

RDG position paper High Speed 2 – March 2014

14/03/2014

EXECUTIVE SUMMARY

Britain's railway is a growing industry. Meeting the needs and expectations of passengers and freight users underpins this success. As demand continues to grow it needs a strategic vision to provide additional capacity and improved customer service and connectivity.

The Rail Delivery Group (RDG) is committed to developing and supporting a long-term vision for Britain's railway. High Speed Two (HS2) is a generational opportunity to increase capacity and improve connectivity, necessary to allow the rail industry to deliver services that meet future customer requirements.

HS2 will deliver a step change in north-south connectivity. It has to be integrated with the rest of the network through ongoing planning and development activities. The new line will be central to wider rail strategy and policy, supporting competitiveness and sustainable economic growth as well as delivering opportunities to improve journey times and capacity across the rail network.

In order to secure the best outcome from this project for users and funders of the rail network, the RDG wants to work with Government and industry partners to address in particular the operational and commercial opportunities in addition to the challenges associated with HS2. Going forward, to maximise the benefit from the new line, the RDG has identified key issues where the industry can contribute most effectively to the project:

1. **Planning for the physical integration of HS2 into the existing network** to secure the best connectivity, manage the construction phase and ensure that infrastructure planning maximises the benefits from new construction
2. **Planning changes to the existing train service** to secure the maximum benefits from improved connectivity, and addressing that constructing a new railway will impact upon current and future train services
3. **Specification and procurement of the new train service** including its relationship to other operations on the network
4. **Specification and procurement of rolling stock for HS2** and its integration with wider strategy
5. **Developing ticketing and fares strategy** at a high level where choices could impact upon decision-making elsewhere

The RDG and its members have experience in delivering a successful, expanding railway, both through major projects and targeted improvements across the wider network. The Government and the industry together are already implementing a major investment programme which is delivering improved services for passengers and greater value for money.

This platform provides a basis that can maximise the benefits from HS2 through its development and integration into the national network. HS2 will provide a central component of a modern transport network for the 21st century.

The RDG will work with HS2 Ltd, government and stakeholders to ensure that high speed rail maximises its contribution to the transport system and the wider economy and society.

Overview

The RDG is committed to developing and supporting a long-term vision for Britain's railway. Current success has been built on meeting and anticipating future requirements for freight and passenger services – and this is required going forward to address the challenge of a sustainable, affordable railway that contributes to wider social and economic objectives.

Industry studies, including Network Rail's *New Lines Study* in 2009, have identified that there is a requirement for significant additional capacity linking the south and north of Great Britain. HS2 Ltd's proposals deliver a step change in capacity and improved connectivity required to deliver services that meet the needs of passengers and freight users in the future.

This should be effectively integrated by planning and developing the rail network as a whole, as the benefits from a new line must be maximised to justify continued and significant investment as part of governments' wider transport policy, promoting competitiveness, sustainable economic growth as well as delivering opportunities to improve connectivity, journey times and capacity across the network.

Both passenger and freight demand is forecast to continue growing, and there will continue to be requirements to expand and enhance the existing railway network, including north-south routes, while a high speed line is being constructed. The industry will need to work closely with government and stakeholders to plan and safeguard the interests of current and future users.

The RDG has identified a number of areas where HS2 Ltd, government and stakeholders need to work closely with the industry going forward. As the project moves into its implementation phase it is important that these are addressed using the expertise and experience that the industry is uniquely placed to provide:

1. **Planning for the physical and operational integration of HS2 into the existing network** to secure the best connectivity, manage the construction phase and ensure that infrastructure planning maximises the benefits from new construction
2. **Planning changes to the existing train service** to secure the maximum benefits from improved connectivity, and addressing that constructing a new railway will impact upon current and future train services
3. **Specification and procurement of the new train service** including its relationship to other operations on the network
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5. **Developing ticketing and fares strategy** at a high level where choices could impact upon decision-making elsewhere.

The RDG is committed to working with HS2 Ltd, funders and stakeholders to maximise the benefits that a new route will provide, as part of a wider programme to improve the railway and to enhance its contribution to Britain's international competitiveness and economic development.

