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26th August 2013

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Office of Rail Regulation
1 Kemble Street
London
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Dear Valentina,

REF. METRO RESPONSE TO 'PR13' DRAFT DETERMINATION

I write to provide you with Metro's views on Periodic Review 2013: Draft determination of Network Rail's outputs and funding for 2014-19, published in June 2013. This response has been endorsed by the West Yorkshire PTE Executive Board.

Metro's role and devolution

As the Passenger Transport Executive (PTE) for West Yorkshire, Metro is a member of the Passenger Transport Executive Group (PTEG) and works closely with other PTEs and core cities across the country. As such, Metro endorses the separate PTEG submission to the consultation.

I should also state that Metro has had an involvement in the development of plans through the RUS process. Metro contributed to the Northern, Yorkshire and Humber and East Coast RUSs, as well as the East Coast 2016 Capacity Assessment. In particular, Metro was a member of the Northern RUS Stakeholder Management Group.

The RUS process has fed into some very positive proposals in West Yorkshire, but it is important to note that the process seeks only to determine how the railway can meet organic growth in passenger demand to 2019. This is in contrast to our local LTP objectives and funding, which are actively encouraging modal shift to rail from single occupancy car use, for both economic and environmental reasons, in addition to

Our Ref: T4225

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creating a positive environment for further economic growth. It is for these reasons that Metro believes the devolution of rail specification powers and funding to PTEs and Local Transport Authorities is of critical importance – to better integrate rail investment planning with the wider transport, economic and spatial planning framework that is being promoted in City Regions and other areas.

As part of the process towards defining franchise devolution, Rail North has been established as the body which, subject to approvals, will manage the process of devolution of the specification and management of the franchise(s) which serve the north of England. Devolution will see Metro, other PTEs and Local Transport Authorities taking a much closer role in the day-to-day management of the franchise, and this would cover a wide range of areas including the incentive and penalty regimes, rolling stock planning, staff presence and station investment. As a result, we see the opportunity, following devolution, for much closer integration between investment funding for rail and other modes.

Rail North partners have recently launched the draft Long Term Rail Strategy (LTRS) for the north of England (www.railstrategynorth.com). Should devolution proceed, the intention is that this Long Term Rail Strategy sets the agenda for the specification and management of future passenger rail franchising in the North. There is clearly a cross-over with infrastructure investment planning and therefore Periodic Review activity undertaken by ORR. To this end, Metro is approaching the PR13 Draft Determination from the context of whether or not it helps towards delivery of the LTRS, as well as West Yorkshire's rail strategy, [Railplan 7](#). For information, the LTRS has the following vision:

Sustainable economic growth will be supported by improving connectivity:

- *between the cities of the North;*
- *by expanding commuter networks;*
- *connecting areas of economic disadvantage with areas of economic opportunity;*
- *providing capacity to accommodate the expected growth in freight by rail;*
- *addressing the differing needs of the North's evolving and rebalanced economy; and*
- *providing direct and efficient links to London, the other major centres of Great Britain and international airports and to ports and freight terminals.*

This will be achieved through a focus on an easy-to-use network, integrated across the modes, with a connecting timetable of local and express city to city services and a transformed fares system.

Rail in West Yorkshire

Rail plays an extremely important and growing role in supporting the economy of West Yorkshire and the north of England. Indeed, Leeds has experienced some of the highest rail patronage growth in the country, due largely to the changing economic geography of the city (as well as city centre parking policy) and to a growing commuter rail network. Leeds is the largest financial and business services centre outside the City of London, an economic sector which tends to make most use of rail. Rail therefore plays a critical role in joining the West Yorkshire and Leeds City Region population to labour markets.

Furthermore, rail is playing a much greater role across the north in inter-regional connectivity and supporting the wider North's economy, as demonstrated by the substantial demand growth on the Trans Pennine route via Huddersfield connecting Leeds and Manchester and beyond.

