchester or Leeds



Capacity on other routes

HS2 delivers no benefits for the East Coast Main Line or the Midland Main Line until Stage 2 is completed in 2033 at the earliest - at least twenty 20 years away - and the cost of HS2 will inevitably squeeze investment on all other parts of the rail network. Sensible incremental improvements in capacity and reductions in journey times could be delivered within five to ten years across the network delivering national benefits, at much less cost.

Improving journey times to/from London

Even before any potential journey time improvements on existing main lines, times between London and major English cities are already fast by international standards, reflecting previous investment in improving principal InterCity routes to and from London, and the shorter distances involved compared to other countries like France or Spain. For example, Manchester to London takes 2 hours 8 minutes today, compared with 2 hours 11 minutes from Paris to Lyon and 2 hours 45 minutes from Madrid to Barcelona. Before high speed rail Madrid to Barcelona took 6 ½ hours, so it was a huge step change that caused a shift from air to rail. HS2 will not give the same change for London to Manchester as rail is already fast, and the time saving is much lower, especially for end to end travel times, taking account of the time taken to get to and from stations.

There is also real scope to reduce journey times on all three main lines from London to the Midlands, the North of England and Scotland. Electrification of the Midland Main Line will reduce journey times by up to 15 minutes, and DfT has promised that introducing new 'IEP' trains on the East Coast Main Line will also cut times (by 17 minutes to Newcastle for example). Virgin Rail believe it is possible to travel between London and Glasgow in 3 hours 59 minutes by 2017/18⁷. Further improvements on West Coast Main Line could be achieved by running at 140 mph, the design speed of existing trains.

Rail already has a high share of the market between major cities and central London, the principal market for HS2. The real priority must be to cut interurban journey times away from London - it is perverse that the train service between Liverpool and Manchester is slower and less frequent today than in 1910. Interurban improvements can be achieved much sooner, at a fraction of the cost of HS2, and will encourage transfer from road to rail, positively supporting regeneration in the North of England.

As already described, major capacity increases on shorter distance commuter services (to Watford and Hemel Hempstead) can be achieved by increasing all trains to 12 carriages, and running extra commuter trains by changing stopping patterns.



Alternative Investment Strategy

2) Restoring and upgrading the nation's roads: £14 billion

HS2 delivers nothing for the vast majority of businesses which rely on the road network to access their markets and customers, locally, regionally, nationally and internationally.

The poor condition of many of the country's roads costs businesses in England and Wales an estimated £5 billion every year. The vast majority of freight in the UK continues to be carried by road and the ability of businesses to attract and retain a talented and skilled workforce is affected by how easily people can travel to work.

Maintenance budgets have been cut by 28% between 2010/11 and 2014/15, and the estimated maintenance deficit for local roads in England and Wales is currently £10 billion. Whilst the government has announced extra funding for the Highways Agency and some local repairs, in practice this is a long way short of what local authorities need to achieve a step change in condition.

Many local authorities across the country have 'shovel ready' schemes to repair, upgrade and enhance local road networks. Devolving substantial new funding to Local Transport Bodies and highway authorities would enable these schemes to be accelerated and help achieve real and lasting benefits for local, regional and national businesses and in turn the national economy.

Benefits:

- Improves access and connectivity for businesses across the country
- Reduces and manages congestion
- Improves access to skilled workforce and increases training and development opportunities
- Stimulates and accelerates the creation of new jobs, sectors and industries
- Encourages inward investment
- Limits ongoing maintenance costs



Alternative Investment Strategy

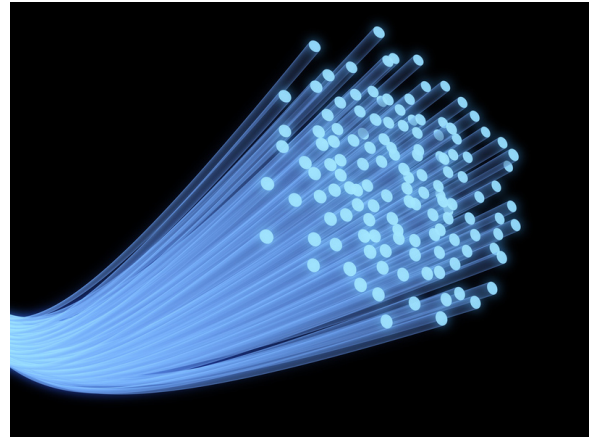
3) Building the future 'global network': £10 billion - Ultra-fast broadband and 4G

Railways and roads have been the backbone of this country's transport network and were the 'superhighways' of the 19th and 20th centuries. In the 21st century, however, HS2 looks like old technology and is backward looking. While roads and railways will remain vital for transport and communications, the 21st century demands investment in the next 'superhighway'.

