



House of Commons
Transport Committee

The Integrated Rail Plan for the North and Midlands: Government response to the Committee's Second Report

**Seventh Special Report of Session
2022–23**

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Transport Committee

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Seventh Special Report

The Transport Committee published its Second Report of Session 2023–23, [The Integrated Rail Plan for the North and Midlands](#) (HC 292) on 27 July 2022. The Government response was received on 7 July 2023 and is appended below.

Appendix: Government Response

The Government welcomes this report and would like to thank the Transport Select Committee for its inquiry into the Integrated Rail Plan (IRP), and its agreement that this response could come later than usual given changes of Government.

The Government is pleased that the Committee acknowledges the scale of the investment committed to in the IRP: three new sections of high-speed line in the Midlands and North, upgrades and/or electrification of three main lines in the Midlands and North, and further improvements to local services in the two regions; along with a high-speed line to connect the Midlands and North to London and to each other. The £96 billion investment set out in the IRP amounts to the largest ever Government investment in the rail network and adopts the recommendation of the National Infrastructure Commission for an “adaptive approach,” setting a clear core pipeline of investments which could be added to or amended depending on future affordability and demand, and on the delivery of the core pipeline on time and on budget.

The Government’s response to the Committee’s recommendations is set out below.

Assessing the outcomes

1. *Whilst we recognise that the Golborne link was not perfect, and faced substantial local opposition, given its importance in terms of unlocking capacity for passengers and freight, and reducing journey times to Scotland, we are concerned that it has been cancelled without an alternative being proposed. The Department for Transport should set out alternative plans which add similar capacity as a minimum by March 2023.* (Paragraph 18)

The Government accepts the rationale for this recommendation, although the work required will take longer than the suggested timeframe.

The then government set out its rationale for removing the Golborne Link from the High Speed Rail (Crewe-Manchester) Bill in a Written Ministerial Statement to Parliament on 6 June 2022. In that statement, the then government confirmed that, in line with the findings of the Union Connectivity Review, it wished to look at alternatives which deliver similar benefits to Scotland as the Golborne Link, so long as these alternatives deliver for the taxpayer and are affordable within the £96bn envelope allocated for the Integrated Rail Plan. The Link has not therefore been ‘cancelled’; rather legislation for its authorisation has been deferred in order to determine whether there is a better solution.

The Government remains committed to looking at alternatives to the Golborne Link. The Government will look at the potential for alternative options to bring benefits to passengers sooner, and to improve on the Golborne Link outcomes, for example in relation to capacity constraints on the WCML. Whilst these alternatives are considered,

safeguarding along the Golborne Link will be maintained. This means the Government has kept compensation programmes in place for affected homeowners so that they can still access support as needed. Any decision to pursue an alternative will be announced to Parliament at the appropriate time.

2. *To take account of the changes of plan for the HS2 Eastern leg and to inform current and future decision-making, the Department for Transport should publish by March 2023 an updated BCR for (a) the entire HS2 project and (b) the previous full proposals for the Eastern leg of HS2 Phase 2b. The methodology used must fully reflect impacts on regional inequalities.* (Paragraph 25)

The Government accepts the rationale for this recommendation, although again the work will take longer than the suggested timeframes. It will continue to provide updated economic assessments of HS2 at key decision points for the programme, as has been done to date. The Government intends to provide an updated economic assessment and BCR for (a) the entire committed HS2 project, though the exact timing will be determined by i) the analytical work programme needed for specific phases of the HS2 programme, and ii) the impacts of the decisions set out in the 9 March written ministerial statement to rephrase the delivery ranges of parts of the project.

For (b) the previous full proposals for the Eastern Leg of HS2 Phase 2b, the Government notes that the Integrated Rail Plan provided an updated economic assessment for this, including assessment of wider benefits but does intend to provide a proportionate economic assessment, including BCRs, alongside other options considered in the HS2 to Leeds Study; timing will therefore be determined by the progress of this work. In the meantime, work continues on developing a preferred route for HS2 East as outlined in the IRP, which would see HS2 trains to Nottingham and Sheffield, via Derby and Chesterfield and will consider impacts on regional economies.

