Written evidence submitted by the RMT Union (FTF0106)

About the National Union of Rail, Maritime and Transport Workers

RMT is Britain's largest specialist transport union. The RMT has more than 80,000 members from almost every sector of the transport industry. RMT is by some distance the largest rail union and represents all grades of rail workers. RMT welcomes and thanks the Transport Select Committee for the opportunity to submit this evidence to the inquiry.

Executive Summary

- The Integrated Rail Plan (IRP) commits significant funding to rail infrastructure from its current base but RMT is deeply concerned that the IRP is a missed opportunity. The scale of the climate challenge and the poor connectivity for many parts of the UK means the IRP needed to go much further and faster, particularly in terms of increasing capacity, but instead the North and Midlands are now facing a list of project cancellations and downgrades such as the phase 2b Eastern Leg of the HS2 project and the East to West high-speed line between Leeds and Manchester, part of Northern Powerhouse Rail.

- The Integrated Rail Plan was published just 6 days after the conclusion of the COP26 climate talks in Glasgow. RMT believes it would have been better had the IRP been published before COP26 to allow serious discussion about the UK's leadership role in cutting carbon emissions. Publishing the IRP after the conclusion of vital climate talks are terrible optics.

- The environmental benefits of investing in rail infrastructure are clear. Transport produced 27% of the UK's total emissions in 2019 and cars made up 61% of the emissions from road transport. Travelling by train produces just a third of the emissions of car travel. Mass investment in our railways must increase significantly for the UK to come anywhere close to meeting our carbon reduction targets.

- The economic benefits of investing in rail infrastructure are unequivocal. For every £1 spent in rail, £2.50 of income was generated in the wider economy, compared to £2.20 in 2016.

- RMT's submission to the Transport Select Committee inquiry provides a broad view of the IRP as an opportunity to create the mode shift needed to combat climate change whilst providing economic regeneration for the North and Midlands regions and indeed throughout the UK.

The environmental benefits of investing in rail infrastructure

Travelling by train produces just a third of the emissions of car travel[1], whilst each freight train removes 76 lorries from our roads.[2] Trains already reduce UK carbon emissions by 7.7 million tonnes every year (compared to a scenario where those journeys were made on the road),[3] with reduced congestion feeding through to improved air quality.

Transport produced 27% of the UK's total emissions in 2019. Of this, the majority (91%) came from road transport vehicles (111 MtCO2e). The biggest contributors to this were cars which made up 61% of the emissions from road transport (68 MtCO2e), followed by Heavy Goods Vehicles (HGVs) (18% of road transport emissions, 19.5 MtCO2e) and vans (17% of emissions, 19 MtCO2e).[4] Transport became the largest emitting sector in 2016 after large decreases in energy emissions as the UK switched away from coal power and towards gas, while transport emissions have remained relatively constant. If the UK is to get anywhere close to meeting its climate change promises and commitments, then RMT believes there must be a mass investment in publicly owned sustainable public transport.

It was encouraging that, for the first time at COP26, transport ministers from major economies across the world were present and that COP26 recognised that reducing emissions from transport is key to meeting the obligations in the Paris Agreement. It is however concerning that there is not a detailed assessment on the Integrated Rail Plan's impact on decarbonising the rail network and illustrated the difference in carbon reduction by cancelling the High-Speed Phase 2b Eastern Leg and the High-Speed line between Leeds and Manchester.

The IRP does provide some detail as to how many extra seats Phase 2a of the High-Speed 2 route will provide at 3,900 per hour but has not provided detailed projections on mode shift from road and domestic aviation.

In October data from the Office of Rail and Road (ORR)[5] was published showing that the UK is not electrifying its railways quick enough to meet Net Zero by

2050. In 2020-21, 179 track kilometres were electrified, less than half the 448 kilometres required each year to meet Network Rail's target of a Net Zero railway by 2050. There is no detail on exactly how many new electrified route kilometres will be delivered by the IRP and how that will contribute to the Government's target to reach Net Zero by 2050.