South Korea, China and Japan are currently investing in broadband technology and connectivity that will not only help existing businesses to operate more efficiently and effectively, but also act as a catalyst for the creation and growth of a large number of new businesses and sectors. South Korea is experimenting with connectivity at between 500 and 1000 Megabits per second (MB/s). In such a global race, the UK risks being left in the slow lane, struggling to keep pace.

The UK has a competitive advantage in the creative and media sectors. Increasingly small and medium businesses operate over the internet from remote locations. These businesses require and depend upon access to broadband with fast download and upload speeds. Experience has shown that the internet has helped create businesses and associated jobs that could barely have been conceived ten years ago.

The Government's plan for 24 MB/s broadband to be available to 90% of premises is a significant step forward, as is the £100 million fund for key cities. The UK, however, could and must do better. 51m proposes the creation of an 'intervention fund' of at least £10 billion by the Department for Culture Media and Sport to support the development of ultra-fast broadband (100 MB/s) across key cities, other major population centres and areas where there are clusters of small and medium enterprises. EU 'state aid' issues would clearly need to be resolved.



Benefits:

- Stimulate business and job creation
- Protect and grow the UK's creative and media sectors
- Vital for small and medium enterprises to market and sell efficiently and effectively
- Reduces the need to travel
- Encourages sustainable development
- Estimated Benefit Cost Ratio of 2.5:1

The strategy also suggests that the Government makes fibre to the premises (FTTP) mandatory for all new business and residential premises to 'future proof' these developments. Although not specifically funded in these proposals, it is also recommended that the Government considers how to stimulate the faster roll out of the 4G network beyond city and urban areas.

Alternative Investment Strategy

4) Driving national prosperity: Core Cities £17 Billion

Many of the political leaders of major cities such as Birmingham, Manchester, Leeds and Sheffield are enthusiastic supporters of HS2. In reality most will gain little until 2033 (at the earliest) and even then the evidence from other country's experience of high speed rail is that the main benefits accrue to the capital city rather than the regions.

51m supports investment in key infrastructure across the Core Cities and regions to bring jobs and growth sooner and more sustainably. It proposes the creation of a 'Core Cities' Investment Fund. This would be long term and devolved to major cities for critical transport or economic development proposals for each city or their surrounding area. Specific projects might include new local or regional rail, tram or road schemes that unlock development sites or directly support inward investment. Projects would need to demonstrate good value for money and where possible be 'match funded' by private sector partners and/or local authorities. 'Pooling' of funds between cities or Local Enterprise Partnerships would be actively encouraged.



The following pages illustrate potential investments in major cities. Most have been identified from relevant publications for each Core City or neighbouring Local Enterprise Partnership.

Core Cities indicative infrastructure funds:

- Birmingham and the West Midlands - £3 billion
- Bristol, Wales and the West - £3 billion
- Leeds and the city region - Up to £3 billion
- Liverpool, Manchester and the North West - £3 billion
- Newcastle and the North East - £3 billion
- Nottingham and the East Midlands - £2.5 billion
- Sheffield - £2 billion

Note:

Allocations total between £17bn and £19.5 bn.
It has been assumed that not all schemes will eventually be realised.

Benefits:

- Empowers Core Cities
- Secure, long term funding
- Unlocks stalled or new economic development sites
- Enables Core Cities to develop strategic long term plans
- Delivers benefits now and in medium term - not 2033
- Reinforces the strength of Core Cities - not London!

Birmingham and the West Midlands ***£3 billion***

The Department for Transport claims HS2 will deliver significant benefits to the West Midlands. However a recent survey carried out by FRP Advisory (July 2013) in the Midlands found 62% of local business owners, advisors and financiers do not think that £42.6 billion on HS2 is a good use of public funds. 77% would prefer the money to be spent on other infrastructure projects, and some local MPs echo this view. Roger Godsiff (Birmingham Hall Green) has said that a Metro system for the city would bring far greater benefits than HS2.

HS2 delivers minimal benefits for Birmingham commuters. The project releases capacity for perhaps three or four extra services into Birmingham from Coventry. It would be far better to invest £3 billion across the city and West Midlands region to address commuter capacity and other issues.

Alternative investment strategy

The alternative investment strategy of £3bn would provide certainty to fund critical infrastructure schemes and secure a central plank of the “cocktail for success”, bringing real benefits for business, growth and connectivity within the Region. The strategy could include:

Rail

Commuter lines in the West Midlands are congested, impacting badly on local businesses. Providing extra capacity on the local and regional routes and options for freight capacity will help unlock growth potential.



