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## Transport Committee Inquiry into Rail Investment

Dear Lilian,

Thank you for inviting me to give evidence to the Transport Committee on Monday 26 February 2018. I am grateful for your Committee's ongoing support in improving transport networks across the Midlands Engine and the country as a whole. Midlands Connect endeavour to ensure that Government considers the most effective transport opportunities in and through the Midlands and hold the delivery of programmes to account.

I wanted to reiterate three key points from Monday:

1. It is essential that **Government clarify how it will use the 'Rebalancing Toolkit' which should be mandatory. The data from which should be published and available for public scrutiny.** *The Toolkit is supplementary guidance but is designed to be intrinsic to the Strategic Case in Green Book appraisals for projects and programmes – but DfT state it is 'not binding'<sup>1</sup> and it is not clear when/whether it will be used. For clarity and consistency across all regions the Toolkit should be made mandatory. There is also an expectation that new analysis is 'consistent with the analysis in the economic case'<sup>2</sup> which, as the panel set out, currently limits the ability to consider future economic opportunities.*

*We believe that the data from the 'Rebalancing Toolkit' should be published for scrutiny by Network Rail's Route Supervisory Boards, Sub-National Transport Bodies (STBs), MPs and the public. Particularly important are how effective DfT consider (for individual projects) 'step 5: alignment with wider local plans'<sup>3</sup> and (for investment programmes) 'step 1: considering the balance of spending' which is where STBs can offer the most insights. We have made these representations to DfT in response to the consultation on the Strategic Road Network in February 2018.*

2. **Sub-National Transport Bodies can fill a vital gap in Government decision-making** but need assurance from Government that regional evidence bases for both the development and accountability of transport investment programmes will be resourced and considered effectively.

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<sup>1</sup> Para 1.8 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/669043/supplementary-guidance-rebalancing-toolkit.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/669043/supplementary-guidance-rebalancing-toolkit.pdf)

<sup>2</sup> Ibid para 1.9

<sup>3</sup> Ibid para 1.18 and para 1.25



*The prevailing gaps are in long term planning, recognising economic benefits from transport and in multi-modal investment. I welcome the PAC's hearing on the East Coast franchise and look forward to your Committee's further questioning – the argument that macroeconomic factors has compromised original forecasting is an avoidable mistake. Whilst on enhancements, Network Rail's move to 8 route teams is welcome and STBs can reinforce and hold these teams to account to avoid further delays, cost escalations and sub-optimal planning.*

*We need to be proactive and progressive not reactive. Our research shows economic benefits from transport (additional GVA by spend) are more cost-effective in the Midlands than anywhere else. Most fundamentally ORR figures show the Midlands is the fastest growing region in regards to passenger growth<sup>4</sup> so we should be planning for a prosperous future.*

3. Our flagship rail priorities aim to limit the risks and bring long-term multi-modal solutions to unlock growth – there is a **strong case to partially open the East Midlands HS2 Hub in the 2020s and to release vital east-west capacity through the Midlands Rail Hub** alongside HS2 in 2026.

*Midlands Connect and East Midlands Councils are working with DfT on long term options for a clean, fast and cheap Midland Main Line and to align this with HS2 for vital classic compatible services through Leicester<sup>5</sup>. Getting this right could reduce the implementation risks for Network Rail and HS2 Ltd on Phase 2B and provide the long term vision for the Midland Main Line that is so far lacking.*

*Similarly, the Midlands Rail Hub will release 10 trains per hour east-west across Birmingham ensuring the whole country can benefit and not be disrupted from the landmark investment in HS2<sup>6</sup>. Together these flagship rail programmes will benefit and unlock opportunities in and beyond the Midlands and mitigate substantial risks from key national programmes.*

I believe Sub-National Transport Bodies and the Transport Committee can offer a vital role in avoiding future problems and holding committed programmes to account. Our public and businesses care about delivery and the three recommendations above are our key priorities to restore confidence in the system.

Yours Sincerely,

**Maria Machancoses**  
Director, Midlands Connect

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<sup>4</sup> Page 1 [http://orr.gov.uk/data/assets/pdf\\_file/0003/26598/Regional-Rail-Usage-2016-17.pdf](http://orr.gov.uk/data/assets/pdf_file/0003/26598/Regional-Rail-Usage-2016-17.pdf)

<sup>5</sup> <https://www.midlandsconnect.uk/latest-news/midlands-connect-agrees-priorities-for-east-midlands-hub-station-with-government/> as part of the wider HS2 Growth Strategy:  
<https://www.midlandsconnect.uk/latest-news/thousands-of-jobs-and-almost-4billion-for-economy-detailed-in-east-midlands-hs2-growth-strategy/>

<sup>6</sup> <https://www.midlandsconnect.uk/latest-news/midlands-connect-receives-additional-6million-to-drive-road-and-rail-improvements/>