RailBusinessDaily

Reduction in rail journey times would support thousands of jobs, new RIA report reveals

November 3, 2022



The Rail industry Association (RIA) has released a report that reveals how a 10% reduction in rail journey times could lead to a boost of nearly 35,000 extra jobs across the country.

The analysis, conducted by independent researchers Oxford Economics, found that a small reduction could provide 17,600 more jobs in London, 9,000 in the West Midlands and 8,200 in Scotland, due to people having easier access to employment.

It also notes that a reduction in journey times between Manchester and Leeds by just 20 minutes could increase wages by approximately £600 per worker per year.

Lord Berkeley, co-chair of the All Party Parliamentary Group on Rail, who attended the report launch, said: "This report provides more evidence of the immense value of UK rail and demonstrates the potential of the industry to create jobs, boost pay, combat climate change and improve health and wellbeing.

"This analysis should be valuable food for thought for the Government, leaving ministers in no doubt of the existing and potential economic, environmental and social benefits of the railways, and the need for



ongoing investment in new and current infrastructure".

Social benefits

Transport poverty has also been a concern across some of the UK, with 1.5 million people believed not to have access to good transport links, which can lead to social disadvantage and exclusion. The UK rail network, working in conjunction with other public transport services, is vital in connecting people to social, leisure and healthcare facilities, improving social mobility.

As well as good connections, spending LESS time on public transport is also a key benefit to improved wellbeing. A lengthy commute just to get to and from work is not a great position for anyone, and no matter how you feel about the rail network, is bound to make even the most positive passenger feel a little underwhelmed.

With this in mind, the report examined the potential benefits that improved connectivity and shorter journey times could bring, and the results were surprising:

- A 10% reduction in journey times would enable easier access to employment, leading to up to 17,600 jobs in London, 9,000 in the West Midlands and 8,200 in Scotland
- Reducing journey times between Manchester and Leeds by 20 minutes could increase wages by approximately £600 per worker per year
- Public transport generates around £1.4 billion in time saving benefits every year for commuters in six of the UK's largest cities from reduced congestion; annually they could be worth around £226 million in Birmingham, £229 million in Leeds, and £295 million in Manchester.

Economy

Often going hand in hand with social benefits, the economic benefits that the rail network contributes to are plentiful. Vital for connecting workers and businesses, strong rail links improve people's ability to access employment opportunities, in turn supporting economic stability and a strong labour market.

Whilst the wider financial implications are clear, looking a little closer to home the impacts that the industry has on public finances are also plain to see. The report analysed the bottom line of rail's financial contribution through economic activity supported by the sector:

- In 2019, the rail sector contributed £43 billion to the UK economy in terms of gross value added. This activity was associated with 710,000 (employee and self-employed) jobs across the country—
 compared to an estimated 600,000 in 2016—and £14 billion in tax revenues.
- The rail sector's total contribution to the UK economy was 3.5 times the £12 billion gross value added contribution to the UK economy generated by the railway system itself.
- Every £1 worth of work on the network itself, a further £2.50 of income is generated in associated industries, their suppliers, and firms supported by railway workers' wage-funded spending.

So, rail industry workers, we owe ourselves a pat on the back. We as an industry are certainly doing our bit



to help the UK economy during these tricky times!

Environmental impacts

Adrian Cooper, CEO of Oxford Economics, said: "Rail has a lower environmental impact than most other modes of transport, and new technology should further reduce its impact. Continued investment in rail will help support the UK Government's net zero ambitions."

Rail provides the cleanest mode of transport for most journeys, producing fewer greenhouse gas emissions and pollutants than other modes of transport per passenger – there is no doubt that investing in innovative solutions to ensure the network is as green as it can be, as soon as it can be is a wise move.

The research examined this further:

- By 2050, electric trains will produce 14 times fewer emissions than conventionally fuelled trains; and
- £115 million per year in healthcare cost savings could be generated by improving public transport in six of the UK's largest cities.
- Electrifying a traditionally-fuelled rail route would result in a 66% reduction in CO2 emissions

Railway Industry Association chief executive Darren Caplan said: "This fresh Oxford Economics analysis illustrates the crucial economic, environmental and social contribution that rail makes across the entire UK.

"From creating jobs to cutting carbon emissions and improving health outcomes, the railway industry is perfectly positioned to support economic growth, help deliver on levelling up and accelerate the drive towards Net Zero.

"Unleashing the potential of the railway industry to deliver these transformational benefits of course requires the right support from Government. With passenger numbers climbing this year towards almost pre-pandemic levels, and more rail capacity clearly required in the years ahead, now is not the time for the Government to take its foot off the pedal when it comes to rail investment. This report shows that the wider environmental and social benefits should not be ignored too."