Four track between Coventry and Birmingham

This would enable separation of fast inter-city services and local commuter services, significantly increasing capacity in this corridor. Geoff Inskip, CEO Chief Executive has stated “There is a very real risk that local services could be pushed out in favour of more profitable inter-city trains, thereby damaging local economies and stifling economic growth and job creation. We therefore cannot afford to wait for HS2”

Cross Birmingham tunnel (Lichfield - Redditch)

A short tunnel under Birmingham New Street station connecting the Lichfield and Redditch lines would provide a major capacity increase in the centre of Birmingham, releasing platform capacity for up to an additional 12 trains per hour.

Snow Hill Line enhancements

The reinstatement of platform 4 at Snow Hill station once the metro is running on street would provide additional capacity at Snow Hill, enabling more reliable and flexible services.

Walsall - Stourbridge freight line

The reinstatement of the Walsall - Stourbridge freight route would redistribute strategic through-running freight trains away from Central Birmingham, allowing the opportunity for additional passenger services on the Camp Hill and Tamworth corridors and providing the opportunity for a Metro extension to Dudley and Brierley Hill. Reinstatement of the Walsall - Lichfield disused rail line would create a direct ‘rail freight spine’ through the West Midlands.

Camp Hill chords

Construction of two new connections would allow new suburban rail lines to be run into Moor Street from Kings Norton and Tamworth, improving the productivity and labour market connectivity with Birmingham City Centre.

Wolverhampton - Shrewsbury electrification

This would provide higher capacity and faster trains, and give the potential to extend London to Wolverhampton services to Telford and Shrewsbury.

Roads

The relationship between local traffic and the motorway network is a particular strategic issue for the West Midlands, for which improved junctions are a major element of a wider transport package. Key junction improvements on both the M5 and M6 will help reduce congestion.

Urban transport

A number of major schemes will help unlock investment and regeneration by providing access to growth points.

Black Country Rapid Transit Spine - Wednesbury to Brierley Hill

The new metro route linking the existing Line One (Wednesbury) to Brierley Hill will provide significant economic and regeneration value as part of the wider growth and regeneration aspirations for the Black Country.

East Birmingham Rapid Transit

An extension of the Metro system to provide a link between Birmingham City Centre (via Eastside) to Birmingham Airport.

Coventry Sprint BRT - SPRINT

A rapid transit network for Coventry to support economic and housing growth within the city.

| Infrastructure | Cost £bn |
|------------------------------------|-------------|
| Rail | |
| 4 track Coventry to Birmingham | 0.6 |
| Cross Birmingham Tunnel | 1 |
| Snow Hill Enhancements | 0.02 |
| Walsall - Stourbridge Freight Line | 0.2 |
| Camp Hill Chords | 0.2 |
| Roads | |
| M5 and M6 junction improvements | 0.1 |
| Urban Transport | |
| Wednesbury to Brierley Hill metro | 0.25 |
| East Birmingham Rapid Transit | 0.5 |
| Coventry SPRINT | 0.1 |
| TOTAL | c3.0 |

Bristol, Wales and the West of England

£3bn

HS2 does nothing for major areas of the country, with Wales and the South West being two of the biggest losers. There is a major infrastructure deficit in the area that hampers jobs and economic growth.

The Commons Welsh Affairs Committee stated (March 2013):
“The M4 is a key strategic road for Wales and the UK more broadly, and essential for the Welsh economy...the route has suffered from under-investment and congestion for too long. The UK and Welsh Governments must work together to find attainable, funded solutions to these problems”.

It also stated that *“it welcomes the new investment in cross-border rail links into Wales but says current plans for the HS2 high speed rail link could cause damage to the Welsh economy. The exclusion of South Wales from the HS2 proposals means businesses and people may relocate eastwards across the border.”*

“The A303’s importance cannot be underestimated and ensuring that traffic can flow freely along this key route is crucial to the south west’s economy. Business needs confidence in the infrastructure, or it cannot grow; a resilient road network is one of our top priorities for economic growth”.

Tim Jones, Heart of South West LEP, April 2013.

“Transport is a major barrier to economic growth in the West of England, and investment will play a critical role in unlocking new growth”

Atkins report for the West of England Local Authorities, November 2013

Alternative Investment Strategy

The strategy highlights major investments in Wales and the South West which would have a significant impact on the economy, growth and jobs and could be delivered in the next decade.

Roads

M4 Relief Road

The M4 Relief Road around Newport will bring major relief to congestion in South Wales. George Osborne stated *“...it is one of the most important road schemes in the whole of the United Kingdom. I think it would be of huge benefit to South Wales... I hope the road is going to be built and I think there is a very strong case”.* Despite this support there is no formal Government commitment to fund the scheme. It has been reported that tolls may be used to pay for the road but this is not favoured by the Welsh Government.

