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## Connecting Local Economies – the Case for Rail

### Summary

This paper provides information on current policy and issues for local government to inform the Board's discussion on rail policy, and sets out proposals for a project to influence the national debate on rail and transport connectivity.

### Recommendations

Members to agree proposals for the Connecting Local Economies – rail and connectivity project.

### Action

LGA officers to progress the proposed project subject to comments from the Board and provide updates on progress at future meetings.

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## Background

1. This agenda item follows requests for a discussion on rail policy from members at previous meetings of the Board. The Board will receive a presentation from Greengauge, followed by discussion. This paper provides information on current policy and issues for local government to inform that discussion, and sets out proposals for project to influence the national debate on rail and transport connectivity.
2. Members are invited to comment on the proposed connecting local economies work.

## Background to recent rail policy statements

3. This section of the paper gives an overview of recent and expected policy statements and announcements from Government in relation to Rail.
4. The Government's White Paper '*Delivering a Sustainable Railway*', published in July 2007 set out the Government's plans for growth and development of the railways. It outlined four main goals of increasing capacity, improving quality and efficiency and reducing carbon emissions. The White Paper announced a total of £15 bn investment in between 2009 and 2014, over £10 bn of which is for enhancing capacity. Most of this funding is allocated to provision of additional carriages, rather than infrastructure investment. About 1,300 additional carriages will be provided to deliver the capacity increase required by 2014 with associated platform lengthening, power upgrades and additional depot facilities. The exception for infrastructure investment was approval for £5.5 bn for the Thameslink Programme and provision of £425 m at Reading and £120 m and Birmingham New Street for improvements to tackle congestion. In December 2008, DfT announced £5.6 bn contribution for Crossrail.
5. In November 2008, DfT published a strategy paper, *Delivering a Sustainable Transport System (DaSTS)*.<sup>1</sup> In it they set out five strategic goals for transport and identified fourteen strategic national transport corridors linking England's major conurbations, the busiest ports and airports and other areas with strong economic activity. As part of this process, transport Minister, Lord Adonis convened the National Networks Strategy Group to consider the long-term solutions for national transport networks, how to make the best use of the existing network and to consider options for future investment, including new rail lines and high speed rail (HSR).

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<sup>1</sup> A copy of the LGA's response to the consultation on DaSTS is at annex C to the transport update paper.

## High speed rail

6. There has been a noticeable shift in attitude towards high speed rail since the Eddington study and the *Delivering a Sustainable Railway* white paper, both of which were sceptical about the benefits of investing in HSR. To quote from the 2007 White Paper, “it would not be prudent to commit now to ‘all-or-nothing’ projects, such as network-wide electrification or a high-speed line, for which the longer-term benefits are currently uncertain and which could delay tackling the current strategic priorities such as capacity”. However, opinion among national policy makers is now more favourable. In January, Government announced the creation of High Speed 2, an arms’ length company charged with developing proposals by the end of 2009, for a high-speed line linking London, Heathrow and the West Midlands. The Conservatives have also indicated support for high speed rail in their recent policy document *Getting the best deal for passengers* in which they state they would give the go-ahead to a £20bn high speed rail line linking London to Birmingham, Manchester and Leeds.

## National Policy Statements

7. The Planning Reform Act 2008 introduces a new system for approving nationally significant infrastructure projects in England and Wales. A key element of this is a suite of 12 National Policy Statements (NPS) setting out national infrastructure needs in relation to energy, transport, water, and waste. The aim is that the NPSs will provide a more transparent and strategic approach to policy making, and will guide decisions on major infrastructure projects. The set of NPSs will include one covering national networks (strategic highway and rail networks and rail freight interchanges), expected later this year.