The economic benefits of investing in rail infrastructure

As studies conducted by the International Monetary Fund in 2014 showed, 'increased public infrastructure investment raises output in the short term by boosting demand and in the long term by raising the economy's productive capacity. In addition, the boost to GDP a country gets from increasing public infrastructure investment offsets the rise in debt, so that the public debt-to-GDP ratio does not rise. In other words, public infrastructure investment could pay for itself if done correctly.'[6]

In a recent report on 'The Economic Contribution of Rail' by the Rail Industry Association shows that in 2019 the rail industry supported:

- £43 billion GVA in economic growth, compared to £36.4 billion in 2016;
- 710,000 jobs, compared to 600,000 in 2016;
- £14 billion in tax revenue each year, compared to £11 billion in 2016; and
- For every £1 spent in rail, £2.50 of income was generated in the wider economy, compared to £2.20 in 2016.

Despite research clearly outlining the huge economic benefits of investing in rail the overarching economic narrative used by the Government and much of the rail industry, that there is only limited money to fund sustainable transport infrastructure such as railways is a false narrative as the economic benefits far outstrip the initial costs. Whilst the costs of failing to adequately tackle the climate emergency by investing in our railways will be far greater than the costs of mitigating against the impacts of climate change.

RMT believes the Government should also make use of record low government borrowing costs to finance sustained investment in expanding and upgrading our transport infrastructure.

- An analysis from 2020 undertaken by Transition Economics on behalf of the TUC has demonstrated how Government investment in a number of 'clean' infrastructure projects could create in the region of 1.25 million jobs[7] in the immediate term. Within this analysis, the authors estimate that a railway expansion and upgrades programme would create 126,000 jobs.

Specific Questions

The contribution that the IRP will make to rail capacity and connectivity for (a) passengers and (b) freight in (i) the Midlands and the North and (ii) the UK

The IRP claims that the plan will "*see more than double capacity between Leeds and*
Manchester; and more than treble capacity between Birmingham and Nottingham, Birmingham and Manchester, Liverpool and Leeds. Capacity will be more than doubled between London and Manchester." RMT is concerned that the cancellation of the eastern leg of HS2 (Phase 2b East) and downgrading of Northern Powerhouse rail will mean significantly less capacity than was originally planned at a time when the Government should be doing everything possible to maximise capacity on our rail network to drive mode-shift of passengers and freight from road to rail.

A significant thread running through the IRP involves commitments to run faster trains on the existing rail network and RMT is concerned that will not have the desired effect as high-speed segregation, where fast trains are put on their own new high-speed tracks to free up capacity for more useful local, regional passenger and freight services, is not something that can be delivered piecemeal. A good example of this as evidenced by railway engineer, Gareth Dennis is the Trains Per Hour (tph) capacity on Shenfield, 20 miles from London, which due to high-speed segregation has 10 tph into London and serves 15000 passengers per hour. Marsden in West Yorkshire, 18 miles from Manchester city centre has just 2 trains per hour and serves 546 passengers per hour as this line has no extra line segregation.

Detail and the projected capacity increases that the IRP will deliver is absolutely crucial and until this specific and detailed passenger and freight capacity information is published it is difficult to welcome much of this plan in regards to capacity. RMT is particularly concerned that the Government has effectively admitted this during a recent House of Lords debate, Baroness Vere the Parliamentary Under-Secretary of State for the Department for Transport said that she could not answer questions from cross-party peers about what additional capacity the IRP will provide, because “we do not know that now”.

“This is a plan, and there is an enormous amount of work to do to move from the plan to the next level down - to the detail about how this will actually work on the ground,”

“While in some places we can be very clear about what capacity improvements will be available, in others there will be an enormous amount of designing to do and engineering options to look at, particularly when it comes to upgrading lines.”[8]

There is some good news in the IRP for freight including improved gauge clearance on the Transpennine route will allow shipping containers to move along this route and beyond on rail wagons for the first time. Extra tracks will double or even treble capacity along some stretches, allowing space for freight and allowing fast trains to overtake slower ones. And the electrification plans mean the ability to move freight over much longer distances with electric rather than diesel power, although this is obviously dependent on the cost of electricity falling from today’s levels.