The M4 in South Wales and the A303 both suffer from major congestion which is damaging economic growth

8 Atkins and West of England Authorities - Unlocking Our Potential: The Economic Benefits of Transport Investment in the West of England, November 2012 Atkins and West of England Authorities - Unlocking Our Potential: The Economic Benefits of Transport Investment in the West of England, November 2012

Dualling A303

The A303 to the South West is only partial dual carriageway and suffers from major congestion and delay. Dualling will generate 21,400 jobs and £41.6bn benefit to the economy together with £1.9bn of transport benefits due to a reduction in journey times, congestion, delays and accidents⁹.

Urban transport

South East Wales Metro

The South East Wales Metro would be a major expansion of the public transport network, including new rail routes, light rail; and bus corridors, reducing travel times and increasing frequency as a catalyst for economic growth and job creation.

West of England package

The West of England authorities have developed a package of transport schemes to unlock the potential of the region, some schemes are underway but others are not funded.

The Greater Bristol Metro

Electrification and reopening of lines in and around Bristol will open up new areas to the rail network (Portishead, Henbury) and improve services to other areas. This will reduce car dependency within the West of England and improve access to growth areas at Temple Quarter, Bath and Filton.

Temple Quarter Package

A package of road access improvements, new walking and cycling routes and new bus links that will unlock the potential of Temple Quarter.

New M49 junction

A new junction on the M49 that will improve road access to Avonmouth/Sevenside and enable the area to accommodate new logistics and industrial activity.

| Infrastructure | Cost £bn |
|-------------------------|-------------|
| Roads | |
| M4 Relief Road | 1.0 |
| A303 Dualling | 1.2 |
| Urban Transport | |
| South East Wales Metro | 0.5 |
| Other | |
| West of England package | 0.3 |
| TOTAL | c3.0 |

Leeds and the city region

Up to £3 billion

Rail passengers in Yorkshire already experience overcrowding at peak times. The West Yorkshire Rail Plan 7¹⁰ identified that to meet growth aspirations, rail capacity to Leeds needed to double by 2026.

The benefits that HS2 will provide for Leeds and the city region should be compared to an alternative investment strategy that delivers direct benefits to the area much more quickly. Whilst HS2 may bring benefits for Leeds, it will have a negative effect on other cities and towns (Barnsley, Bradford, Halifax, Huddersfield and Wakefield). Councils in Wakefield and Bradford have already come out against HS2 as they recognise investment will be sucked towards Leeds, dividing the region.



The MP for Leeds North East, Fabian Hamilton, has said that the impact of HS2 on constituents would be minimal and therefore money would be much better spent on other projects. *“A fully integrated metro system in my city might cost a couple of billion pounds in the short term, but in the long term it would be as important as the Victorian work on sewerage and clean water was 150 years ago”*

By contrast, HS2 will deliver minimal benefit for Leeds commuters. Using the current morning peak as an example, only two trains from London arrive in Leeds before 9.00am, so HS2 releases capacity for just two extra trains, on just one route into the city from Wakefield. It makes more sense to invest up to £3bn across the area to deliver a major increase in commuter capacity to the city centre.

HS2 brings little or no benefit until 2033 **at the earliest** whilst the alternative investment strategy supports economic growth now and for the next 20 years. An inability to provide short term capacity or connectivity will have a much more damaging effect on the economy than any future benefits from HS2.

The recommendations of the Eddington report (2006) and the conclusions reached by the Northern Way are consistent: *“To support economic growth there needs to be adequate network capacity and capability, so that journeys can be made reliably and with reasonable journey times: within city regions; between city regions; and to access international gateways.”*

Only Leeds and York will benefit from HS2. All the other towns and cities in LCR: Wakefield, Barnsley, Bradford, Harrogate, Huddersfield, Halifax will be disadvantaged as investment is drawn to Leeds

Alternative Investment Strategy

The alternative investment strategy focuses on doubling rail capacity by the mid 2020s and enhancing the urban transport network for the benefit of the whole area. It should be noted that there are major synergies between these proposals and those for Sheffield, with a number of the schemes offering benefits for both areas.

An investment package (of up to £3bn) concentrated on Leeds and the city region could include:

¹⁰ West Yorkshire Local Transport Plan 2011-2026 - Rail Plan 7

Rail

Electrification

Electrification and upgrade of core rail routes would deliver faster journey times, increased capacity and better connectivity to meet travel demand. Routes could include Leeds to Manchester and Preston via Bradford; Leeds to York via Harrogate; and Leeds to Sheffield via both Swinton and Barnsley.

