

Transport Committee

Oral evidence: [Integrated rail plan](#), HC 974

Wednesday 2 February 2022

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[Watch the meeting](#)

Members present: Huw Merriman (Chair); Ruth Cadbury; Simon Jupp; Robert Langan; Chris Loder; Karl McCartney; Grahame Morris; Greg Smith.

Questions 58–94

Witnesses

[II](#): Lord McLoughlin CH Kt PC, Chairman, Transport for the North; and Martin Tugwell, Chief Executive, Transport for the North.

Written evidence from witnesses:

- [Transport for the North](#)

Examination of witnesses

Witnesses: Lord McLoughlin and Martin Tugwell.

Q58 Chair: For our second panel we are taking evidence from Transport for the North. We are in hybrid mode. We have the chairman in the room and the chief executive on the screen—or we did. I will start with the introductions. I ask our witness in the room to introduce himself.

Lord McLoughlin: Patrick McLoughlin, Lord McLoughlin, chairman of Transport for the North.

Chair: Good morning, Lord McLoughlin. I hope the chief executive is on the screen, albeit that I can only see myself, which is not very pleasant for anyone. I have been prompted by Grahame about declarations of interest. Let's start with that.

Grahame Morris: I would like to declare that as co-chair of the APPG for Transport for the North I know Martin Tugwell, the chief executive. We have worked together on reports and in presenting the findings to parliamentarians.

Karl McCartney: I served as a Member of Parliament with Patrick McLoughlin, as he was then, before he was elevated to the House of Lords. He was also my Chief Whip for a short while, so we had some meetings where I did not sit down, and I was not invited to have a cup of coffee.

Chair: I suspect on that one we have all been there. Let's be quick.

Robert Largan: Lord McLoughlin is a former Derbyshire MP. I am a Derbyshire MP and we have had many meetings.

Simon Jupp: I worked with Lord McLoughlin when he was the party chairman at Conservative party headquarters.

Lord McLoughlin: Guilty as charged.

Q59 Chair: I have to declare an interest because I have been an MP for some time. It just shows how well connected both of you are. Indeed, Martin, we have not even had a chance to allow you to introduce yourself. Let's do that now.

Martin Tugwell: Good morning, Chair, and members of the Committee. I am Martin Tugwell, chief executive of Transport for the North.

Q60 Chair: Martin, a very good morning to you as well. Apologies for the late start. Lord McLoughlin, we know we have you only until 11.20. That is absolutely fine. Please depart when you need to. We will try to rip through the sections as quickly as we can.

We will start with Transport for the North. Lord McLoughlin, bearing in mind your history with Transport for the North and your role as Secretary of State for Transport, I am interested in your assessment as to how effective Transport for the North has been for making the case for



strategic transport investment and whether you propose to adopt a different approach in your new role as chairman.

Lord McLoughlin: Thank you, Chair, and thank you for this opportunity of appearing before your Committee. I feel it is a bit like déjà vu. When I was appointed Secretary of State for Transport, I was summoned before the Transport Committee within 24 hours of my appointment, where I vigorously defended the new west coast franchise, only to have to cancel it three weeks later, so I feel I might be slightly careful about exactly what I say to the Committee this morning. Obviously, I am very new in the post, appointed last week and, because of a personal bereavement, was not available for part of this week to do some of the work that I would normally have done.

I think you heard from Mayor Burnham that transport does not end at the end of a county or the end of a city. It flows through. We are able, as Transport for the North, and this was always the idea, to bring together all the local authorities and constituent parts and get an agreement. It is not just the local authorities. It is the LEPs as well. Trying to get overall agreement as to what transport policy is, and the best answers locally, is incredibly important. That is why, when the opportunity came up to apply to become chairman of Transport for the North, I decided that I would put my name forward.

I see it to a degree as well in what I have seen in the Midlands Engine and how that is being brought forward. In the Midlands Engine, there is not quite the maturity in the mayoral system that we now have as far as Transport for the North is concerned, where there are a lot more regional Mayors. That all falls into part of the overall policy the Government are pursuing on devolution and local decision making, making it much more accountable at local level. Although I have not yet seen today's levelling-up White Paper, I think that is all part of that agenda, which is very important.

Q61 Chair: Thank you. Our condolences to you and your family for your loss.

It has been much talked about that the Department for Transport will become the single client for the integrated rail plan project delivery. That has obviously led to some concerns from TFN, which we have heard. How do you plan to develop TFN's relationship with central Government under your chairmanship?

Lord McLoughlin: I think it is essential that we have a good working relationship with the Government. It is also essential that sometimes we are able to say to the Government in an independent way that we think A or B would be better. We are there; we are on the ground. The people dealing with these issues are dealing with the day-to-day complaints and everything that is going on.

One of the true factors is that, once you get the Metro Mayors, they become much more of a focus point for complaints to be delivered and to get answers to them. That becomes a very important development that



we are going to see over a period of time. I am literally a week into my appointment, but one of the things I want to do is to go round and meet the leaders and the other members of the board that I have not met through the interview period. I want to talk to them and to Members of Parliament as well, and work out the best way forward to be a voice that is recognised in the Government. We are talking of an area that has 156 Members of Parliament; it is a huge population area. That is how I see my role, and I hope to be able to fulfil that.

Q62 Chair: Will you or the chief executive, who I can see has his hand up, be looking to regain the role of co-client, or do you accept that that decision has been made and it is all about finding another way to ensure that TFN has influence in this project?

