The critical issue is capacity: a response to the TaxPayers' Alliance view on HSR

Successive Transport Ministers have recognised that there is a problem of capacity on our national transport networks. The question is: what is the best way to address the problem, what answer offers best value for money and represents the most sustainable approach?

"High Speed Two has been compared with options that centre on incremental investment on existing railway lines and it is evident that HS2 represents the best value for money answer", said Greengauge 21 Director Jim Steer. He was responding to claims by the TaxPayers' Alliance that there is no robust economic case for the project.

The alternative rail options examined by the Department of Transport include 'Rail Package 2', an upgrade to the West Coast Main Line which the TaxPayers' Alliance says 'has a much better benefit cost ratio'. But once the need to maintain reliability levels on what would become an extremely busy railway is taken into account, the benefit cost ratio is lower than HS2 delivers:

Rail alternatives to HS2

Package	Description	Seating capacity uplift	Cost	BCR
Rail Package 2	Additional 4 – 5 trains/hour on the West Coast Main Line	+54%	£3.7bn	2.19
HS2	10-14 new high-capacity trains/hour	+200%	£15.8-£17.4bn	2.4

HS2 delivers economic benefits 2.4 times as high as its costs. Clearly the alternative of an existing route upgrade is of a differing scale. But other rail investment packages have been examined which increase capacity beyond the levels of Rail Package 2 on the West Coast Main Line and they have ever diminishing benefit cost ratios.

This is important because the capacity shortfall being faced on the West Coast Main Line will clearly be greater than the uplift provided by Rail Package 2. As Network Rail says of HS2 in its recent WCML Route Utilisation Strategy:

> "It would not be possible for the rail industry to resolve the future capacity gap on the south end of the West Coast Main Line effectively in any other way".

This highlights a second area of contention: demand forecasts. The work by HS2 Ltd uses an estimate of underlying growth in rail demand of

Notes to Editors

1. Greengauge 21 was established in 2006, to initiate the debate on high-speed rail in Britain.

2. For more information or to set up an interview with Greengauge 21, please contact:

   Jim Steer on 07785 242506 (jim.steer@sdgworld.net) or

   Julie Mills on 07956 405003 (julie.mills@greengauge21.net)

3. The Greengauge 21 HSR Public Interest Group was established in Spring 2008, to develop the case for a network of high speed lines, resulting in the definitive report Fast Forward: A High Speed Rail Strategy for Britain, published in September 2009.

4. The HSR Public Interest Group membership comprises:

   - Advantage West Midlands
   - Association of North East Councils
   - ATOC
   - Birmingham City Council
   - City of London Corporation
   - East of England Development Agency
   - East Midlands Development Agency
   - Glasgow–Edinburgh Collaboration Initiative
   - Great Western Partnership
   - Network Rail
   - Newcastle City Council
   - Northern Way (the partnership led by the three northern RDAs)
   - Nottingham City/ Nottinghamshire County Councils
   - PTE Group
   - Railway Industry Association
   - SEStran
   - Sheffield City Region
   - Transport for London

5. Greengauge 21's report, *HS2 – why the critics are wrong*, is available on the Greengauge 21 website (www.greengauge21.net/publications/hs2-why-the-critics-are-wrong).

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+3.4% per annum. This is close to recent estimates of future annual growth by Network Rail in the corridor and is generally lower than has been experienced in recent years:

Historic and forecast demand on the West Coast Main Line

	Historic growth		Forecast growth	
London to:	Total growth 1999/00 – 2009/10	Average annual growth rate 1999/00 – 2009/10	Forecast growth 2009/10 – 2024/25 (approx.)	Average annual growth rate 2009/10 – 2024/25
Manchester	70%	5.4%	56-61%	3.0-3.2%
Birmingham	58%	4.7%	35-38%	2.0-2.2%
Liverpool	41%	3.5%	52-59%	2.8-3.1%
Glasgow	23%	2.1%	41-54%	2.3-2.9%

Source: Network Rail draft West Coast Main Line Route Utilisation Strategy

The HS2 Ltd annual growth rate is in any event assumed to become zero in 2033, seven years after HS2 is open.

The point is that the HS2 forecasts are not high growth rates by recent historic standards. Rail Package 2 –as Network Rail observes – will not solve the problem, and further investment on the existing line beyond that would show really poor rates of return.

So the capacity problem is better tackled by creating a new line, and the value of that capacity is maximised by ensuring that it offers a faster and more reliable journey than is available today."High-speed rail will attract demand from the private car and from short-haul aviation. This is one reason why the extra capacity can be provided without adding to carbon emissions, even after taking into account 'embedded carbon' – the carbon emissions from the construction phase", Jim Steer added. "I don't believe there is another way realistically of addressing the challenge and getting such a benign result on carbon, certainly not if the alternative is more runway capacity or additional motorway construction".

End