Urban Transport

New Generation Transport (NGT) or Leeds Supertram

The NGT system is currently being developed for the city of Leeds. This network could be expanded to include lines in the Bradford, Otley and Aire Valley corridors. Alternatively the Leeds Light Rail / Supertram (cancelled in 2005) could be delivered putting Leeds on a par with Manchester, Sheffield, Newcastle and Nottingham.

Tram-train

Tram-trains could be introduced on: the Harrogate line, linking to Leeds Bradford airport, extended to Bradford, and on the Hallam / Pontefract / Five Towns corridor.

| Infrastructure | Cost £bn |
|------------------------------|-------------|
| Rail | |
| Electrification | 0.6 |
| Urban Transport | |
| NGT extensions OR | 0.2 |
| Leeds Light Rail / Supertram | 2.0 |
| Tram-train routes | 0.2 |
| TOTAL | c3.0 |

Liverpool, Manchester and the North West £3 billion

The claimed benefits of HS2 for the North West should be compared to an alternative investment strategy that concentrates on the key needs of the region. HS2 brings little or no benefit to the North West until 2033 at the earliest, while the alternative supports economic growth now and for the next 20 years.

There is already congestion, especially for public transport commuters in North West cities, and this will increase dramatically over the next 20 years. This is likely to have a much more damaging effect on the economy than any future benefits that HS2 might bring.



Those future benefits are largely restricted to Manchester, Preston, Crewe, Warrington and Wigan, whilst areas such as Blackburn, Burnley, Macclesfield, Stockport, Bolton and Rochdale will see none. The reality is that once construction begins there will be fewer seats on trains to Manchester until 2033 - 550 seats, significantly fewer than on today's Pendolinos. Liverpool is further disadvantaged because journey times from London will be 30 minutes longer than those to Manchester. As a result HS2 increases the divide within the North West.

Transport congestion in the North West will get worse during the next 20 years but HS2 will bring no real benefits until 2033 at the earliest

HS2 offers little benefit for Manchester commuters. Using the current morning peak as an example, only two trains from London arrive before 9.00am, so HS2 releases capacity for just two extra trains, on just one route into the city from Stockport. Far better to invest £3bn across the region to grow commuter capacity to city centres and achieve economic priorities.

The recommendations of the Eddington report (2006) and the conclusions reached by the Northern Way are consistent: *“To support economic growth there needs to be adequate network capacity and capability, so that journeys can be made reliably and with reasonable journey times: within city regions; between city regions; and to access international gateways.”*

Alternative Investment Strategy

The alternative investment strategy concentrates on providing adequate road and rail network capacity and improving journey times within and between the northern city regions to address current and future congestion and support economic growth over the next 20 years. HS2 fails to provide any benefits in that period. It is based on the priorities and projects identified by Councils across the area and includes schemes such as:

Rail

Liverpool to Manchester (30 minute journey time, every 15 minutes)

Electrification of the Trans-Pennine route from Leeds to Liverpool is already happening but with further infrastructure improvement, including 4 tracking (in places) journey time can be reduced to 30 minutes and frequency increased to four trains every hour. This would significantly increase connectivity between two

key economic centres in the North West.

Urban Transport

Liverpool Merseytram

The Merseytram scheme, cancelled in 2009, would significantly improve public transport services in Liverpool, putting it on a par with Manchester.

Manchester Metrolink extension

“Expansion of the Metro network has been central to our transport strategy for many years”¹¹

Metro

- Extension through Trafford Park, Trafford Centre, City of Salford stadium and Port Salford
- Extension to Stockport town centre, Staybridge, Middleton

Tram-train or Metrolink extensions

- Four routes to extend Metrolink using tram-train technology and existing heavy rail network:
 - Mid Cheshire line to connect to Stockport/Hale
 - Hope Valley Line to connect to Marple
 - Glossop line to connect to Hadfield and Glossop
 - Manchester to Sheffield line to connect to Hazel Grove

| Infrastructure | Cost £bn |
|-----------------------------------|------------|
| Rail | |
| Liverpool to Manchester | 0.5 |
| Urban Transport | |
| Liverpool Merseytram | 1.0 |
| Metro | 0.75 |
| Tram-train / Metrolink extensions | 0.75 |
| TOTAL | 3.0 |

Newcastle and the North East **£3 billion**

Lord Adonis, Chairman of the North East Independent Economic Review team, stressed the need for transport infrastructure and services as one of the five priorities for the region:

“... To overcome the relative national and international isolation of the North East and to improve connections within the North East so that people can get to and from work more easily and cheaply¹²”

“The North East is a world-class business location and its firms are delivering huge successes. However, as a trading region with the best export record in the country, it is crucial for competitiveness that the North East continues to develop its connections to key markets in the UK and overseas.¹³”

Government spending on infrastructure in the North East is 500 times less than in the South East



CBI North East & NECC

Both highlight the importance of major infrastructure investment in the North East to grow jobs and drive the economy. But, in the recent IPPR North - Still on the Wrong Tracks (June 2013 briefing) - the North East is being forgotten in terms of infrastructure investment:

“Measured on a per capita basis, where government money is involved, this shows that as a nation we are planning to spend nearly £2,600 on transport infrastructure per Londoner: 500 times as much as the £5 per person for the North East.”