Lord McLoughlin: I think that is possibly more for Martin at this stage, if that's okay.

Chair: Let's bring the chief executive in on that. Martin?

Martin Tugwell: Thank you, Chair. It is a key point because in the conversations that the TFN board have had to reflect on the content of the integrated rail plan, what they are absolutely committed to is continuing to work with the Government to make sure that the investment that is identified is delivered, and delivered effectively.

I have a very clear mandate from the board to make sure that the co-sponsorship role is positive, effective and adds value to the whole process. If I might give the Committee an example of how we have already demonstrated the added value, you will have seen from our submission how the technical knowledge, expertise and understanding that we have within the team has allowed us to, on one occasion, identify something in the order of £5 billion-worth of savings on original cost estimates. Indeed, we believe there is at least another £5 billion of estimates to be lost as well.

That illustrates the added value of having an intelligent and capable team that understands what is happening on the ground and has the ability to challenge the rail sector on its costs, which we know, from past experience, is a subject that we need to be alert to. The motivation from the TFN board is to say that we have to get value for money. We have to make sure that what we are proposing is delivered in a cost-effective way because, guess what, if we can do it more cost-effectively it means that the funding that is available can be used to improve the situation for other parts of the region. It is in the public interest to reduce those costs. It is also in the interests of the citizens and businesses of the north.

Chair, perhaps I might reflect on your earlier point about effectiveness. Let me give you three really practical examples of effectiveness, some of which build on the evidence you heard from Mayor Burnham. We talked about the Castlefield corridor. The way forward for that has been TFN working with the Department, working with Network Rail and working



with the operators to understand the blueprint for moving from where we are at the moment to where we need to be. I think it has been a really positive and effective relationship, certainly in the time that I have been involved with Transport for the North. Indeed, the reaction we have had from the Department is that it is the kind of partnership working that can make a real difference.

In actual fact, for me it is an illustration of how we can make real some of the challenges and the opportunities presented in the Williams-Shapps rail plan and make them happen on the ground now. It is certainly an approach that we are looking to extend.

There is an element about regional evidence. Our role as TFN is to be able to put investment in rail in the context of the wider transport system. This is not a zero-sum game. We want to see economic growth. We want to see people achieving opportunities. That means investing in transport. It means that you have to take a view about what is the best form of transport investment. Is it road? Is it rail? Is it a combination of the two? We are able, with the technical evidence that we have, to inform that debate.

That leads me to my third practical point on how we are already adding value to the system. We have already heard in the debate about the importance of understanding the wider economic and social impact of transport investment. That is exactly why, using investment from the Government, we have been developing the analytical tools that allow us to say that, if you make the investment in a place like Bradford, you will unlock £30 billion of economic growth over 10 years. We can understand the social and environmental end benefits of that as well.

In terms of adding value and making sure that we are making investment decisions that are ambitious but evidence based, I think there is a very strong track record in what TFN has already delivered and, more importantly, a commitment from us through the co-sponsorship arrangement to make that commitment work further to the benefit of the north, residents and businesses.

Chair: Thank you very much, Martin. That is enough from me. Members, I will stop at 11.20 to thank Lord McLoughlin and allow him to leave. Let's start to drill into the integrated rail plan now. First of all, we are going to look at the HS2 aspects of it with Robert Langan.

Q63 **Robert Langan:** To what extent has rail in the north experienced historical underfunding?

Lord McLoughlin: You are making me look at some parts of the report that show that, and I cannot exactly find the page. It has been acknowledged by both Governments now that there has been underfunding in the north and that needs to be addressed. Could I almost cheekily refer you to page 27 of the report, because I am rather proud of this particular line appearing in the report: "Though we have retired the



bus-like Pacers and replaced them with new trains"? Initially the Department for Transport's view was that that was not worth doing. We had to issue a direction to the Department to override the Green Book recommendation on that. Had the Department and the mechanism which was used by the Department stood, we would still have Pacers. They were something which was completely out of space. I think occasionally you have to override and question.

Q64 Robert Largan: This is a fairly obvious question. How will investing in rail help the economy and productivity in the north of England?

Lord McLoughlin: It is quite staggering if you consider it. We have seen a regeneration in the railways like nobody anticipated. If in 1992—I will not use any particular name of any particular Member of Parliament but you could always imagine who I might be referring to—somebody had got up on the Third Reading of the privatisation of the railways Bill and said, "This will lead to a doubling of usage of the railways and much more capacity," you might have sat there and thought, "Yeah, in your dreams." That is actually what happened.

In 1992, there were 700 million people using the railways. In 2019, the year before the pandemic, 1.8 billion were using the railways in this country. In 1992, there were something like 14 trains a day from Euston to Manchester. It is now between 40 and 50 trains a day. That is what happened. There was a huge amount of money spent on the upgrading of the west coast main line, basically from Rugby up to Manchester. That caused tremendous troubles over weekends. The whole question about what is needed is capacity.

The debate is changing because of the need to get to net zero and our climate change commitments, which makes it so different now. Cars are getting much more efficient as well. Electric cars will be one way of moving it through. I know some people would say that, with all this extra money for a high-speed train, do we want to get to Leeds or Manchester 20 or 30 minutes faster? All I would say is that I have never seen anybody with a choice of a slow train or a fast train usually choosing to go on the slow train rather than the fast train. I think that answers the question.

Perhaps I am going on too long. I will leave it at that, Chair, because I know there are other questioners who want to come in. Martin wants to come in as well.

