



Transport North East Committee

Thursday 28th April 2016 at 3.00 pm (or following the conclusion of the Transport North East (Tyne and Wear) Sub-Committee, whichever is later)

Meeting to be held at the Civic Centre, Barras Bridge, Newcastle upon Tyne, NE1 8QH

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SUPPLEMENTAL AGENDA

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To All Members

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North East Combined Authority Transport North East Committee

DATE: 28th April 2016

SUBJECT: National Infrastructure Commission report - High Speed North

REPORT OF: Chief Executive Officer for Transport

EXECUTIVE SUMMARY

This report discusses the publication of the recent report from the National Infrastructure Commission entitled 'High Speed North'.

RECOMMENDATIONS

It is recommended that the Committee notes the contents of this report

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1. Background Information

1.1 The National Infrastructure Commission was established on the 5th October 2015 in order to provide long term strategic decision making to build effective and efficient infrastructure for the UK. It will produce a series of reports regarding this task, one of which is “High Speed North”.

1.2 The Commission comprises a small number of Commissioners, assisted by civil servants and outside experts.

The Commission is chaired by the crossbench Peer Lord Adonis, the former Secretary of State for Transport. Lord Adonis has previously chaired the North East Independent Economic Review. Other members of the Commission have worked on projects relating to the North East, including Bridget Rosewell, an economist from Volterra Partners.

1.3 The Commission was initially tasked with three areas of study:

- Smart Power
- The Future Transport of London
- Connectivity between Northern Cities

1.4 A Call for Evidence for ‘Connectivity between Northern Cities’, the third of these three study areas, was open between 13th November 2015 and 8th January 2016. Lord Adonis visited the North East in November 2015 and discussed the particular transport issues which the North East faces, including a historic underinvestment. NECA submitted a response to this Call for Evidence. Further, as members of Transport for the North, NECA officers contributed to a pan-northern response.

The main points of the NECA response are below:

- 1.5
- While better connectivity is important between city regions of the north, improved connections are also important within city regions.
 - Both East-West and North-South connectivity are important when considering connections within the North.
 - Rail investment north of York should be made a priority alongside any investment in trans-Pennine upgrades.
 - City to City investment should not be the only priority. There are a number of investments within regions which could deliver high value for money as exemplified by the successful Department for Transport Pinch Point schemes in the North East.
 - Airports in the North East would be disproportionately affected by the devolution of Air Passenger Duty to Scotland and this should be accounted for in any investment package.
 - NECA is supportive of the governance structures established through Transport for the North (TfN) but is also strongly in favour of regional

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governance and prioritisation of schemes, enabling a long term programme of activity to be planned, rather than investment on an ad hoc basis.

2. High Speed North report

2.1 On the 15th March 2016, the report of the Commission, titled 'High Speed North' was published, alongside an accompanying technical report from the consultants Frontier Economics. The report refers to the 'Newcastle city region' or 'North East' but each term covers the entire NECA area.

The report identifies the North as the home of significant untapped potential economic growth, with 15 million people and contributing £209bn of GVA annually to the economy. The universities of the North, including the North East, are home to much world-leading research and development activity.

However, there were also a number of areas identified where the North underperformed national averages. Productivity is less than 90 % of UK averages and population growth of all northern city regions, including the North East Combined Authority, has been below UK averages. Further, the proportion of the population educated to a level of NVQ4+ is below national averages.

The report is focused on the potential for Northern cities to gain from agglomeration benefits linked to transport improvements. Agglomeration benefits are those which accrue when firms and people are located near one another. Also considered were the emerging opinions as part of the Northern Independent Economic Review on what the distinctive economic capabilities were of the North.

This focus led to the conclusion that improving connectivity between Manchester and Leeds led to the greatest potential for agglomeration due to the size, proximity and economic specialisations of these cities. While this is not investment in the North East directly, it will improve onward connections from the North East to other regions of the country, which are important for people and businesses.

Its recommendations covered a number of areas, these are discussed below:-

2.2 Rail

Patronage on the rail network in the North is forecast to increase by between 60 and 110% up to 2043 but journey times are poor, both east-west and north-south. Further, there is poor quality rolling stock on some routes and an absence of smart ticketing technology.

The Commission recommended that funding was provided to create a network entitled 'HS3' (this is also known by other names, including Northern Powerhouse Rail). This is envisioned as a high capacity network focusing on improving existing connections between cities rather than a new line as in the case of HS2.

