

# Budget signals major investment in the UK's railways

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The Chancellor of the Exchequer has said he wants to get Britain moving with public investment hitting its highlight levels for decades.

In his Budget, Rishi Sunak has pledged £600 billion on roads, rail, broadband and housing by the middle of 2025.

New railways, stations, improved accessibility and technology all featured heavily in the Budget.

Rail Business Daily has looked at some of the big announcements and the reaction of those in the industry.

Speaking specifically about the railways, Rishi Sunak has made a firm commitment to build better railways, mentioning:

- Spades going in the ground on HS2.
- Commitment to fund the Manchester-Leeds leg of the Northern Powerhouse Rail.
- Funding for a new station at Cambridge South and the Midlands Rail Hub.
- Darlington station moving to the next stage of development and approval.
- Funding to make a dozen train stations more accessible.

£100m to increase service frequency and reduce journey time on the Tyne and Wear Metro

The Government has agreed to fund the Metro Flow project which aims to increase service frequency, reduce journey times, and improve reliability on the Tyne and Wear Metro.

Benefits of the Metro Flow project includes:

- Increasing the frequency of Metro trains to one every 10 minutes outside central areas
- Deliver capacity for an extra 30,000 passengers a day
- Improve reliability and allow quicker recovery from major disruptions
- Better support for major events including the Great North Run, Sunderland International Airshow, stadium concerts, and major sporting events
- Unlock the door to the expansion of the Metro system

West Yorkshire devolution deal unlocking £1.8 billion secured.

West Yorkshire has secured a devolution deal unlocking more than £1.8 billion in investment to drive up living standards through better transport, improved skills and stronger businesses, while tackling the climate emergency.

The deal includes a guaranteed £1.1 billion over the next 30 years in a new West Yorkshire Investment Fund.

The rail elements of the deal include:

- £38 million per year for 30 years into West Yorkshire Investment Fund with a 25%/75% capital/revenue split.
- Government commitment to work with West Yorkshire to develop modern mass transit system through access to a new five-year integrated transport settlement.
- £500,000 of Government funding to support masterplanning in Bradford City Centre to maximise regeneration opportunities from Northern Powerhouse Rail.
- Funding for the next stage of development of the Outline Business Case for Leeds station redevelopment.

£20m in Budget for Midlands Rail Hub

Midlands Connect's flagship Midlands Rail Hub plans have been awarded £20 million in the Chancellor's Budget, taking the £2 billion package of improvements to rail services to the next stage of development,

and closer to delivery.

The proposals include 24 extra train services every hour on commuter and inter-regional services between towns and cities including Coventry, Birmingham, Leicester, Nottingham, Derby, Lincoln, Worcester, Hereford and beyond. Six million more passenger journeys every year will be made possible, with an estimated annual economic boost of £649 million.

The £20 million government investment means the Midlands Rail Hub can move to the next stage of development, an Outline Business Case (OBC), which will include detailed design, planning and costings.

“Rail suppliers are excited and ready to delivery this ambitious programme of investment”

The announcement has been welcomed by Darren Caplan, Chief Executive of the Railway Industry Association. He said: “It has been a particularly difficult time for this Budget, with coronavirus rightly being the Government’s number one priority. Looking to the long term, though, it is clearly welcome that Chancellor Rishi Sunak has re-committed the Government to infrastructure spending and rail investment, including backing major projects like Midlands Rail Hub, HS2, Northern Powerhouse Rail and others. We also look forward to seeing the upcoming National Infrastructure Strategy, which we encourage the Government to publish as soon as possible.

“From the railway industry’s perspective, rail suppliers are excited and ready to deliver this ambitious programme of investment to ‘level-up’ opportunities and unlock the full potential of UK rail. However, as we set out in our submission to the Budget last month, there are five ‘crunch points’ which could act as a barrier and hamper the sector’s ability to deliver the world class railway everyone would like to see.