Economic assessments are prepared by the Department of Transport in line with Green Book and Transport Analysis Guidance (TAG). As set out in the Government's previous response to the TSC report on Major Transport Infrastructure Projects, that appraisal framework is consistent with the concept of 'Benefit Cost Plus'. DfT's TAG and Value for Money Framework provide advice and tools for conducting robust and proportionate transport appraisals which are consistent with Treasury Green Book guidance and account for economic (e.g. user benefits, productivity, jobs and housing), social (e.g. physical activity, community severance, accessibility and personal affordability) and environmental impacts (e.g. noise, air quality, carbon and landscape). The Department's Value for Money Framework sets out how impacts not captured in the BCR (for instance non-monetised impacts) should still be taken account of in the assessment of value for money. TAG also provides advice on how to estimate potential distributional impacts in scheme appraisal, to ensure that potential adverse impacts on vulnerable groups are identified.

In line with the recent Green Book Review, economic analysis in transport business cases should be consistent with and support the analysis in the strategic case which evidences the investment case for the scheme. This should recognise that projects need to contribute to the Government's strategic goals.

3. *The Government's levelling up agenda commits it to ending geographical inequality in the UK. However, by underserving the rail needs of the North of England it is letting down those who require change the most. Upgrading lines will undoubtedly bring modest benefits to rail services in the North and Midlands, but not to the transformative extent necessary to end regional imbalances. The evidence base for the IRP must be reconsidered in the light of these aims, if this once-in-a-generation investment in rail is not to be a missed opportunity. (Paragraph 31)*

The £96 billion investment set out in the IRP is the largest ever Government investment in the rail network and will bring transformational change for rail passengers and businesses. Alongside investment in new lines, the IRP laid out plans for upgrades and electrification to existing lines along the East Coast Main Line and for Northern Powerhouse Rail (NPR) between Liverpool and Warrington, and from the Standedge area to Leeds and York and between Leeds and Bradford. These will allow for longer and more frequent trains with increased maximum speeds and reduced carbon emissions, significantly improving the experience of rail passengers and unlocking growth opportunities across the UK.

For HS2, there is no change to proposed outputs on the Western Leg (subject to conclusion of work on alternatives to the Golborne Link). For South Yorkshire, the IRP outputs for connectivity and capacity southwards are essentially unchanged; for the East Midlands, they are markedly better (journey times and capacity to Derby and Nottingham will be substantially better than under the original HS2 Eastern leg). Compared to today there will be significant increases in capacity, with more than double the number of seats available between London and the East Midlands, with Birmingham to the East Midlands also seeing a large increase in available seats.

For NPR, the IRP proposals allow the same fundamental service pattern (6 fast trains per hour Manchester-Leeds-York, 4 to/from Liverpool and 2 to/from Birmingham) as more expensive alternatives. Analysis set out in the IRP Technical Annex shows that these proposals therefore deliver the same capacity on the core NPR route, and similar journey times, as the more expensive alternatives.

On top of plans to build new high-speed line from Birmingham to the East Midlands, the IRP committed to upgrading the East Coast Mainline, providing significant improvements to London-Leeds connectivity and doing so far sooner than original plans. As set out below though, the Government is assessing options for HS2 trains to reach Leeds and will publish the terms of reference for this study before summer recess. It will also reassess the evidence for improved connectivity at Bradford (see below). The IRP itself noted that Hull could be considered subsequently, in line with the adaptive approach adopted. For Sheffield, the IRP core pipeline includes the Hope Valley upgrade allowing 3 fast trains per hour to Manchester with a journey time as low as 44 minutes; previous work suggested this would give ample capacity with the potential for some further journey time improvements over time. Sheffield to Leeds connectivity will be considered as part of the HS2 to Leeds Study. Any potential further interventions that build on the IRP's core pipeline will need to be considered as part of the Government's adaptive approach.