The rail network in West Yorkshire can and should play a much greater role. The West Yorkshire Local Transport Plan's objectives are to support economic growth, reduce carbon, and improve quality of life. To help achieve this, rail will have to play a greater role and facilitate more modal shift away from single occupancy car use. This can only be done if the rail offer in the region is right.

Achieving this involves continual investment in the rail infrastructure and in stations – in enhanced service frequency and journey times as well as train and track capacity – also in new stations to serve communities which do not currently see rail services – and in facilities at existing stations.

West Yorkshire has a diverse rail network, ranging from the relatively modern, electrified rail offer from Leeds to Ilkley, Skipton, Bradford Forster Square and Doncaster, to an inadequate offer on other lines, such as the Harrogate, Calder Valley and Sheffield lines. The modern networks in West Yorkshire are an example of the potential of rail to further support sustainable economic growth in the region. For example, mode share for rail on the Shipley to Leeds corridor is 75%, with overall rail

mode share for travel into Leeds being circa 50% for distances of between 10 and 25 miles in length¹.

The benefits to the UK of investment in railways in the north are substantial. In 2012, Metro, working with partners South Yorkshire PTE and the Leeds City Region, completed the [Yorkshire Rail Network Study](#). This concluded that using industry-standard demand forecasting models to look at passenger services within and between the Leeds and Sheffield City Regions and the connections to other cities in the North, the scale of potential benefits that can be achieved from rail service enhancements is £10.5bn to £12.2bn.

Priorities for rail investment

Metro's priorities for rail have been formulated through the development of the [Leeds City Region Transport Strategy](#) and the 3rd West Yorkshire Local Transport Plan's rail strategy, Railplan 7. These priorities can be summarised as:

- Leeds City Region rail capacity enhancements to cater for passenger growth to support and enhance the City Region's jobs market.
- Implementation of the Northern Hub to improve east-west connectivity across the north and so help support sustainable economic growth.
- Improvements to north-south connectivity via the East Coast and Midland Main lines to other city regions to support sustainable economic growth, with the ultimate aim of paving the way for the successful implementation of high speed rail to Leeds.
- Securing a funding commitment in CP5 to develop a "step change" in the network's capability in late CP5, CP6 and beyond. Metro is currently leading on the Yorkshire Rail Network Study, which determines the scale of the potential for GVA growth which could be secured as a result of such a step change in the capability of the Leeds City Region's rail network.

Detailed response to Control Period 5 plans

I am pleased to provide some comments on the plans for Control Period 5, and am happy that the investment plans that have been developed by the industry, and to which Metro has contributed, feature in the draft determination. We support the delivery of the schemes below to allow the delivery of the capacity metric for Leeds as

¹ <http://www.networkrail.co.uk/improvements/planning-policies-and-plans/long-term-planning-process/market-studies/regional-urban/> - see p19

determined in the DfT's HLOS specification, as well as those that improve east-west and north-south connectivity to/from the Leeds City Region.

The principal projects which affect the Leeds City Region are the following:

- Regional Schemes
 - Northern Hub
 - North Trans Pennine electrification: Liverpool - Manchester – Leeds – York/Selby
 - Midland Main Line electrification
 - East Coast Main Line capacity and performance improvements
- Leeds station capacity enhancements
 - East Leeds corridor
 - West and South Yorkshire train and platform lengthening,
 - Bradford Interchange track capacity improvements
 - Neville Hill depot access improvements
 - Leeds – Nottingham journey time improvements
- Nationwide Schemes
 - Performance fund
 - National Stations Improvement fund
 - Access for All
 - Network Rail Discretionary fund
 - Innovation fund
 - CP6 Development fund
 - Level Crossings initiative
 - Journey time improvement fund
 - Improved passenger information

I am concerned however with two particular features of the Draft Determination:

- Treatment of the Northern Hub

The Northern Hub has been subject to an apparent greater proposed spending reduction than any other CP5 scheme, though not a cut in outputs. Whilst Metro is very supportive of efficiency savings, the Northern Hub has a very strong business case with a benefit cost ratio of over 4:1, so any efficiency savings should not lead to a de-scoping of works. The Northern Hub was always intended to work as a balanced package across the north that would lift the whole of the north's rail network and

ultimately deliver major economic benefits – the whole point of the scheme. It was not designed as a pick and choose selection of schemes which should be de-scoped. It is Metro's strong view that the Northern Hub funding should be kept as an overall pot, allowing the rail industry led by Network Rail the flexibility to achieve the best overall outputs.

- Making the most of renewals expenditure – the Harrogate line

As a result of pressure to achieve efficiency savings, Network Rail are proposing to put back to CP6 the renewal of signalling between Harrogate and York. This risks the rail industry losing out on a potential Local Authority major scheme funding contribution to double track part of this stretch of line at the same time as the originally proposed CP5 renewals – the Local Authority funding being time limited to CP5 (see [here](#) and [here](#) for more detail). Metro has over the past few months been working closely with North Yorkshire County Council, City of York Council and Harrogate Borough Council on the business case to transform the rail service on this route which would help drive improved economic outputs for the Leeds City Region. Delaying the re-signalling to CP6 risks the realisation of this scheme and the benefits it would deliver. Metro would like ORR to ensure that Network Rail works with local partners and stakeholders where relevant to make the most of renewals expenditure in a timely manner.

Metro appreciates that the provision of infrastructure work is an essential component of being able to run a more intense service, with, in many cases, the ability to operate longer trains – and that this infrastructure work forms the focus of the ORR's draft determination. Metro believes however that much more needs to be undertaken to ensure that the benefits of the capital investment are maximised, and to ensure synergies between schemes are recognised, in order to provide a strong stepping stone to further investment in Control Period 6.

In particular, this includes the provision of rolling stock in sufficient quantity and of sufficient quality to build upon the success achieved, and the growth expected, on the TransPennine routes – both the local and longer-distance services. Such rolling stock will need to be introduced on a phased basis but it would be politically unacceptable for the infrastructure work to have been completed and a programme of rolling stock redeployment not finished. In addition and subject to affordability, Metro would like to see the currently-deployed fleet of class 185 diesel trains retained in the north of

England to provide a much-needed improvement in the quality of rolling stock on some of the non-electrified inter-urban routes, and remain on services operating in the north of England. The introduction of the high-quality class 185s on the TransPennine routes has led to a substantial rise in patronage over the last decade, and this has led the way to electrification. This is a strategy we believe will be emulated on other routes, especially the Calder Valley and Leeds – Sheffield – Nottingham routes. Indeed, Metro strongly believes that if investment can be targeted at other routes within and to/from West Yorkshire, then the same success that has been experienced on the lines already mentioned can also be had on other lines in West Yorkshire.

Metro has delivered, is currently supporting, or working towards the delivery of a number of rail enhancement schemes, demonstrating rail's fundamental role in economic recovery and growth to West Yorkshire and the wider Leeds City Region, including:

- Rolling stock capacity and quality enhancements;
- Station 'Access for All' improvements;
- Station car park expansions and customer information screen installations
- Leeds station southern entrance;
- New stations at Apperley Bridge, Kirkstall Forge and Low Moor;
- A strategic park and ride facility east of Leeds at Micklefield

Subject to final approval, the level of locally funded rail enhancements in West Yorkshire is likely to increase as part of the proposed [West Yorkshire Transport Fund](#), which is part of the Leeds City Deal agreed with Government. The purpose of the Fund is to generate employment growth and deliver a decrease in the level of deprivation, whilst holding carbon emissions at their current levels. Metro and its partners will work closely with the rail industry to deliver the rail schemes identified in the Fund, however this will require Network Rail in particular to be transparent in its work programmes to ensure enhancements financed via the Fund are delivered in a value for money manner.