Chair: That's all right. I am also conscious that I should have brought Chris Loder in before Rob. My apologies to you both.

Q65 Robert Largan: We have talked about the benefit that we are going to get in the north of England by investing in rail. There are many people in this country who are not fortunate enough to live in the north, much to their loss and sorrow. What are the benefits for the rest of the country of investing in rail in the north of England?



Lord McLoughlin: Overall UK regional productivity. If you look on page 37 of the Government's report, you see areas like Yorkshire and the north-west below productivity levels. Giving infrastructure opportunities is absolutely essential.

One of the things I find rather odd about the whole debate is this. I suppose one of the mistakes, if I was to be slightly critical of what Andrew Adonis did when he was Secretary of State, was to call it HS2. It is not really about speed. It is about capacity. It is about what is available as far as capacity is concerned. If you accept that it is about capacity and you have to build a brand-new railway line, do you build an ordinary line or do you go for a high-speed line? I think you go for a high-speed line.

I find it rather fascinating that in this country I can go to Paris or Brussels from London on a high-speed line, but I cannot go from London to Birmingham, Manchester or Leeds on a high-speed line. It shows a lack of imagination in what is actually important for the United Kingdom.

Q66 **Chair:** Martin is waving his hand. I ask all Members to keep an eye on the screen as well.

Martin Tugwell: Thank you, Chair. I want to put a bit of flesh on or add to what Lord McLoughlin said. The question was about relative investment. It is a statement of fact that in 2019-20 investment in the north was about 18% of total rail expenditure compared with about 52% in London and the south-east. The shift in emphasis that is reflected in the commitments in the IRP is to be welcomed because it recognises the need to address that imbalance.

The question was about the benefit of this to the rest of the UK. One in four, or 25%, of all freight trips either start or finish in the north. There is a benefit for the UK. We often talk about the integrated rail plan in terms of passengers, but we must not forget that the step change in investment in rail in the north is about providing capacity for freight to support growth at the freeports on the Humber and in Teesside. These are major economic opportunities, and we want to see that reflected in use of the rail to be more sustainable in the longer term.

That is where we have to have the step change in capacity. Lord McLoughlin has talked about the difference over the last 30 years. In the last 12 or 18 months, just before the Omicron variant was affecting travel, revenues on northern services were 95% of pre-Covid, nearly back to 100% pre-Covid. Leisure travel was in places at 120% to 130% of pre-Covid. Freight demand was over 100% of pre-Covid. What that shows is a resilience in demand already for movement by rail in the north and recognition that if we invest, as we are going to do, in rail capacity in the north, we have the opportunity to actually achieve the shift in mode, which we are looking for to be sustainable, but we are also supporting economic opportunities along the freeports and other economic activities across the north.



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That is a really strong, compelling reason why investment in the north and realising the north's economic potential does not just benefit the north's residents. As we have already heard in evidence, it is a benefit to the rest of the UK if the north is able to make a positive contribution to the overall UK economy.

Robert Largan: Thank you. That was a very comprehensive answer. In the interests of time, I will hand over to Chris.

- Q67 **Chris Loder:** Lord McLoughlin, it is nice to see you again. First of all, you made the point that, if people can choose between taking a faster or a slower train, they always take the faster one. That is not always the case if the tickets are cheaper on the slower one.

Lord McLoughlin: That is true.

- Q68 **Chris Loder:** That is just a brief point. Can I briefly ask Martin, before I kick off with my main question, about some percentages on passenger numbers post-Covid return? Could you clarify for us, are those percentages in terms of revenue, passenger numbers or yield?

Martin Tugwell: To be clear, Northern were reporting 95% revenues on 85% passengers. The yield was increasing somewhat overall.

- Q69 **Chris Loder:** Which would probably indicate that there are more longer journeys than previously, thus slightly lower passenger numbers. Would you mind writing to us clarifying that specific point? That would be very helpful in our work. Thank you.

Lord McLoughlin, I am particularly keen to understand your opinion on historical underfunding in the north. To what extent do you think that has been a real problem? How much do you believe that the organisation which you now lead and chair has maybe not taken full advantage as it might have done in years past?

Lord McLoughlin: I am not completely sure how I would answer that, given the way you asked the question. If you look at some of the big projects that have taken place, sometimes projects that take place away from an area will still have an impact on the area.

I well remember, when I was Secretary of State for Transport, going down to the south-west and talking about the investment in Reading station. They would look at me and say, "Well, that does not really serve us at all." It did. Forgive me if I get the figures wrong, but I think we were spending hundreds of millions of pounds on Reading station and it was all about opening up the throat so that we could either hold trains or move trains around and get them into and out of Paddington faster. That had a tremendous impact, but if you went down to Devon or Cornwall and said, "We're investing x hundreds of millions of pounds in Reading station," they would look at you and say, "Well, what benefit is that to us?"



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The very first Christmas I was Secretary of State I decided to go and have a look at one of the infrastructure projects that was taking place over the break. I could either go to Cowley junction or Shugborough. I flew down to Cowley in a helicopter, and as I got to East Midlands airport I was told, "Well, we could get you down there but it is going to be very rough." I decided on that occasion that I would go to Shugborough instead to look at what they were doing, which was a much smaller scheme. Basically what they were doing in the Shugborough tunnel was re-laying the tunnel. It was a scheme of about £4 million.