Projected population growth over the 10 years varies between the four countries of the UK: England’s population is projected to grow by 3.5%, for Wales the figure is 2.6%, for Northern Ireland it is 2.0%, and Scotland has the lowest projected growth of 0.3%. The East Midlands is projected to be the fastest-growing region in percentage terms; its population is projected to increase by 7.0% by mid-2028, an increase of 334,000 people. Regions in the north are projected to grow at a slower rate than regions in the Midlands and south.

Whether and how the IRP will “level up” communities in the Midlands and the North

RMT Union does welcome the commitments in the IRP to upgrade and electrify the existing Transpennine Main Line connecting York, Leeds and Manchester and a new high-speed section built from Warrington, via Manchester to the Standedge area in Yorkshire, however, as well as Bradford, Leeds is seen as the big loser from the IRP, losing not only the new Manchester high speed line but also with the decision to turn the eastern leg of HS2 into a stump that ends at the existing East Midlands Parkway station. This poses the risk of creating a two-tier North, with High-Speed rail links to and from Manchester but not from anywhere in Yorkshire.

RMT would like cast-iron assurances that plans in the IRP to introduce London-style contactless ticketing across commuter rail networks, including price-capped integrated ticketing with local buses and trams will not mean that station ticket offices are then subsequently closed. Ticket office closures happened in London across the TfL network despite promises to keep them open by the then Mayor Boris Johnson.[9] Contactless multi-modal ticketing is long overdue for the North of England but RMT is adamant that contactless multi-modal ticketing works best under a publicly owned network rather than fragmented private Train Operating Companies.

How the IRP will affect rail infrastructure and services outside the Midlands and the North

It is vital that the IRP works alongside the recently published ‘Union Connectivity Review’ (UCR) and whilst the UCR has been referenced in the IRP there seems to be a significant gap in joining the two plans together.

Scotland’s cross border railways are currently poorly integrated, both with connecting services and other forms of public transport, making it far more difficult, or virtually impossible in some cases, for travellers to use public transport for the whole length of their journey, particularly if travelling from other UK Nations.

A recent report by Jim Steer ‘Modal Shift Matter – and HS2 delivers it’ for the High-Speed Rail Group showed that rail’s share of the London-Scotland travel market could leap from 29% to 75% if, alongside HS2, high speed services are sped up north of Crewe, just as Government’s recent ‘Union Connectivity Review’ called for. On the London-Glasgow route alone, modal share for rail would increase by 50%, rising from 47% to 70%. The report makes clear that the tipping point for the move from air to rail is journey times between 2½-4½ hours – which HS2 can play an important role in facilitating. It is disappointing that the IRP does not recognise that and share that ambition.

In Wales the ‘Union Connectivity Review’ concludes that the North Wales Main Line needs to be better connected with HS2 at Crewe “so that North Wales can take advantage of the benefits of HS2”.

The UCR report notes that the North Wales Line should also be electrified to help achieve the government's net zero ambition. Transport for Wales has been developing plans for a North Wales Metro and improvements to the North Wales Main Line. This includes line speed and capacity upgrades, upgrades between Wrexham, Bidston and Liverpool, enhancements to Chester Station, a Crewe Hub interface to maximise the benefits of HS2 and service amendments.

The publication of the IRP just preceded the UCR and as a result does not reflect the UCR in its entirety and a report by Greengauge21[10] calls on the Government to 'urgently join the dots between the two plans'. RMT believes that producing two important plans without them fundamentally reflecting each other is a significant failure in cross Government departmental communications.