HS2 is not the answer as improvements can be delivered on the East Coast Mainline, much sooner and at much less cost. This would enable further investment in infrastructure across the North East.

Journey times on the East Coast Main Line between London and the North East will be cut once new InterCity Express trains, recently ordered for the route, are operational. The same trains also let more passengers travel on the route. The Department for Transport report these will lead to journey times between Newcastle and London Kings Cross being cut by 17 minutes (10%), savings reflected on other towns and cities along the route. HS2 promises a 34 minute saving on a route that will serve only Leeds, York, Darlington and Newcastle.

Further cuts in journey times can be achieved in the near future. Running trains at 140 mph operation (design speed for InterCity Express trains) would save further time between the North East and London. This could reduce the time difference between ECML and HS2 to as little as seven minutes. A small number of improvement schemes would also increase capacity and improve reliability of the ECML.

HS2 provides little journey time benefit to North East. IEP trains already committed, provide increased capacity and only 17 minutes slower

12 North East Local Enterprise Partnership (NELEP) - North East Independent Economic Review Report, April 2013

13 North East CBI and North East Chamber of Commerce - North East Businesses Transport Priorities, January 2013

Alternative Investment Strategy

HS2 offers no benefits for the area before 2033 and little overall benefit to the North East even then. Investing in infrastructure in the North East will deliver much greater benefits much earlier. The alternative investment strategy seeks to redress the imbalance, providing the infrastructure needed for the North East to achieve its potential growth, create more and better jobs, and a prosperous economy and society. The strategy, based on priorities identified by NELEP and CBI North East/NECC, allocates £3bn to the region to deliver projects such as:

Rail

Electrification

Middlesborough to Darlington and Northallerton - integration with TransPennine rail network.

Freight

Reopening the route between Newcastle and Ferryhill (Leamside Line) to ensure capacity for growth in rail freight and enable creation of new rail commuter services.

Faster journey times

Reducing journey times on East Coast Main Line, as discussed above. Providing more capacity and journey time improvements by delivering Newark Flyover and Doncaster by-pass.

Roads

A1 Dualling to Scotland

A1 is a key road of strategic importance connecting the North East to Scotland. Most of the A1 north of Newcastle is single carriageway, and whilst there is an active campaign to dual the road, there is no commitment to progress this key project.

Unified Tyneside ring road

While some improvements to A1 (Western Bypass) and A19 (Pinchpoints) have been announced there remain bottlenecks and congestion hotspots. Developing the A1, A19 and A194 to create a unified Tyneside ring road, and A1 Western Bypass widening would address these issues.

Urban transport

Metro extensions

Widening the catchment would enhance accessibility, extending the Tyne & Wear Metro to Washington, Blyth and Ashington giving connections to Newcastle, Gateshead and Sunderland.

| Infrastructure | Cost £bn |
|-----------------------------------|------------|
| Rail | |
| Electrification | 0.1 |
| Freight | 0.2 |
| ECML upgrade | 0.6 |
| Roads | |
| A1 Dualling | 0.6 |
| Unified Tyneside ring road | 1.0 |
| Urban Transport | |
| Tram-train / Metrolink extensions | 0.5 |
| TOTAL | 3.0 |

Nottingham and the East Midlands £2.5 billion

HS2 will not directly serve Nottingham, Derby or Leicester. The planned HS2 station for the East Midlands will be at Toton (between Derby and Nottingham). Passengers will have to transfer onto other public transport to reach city centres, negating any possible benefits. HS2 claim¹⁴ journey times to Nottingham Midland station and Derby Midland station will be 68 minutes (including 17 minutes transfer) and 71 minutes (including 20 minutes transfer) respectively, but these make little allowance for interchange or waiting times at Toton.



Electrification of the Midland Mainline currently underway will reduce journey times to Nottingham Midland and Derby Midland stations to 97 minutes and 82 minutes respectively, meaning that in practice it will be more convenient and almost as fast to use the electrified Midland Main Line direct to Nottingham and Derby.