The point I am making is that nobody had ever seen that scheme or understood that scheme. What it meant after that was done was that trains could go through the tunnel at 70 mph rather than 50 mph. It was a bit of a bottleneck. Sometimes you do not necessarily see in the end what the improvements are.

Q70 Chris Loder: Thank you. Martin, do you want to contribute?

Martin Tugwell: I want to build on Lord McLoughlin's analogy about the importance of looking at some of the bottlenecks. I think, while the TFN board were disappointed by the loss of the HS2 eastern leg, what they were reassured by was the commitment in the IRP to looking at how we get HS2 trains to Leeds and looking at a solution for Leeds.

To illustrate the fact that this is a UK-wide network, the delays at Leeds—

Q71 Chris Loder: Martin, I am sorry to interrupt you, but time is of the essence. I would appreciate it if you could just give some short, sharp contributions rather than going down lots of rabbit holes, because the Chair is very keen that I keep to time. He tells me off frequently.

Martin Tugwell: The point I am making is that Leeds is the third greatest source of delay for the entire UK network. Having a solution for Leeds station and the connection to Sheffield is important.

Q72 Chris Loder: Thank you very much. You may both know that I am the MP for West Dorset. Regrettably, it has the railway line with the worst frequency in the UK, and now we have had all of our direct lines to London severed by our local train operator. People, not just from West Dorset but from across the UK, look at the announcement that the Government have made, which is a record amount of money, and they think, "Well, why should we as taxpayers from across the country be contributing to the economic benefit that this scheme will bring to the midlands and the north?", especially when there are constituencies in areas such as mine that struggle even to get a three-hourly train service, let alone a half-hourly one. Both of you may be able to give us some brief thoughts as to what the benefits are to the wider United Kingdom and to taxpayers from across the UK of supporting this integrated rail plan for the north and the midlands.

Lord McLoughlin: Very quickly, I think you only have to look at the levels of investment that are being seen in and around cities as they



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prepare for HS2. Perhaps the most notable one at the moment, although it is not in Transport for the North, is Birmingham. Go and look around Birmingham. I know that the Chair said you are going to be speaking to Andy Street. See what investment has already been attracted to those areas. I think you will see likewise that there is added investment coming to Leeds on the back of HS2 going to Leeds. I very much hope that at the end of the day the Government are committed in the IRP to look at ways of going to Leeds. I slightly question it. Leeds is where Leeds has been for the last thousand years, and it is likely to be there for the next thousand years.

Q73 Chris Loder: In terms of taxpayer value for money, is there anything you are able to offer those who contribute in the south-west, who cannot get a bus or a train service, in terms of insights or thoughts that can support the fact that it is good for their taxes to contribute to this scheme?

Lord McLoughlin: It is absolutely fundamental for our great cities outside London and that we do not just agglomerate everything into London. I see no benefit whatsoever in a declining London, but what I want to see is young people and our populations getting the chances that they get in London spread out to our cities too. I think that is going to become more and more important as far as the demographics overall of the country are concerned. I think that is the most important answer.

Q74 Chris Loder: The Chair tells me I have less than 60 seconds. Martin, do you have anything you would like to add?

Martin Tugwell: We can certainly provide the Committee with more detailed information. On the preferred route approach put by TFN, by 2060 there will be an additional £14.4 billion per year in GVA. That is contributing to the UK economy. There will be over 130,000 jobs, of which 60,000 would be outside the north. I think that illustrates how you make the economic potential of the north real. You contribute from the north to the rest of the UK rather than needing support from the rest of the UK for the north.

Chris Loder: Thank you very much.

Chair: Let's go to Grahame Morris.

Q75 Grahame Morris: Good morning, Lord McLoughlin. I want to put an issue to you, which I am sure many others have, and that is the effect of the cancellation of the HS2 eastern leg on connectivity, first, but also on the economy of the north. I agree with your earlier comment that it is not necessarily a trade-off between journey times and connectivity. I think you heard the earlier evidence about the bottleneck north of Leeds, where capacity is limited to six trains per hour, if we are looking at the broader economic benefits.

While Lord McLoughlin is thinking about that, could you confirm what you told the Committee a little earlier, Martin, about the detailed work that Transport for the North has done in modelling and research on the



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economic impact on towns, cities and regions—not just the north-west—in respect of the original Northern Powerhouse Rail proposals compared with the integrated rail plan?

Lord McLoughlin, could you answer first, please?

Lord McLoughlin: Sorry. I thought Martin was going to come in first.

Chair: So did he.

Lord McLoughlin: I will try to be very brief in my answers. Since I was Secretary of State—I am trying not to do this too much; it is nine and a half years since I was first appointed Secretary of State, a fair while ago—we have seen changes from when I first became Secretary of State in what was planned for HS2. I see the changes the Secretary of State announced a few weeks ago as part of that development. Some of them have been welcome and some of them not so welcome. There is taking it up to Crewe faster than originally. Originally, it was going to end just outside Birmingham and then carry on like the high-speed link does down to places like Canterbury today.

There is an evolution of decision making on that. I think that taking HS2 into Derby and into Nottingham is the right thing to do. Originally, the plan was to have a brand-new station at Meadowhall and not go into Sheffield city centre. Sheffield Council and the local economies all made the case that it should go into Sheffield city centre, so that was an alteration which has changed. Getting that link led to a benefit for Chesterfield.