- Journey times

Metro fully supports the sustained drive to improve journey times, through a combination of infrastructure enhancements and the procurement of higher-performing rolling stock. In addition to specific enhancements identified, Metro believes that the renewal of assets to a different specification can deliver worthwhile journey time

savings, often at little or no additional cost. This is an area of focus for us as we move towards devolution of the specification and management of the franchise(s): Metro would like to be involved more by Network Rail in the preparation of plans for renewals to ensure that the maximum benefits can be derived for all, and to ensure work can be co-ordinated. We agree with the ORR that performance improvements must not be achieved at the expense of journey times. We welcome moves to develop a journey time indicator and agree that this should be linked to improvement funds.

■ Performance

Metro welcomes the adoption of the target of a 92.5% average in the Public Performance Measure (PPM) for trains 'on time' by 2019. We agree that the emphasis in respect of PPM should be on improving the worst performing routes. We agree that the Cancellations and Significant Lateness (CaSL) measure of punctuality and reliability should be no more than 2.2% by 2019. We also welcome the setting of PPM and CaSL outputs by TOC, rather than at the level of Network Rail's devolved route structure.

Like ORR, we regard passenger satisfaction (paragraph 3.162) as a key performance measure and so welcome its inclusion in ORR's indicator framework. In the last National Passenger Survey (Spring 2013), Northern Rail received the lowest rating for overall satisfaction of 76%.

■ Environmental reporting

We welcome Network Rail's plans to improve on the monitoring, reporting and forecasting of carbon emissions and other carbon impacts. The substantial investment in electrification in CP5 will reduce emissions of both carbon products and harmful exhaust gases along the rail lines. However, it is important that any calculation of whole life carbon impacts take into account the methods used for electricity generation, as well as measurements of embedded carbon.

Control Period 6

Following the delivery of the Control Period 5 schemes, there remain many others for Control Period 6, and we wish the industry to make as much initial progress towards their identification and feasibility assessment within Control Period 5. In particular, the following are highlighted by Metro and our stakeholders, all of which have a strong evidence base in support of them:

- Enhancements to and electrification of the Calder Valley route;
- Enhancements to and electrification of the Leeds - Harrogate – York line;
- Enhancements to and electrification of the Leeds – Barnsley – Sheffield and Moorthorpe – Sheffield lines, immediately following the electrification of the Midland Main Line as far north as Sheffield; and
- Infrastructure and rolling stock enhancements to permit a better InterCity service to operate to Bradford and Halifax.

There are other enhancement or electrification schemes across the north of England which PTE partners will undoubtedly comment on, which would be of prime benefit to them but whose benefits would be felt across the north of England. Metro wholeheartedly endorses the delivery of a package of investment measures to support the development of the economy across northern England, and recognise that an investment in one location may have significant advantages for other towns as well.

Metro has undertaken much work, driven by the Yorkshire Rail Network Study, on the enhancement schemes outlined above. Indeed, we have recently completed a study on the Leeds – Harrogate - York line, in partnership with North Yorkshire County Council. This provides a strong business case for the electrification of the route, helping to deliver much-needed journey time improvements and an increased frequency of service.

Recognising that High Speed 2 is expected to open to Leeds in 2032, it will also be essential that the scale of planning work is increased in Control Period 5 to maximise the benefits of the new line. We have established discussions with Network Rail and High Speed 2 Ltd and expect to have a significant role in assessing how the existing stations and services may be remodelled to ensure that maximum benefit can be derived from the investment in High Speed 2. You can read more of our initial thinking on this subject [here](#).

Metro fully supports your draft determination for Control Period 5 outputs but reiterate that this is the beginning of the process for Control Period 5, not the end. Metro remains committed to the on-going development of railways in the north. I am of course very happy to discuss any aspect of this response with you.

I hope that you find these comments useful.

Yours sincerely,

James Nutter

Rail Manager