David Begg, Director of Yes to High Speed Rail, stated:

"[HS2] is not relegating the Midland Mainline to the scrap heap. Indeed, using a faster electrified Midland main Line to get to St Pancras may remain the best option for people who live close to Nottingham city centre."

The city centres are the focal points for all major transport links for both Nottingham and Derby, in contrast to Toton which (at best) will have only limited public transport links. HS2 fails to deliver journey time savings between London and the East Midlands. Furthermore, service levels on the existing Midland Main Line will be reduced, with only one train an hour from Nottingham and slower trains from Derby because of extra stops.

Midland Main Line services from London to Nottingham, Leicester and Derby will be reduced or slower with HS2

Alternative Investment Strategy

HS2 offers little if, if any, benefits for the area before 2026. The alternative investment strategy helps provide greater connectivity with adjoining areas and regions, improving access to and between major cities and towns to support growth. Schemes within a £2.5bn package could include:

Rail

Derby to Birmingham electrification and line speed improvement

This secures reliable and frequent services between Derby and Birmingham, achieving a half hourly Nottingham to Birmingham service, delivering faster journey times and increased capacity.

Nottingham to Lincoln line improvements

Building a new flyover at Newark improves improve capacity and reliability on both the Nottingham to Lincoln route and the East Coast Main Line. Such improvements will improve journey times and increase frequency on this key regional link.

Urban transport

Derby metro

Connecting Mickleover and Mackworth to the city centre which would relieve pressure on the congested network and support new housing growth.

Extensions to Nottingham tram (NET)

Extending the NET, completing the network to connect the city with all quarters of the city, identified as part of NET future development:

- South east (West Bridaford / Gamston / Edwalton)
- North West (Kimberley)
- Queen's Medical Centre to Arnold

Tram-train services

Delivering further tram-train services to develop the current network:

- Nottingham to Gedling and/or Bingham
- Nottingham to Ikleston

| Infrastructure | Cost £bn |
|------------------------------------|------------|
| Rail | |
| Derby - Birmingham electrification | 0.3 |
| Nottingham - Lincoln improvements | 0.1 |
| Urban transport | |
| Derby metro | 0.2 |
| Extensions to Nottingham tram | 1.5 |
| Tram-train services | 0.4 |
| TOTAL | 2.0 |

Sheffield £2 billion

HS2 does not link to Sheffield City centre but rather some miles away at Meadowhall. Any benefits that HS2 might bring to the Sheffield area should be compared to an alternative investment strategy focussing on the key needs of the region. HS2 will bring little or no benefit to Sheffield until 2033 at the earliest, whilst an alternative investment strategy would foster economic growth now and for the next 20 years.



Commuters already suffer congestion, especially in the Sheffield and Yorkshire area, and this will grow over the next 20 years. Indeed, this will probably have a much more damaging effect on Sheffield's economy, than can be compensated by any long term benefits from HS2.

The recommendations of the Eddington report (2006) and the conclusions reached by the Northern Way are consistent: *“To support economic growth there needs to be adequate network capacity and capability, so that journeys can be made reliably and with reasonable journey times: within city regions; between city regions; and to access international gateways”.*

The HS2 station at Meadowhall requires passengers to transfer to train or Supertram to reach the city centre, negating most, if not all, of the benefits. HS2's figures¹⁵ show journey time from London to Sheffield Midland Station as 79 minutes, just 10 minutes longer than HS2 to Meadowhall. This makes no allowance for interchange, which might realistically add a further 10 minutes

The Midland Mainline electrification project led by Network Rail at a cost of just £800m, will reduce journey times to Sheffield Midland by 15 minutes to 1 hour 44 minutes. HS2 will save no more than 15 minutes on from London to Sheffield, regardless of the interchange at Meadowhall. This journey time to London could be reduced further if certain services chose the Erewash Line rather than route via Derby.

Business sectors most likely to be affected by improved connectivity in Sheffield are higher value service sector jobs in the city centre. Twelve times more service jobs are within 1km of the city centre, compared to Meadowhall, with the greatest concentration of workers coming from south west of Sheffield¹⁶.

HS2 will lead to fewer services on the Midland Mainline to London. HS2's plans show that existing services will reduce from two trains to one train an hour between Sheffield and London, with six intermediate stops, compared to about three today. HS2 will bring few benefits to the city with the need to make one or two changes to reach the city very unattractive for possible passengers.

HS2 journey time from London to Sheffield will be about 12 minutes faster than on an electrified Midland Main Line.

