



Transport Select Committee
Housing of Commons
Via email and on-line submission

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Dear Sir/ Madam,

Transport Select Committee- Rail investment pipelines: ending boom and bust

Introduction

England's Economic Heartland (EEH) welcomes the Transport Select Committee's call for evidence on Rail investment pipelines: ending boom and bust.

Sub-national transport bodies (STBs) play a key role in setting the ambitions for strategic transport connectivity in regions across England. EEH covers the area from Swindon and Oxfordshire in the west to Cambridgeshire in the east, and Hertfordshire up to Northamptonshire. The geography includes the entirety of the Oxford-Cambridge Growth Corridor announced by the Chancellor earlier this year. We have 13 local and combined authority partners within our area who steer our programme of work, led by a Board of political leaders from across the area.

England's Economic Heartland's strategic priorities are set out in our Transport Strategy published in 2021¹, supported by a range of evidence base work.² We have since undertaken a number of rail and multi-modal evidence base documents that inform our work and advice to government.

EEH response to the call for evidence

As a strategic transport body, we are not directly involved in the delivery of track enhancements, station upgrades or rolling stock orders. However, we work with our local and combined authorities, Network Rail and Great British Railways (GBR) to identify rail priorities and interventions needed in our region.

We are aware from our discussions with these partners and others that a 'boom and bust' approach to the planning and funding of rail infrastructure projects can have significant negative effects, inhibiting their ability to deliver rail infrastructure projects at a cost that represents good value for money for the taxpayer. For example, it can inhibit development of a high-quality skilled workforce and impact on contracting arrangements. An inconsistent approach to planning of pipelines can also result in piecemeal delivery of rail infrastructure that does not address wider strategic need to support future growth resulting in insufficient capacity on several rail lines, especially lines that serve both long distance and local markets.

Conversely, when projects are committed to on a long-term basis, there is greater certainty for all regarding planned impacts, benefits and costs, ensuring that the private and public sector can better work together to maximise project outcomes. For example, contractors can better understand what they need to produce or supply over a longer period, such as hiring and retaining staff to deliver at more complete costs. Public bodies can better plan ahead with suppliers to deliver, but also importantly plan resources to input and respond to investment programmes and changes in connectivity resulting from project delivery. More so, long term certainty allows places to plan communities with public transport at their heart, for example improving sustainable transport connectivity or planning regeneration around stations where rail services are planned to be improved.

Projects within the region such as East West Rail, Ely Junction and HS2 have not always been consistently planned and developed and are good examples which the Transport Committee may wish to consider.

East West Rail: The region has strongly welcomed the Government commitment to build East West Rail from Oxford to Cambridge, which will transform connectivity and unlock economic growth in our region (the section between Oxford and Milton Keynes opens later this year, with the link to Bedford expected by 2030, and to Cambridge in the 2030s. However, in 2011, Government initially confirmed funding for the Oxford-Bedford section (including the link between Aylesbury and Milton Keynes) and it was expected this would be delivered by 2017. In 2020 the Transport and Works Act Order was finally agreed, but when Government confirmed construction funding in 2021, this was only for the section to enable services from Oxford to Milton Keynes, with Bedford following as a later stage, and the Aylesbury link removed entirely.

The Aylesbury-Milton Keynes link is vital to support current and future growth in and around Aylesbury and the wider area. The growth of Aylesbury and north Buckinghamshire includes nearly 20,000 new homes planned for delivery by 2033 (including 16,207 new homes in Aylesbury). Site allocation in the local plan was shaped with the fair expectation that the rail link would be delivered: it was only in 2021, eight years into the local plan, that the link was removed from the first phase of East West Rail construction work. The result of this decision is large scale housing being developed without the infrastructure to support it and a lack of trust from the public that Government can support housing delivery in the way it is needed.

Ely Junction improvements: Investment in capacity improvements at Ely Junction will allow significantly more rail freight to be transported from Felixstowe to the Midlands and North (equivalent to 100,000 lorries a year), alongside unlocking better passenger journeys across East Anglia. Having previously been developed to Outline Business Case by Network Rail, unfortunately commitment of funding to progress the scheme further has not been forthcoming to date. This was despite the case that it had been previously committed to in 2023 as part of government 'Network North' announcements, but which were unfortunately more lately subject to re-assessment as part of a wider capital spend portfolio review. Rail freight can lever private investment (there has indeed been some private investment in along the Felixstowe-Midlands/ North corridor), but for this to happen certainty is required on infrastructure delivery. The growth of the Freeports in the east and east midlands have a close



dependence on investment in Ely Junction: uncertainty over the future of the scheme causes uncertainty in how much those key international gateways can plan for future growth via rail.