## Key issues for local government

### A coherent national framework

8. A fundamental change to the way we plan and invest in transport policy is essential if we are to move towards a transport system that can meet the economic, social and environmental challenges we face. This will require a joined up and coherent framework of plans and strategies that sets out a long term vision and links across transport modes, across different spatial levels and to wider policies (such as economic development, housing and employment). Currently in the UK, individual transport infrastructure proposals are developed, lobbied for / against and decided on a case by case basis. For example, whereas in France the Paris to Calais TGV was part of the wider French high speed programme, in the UK the Channel Tunnel Rail Link (CTRL) was a discreet high speed rail project. We are only now beginning to consider the

case for a further high speed line, again on an individual route by route basis. We need a framework for investment in rail infrastructure that is far sighted, plans for the long-term and is part of a coherent and integrated vision for transport and economic development. The set of National Policy Statements provide an opportunity to create this national framework, but this will require a joined up approach across the different government departments responsible for delivering them. . It will be important that the new national policy statements (NPS) on ports, airports and national networks (road and rail) are consistent with each other. These strategies need to make connections between different modes of travel, which will encourage greater use of sustainable transport. The NPSs also need to be consistent and linked with those been being drawn by other departments, for example on Energy, and with other policy areas for example, land use planning.

## **Importance of a national framework to local decision making**

9. The LGA's "prosperous communities" work has demonstrated that in many respects the national economy is made up of local economies which function at the level of cities, city region or shire. These sub-regions therefore need to be the level at which key economic decisions are taken. However, national infrastructure is important to economic regeneration initiatives at the local level. This will require more than a list of planned national infrastructure projects. Successful local economic decision making requires coherence and coordination of different strategies at the national level. Without such an approach we risk ending up with a confusing array of national policies and strategies that constrain local decision making. We need a clear strategic framework to give councils and other delivery partners confidence and certainty to develop their own investment plans at the local level.

## **Bottom-up approach to national infrastructure**

10. Development in the major conurbations outside London is threatened by creaking transport infrastructure and congestion caused by systems that are full to capacity. A strategic framework for transport connectivity needs to be informed by an understanding of the drivers of demand for transport and connectivity in different areas of the country and how they are expected to evolve.

## **Supporting economic growth and tackling climate change together**

11. In order to meet the challenge of tackling climate change, there is a strong argument that the enhanced connectivity required to support economic development should be delivered through low carbon public transport. Other key outcomes of enhanced connectivity through public transport would be more attractive physical environments for public transport users, shorter journey times and greater access to public transport connections.

## **Proposed LGA / TCPA project on connecting local economies and rail.**

12. In response to these issues, LGA officers, in partnership with the Town and Country Planning Association (TCPA) are developing proposals for a project to provide evidence and analysis to put the case for a strategic framework for public transport connectivity to support economic growth, tackle climate change and provide greater access to jobs, services, and facilities. Given the appropriateness of rail connectivity to delivering inter-regional connections and impacting on regional imbalances of growth, the study will focus on rail. The study will be timed to influence the expected National Policy Statement on national networks expected later this year.

### **Methodology**

13. The study will be based on 4 or 5 locations or transport corridors in England (and possibly Wales) where enhanced rail based public transport connectivity is capable of delivering:
  - Growth in regional or sub-regional economies that fall below national average productivity levels
  - Enhanced opportunities for communities experiencing low employment rates or poor life chances
  - Environmental gains through reductions in emissions, traffic and air quality improvements.
14. Findings from the study areas on the benefits of rail connectivity and the obstacles to rail development within them will be researched.
15. The project will then consider the role the proposed rail connections could play in:
  - Local development strategies
  - Regional integrated strategies
  - National development policies to be expressed in National Policy Statements.
16. The project would be overseen by a steering group made up of local authorities, transport interest groups (including Commission for Integrated Transport, Campaign for Better Transport, Greenguage, etc), business and academics. The journalist, Peter Hetherington has agreed to act as Chair of the steering group.
17. Members are asked to comment on the proposed project and the issues it seeks to address. Progress will be reported to future meetings of the Board.

## **Financial Implications**

18. The connecting local economies project requires funding to support for a secretariat, commissioning of research and engagement activities. The LGA is proposing to contribute to the cost of the project and with the TCPA, is seeking financial support from other partners.

## **Implications for Wales**

19. The proposed study will focus primarily on major economic centres in England. However, Wales will be considered in selection of the case study areas and connectivity and integration with Welsh transport networks will need to be taken into account. LGA officers will involve WLGA in developing the project.

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