I am very interested to see how the Government are now going to address making sure we get those services to Leeds, which I think is absolutely essential given the size of Leeds, and then beyond. That is exactly the case. I think that is the right thing to do. There is time to get those decisions right. I am not sure I completely buy Mayor Burnham's 200 years, but I am certainly willing to say the next 100 years. These are big projects; they are important projects and they take a long time to do properly.

Q76 **Grahame Morris:** We have struggled in the past in a previous inquiry into rail infrastructure to get a clear picture of the cost-benefit analysis and economic benefits of particular projects. My understanding from the work that I did with the all-party group is that Transport for the North has done that work, and there is detailed modelling and the benefits are there. Presumably, that has been shared with Ministers and the Department.

Martin Tugwell: Yes, absolutely. The evidence base is one of the most comprehensive I have ever worked on. The tools that we have been developing in company and in partnership with the Department are incredibly powerful in terms of understanding.



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I must make sure that the Committee is clear that the NPR preferred network, as put forward by the board, was costed at £42 billion. I think Mayor Burnham might have been adding some of the costs associated with HS2 in the figure he quoted to you earlier. We know from the analysis that on the preferred network, as I said to the Committee earlier, it is £14.4 billion per year in GVA, 132,000 jobs, and 58,000 car journeys every day. We can go through all of those analyses.

You will have seen in our submission to the Committee that what we are keen to do is use the techniques and the tools we have to work with Government and actually put some value on those wider social and environmental things. Let's be honest. If we can provide the evidence and convince the Department for Transport of the case, we will be in a position where, together, we can perhaps make an argument to the Treasury as to why investment in infrastructure and unlocking economic potential is of value for the rest of the country. It comes from an evidence base, which, as you say, Mr Morris, is very much at the heart of what we do as Transport for the North.

Grahame Morris: Thank you very much, Mr Tugwell. That is very useful.

Chair: Finally, on HS2, Greg Smith.

Q77 **Greg Smith:** Thank you, Chair. My Lord, you and I are unlikely ever to agree on HS2. Given the evidence that you have given and that Mayor Burnham gave, challenged by me but I accept there is a case for these huge benefits that supposedly HS2 will bring, why do you think it is that if there is this massive incentive for business, growth opportunity and investment opportunity, this railway has been left for the Government or the taxpayer to fund rather than private sector firms coming in and seeing the obvious advantages to them of building what you and many of the proponents of HS2 would say are huge benefits and, presumably through that, profitability?

Lord McLoughlin: That is a lovely free market question and one that you can rightly ask. You can also equate that with why some railways are built in the way they have been built to specifically serve their interests rather than the nation's.

We do not look to the private sector to build our motorways. I actually think that the high-speed line is like a new motorway. We did not look in any way for HS1 to be built that way. The history of it was very coloured, with the Government eventually having to come in and sort it out. I think that is part of the answer. I take the view that one of the things Mayor Burnham said, and I would agree with, is that we have not fully addressed the whole question of how we question value added by infrastructure projects. That is something that perhaps we need to do some more work on and think about a little bit more.

When the Committee goes to Birmingham, they will see some of the impacts it has had on Birmingham. Look, I fully accept, and I never criticise, those people who are opposed to HS2 because it went through



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their area or whatever. I did get a little concerned when certain people were saying to me, "You know, the trouble with HS2 is that it is too expensive." One of the reasons why we pushed up the price was to try to alleviate some of the environmental damage that was going through their particular area, which helped push up the price a little. I think that is the Government acting responsibly as a developer. It has to be done.

I do not underestimate the tremendous problems it creates when a brand-new line is going through an area that has not been served by the railways or by an infrastructure project. I have never yet found an infrastructure project that was met with open arms, with the locality saying, "This is the best thing that has ever been built," until after it has been built. Then they usually say, "Actually, this was a bloody good idea. Why didn't you do it sooner?"

Chair: We will pause there. It is 11.20, Lord McLoughlin. I am not trying to give you a parachute, but we did say that we would stop there. Do you need to go now?

Lord McLoughlin: I am afraid I do. I have to chair a Committee.

Chair: That is fine. You had always told us that. We thank you very much indeed for your time. It is great to see you back.

Lord McLoughlin: Thank you, Chair. If you want to see me later in the inquiry, of course I would be more than happy. By that stage, I will have my feet a little more under the table and will hopefully be able to be a bit more helpful to you.

Chair: Following on from that, Greg, Martin is with us for the rest of the time. Karl wants to come in as well.

Karl McCartney: Not any more.

Chair: I had promised Lord McLoughlin that he could leave at 11.20.

Karl McCartney: It would have taken less than 10 seconds, but you were not to know that.

Chair: Manners maketh man. Greg?

Q78

Greg Smith: Cut short. I will put the point to you, Martin. When these infrastructure projects are planned, they are built and they have cases built around them about how many jobs they are going to create or net commercial investment into an area that they serve. That comes at an equal cost, does it not, from the impact of either increased taxation or state borrowing that has to fund them, as well as the destruction of other communities and the sheer cost of compulsorily purchasing businesses that will cease to be businesses and wealth creators in order to make way for these lines?

Do you think enough of the negative economic impact is taken into account when the plans for these infrastructure projects are put together? Does that concern you as you propose and support new



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railways, HS2 being the one that I use as my central example, but equally east-west railways in the north? Is that taken into account enough in planning?