As part of developing the evidence base to inform the IRP, the Department carried out analysis on a range of different impacts that would be expected from schemes. This covered transport user benefits, wider impacts including economic, environmental and agglomeration effects, and therefore included a high-level levelling up assessment.

As individual schemes set out in the IRP are taken forward, analysis of levelling up impacts will be undertaken in line with updated DfT and HMT Green Book guidance and included in future business cases, reflecting also the Levelling Up White Paper and DfT's Levelling Up Toolkit, both published after the IRP. The business case for Northern Powerhouse Rail, expected to be published later this year, will provide more up to date detail and context on the evidence base for that scheme and relevant alternatives.

Given the similarity of outputs for the sections committed in the IRP and the adaptive approach and further work envisaged, the Government does not accept the premise that the Integrated Rail Plan underserves the rail needs of the North of England and brings only modest benefits. It therefore also does not accept the recommendation that the overall evidence base needs to be reconsidered as the wider economic and other relevant benefits were considered in decision making and will be developed further in future business cases for individual schemes; and the cost differentials of alternative choices are significant.

4. *The Government must remain open to the possibility that this thorough reassessment of the evidence base, taking full account of the impact on levelling up communities in the North and Midlands, may show that Options 2 or 3 for Northern Powerhouse Rail represent the best potential value. If so, they must grasp that nettle. Extra costs are not to be incurred lightly, but a significantly better outcome for our economy and communities is a worthwhile investment for generations into the future. (Paragraph 32)*

and

5. *A full assessment of the levelling up impact of the various NPR and HS2 Eastern leg options does not appear to have been carried out to date. The Government must ensure that the impact of NPR decisions on Bradford in particular is robustly assessed, including producing BCR analyses for all NPR options. This is consistent with the spirit of commitments previously made by the Prime Minister to investigate all the options for Northern Powerhouse Rail, and to allow the lead on what comes next to be taken locally. (Paragraph 41)*

The wider economic and other relevant benefits, including a qualitative assessment of levelling up, were considered for both NPR and the Eastern Leg options as part of the IRP. The Government recognises that these could be developed further and expanded in future business cases (including proposals for HS2 East and the HS2 to Leeds Study). The Government therefore accepts both recommendations (with recommendation 4 applied to NPR business case development).

As set out in its evidence to the Committee and above, the Government believes that the proposals in the IRP deliver, in most cases, similar benefits for a substantially lower cost than alternatives. As part of the development of the NPR Strategic Outline Business Case (SOBC) the Government has commissioned updated analysis on a range of different network options, including the potential levelling up impact on communities impacted by these different networks, such as Bradford. This analysis will compare the core NPR network committed to in the IRP with relevant alternatives and will include a full value for money assessment in line with the DfT value for money framework and HMT Green Book. The Government will set out its conclusions and the next steps on NPR and aims to publish the business case later this year.

6. *The Government must conduct its study on how best to take HS2 to Leeds urgently. We ask that a timetable for this work, including a firm date for the final report, be published by September 2022. This is essential for demonstrating that the commitment made to Leeds for high-speed connections will be fulfilled.* (Paragraph 47)

The Government accepts this recommendation and will publish the terms of reference for this work before the summer recess. The Government anticipates that work on the study will take around 18 months.

Preparatory work has been undertaken in the meantime, involving Network Rail and local stakeholders. The Government will continue to work closely with the West Yorkshire Combined Authority, Leeds City Council, and other relevant local authorities throughout the course of the study to ensure final recommendations are informed by local evidence.

Unless and until any other decision is reached, the Government's preferred approach remains that which was set out in the IRP, and the undertaking of this study does not guarantee further interventions will be agreed or progressed.