It has now been over 800 days since the Government last published its Rail Network Enhancements Pipeline (RNEP) which includes planned upgrades and improvements to the rail network. The IRP only pays lip-service to the RNEP and RMT believes this should be an integral part to the plan with detailed plans for enhancements and particularly rail reopening schemes the IRP will deliver. A recent report by Campaign for Better Transport[11] outlined how a national reopening programme would initially create 33 new rail lines with 72 new stations, allowing an additional 20 million rail passenger journeys a year by bringing over 500,000 people within walking distance of a train station. It would also create or safeguard up to 6,500 jobs in construction and engineering and 1,650 new railway jobs. RMT believe the lack of detail on rail reopenings in the IRP is another missed opportunity.

The challenges to central Government, Great British Railways, regional and local authorities, transport bodies and other stakeholders in delivering the IRP

RMT believes the main challenge to central Government is ensuring the IRP delivers on the climate change commitments and carbon reduction pledges made at the recent COP26 in Glasgow. In the short-term RMT believes this cannot be achieved on the current trajectory and with the current pervasive negative attitude to rail in the Treasury. Currently across the UK hundreds of rail services are being cut and timetables are being reduced to save the Government money. RMT believes that cutting rail services is a false economy and that a poorer and less frequent rail services will not serve to attract passengers back on to our railways.

Despite Network Rail staff being hailed as heroes during the Covid–19 pandemic, Network Rail is now intending to introduce a wholesale attack on jobs, conditions, safety and pay[12]. These reforms will affect all grades and thousands of skilled rail engineering jobs could be lost which in turn threatens the skills base and collective railway experience to deliver and sustain the IRP in the future. Short-term cost savings through wholesale job cuts is also an entirely false economy.

In the longer term RMT believes the ownership model of our railways requires root and branch reform and that the new Great British Railways (GBR) model proposed by the Williams-Shapps Plan will not provide that. RMT welcomes the fact that the Williams-Shapps Plan recognises that rail privatisation has failed to deliver, has created a complex and fragmented system that does not work for passengers and which remains particularly unpopular with the public. RMT does not agree that passenger operators should remain in the hands of fragmented private train operators under the new system of Passenger Service Contracts.

Passenger Service Contracts are touted as being a new, more regulated mode of service
delivery. In reality, they continue the approach of the Emergency Measures Agreements and ERMAs, which shift all the risk onto Great British Railways, while guaranteeing profits for private train operators. Since 1997, private train operating companies have extracted £3.2 billion in dividend payments from franchising.[13]

According to DfT data published this month, in the 6-month period of the EMA contracts,
during a national crisis, the train operating companies received management fees
(available to be turned into dividend payments) of £88 million. This is guaranteed profit.

In addition, the plan says nothing about the profiteering by the three rolling stock
companies, the Roscos. RMT analysis has shown that these companies extract an average

of £260 million in dividends every year. This is now being paid for directly by the taxpayer.
During the pandemic year, Eversholt paid out a £46.5 million dividend, claiming that
because of government support they were at no risk from Covid-19.[14]

Given that the majority of the train operating companies are foreign owned, while the Roscos have overseas subsidiaries in low tax regimes and tax havens, much of this profit will flow not just out of the industry, but out of the country. Instead of guaranteeing profits for private train operators, Great British Railways should directly run these passenger services as set out for example, in the Labour Party's Whitepaper to create a publicly owned railway company, 'GB Rail'[15] that runs both the rail infrastructure and train services as part of a single unified company. This vertically integrated company would be the guiding mind for the whole railway and would be a sole employer for all rail workers.

How the rail schemes in the IRP will integrate and interact with HS2

The announcement that the IRP will electrify the Midland Mainline and TransPennine routes is welcome but these are not new announcements as these routes were already planned to be electrified before the Conservative Government cancelled them in 2017[16]. RMT believes this shows a distinct lack of ambition for the Midlands and North of England.

Bradford, Britain's seventh largest city, which already has poor connectivity to the railway network, will not now get its new station under the IRP. This is a significant let down to the community here and local political leaders understandably feel "betrayed"[17]. In terms of reducing journey times the IRP does promise a new journey time of 33 minutes between Leeds and Manchester, down from the present 55, and just 12 minutes between Bradford and Leeds, but these journey times would have been even shorter had the full Eastern leg of HS2 and the High Speed line between Leeds and Manchester been built.