“These ‘crunch points’ are renewals, rolling stock, enhancements, decarbonisation and digitalisation. Investment in each of these areas can be characterised in terms of ‘boom and bust’, with some not ramping up until the middle of the 2020s meaning a real shortfall in the next five years, when rail businesses need to be boosting capabilities and investing in people to deliver.

“So we urge the Government to work with the Railway Industry Association and our members to find solutions to these crunch points – for example, by bringing work forward from CP7 into CP6 – and to smooth out ‘boom and bust’ investment so that we can continue to develop customer-focused rail in the UK and to increase UK plc’s offer abroad.”

“The Government must ensure there are plans in place to address the skills crisis”

Martin Hottass is Managing Director of Technical Training at City & Guilds: “It is reassuring to see from today’s Budget that the Government is taking steps to progress critical infrastructure projects, however the Government must ensure that there are plans in place to address the skills crisis we are facing in the infrastructure sector. We hope to see this addressed in the National Infrastructure Strategy which will be published later this year.

“With a number of large-scale projects on the horizon for UK infrastructure, from HS2 to Northern Powerhouse Rail as well as several projects to increase green energy and upgrade crumbling railway

infrastructure in the North of England, we need to significantly increase the amount of talent coming into the industry or we won't have the workforce needed to deliver these ambitious plans. We are already facing a skills crisis in the sector, according to data from Energy & Utility Skills published earlier this year, 26% of the 800,000 unfilled vacancies in the sector are down to skills shortages. It is critical that the Government acts now to upskill a new generation of much needed skilled engineers and technicians.

"Against a backdrop of low unemployment in the UK and with Brexit and more stringent immigration control on the horizon, it is essential that we look to the millions of underutilised people that were identified in our recent research Missing Millions. By retraining people in badly paid insecure work or in careers at risk of automation as well as opening up opportunities for people with caring responsibilities we can not only fill skills gaps but also significantly improve social mobility in the country. Only by directing sufficient funds and investing in improvements to existing adult education policy will we be able to stem the growing skills gaps and direct necessary labour into a sector that's crying out for skilled talent."

"There are opportunities for Northern leaders to be at the heart of investment decisions for our region"

Barry White, Chief Executive of Transport for the North, said: "Recognition that the Treasury 'Green Book' way of making investment decisions does not work is nothing new to the people of the North. For years now they have felt the effects of underinvestment and it is time for that to change. We have long advocated for a transformational approach to investment appraisals, which would ensure the North gets the investment it truly needs to kick-start the 'levelling up' process.

"We are disappointed that Northern Powerhouse Rail continues to be talked about only in terms of the Manchester to Leeds leg, and we remain clear that this transformative rail project must be delivered in full. The £500,000 to support Bradford's regeneration and development plans around the crucial Northern Powerhouse Rail central station – something which we believe is a priority for the city's growth – is good news but must be supported by ongoing investment in the NPR project across the whole route.

"The West Yorkshire devolution deal and committed funding for our region's mayors highlight the move towards further devolution, and we will continue our calls for a dedicated 'Northern Budget' so that sustained and substantial transport investment can be made in our region according to our needs.

"Today's Budget opens up the pathway to the Comprehensive Spending Review, and with the National Infrastructure Strategy delayed and Integrated Rail Plan recently announced, there are many opportunities for Northern leaders to be at the heart of investment decisions for our region."

"This is a victory for the tens of thousands of workers and visitors"

The Mayor of Cambridgeshire and Peterborough James Palmer said: "The announcement in today's budget for a train station for Cambridge South by 2025, is very welcome and long overdue.

"We are pleased that our case to disentangle Cambridge South station from East West Rail, which is not planned for at least another ten years, has been listened to and that the time it will take to deliver a train station for the increasingly important Biomedical campus has been halved as a result. This is a victory for the tens of thousands of workers and visitors who travel to work and hospital appointments every single

day who currently have no choice but to drive.

“We will not rest in continuing to lobby government and Network Rail to deliver Cambridge South train station urgently, on time and on budget.”