Stations and cities

7. *We ask the Government to commit to supporting redevelopment of Leeds station by 2035 so that it has sufficient capacity to accommodate services planned under the IRP, including HS2 trains arriving in Leeds.* (Paragraph 58)

The Government accepts this recommendation, subject to the future conclusions of the HS2 to Leeds Study. Previous development work at Leeds as part of NPR, as well as work by Network Rail, has identified the need for additional infrastructure at the station. Work is underway with local partners to ensure Leeds station has capacity to meet the additional services outlined in the IRP by 2035. If required, work to accommodate any further commitments that may arise from the HS2 to Leeds Study will be scoped once it completes and may not be required until after 2035.

The first set of interventions in the Leeds Existing Station Programme are now in the design phase, to provide a future-proofed level of capacity for passenger circulation within Leeds station, better access to the Southbank, and potential future access to the mass transit network. As part of the Leeds Area Improvement Programme, Network Rail is developing a series of options to increase network capacity, including platform extensions and improvements to station approaches at the western end of Leeds station. These will all be subject to further investment decisions in line with the RNEP process. Further improvements to platform capacity and to the station approaches are being developed to support the NPR core scheme.

Safeguarding of the proposed HS2 route remains in place around Leeds, and the Government expects it to remain so until the conclusion of the HS2 to Leeds Study allows a firm view to be taken on how HS2 trains could reach Leeds. The Government will continue working with local partners on infrastructure plans at Leeds, to maximise the development that can take place, as well as helping to deliver value for the taxpayer.

8. *The Government should reconsider the case for the development of a new station in Bradford. The development of the St James's Market station would not only enhance rail*

connectivity in the North, allowing further investment in the city, but also provide further opportunities for rail development in Bradford after the 'core pipeline' of IRP upgrades take place. (Paragraph 63)

The Government accepts this recommendation.

The Government recognises the impact that rail improvements could have on helping Bradford to level up. The IRP committed to improving journey times to as low as 12 minutes between Bradford and Leeds as part of its core pipeline.

The Government currently stands by the conclusions of the IRP on Bradford, and the benefits that plan brings to the city. However, in light of this recommendation, a reassessment of the evidence for better connecting Bradford and the case for a new station will now form part of the NPR development programme and the HS2 to Leeds Study, with any options that may be taken forward to be funded through the IRP's £96bn envelope. The second phase of Bradford master planning work agreed as part of the West Yorkshire Devolution Deal will help assess the wider regeneration and economic benefits a new station could achieve.

Future decisions on potential further rail interventions for Bradford will be taken once this work is complete. If any options are taken forward, these will need to be deliverable and affordable within the IRP's £96 billion envelope and will need to provide value for money for the taxpayer.

9. *If the [Manchester Piccadilly] underground station option were to be deemed deliverable, it could unlock significant land value in the city; it would then be reasonable to expect contributions to the cost from local government and local businesses. We recommend that this expectation should form part of a renewed, transparent conversation about the risks and benefits of the underground station option between Transport for Greater Manchester, Manchester City Council and the Department for Transport. (Paragraph 69)*

The Government notes this recommendation and has continued to engage with Transport for Greater Manchester (TfGM) and Manchester City Council (MCC). An underground station would significantly add to the cost of the Crewe to Manchester scheme and delay the opening of the Western Leg into Manchester by between seven and 13 years, which would be likely to result in some knock-on impacts to the start of new NPR services. The Government has not seen any evidence to indicate that an underground option would unlock enough land value to justify the increased cost of such a station.

The Government and HS2 Ltd have engaged extensively with Greater Manchester stakeholders – including Greater Manchester Combined Authority (GMCA), MCC and TfGM - to listen to their case for an underground station at Piccadilly, as well as with Transport for the North. Throughout these discussions HS2 Ltd has undertaken extensive investigations to explore the feasibility of the various underground station design options proposed by stakeholders.