How the rail improvement schemes in the IRP were selected, and whether those selections represent equity between and within regions

RMT Union believes that the climate and connectivity challenge mean that all regions and nations need significant investment and increases in rail investment and capacity. It is important to note however that new high-speed railways in the UK are built to the larger continental structure gauge (known as the UIC gauge). However, sometime in the future, if and when, HS1 (Channel Tunnel Rail Link) and HS2 are linked together, trains from Europe would be able to run straight through to Manchester – but not to Leeds. Any trains for Leeds would have to be formed of dedicated trains built to the smaller British structure gauge. The integrated Rail Plan should take a nationwide view of our railways as part of a National effort to decarbonise our economy but it completely fails to recognise the need to invest in railways in the South West of England, South Wales, Eastern England and the majority of Greater London.

Whether the IRP represents value for money for UK taxpayers

RMT believes the Covid-19 pandemic has presented the UK with an opportunity to reform the funding of transport operation and finance a major public investment programme to upgrade infrastructure and invest in staff that will benefit the economy, our society and our decarbonisation objectives. Whilst the IRP is a significant investment in our transport infrastructure, RMT believes it is not enough to provide the increases in rail capacity needed to tackle climate change.

As referenced above, for every £1 spent in rail, £2.50 of income is generated in the wider economy, compared to £2.20 in 2016. The rail supply chain has an estimated workforce of over 35,000 in the North and Midlands and RMT believes that investment in rail is good value for money. The IRP does however leave serious and unanswered questions about whether the downgrading of schemes represents good long-term value for money.

February 2022

Endnotes

---

[1] DfT (2021), 'Great British Railways, The Williams-Shapps Plan for Rail', p.16.
[2] RDG (2015), 'Freight Britain: continuity and certainty for rail freight
[3]Network Rail (2021), 'Sustainability'
[4] https://www.gov.uk/government/statistics/transport-and-environment-statistics-autumn-2021/transport-and-environment-statistics-autumn-2021
[5] https://dataportal.orr.gov.uk/statistics/infrastructure-and-emissions/rail-infrastructure-and-assets/
[6] https://www.imf.org/en/News/Articles/2015/09/28/04/53/sores093014a.

This research was also cited by the CBI in their recent report, https://www.pesmedia.com/wp-content/uploads/2020/09/CBI-infrastructure-finance-report_Investing-in-infrastructure.pdf

[7] https://www.tuc.org.uk/research-analysis/reports/rebuilding-after-recession-plan-jobs

[8] https://www.railmagazine.com/news/network/2022/01/12/vere-admits-to-lords-irp-lacks-information

[9] https://www.guardian-series.co.uk/news/11655794.boris-accused-of-deception-over-ticket-office-closures/

[10] http://www.greengauge21.net/wp-content/uploads/GG21-East-West-North-South-joining-the-dots-report.pdf

[11] https://bettertransport.org.uk/media/05-february-2019-rail-reopenings-report

[12] https://www.rmt.org.uk/campaigns/rail/defend-rail/

[13] Rebuilding Rail, published by Transport for Quality of Life, produces an estimate of £1 billion in Train
Operating Company dividends for the period from 1997-2010, with an average annual aggregate dividend
payment of £227 million (Rebuilding Rail: Final Report, Transport for Quality of Life, (2012), p. 18;

[14] https://www.rmt.org.uk/news/publications/profiteering-at-a-time-of-crisis-rmt-report/

[15] https://labour.org.uk/wp-content/uploads/2020/03/GB_Rail_Labour_Opposition_White_Paper.pdf

[16] https://committees.parliament.uk/committee/153/transport-committee/news/103197/cancelled-rail-electrification-schemes-secretary-of-state-recalled-for-evidence/

[17] https://www.thetelegraphandargus.co.uk/news/19727294.rail-plan-slammed-betrayal-bradford/#:~:text=A%20BETRAYAL%20of%20Bradford.,via%20Bradford%2C%20had%20been%20scrapped.