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A key recommendation on rail was that TfN should work with stakeholders to prepare a single integrated strategy which supports the overall 'HS3' network and brings together the following plans:

- The upgrade of the trans-Pennine line between Manchester and Leeds
- The design of the northern phase of the HS2 network, including between Sheffield and Newcastle
- Proposals for the redevelopment of Manchester Piccadilly station

Of these, the recommendation is that the Leeds to Manchester link should form the first phase of HS3 to be developed in detail, with the long term objective of reducing journey times to 30 minutes and capacity improvements in the long term, and to deliver journey time reductions to 40 minutes by 2022.

A further recommendation was that TfN should develop and prioritise proposals for other inter-city links as part of its strategy, this should include the case for assessing improvement and redevelopment at Liverpool Lime Street.

2.3 Road

The strategic road network in the North has experienced significant stress in recent years. Areas identified as being under the most strain include the A1 and A19 in the North East. These have been the focus of spending in Highways England's Roads Investment Strategy 1 (RIS 1, 2015-20) process. However, by 2040, there will be further strain on the network across the North.

When looking at freight flows and traffic levels, there was a recommendation that Highways England should accelerate capacity enhancements on the M62 between Liverpool and Manchester and between Manchester and Leeds. This work should be brought forward to 2017/8, 2 years ahead of schedule.

2.4 Development Funding

There was a further recommendation that development funding should be prioritised for the following schemes, so they could be delivered within the 2020-25 Roads Investment Strategy period:

- Upgrades to the M56 J6-8 around Manchester Airport
- Redevelopment of the Lofthouse Interchange and Simister Island in the North West and Yorkshire and the Humber respectively
- Capacity enhancements to the M1 between Sheffield and Leeds

2.5 Strategic Studies

The current Roads Investment Strategy has 3 strategic studies: the potential for a trans-Pennine tunnel, the north-west quadrant of the M60 and the Northern Trans-

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Pennine Route Study, examining the case for upgrades to the A66/A69. NECA represent TfN on the A66/69 Project Board. The Commission recommended that these strategic studies be continued, with due consideration of strategic objectives, feasibility, affordability and environmental factors.

- 2.6 The final recommendation of the report is that sufficient funding should be made available by Government to fund an ambitious cross-modal strategy for Northern transport. This aligns with NECA's desire to have a fairly funded settlement and commitment to long-term transport investment.

3. Actions after the publication of the report

- 3.1 In the 2016 Budget, the Chancellor announced £300m of funding for the recommendations of the Commission on High Speed North and accepted the recommendations of the Commissions reports.

Funding was allocated in the following ways:

- £60m to 'green light' HS3 between Leeds and Manchester
- £161m to accelerate the transformation of the M62 into a 'Smart Motorway'
- £75m to fast-track development of major new road schemes, including the Strategic Studies mentioned in paragraph 2.5.
- £4m to support the development of High Speed 2 Growth Strategies for Manchester Piccadilly, Manchester Airport and Leeds stations.

- 3.2 As part of the March 2016 Budget, the Chancellor tasked the Commission with undertaking two further studies. These are:

- Maximising the potential of the Cambridge-Milton Keynes-Oxford corridor as a single, knowledge-intensive cluster
- How the UK can become a world leader in 5G (mobile telecommunications) infrastructure deployment

- 3.3 These are expected to report by the 2017 Autumn Statement.

- 3.4 Also in the Budget, £50m was allocated for innovation in energy storage and smart technologies and £80m to begin the £28bn Crossrail 2 project, with the aim of depositing a Hybrid Bill in this Parliament.

4. Finance and Other Resources

- 4.1 There are no direct financial implications arising from this report.

5. Legal

- 5.1 There are no legal implications arising directly from this report.

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6. Other Considerations

6.1 Consultation/Community Engagement

There are no specific consultation or community engagement implications arising from this report.

6.2 Human Rights

There are no specific human rights implications arising from this report.

6.3 Equalities and Diversity

There are no specific equalities and diversity implications arising from this report.

6.4 Risk Management

There are no specific risk management implications arising from this report.

6.5 Crime and Disorder

There are no specific crime and disorder implications arising from this report.

6.6 Environment and Sustainability

Improving rail links across the North and encouraging modal shift from car to rail travel will assist the Combined Authority in achieving a more sustainable transport system for the region.

7. Background Documents

None.

8. Links to Plans in the Policy Framework

None.

9. Contact Officers:

9.1 Mark Wilson, Head of Transport Policy (North East Combined Authority)

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10. Sign off

- Head of Paid Service ✓
- Monitoring Officer ✓
- Chief Finance Officer ✓

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