15 HS2 Ltd - Facts, Figures and Journey Times

16 Genecon: Sheffield City Council and South Yorkshire Passenger Transport Executive - Maximising the economic impact of HS2 investment in Sheffield

Alternative Investment Strategy

The alternative investment strategy helps deliver better connectivity with adjoining areas and regions, improving access to and between major cities and towns to support growth. Schemes as part of a £2.5bn package could include:

Rail

Erewash line electrification and upgrade

Electrification of Erewash line and line speed improvements would enable some London to Sheffield services to be routed directly via Chesterfield (without having to go via Derby). This would reduce journey time from London to Chesterfield and Sheffield by as much as a further 10 minutes.

Electrification and upgrades

- Electrification of Sheffield to Doncaster, Sheffield to Leeds (via Moorthorpe), and Sheffield to Leeds (via Barnsley) to enable faster and more frequent services.
- Extension of the freight 'electric spine' to allow access to freight facilities in Doncaster, Humberside and the North East

Urban transport

Supertram extension to south west Sheffield

- Extension of Supertram network to south west of Sheffield to provide better access to the city
- Extension of BRT to both south and north (Sheffield to Rotherham)

| Infrastructure | Cost £bn |
|--|-------------|
| Rail | |
| Erewash line electrification & upgrade | 0.5 |
| Electrification & upgrades | 0.6 |
| Urban transport | |
| Supertram extension | 0.6 |
| BRT - Sheffield to Rotherham | 0.3 |
| TOTAL | c2.5 |

Alternative Investment Strategy

5) Closing the regional gap Local Enterprise Partnerships £7 billion

51m recognises that whilst major cities are important, every part of the country has huge potential to create jobs and drive economic growth. Many smaller cities, towns and rural areas have small, medium and large businesses eager to grow, creating jobs and wealth.

The Government commissioned Lord Heseltine to consider the best conditions to foster economic growth. His report 'No Stone Unturned' made a number of recommendations for major devolution of funding from Whitehall to localities.

51m supports the principles in Lord Heseltine's report, believing that growth can be generated by devolving significant, guaranteed, long term funding to Local Enterprise Partnerships established by the Coalition Government.

LEPs are partnerships between the private business sector and the public sector (involving local authorities and skills providers) based around economic geographies. They differ in size and capability, and are of varied potential.



Benefits:

- Supports Heseltine report
- Devolves infrastructure investment to local areas
- Creates jobs and delivers economic growth now
- Encourages 'matched funding'
- Secures local support

By devolving up to £7 billion to non-City LEPs, giving each an average of £225 million, 51m is confident that each LEP will be able to identify key projects and schemes that will unlock development, jobs and growth right for the local area.

Key to this is letting each and every LEP determine the right projects for their area. Schemes would probably include those that unblock stalled development sites, open up growth areas or underpin and support inward investment. They must demonstrate very good value for money and where possible be 'match funded' by the private sector and / or local authorities, with 'pooled' funding from other bodies or neighbouring Local Enterprise Partnerships actively encouraged.

Alternative Investment Strategy

The alternative investment strategy proposes investing up to £7bn in Local Enterprise Partnerships to deliver 'shovel ready' schemes or accelerate the development of critical local infrastructure schemes. Schemes as part of the £7.bn package might include:

Rail

- West Cumbria coastal line and direct connections to Barrow (Cumbria LEP)
- Northern Hub (Lancashire LEP)
- Telford Rail Freight Interchange (The Marches LEP)

Roads

- A47 improvements, creating £390m each year (New Anglia / GCGP LEPs)
- Accelerate delivery of all transport priorities (Heart of the South West LEP)
- Deliver all first tranche road, rail and bus priority projects Rail (South East LEP)
- Improved access on M40, supporting growth corridor (Bucks TV and Oxfordshire LEPs)

Silverstone (in Buckinghamshire Thames Valley, Northamptonshire and South East Midlands LEPs) offers the opportunity for jobs and economic growth as a result of investment in advanced manufacturing, engineering and motor sports technology



6) The 51m Challenge

'Let the people decide!'

51m is confident that the alternative investment strategy presented in this report sets out a balanced investment strategy, one where every part of the country benefits and reaps the rewards of jobs and growth. From the South-West to the North-East, from city to country, the benefits will be visible as local public and private sector partnerships agree and act on their critical priorities. The country is crying out for the right infrastructure investment, spending on key projects that can be completed in the next few years, more cheaply and with better returns.

51m understands that the HS2 proposal is controversial, with passionate advocates and robust critics. To enable a balanced debate and let both sides present evidence based arguments, 51m encourages discussion to inform a future ballot of UK residents.

Both sides should have an opportunity to present investment options fairly and equally and then let the public speak. Conducted alongside the forthcoming European Elections the extra costs would be minimal, especially compared to both the development and ongoing costs of the project.

It is time for the country to end the uncertainty, and commit to a long term infrastructure strategy that creates jobs, supports growth and enables the UK to compete in the global race.



51^m