HS2: The transport committee will be aware of the range of opinions on HS2, not least in places such as Buckinghamshire and Northamptonshire where the line is being constructed in environmentally sensitive areas, yet local communities are unable to access it. However, it was expected that HS2 would unlock capacity on the West Coast Main Line, with consequent benefits and opportunities for our region. The cancellation of the northern legs of HS2 has meant that there is now less certainty regarding what this opportunity will deliver. For example, given the resulting forecast constraints on rail capacity between Birmingham and Manchester we are concerned that routing of longer distance train services via the new HS2 line will have impacts on longer distance rail connectivity from places such as Milton Keynes on the existing West Coast Main Line.

Such cases demonstrate the stop-start nature of developing certain key schemes, giving uncertainty to suppliers and local authorities, and leading to the issues highlighted above. A lack of confidence in delivery makes it extremely difficult to maximise the value of Government's investment in infrastructure – whether that be local authorities planning for sustainable station-led growth, improvements to door-to-door connectivity (maximising the catchment area of stations) or attracting private infrastructure investment and wider inward business investment.

As an STB, we believe that by feeding in priorities from a regional level to national investment pipeline priorities, there can be further certainty of planning for delivery of improvements. However, we recognise that to continually be relevant to all parties involved in helping to plan and deliver improvements a national level pipeline will need to continue to be kept up to date. Unfortunately this has not been the case with the current Rail Network Enhancements Pipeline which was originally published in March 2018, but since then has been only updated once despite other policy and funding announcements and decisions being made.¹ This has led to uncertainty for the supply chain, with the review of the Pipeline by the Rail Industry Association in 2022 concluding that the pipeline was out of date in several areas and that not updating this regularly as originally envisaged, *'has led to a lack of visibility for rail suppliers, who are simply looking to plan and invest in their businesses and workforces to conduct the work.'*²

Another issue related to lack of clear longer-term policy and plans is that of certainty of funding. To achieve required investment given the current public sector spending constraints, there is likely to need to be a mixture of public and private sector investment in the rail network. One example of this could be developer funding, such as Community Infrastructure Levy, but in our experience such funding is often constrained and prioritised for other schemes seen by local communities as more directly related to new development such as local roads and education facilities. New and more innovative funding mechanisms must therefore be considered, but to reduce risk in consideration of investment returns such as fare or other revenues, we recognise that the private sector will look for longer-term certainty of plans. Indeed, a report by the National Skills Academy for Rail (NSAR) in 2023 on *'unlocking private sector investment in UK rail'* specifically notes that long-term stability of investment plans will be key to leveraging in private sector funding and that *'to unlock investment, the rail sector requires a comprehensive, long-term industrial strategy supported by a transparent and stable pipeline of projects.'*³

A particular opportunity to provide more certainty for planning in the South East is the developing Wider South East Rail Partnership, with the three STBs EEH, Transport for the South East, and Transport East developing partner working with Network Rail, GBR, Transport

¹ [Rail network enhancements pipeline: autumn 2019 update - GOV.UK](#)

² [RIA publishes its own Rail Network Enhancements Pipeline update on three year anniversary RIA](#)

³ [Unlocking-private-sector-investment-in-UK-Rail.pdf](#)

for London and the DfT. The Partnership aims to provide an opportunity to develop a wider integrated planning horizon to enable longer term agreements on investment priorities. The STBs, as collaborations of our partner authorities, can act as a unified, pan-regional voice for the rail needs of the wider south east, as well as representing the interests of passengers and wider economic stakeholders in our area. The partnership aims to bridge the gap between local, regional, and national priorities, ensuring that the agreed priorities of the wider south east are recognised in decision-making. It therefore aims to complement existing and emerging strategic authorities, local authorities, TfL, Network Rail, Great British Railways (GBR), and the Department for Transport by offering a strategic and regional perspective that aligns investments with broader economic and environmental goals with our own.

Through this Partnership we aim to support the delivery of closer integration between strategic rail partner decision making about priorities and their subsequent delivery planning. This will help facilitate the preparation of a pipeline of projects for the short and longer planning horizon in our areas, thereby resulting in giving more certainty to private sector suppliers who can also plan and be involved at an earlier stage with the rail sector bodies responsible for procurement, as well as public bodies who can better plan ahead to benefit from improved rail connectivity and positively input to project delivery. In turn, this can feed into national strategy and plans for the wider rail network as rail reform comes forward.

Conclusion

In summary, we believe that the lack of long-term planning for rail investment has led to a stop/start/ boom and bust approach to planning rail investment over the last few years. This is despite plans set out in 2018 to have a regularly updated and published national pipeline, which unfortunately has not been updated since 2019.

Lack of clear plans and consistent commitment has clearly impacted on the ability for both the private and public sectors to develop a more integrated approach to plan for investment towards delivery of much needed improvements to our rail network. There is therefore an opportunity for reset of policy and plan making for rail investment in the context of rail reform, with local, regional and national partnerships such as the Wider South East Rail Partnership having a key role in helping to facilitate a more co-ordinated approach.