The then Minister for HS2 agreed to undertake a further study into an underground station in the interests of transparency. Detailed design work was subsequently carried out for the 'Manchester Piccadilly High Speed Station – Design of an Alternative Underground Station report', which was published on the HS2 Ltd website on 27 June 2022 and placed in the libraries of both Houses of Parliament.

This report was the culmination of work begun in 2010 to find the best solution and location for a high speed station in central Manchester. The study went beyond the original scope, analysing three underground options, rather than one option to ensure a like-for-like comparison between underground station alternatives and the chosen surface station option. The analysis concluded that, when compared to a surface station design, an underground station would:

- cause major city centre disruption during the construction period;
- present a very serious and unprecedented construction challenge given the underlying geology and the huge scale of cavern construction required to create the underground station;
- significantly delay the opening of the Western Leg into Manchester by between seven and 13 years; and
- add around £5 billion (2015 prices) to the cost of the Crewe to Manchester scheme.

The Government continues to believe that a combined surface station is best placed to meet the needs of both HS2 and NPR services. The Government believes that the surface station design will deliver opportunities and growth for Manchester at a lower cost and construction impact than the underground alternatives investigated in the study. Petitions against the surface station design are being considered by the Select Committee scrutinising the High Speed Rail (Crewe – Manchester) Bill.

The Government fully engaged MCC, TfGM and TfN at every stage of the study from developing the scope of the work to selecting the three underground options they considered represented the best alternative underground designs. The Government and HS2 Ltd's conclusion is that further optimisation of the underground options is unlikely to change the decision that a surface station is the appropriate design solution on the grounds of construction feasibility, health and safety, cost and delivery in service dates. A high-speed surface station at Manchester Piccadilly as set out in the High Speed Rail (Crewe-Manchester) Bill and the IRP remains the baseline assumption for future interventions, for example, as outlined in the terms of reference for the HS2 to Leeds Study.

Officials continue to meet regularly with Greater Manchester partners to discuss technical matters related to the scheme and to explore opportunities to work across Government to realise economic benefits to support local and regional growth.

10. Birmingham stands to benefit from the new HS2 station at Curzon Street, and the easing of capacity constraints at New Street by services moving to Moor Street station. One last piece of the puzzle appears to be facilitating connections from Moor Street towards Leicester by providing the eastern chord. We urge the Government to commit to this element as part of the review of the Midlands Rail Hub. (Paragraph 73)

The Government notes this recommendation. The IRP confirmed HS2 services between Birmingham and central Nottingham, via East Midlands Parkway. This would provide greater connectivity between the East and West Midlands than the original Midlands Rail Hub proposals, including marked journey time reductions between Birmingham and Nottingham.

In the IRP, Midlands Rail Hub was therefore proposed to focus on enabling improved services to Birmingham Moor Street from the South and West. This approach would allow additional services and better interchange to HS2 from Bristol and Cardiff, and faster local West Midlands services, while maximising value for money by complementing the new high speed line to the East Midlands.

There may also be a case for delivering the eastern section (including links to Leicester) of Midlands Rail Hub in the future, and the Government is considering the case for enabling such future provision as part of the Outline Business Case for the South/West arm.

Realising the benefits

11. *The Government's presentation of the benefits of the IRP core pipeline in comparison to previous plans should factor in time and cost ranges that reflect the contingency that will, realistically, be needed for such a large and complex package of work.* (Paragraph 82)

The Government accepts the recommendation, which is in line with its approach to, for example, cost and schedule forecasts for HS2. The IRP in fact already contains information about cost and date ranges. However, through the next stage of development, for example the SOBC for NPR, the Government expects to provide further information on ranges and sensitivities for both costs and benefits where such information is available and can meaningfully be applied. The IRP Technical Annex also shows ranges, for instance for expected value for money category, and expected delivery timescales.