Martin Tugwell: There are obviously judgments to be made, and you heard from Lord McLoughlin that they are always judgments that will be dependent on your perspective. I would come back to you on two things. First, as we put in our submission, the way we approach our appraisal of infrastructure is to look at not just the economic but the social and environmental aspects. We welcomed the changes that the Treasury made to its Green Book last year. We want to apply that flexibility and understand the wider social and environmental aspects. As to why and to illustrate some of the work we are doing on transport-related social exclusion, understanding the scale of that challenge is one of our areas of focus at the moment; being able to understand the challenge allows us to take it into consideration.

One of the reasons why we were so supportive of the proposals for the HS2 eastern leg to Leeds was that we actually had co-ordinated the investment proposals there with what was required for Northern Powerhouse Rail. That piece of infrastructure was in effect able to serve two purposes and therefore be more efficient. I think it is to be welcomed in the IRP that there is recognition that we need to find a solution for that corridor, and we will certainly be working with the Government to make sure we bring forward those solutions quickly.

Q79 **Greg Smith:** I am mindful of the time, so this is my last question. You have just talked about the environment where you look for the benefits of such projects. I accept that taking somebody out of a diesel or a petrol car and putting them on to an electric railway for that passenger journey is more environmentally friendly, but there is plenty of evidence that suggests that HS2 in particular, before you bring in Northern Powerhouse rail or other new railways, will take 120 years before it is carbon neutral from its construction phase. Overall, is HS2 environmentally friendly?

Martin Tugwell: It is important that you look at transport investment in the round. As I said earlier, it is not a zero-sum game where you think about just one proposal. That is why the strategic transport plan—the long-term 20 or 30-year vision—cuts to a previous point you made, Mr Smith, which is the importance of having the ability to tap into the private sector. If you have long-term ambition and plans that are set out, you have a much better opportunity to have the conversation with the private sector around funding.

On the more substantive point, you look at a transport system and how road and rail deliver that. The country's first regional decarbonisation strategy, which we published just before Christmas, took into account how a combination of investment in road, rail and local transport measures was required both to deliver growth and to achieve a sustainable approach.



I think the framework that we set out at a regional level allows these issues to be looked at in the round, which is the right way of doing it, but then provides a very strong framework within which the individual elements can be assessed as they are taken forward. As I have said throughout, it is important to look at the economy, the social and the environmental, to make sure that we are hitting all the outcomes that we need to achieve.

Q80 Greg Smith: Yes or no? Is a 120-year payback for that railway to become carbon neutral environmentally friendly?

Martin Tugwell: I do not think you can look at it in isolation with just one piece of infrastructure. You have to look at it in terms of the wider transport system. As I said, it is not a zero-sum game. If you are looking to improve capacity and connectivity, there is an investment to be made. The question is, what is the most sustainable way of doing that? I would say that inherently rail, and electrified rail inherently, is a low-carbon solution compared with some of the alternatives.

Greg Smith: Thank you.

Chair: Thank you, Greg. Apologies for the interruption. Let's move away from HS2 specifically and move more generally now to capacity and journey times for the plan. Ruth Cadbury again.

Q81 Ruth Cadbury: I actually want to slip in one on HS2. The higher the operating speed, the straighter the line and the less flexibility you have about pathways, station location and so on. Are we still talking about operating speeds on the dedicated high-speed lines being 330 and even up to 360 kph, whereas the TGV and the Shinkansen are something like 300 kph? Do you have a view about what it should be for the elements of high-speed rail that you are hoping to have in the north with the IRP?

Martin Tugwell: In terms of the new higher-speed services in the north as part of Northern Powerhouse Rail, we are not talking about the scale of speeds that you would have on the first phase of HS2. I think that is reflective of the fact that it is a balance that you need to achieve. As you have touched on yourself, higher standards will bring higher costs, so there is a trade-off.

The key thing for me is the point that you have made both now and in the previous session. When you have an existing railway, you have to balance competition between stopping services, regional services, freight services and longer-distance services. We are seeing the challenges of that on our existing infrastructure, which is why the step change in investment in rail is important. It is also one of the advantages as to why building new lines provides you with the opportunity to segregate them. That is why, throughout, the development of the Northern Powerhouse Rail proposals is looking at where you need to provide new capacity as a new line to avoid that kind of complication. It has been part of the consideration. That has very much been a driver of the way forward.



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Q82 Ruth Cadbury: Thank you. I think all three witnesses today have focused on capacity being, on balance, more important than speed per se and the need for additional lines.

Taken together, what do you think will be the improvements set out in the IRP? What effect do you think those improvements will have on rail connectivity, first, for passengers and, secondly, for freight?

Martin Tugwell: There are a significant number of elements in the IRP that we can welcome, which we have already touched on. The confirmation of HS2 to Manchester is to be welcomed, and the links to Crewe because that also provides links into north Wales. As part of the Union connectivity report, we very much welcome the importance of connections across and into the devolved Administrations.

Through the IRP, we have seen a renewed commitment to the upgrade on the TransPennine route, and indeed recognition about making it available for freight, given what I said earlier about just how important freight is to the rest of the country. Those are things to be welcomed, as is the commitment to make improvements to the east coast main line.

We know that we have challenges with the current revisions of the timetable, partly because of capacity constraints, so seeing that commitment to the need to deliver improvements on the east coast main line is really important. That is where I think we would argue that it is important to understand that the Leamside line, for example, is not only about supporting local economic regeneration but contributes to the longer-term capacity issue on the east coast main line. That is something we will perhaps want to explore.