Britain's railway is already developing successfully and delivering value for money to passengers, funders and the wider community. Experience and expertise exists across the industry in delivering major projects, including High Speed 1, Thameslink and Crossrail.

Train operators have worked with leasing companies and manufacturers, ordering and commissioning new rolling stock with around 6,000 new vehicles introduced to service in the last twenty years. Passenger journeys and freight tonne miles are growing rapidly, with increased satisfaction – and the members of the RDG want to contribute their expertise to the promotion and development of HS2.

The recent Draft National Policy Statement for National Networks reflects that passenger and freight demand will continue to grow, reinforced by the forecasts for 2043 produced by the rail industry as part of the Long Term Planning Process. To meet this demand requires significant increases in the capacity of the network, particularly on the corridors served by the West Coast Main Line.

Planning for the physical and operational integration of HS2 into the existing network

To be a success HS2 should be fully integrated with the national rail network. Across Europe, high speed rail interacts seamlessly with the existing system, and is properly connected to maximise its impact across transport and the economy.

HS2 will connect with existing and planned infrastructure, and this must be developed, delivered and managed in an effective way to maximise potential benefits across the whole network. This will inevitably include enhancements to the current network to deliver capacity and journey time benefits that extend to destinations beyond the new railway when it is constructed.

Where there are connections with other railway routes, HS2 and the industry should work together to ensure that the physical layout and capacity, and its operational management, provides flexible and robust arrangements that can deliver current and future outputs.

Particularly when Phase Two is constructed there will be additional capacity available on high speed routes and provision should be made for trains to utilise HS2 to release capacity elsewhere, provide faster journey times, and optimise infrastructure along corridors.

This in principle applies not just to passenger services, but to freight as well, as has been established on HS1.

There is a specific potential for connectivity from Wales and South-West England which the current proposals do not address – ensuring that long-distance services can access HS2 to go beyond Birmingham northbound which will both increase utilisation of the new railway and deliver benefits to all users of these services.

If there is a link between HS2 and HS1 this should be designed to provide opportunities to develop new passenger and freight markets, including a key linkage to the European high speed network. Sub-optimal proposals will impact on both current and future requirements for freight and passenger capacity through North London.

As the project develops in more detail the RDG wants to work closely with HS2 Ltd and to engage with the wider industry to capture these and to ensure that the reshaped railway after HS2 is fit-for-purpose and delivers improved outputs for freight and passengers alike.

While the completion of HS2 will deliver significant capacity, Britain's railway will continue to grow and develop during the construction phase of HS2, which is likely to last up to 15 years. Therefore there may be significant benefits to be derived from bringing forward key elements of Phase Two of HS2, which will address the pressures on capacity on the current network both during construction and once HS2 is opened.

The West Coast Main Line will be particularly constrained around Birmingham, in the Trent Valley and north of Crewe, and to deliver HS2's benefits requires a whole-industry planning process that addresses these issues.

Ensuring that, where possible, new capacity is brought into use as early as possible is an opportunity to derive greater benefits from HS2. This can assist in developing and optimising services on all the north-south corridors, including the East Coast and Midland Main Lines.

During the construction phase for HS2, there will inevitably be some disruption to existing services, and the RDG believes that there are many opportunities for the industry to work together to mitigate the impact of HS2 construction work and protect and promote current and future services. The capability of the network must be maintained and enhanced to meet demand and where HS2 Ltd requires access or variation to the infrastructure it is essential to plan and engage early to eliminate or minimise the impact on both users and operators. The reduction in capacity and capability around Euston is being addressed, but there are also impacts in the West and East Midlands that need to be communicated, managed and integrated with the existing network effectively.

As HS2 works more closely with the industry, the RDG expects to be able to identify further opportunities, where refinements to current proposals can deliver less disruption and lower costs both during and after construction.

The new railway will clearly meet all relevant technical standards, both UK and European, and it is important to integrate its construction with improvements to the existing network to ensure maximum value can be delivered. It needs to be operated as part of the national network, to minimise transaction costs and to ensure that it is technically integrated in a way to deliver value for money and competitiveness in terms of operations, rolling stock and flexibility of service patterns.

The RDG will work with HS2 Ltd to provide clear options on the appropriate System Operator approach to be adopted.