12. *Journey time reductions—albeit not to the same degree as promised by previous plans—are a headline benefit of the IRP. We received detailed evidence that cast doubt on the plausibility of the times achievable under the new plans. We ask the Government to publish its full technical appraisals of the feasibility of these reductions, so that communities and stakeholders can have confidence that they are achievable in practice.* (Paragraph 87)

and

13. *The Department for Transport should commission a full independent assessment of the seat and track capacity offered by the IRP, compared to the previous plans for HS2 and other options for NPR. This assessment must take into account the future effects on both long-distance and local passenger services, and freight capacity.* (Paragraph 101)

The Government partially accepts these recommendations. It has already published work by Mott MacDonald into the Strategic Alternatives to High Speed 2 Phase 2b, which includes an independent assessment of outputs for different alternatives on the Eastern Leg. This covered journey times, train service frequency and train capacity (seats) for key origin-destination pairs, showing that significant seat increases were possible.

Network Rail and HS2 Ltd are developing the different aspects of the IRP, and they will provide objective and assured advice as to the likely seat and track capacity offered by the IRP. The future effects on both long-distance and local passenger services, and freight capacity, is a key part of this advice. Where relevant the Government would expect comparisons with previous plans for HS2 and other options for NPR to be included in relevant business cases (for example in the up-coming NPR SOBC).

Particularly for schemes within the IRP at an early stage of development, and as with any large-scale rail scheme, the Government would expect detailed analysis to continue to evolve through future design. Therefore, it expects journey times to be refined as development continues, and the next stages of development consider the optimal balance between capacity, demand, speed and reliability. Network Rail and HS2 Ltd are in the process of producing more detailed proposals for each element of the IRP and we will continue to provide updates on this analysis as the projects progress.

These will evolve to include likely resulting journey times accounting for network reliability (estimated via train performance modelling using the proposed infrastructure) as well as detailed timetabling requirements, and it is expected that these be reported at each stage of the business case cycle. As part of on-going engagement with communities and stakeholders, and business case publication, the Government will at each stage include the best available information for key outputs.

14. *The Department for Transport should publish a rail freight strategy for the country setting out key plans, targets and milestones over a 30-year period. This should include a detailed assessment of how the IRP will achieve greater capacity for and use of rail freight. (Paragraph 103)*

The Government partially accepts this recommendation. As referenced in the Plan for Rail, the Department is working with the Great British Railways Transition Team to develop the Long-Term Strategy for Rail which will include a focus on opportunities for freight.

The Government fully recognises the advantages to the economy, environment and society of shifting freight from road to rail, with rail being one of the most carbon efficient ways of moving goods over long distances. This includes, for example, delivering additional capacity and increased loading gauge clearance through the Transpennine Route Upgrade which will enable substantial rail freight growth East-West across the North of England. HS2 will also free up capacity on the WCML that could be used to run more freight trains.

The Secretary of State made clear in his February Bradshaw address that we cannot overstate rail freight's untapped potential for green growth. That is why a new Strategic Freight Unit has already been created within Great British Railways, tasked with creating better safeguards and more national coordination and acting as the guiding mind for rail freight to provide strategic leadership unlock opportunities for growth. Further, the Government will, later this year set a long-term rail freight growth target which is intended to provide confidence in the industry well into the future.

15. *The Department for Transport and Network Rail should set out a timetable for implementing a detailed mitigation strategy to minimise disruption caused by the implementation of the IRP. This should set out a strategy for each individual project and must include plans for consultation with local communities and stakeholders, in partnership with local authorities. (Paragraph 112)*

The Government accepts the rationale for this recommendation. Given the different stages of development work and timing of construction for individual schemes, this will be done on a project-by-project basis. Work on detailed mitigation is already underway, for example on TRU and HS2. For HS2 this is managed through a range of environmental controls, including a comprehensive Code of Construction Practice. Consultation with

communities and stakeholders is undertaken in accordance with the HS2 Community Engagement Strategy which sets out core principles to inform, involve, consult and respond, and implemented on the ground through community engagement teams, a 24hr helpline, escalation routes, Commissioners, and construction inspectors).