We see a commitment in the IRP to recognising that we need to connect Leeds and Sheffield. We need to do something there in the short term to be clear what the programme is for. Those are all things that are actually very helpful. They are foundations on which we can build.

What we also have to bear in mind, though, as part of the longer-term ambition—let's see the IRP as, if you like, phase 1 of that longer-term ambition—are the challenges around how we realise the potential of Bradford and Hull and address the bottlenecks in and around Leeds. Those are all challenges that we still need to address. That is where we need to continue to work with Government to understand the challenge and to look for cost-effective measures to provide solutions. Ultimately, going back to the strategic transport plan, unlocking £100 billion of extra growth and 850,000 jobs is good news, not just for the north but for the UK economy.

Q83 Ruth Cadbury: Thank you. You have addressed my question about increased passengers, but do the stations along the routes have sufficient capacity to handle the extra passengers generated by the IRP? Leeds station is a particular example.



Martin Tugwell: Notwithstanding the recently completed works to improve the situation at Leeds station, there is a longer-term challenge there, as I touched on in a response to a previous question. It is the third greatest source of delays in the entire UK rail network. We need to address that to the benefit of not just Leeds but the wider UK rail network. These are opportunities we need to seize. Indeed, we know that by working with our colleagues in the West Yorkshire Combined Authority the opportunities to use that investment in the station as a catalyst for further economic growth in the Leeds area is again a sign of how we need to see investment in stations as a catalyst for wider economic growth.

Q84 **Ruth Cadbury:** Are the passenger capacity increases in stations adequately factored into the IRP and are they costed?

Martin Tugwell: To be fair to what is in the IRP, there is recognition that we are at an early stage in developing the detail. The key thing is to make sure that we use the evidence base that we have accumulated, working in partnership with the Department, and use that insight to shape the development of detailed proposals that meet future ambitions and expectations.

Ruth Cadbury: Thank you.

Chair: On the same subject, Simon Jupp.

Q85 **Simon Jupp:** Good morning, Martin, and thank you very much for coming before us today.

In your opinion, when we look at the integrated rail plan and the vastness of it, what are the major challenges in delivering it on time and on budget? We are not particularly good at that in this country, are we?

Martin Tugwell: I think you are right. As I said earlier, the TFN board has welcomed the opportunity to continue as a co-sponsor. We see that role as one where we can, if you like, work with the Government and make sure that we hold the sector to account on delivery. Earlier, I mentioned how, by challenging traditional approaches and practices within the rail sector, we have been able to identify significant cost savings on the proposals. We need to keep challenging that.

We need to use the relationship that we have through the Rail North Partnership, where we work with the Department to oversee the delivery of existing rail services, to see how we can plan better for minimising the disruption that will take place as a consequence of construction. Making sure that we co-ordinate that activity is really important. The challenge now is all about delivery and delivering it fast. Not only will that be more efficient in resources, but we will see the benefits of the investment being realised sooner. Alongside that, we must retain the longer-term ambition about how we address some of the outstanding issues. It is a twin-track approach in that respect.

Q86 **Simon Jupp:** I think you probably just touched on this in the former part of your answer, but is the main thing that keeps you awake at night



thinking about how you are going to have to work to deliver this plan? It is a big piece of work. You say that there are lots of bodies to work with and lots of hurdles to overcome. Is that the main issue in your mind that is going to be hindering progress?

Martin Tugwell: I will touch on a point I made earlier, Mr Jupp, which is that I think our learning points from dealing with the timetable disasters of May '18 were that by working in partnership and bringing our resources with the Department's, with Network Rail and the operators, we can start to really tackle some of those issues in the short to medium term. We can start to get a grip on how these things need to come together to be able to deliver outcomes effectively.

I think we have a good track record on which we can build. We can still do better. That comes down to how we make sure that through the co-sponsor role and through working individually on programme boards we continue to be the critical friend who challenges but makes sure that we stay focused on delivering at the same time.

Simon Jupp: Thank you, Martin. In the interests of time I will pass back to the Chair.

Chair: Thank you, Simon. Let's move on to Northern Powerhouse Rail now. I will hand back to Robert Largan.

Q87 **Robert Largan:** Looking at Northern Powerhouse Rail, what is your assessment of the pros and cons of the decision to choose option 1, the Huddersfield route?

Martin Tugwell: I think we need to understand in more detail what the scope of the final version of the TransPennine upgrade will be. It has been expanded, as we touched on in the earlier part of this evidence. There is a commitment to have a more expansive TransPennine upgrade. There is a commitment to make it freight-able as well. We need to work with that and understand what the scope of those works will be, and to pin it down quickly so that we can move forward with delivery.

It is not just a question of how we improve the existing route. We still need to think about how we tap into and unlock the potential of Bradford. As the sixth largest city in the country and with a very young population, it is important that we give opportunities there. In the previous session with Mayor Burnham, I was reflecting about how many people at the moment commute from Bradford to Manchester. Somebody quoted figures—it may have been you, Mr Largan. If we are able to get that mainline connection from Bradford, it creates access to a labour pool of 6.7 million people and potentially 1.3 million jobs. It is a young city with opportunity to realise that potential, and I think that is something we need to keep very much in our focus. We need to keep coming back to how we unlock that potential.

It is not a choice between the Huddersfield route or Bradford. We need to do both. We need a cost-effective solution that works for both. We clearly



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have more work to do in Bradford, but we are working on that and we want to work with the Government to see what options are possible moving forward.

Q88 Robert Largan: There is a strong case in your eyes to bring more strategic rail investment into Bradford. That is what you would say.