Planning changes to the existing train service

For any new line to deliver its full potential, it must be considered as part of an integrated national rail network. With the strong growth that has been experienced, new capacity across the system is already being delivered and will continue to be added during and after the construction of HS2. The industry is already utilising the Long Term Planning Process to address future market requirements and infrastructure requirements.

The RDG believes that the industry should work closely with HS2 Ltd and DfT to identify opportunities, recognising that improvements to passenger and freight services on routes where

capacity is released following HS2 construction are one of the most significant benefits that HS2 will secure. An early strategic view on whether HS2 services will largely replace existing long-distance passenger services will assist in developing the long-term plans for the whole network.

As identified above, the use of the network will continue to grow and develop during the construction phases of HS2. There is also the potential for construction materials to be transported by rail. Ensuring that there is sufficient capacity available, and that high levels of operational performance are maintained, is important to providing passengers and freight users with certainty and confidence in the rail network.

Identifying options that secure the best value for money and make the most effective use of capacity across the network is an area which the RDG recognises there are strategic choices for funders.

The industry wishes to work with HS2 Ltd and funders to inform these choices, recognising that they will provide significant opportunities to deliver HS2's benefits across a wide area. Additionally, such early visibility of emerging options will be critical to securing wider understanding of the network-wide benefits that HS2 can deliver.

The RDG believes that work to optimise the use of network capacity needs to be fully integrated with the industry's current and future planning. Ensuring that both where HS2 is connected to the existing network and where further growth can be supported through the use of released capacity is central to both passengers and freight users.

Specification and procurement of the new train service

HS2 will provide opportunities to optimise the provision of passenger and freight train services both on the new infrastructure and across the wider network. The RDG will support Network Rail in its work to engage with the industry and its customers and stakeholders through the Long Term Planning Process and other industry processes to develop and implement the future train service, and will engage with HS2 Ltd to understand the choices and options available to funders and specifiers and provide informed, ongoing engagement support decision-making.

The RDG will work with HS2 Ltd, Network Rail and DfT to identify demand and capacity requirements going forward. These will in turn inform options for specifying and procuring train services that use HS2.

Making effective use of the capacity provided is vital to the project's success, and this should include opportunities to divert services that do not run to and from London to use the infrastructure if capacity is available.

The procurement model for HS2 train services is likely to be refined over time, and this should recognise the need to ensure flexibility to meet the needs of future users.

Specification and procurement of rolling stock for HS2

Providing appropriate rolling stock for HS2 will be central to ensuring that when the infrastructure is completed that it comes into operation smoothly. New trains will be required to be compatible with current and future standards on routes where they operate, both high speed and conventional.

A well-planned approach giving appropriate priority to integrating these services into wider asset management strategies, as well providing as clear visibility of these issues to the supply industry, can provide opportunities for rolling stock specification and procurement that are aligned with the project to deliver the best value for money.

As there will be a major impact on the allocation and procurement of future rolling stock across the whole network, the RDG will work closely with HS2 Ltd and DfT to ensure that the high-level requirements are aligned to identify opportunities that drive value across the industry, potentially phasing orders to support a cascade of existing rolling stock and to provide clarity to manufacturers and leasing companies over the future requirements for the whole industry.

Developing ticketing and fares strategy

Improving customer service is a priority for the rail industry, recognising that expectations and requirements develop over time, along with the means of delivering passengers' requirements.

By the time that trains are running on HS2, developments in technology and customer expectations will need to be reviewed to ensure that the best possible experience is delivered.

The RDG believes that HS2 should be seen as part of the national network and therefore that retailing arrangements for services using the new line should be integrated and seamless with the national network for passengers. This will enable provision of the best possible choice, service and benefits to passengers, recognising that, inevitably, there will be improvements and changes to ticketing structures and distribution systems during the years between now and the first trains running on HS2.

Choices around specification and procurement of services, and the outcomes required by funders will clearly affect the precise level of fares. Since HS2's maximum benefits will be secured through optimising the use of the network, including the potential replacement and amendment of existing services, the RDG considers that its fare levels should be broadly comparable with those on other sections of the network, maximising its utility and affordability to all.

Close working with HS2 Ltd and specifiers is needed to deliver the right outcome that drives maximum benefit and flexibility for the future enlarged network.