Martin Tugwell: As I referred to earlier, we know that, if we can unlock the economic potential of Bradford, we can realise £30 billion of economic value over 10 years. More importantly, we can give people in Bradford greater opportunity for jobs and greater opportunities. I think that is something worth fighting for. Clearly, we have to have a solution that is cost-effective. That is where I come back to the work we are doing. We want to work with the Government about understanding the wider social and environmental aspects alongside the economic. That may well be how we make the case more attractive for investment.

Robert Largan: Of course, it would not just be to the benefit of Bradford city itself but also to places like Keighley. My colleague Robbie Moore is very keen on securing that investment too. Chair, back to you.

Q89 Chair: Thank you very much indeed. Staying on Bradford, just to finish off, Martin, this month the Committee will be going to Bradford and Leeds as part of our HS2 inquiry, but we are folding in the integrated rail plan thoughts as well. We previously went to Birmingham to see what they were getting from HS2. It was quite impressive. Is it the case that when we go to Leeds and Bradford we will be hearing, "This is what we are now not getting"?

Martin Tugwell: I would not want to be so presumptuous as to presume what you are going to hear when you go to Leeds and Bradford. What I can imagine is that you will see an area that is ambitious and has the potential to deliver more economically, as well as providing more opportunities. As we have touched on throughout this session, there is very clear evidence that rail investment can be a very significant catalyst in giving confidence to private sector investors as to where they should be placing their money. Of course, if we get that investment around the catalyst of rail investment, you will then start to address the productivity gap that exists in Leeds and Bradford. If we address that gap, it will contribute to unlocking the north's overall economic potential, which will reduce the need for support from the UK economy more generally.

Q90 Chair: The Government maintain that there is no demonstrable business case for a new station in Bradford, but partially linked to that there was a study in November of 20 cities and it found Bradford to be the worst connected city overall. Would that new station have unlocked better connectivity, and what economic impact would that of itself have delivered for Bradford?

Martin Tugwell: I come back to my previous answer, Chair. In terms of the economic impact, we know that it would be about £30 billion over 10 years in additional GVA.



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Q91 **Chair:** That is the thing I do not quite follow. If the Government are saying there is no case for a new station, and ultimately no case to put the line between Leeds and Manchester so that it includes Bradford, how do your figures stack up with what the Government are saying?

Martin Tugwell: We have put a case as to what we believe the evidence suggests would justify investment. My reading of the integrated rail plan is that we still have work to do to make the case sufficiently to justify the investment. We are committed to making that commitment because we believe that realising the potential of Bradford is important, not just for Bradford but for the north and the rest of the country. We need to be mindful that we have to have a solution that is affordable and deliverable. That is also why you will see in our submission to the Committee, Chair, that we said not only is this about working with the Government to make real the case for the longer-term ambition that is set out in our preferred approach; it is about how we work within the funding envelope that will be available. That requires choices to be made. The TFN board understand that and want to work with the Government within some sort of funding envelope to understand how we can take it forward.

Q92 **Chair:** I raised this with the Mayor of Greater Manchester, Andy Burnham. We talked about trade-offs. The current time between Manchester and Leeds on the train is 55 minutes. The original plans would have cut that down to 29 minutes, but the new plan would be 33 minutes. It would cost £18 billion less to deliver and be delivered a decade earlier. For the sake of four minutes that strikes me as a good trade-off, or is cutting Bradford out not a trade-off that is worth taking?

Martin Tugwell: In terms of things you need to take into account when you are making those trade-offs, you need to think about not just what the capacity is now but what the potential is. I have touched already on how we have consistently seen that rail passenger patronage in the north has been ahead of the curve and remains ahead of the curve. The demand from existing passengers is already there. We know that freight is also back to its pre-Covid level.

The route across the Pennines is already very busy and very congested. It is under a lot of pressure. If we want to do that step change in capacity, we need to think about how we provide additional space for it. By providing additional space in the form of a new line, you open up further economic opportunities.

I am afraid, Chair, that it comes back to what I have said all along. You have to think about this in terms of a system, and not just the rail system but what we are saying about investment in rail compared with the rest of our road and transport systems. It is not a zero-sum game if we want to unlock the economic potential in a sustainable way.

Chair: Thank you, Martin. Ruth has the last question.

Q93 **Ruth Cadbury:** Has Transport for the North done any detailed modelling or research into the comparative carbon emissions reductions between



the original Northern Powerhouse Rail plans and the downgraded plans in the integrated rail plan, or are you aware of any work that the DFT has done on the relative carbon emissions of the two?

Martin Tugwell: We have not been able to do any detailed modelling at this stage. To use the models we have, we would need a bit more detail to be able to put it into place. At this point in time, we have not had the opportunity to do that.

Ruth Cadbury: Thank you.

Q94 **Chair:** Apologies, Ruth. You mentioned on the phone that you wanted to ask that question. I should have been a bit more dextrous. We are very much looking forward to visiting Leeds and Bradford and actually seeing for ourselves what the situation is.

Martin Tugwell, chief executive of Transport for the North, thank you so much for all the evidence and the time you have given us. I hope you will continue to follow our proceedings.

Martin Tugwell: Thank you very much, Chair. It has been great to be with you this morning. I hope you enjoy your visit. I am sure you will see some fantastic opportunities in Yorkshire when you visit Leeds and Bradford.

Chair: Excellent. Thanks again, Martin.