

The Foundation for Science and Technology

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The future strategy for high speed rail in the UK

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UNCORRECTED TRANSCRIPT OF SPEECH

I love Andrew's enthusiasm for that, and how do I follow that? Andrew [Adonis] is a huge supporter of high speed rail and as has made things happen.

Let me just put into perspective some of our views of this – this is from Network Rail's perspective. Five or six years ago, when we were talking to governments about expansion of the railways the answer was 'we are not interested; make the existing thing work' and here we are a few years later with Andrew talking about a vision which is truly wonderful. So why has that happened? Well, in 2010 today, we run a record number of trains carrying record numbers of people, doing record numbers of journeys at record levels of punctuality. I checked just before I started to speak: punctuality today is at 95 per cent. So 19 out of 20 trains have arrived on time today and every single one of my train operating customers is operating at a level in excess of 90 per cent punctuality and that is not uncommon.

The safety record has been re-established and demand for this product is growing and growing and growing. Some of the growth comes from straightforward population growth. There are more people projected in the future just because the UK expects to see more people using or living in the country. Income will rise and demand for travel will rise correspondingly. Travel is a function of employment and we continue to see people employed particularly in the major cities – and that drives demand on the railways. Some of the growth has come through stimulated growth. The activities of our customers to make the product more attractive, offering better services at more relevant times, opening at weekends, later at night, earlier in the morning, marketing strategies, yield management, is driving more and more people onto the railways.

Then there is growth on the railways which is driven by external factors outside of our control but bring people onto the railway. Congestion on the roads makes rail a better product. Road pricing, congestion charging and carbon interventions in the future will start to see more and more people come onto the railways.

So when we look at the numbers we will carry today on the major railways – the overground railways – that comes out somewhere between three and four million people. In a year probably 10 million of the people who live in this country will use the railways. So that leaves 40 or maybe 50 million people out there who want to travel but don't choose to use the railway. That is an 'untapped' market for the rail industry – people who want to travel but chose road or air as their preferred mode of travel. When you look at the conservative estimates for growth in the next few decades – London commuting up by 38 per cent, long distance travel up by 68 per cent, regional urban commuting by 100 per cent maybe – growth is going to grow and when you look at our market share as a preferred way of travelling, for journeys between 50 and 100 miles the rails market share is 12 per cent. For journeys between 150 and 250 miles it is 14 per cent. Between 250 and 350 miles (the sort of journeys to Newcastle and to Manchester) we get 16 per cent market share. So for us the target must be to get people out of their car, out of the

planes and onto railways. There is a huge untapped market out there for people who could travel by train but choose to go elsewhere.

So we have a great product (and improving), great demand and a tiny market share. What a great industry in which to be. Do you imagine Sir Terry Leahy at Tesco going “Oh my God, I’ve got a great product but people want to come into my shops, that’s a disaster”? Only in the rail industry do we see demand for travel as a challenge – it is an opportunity. It is an opportunity now because we have sorted out the basic railway and the sort of stuff to which Andrew was referring – it is sort of testament to how more bold we can be about rail as a product we can market.

There is universal support for investment in rail – we talk to all of the major political parties, as with people in this room, and every one of them sees benefits in investment in rail. Now that wasn’t the case a few years ago – why? Not just because it’s a good economic product for the people who want to use it, but it brings other benefits, wider benefits to the community. It drives economic regeneration, employment, development, the economy and of course it is good for the environment as well.

Rail has many benefits over other forms of transport as well – speed (which you have heard much of today), carbon emissions (it must be better to get people onto a train) and the volume of people we can carry is profoundly greater than you can get by road. If you look at a motorway (three lane), at peak hours, you can get about 6,300 cars per hour (DfT figures – I looked on the website). Now when I travel on the motorway in the morning I see many, many cars which have got one person in them, but let’s be generous and say there are two people per car so you are saying you get 12,000 people per hour on a motorway. We can deliver somewhere between 25,000 and 30,000 people an hour into inner city locations, by train – 24 trains an hour carrying 1,200 people. You can move so much more freight, so many more people for a very small piece of infrastructure compared to a three lane motorway. Now that is why I believe that rail needs to be at the heart of our transport planning and infrastructure and we need to reflect that in our planning.

The infrastructure we put on the ground today will last 30, 40, 50, maybe 100 years and the stuff we have talked about, about the Victorian infrastructure which has driven the way in which the country has developed, is testament to that. We need to plan for that sort of timed horizon out there. Demand will double and probably treble inside the timescales that we have planned for our infrastructure and the high speed rail stuff that everybody has heard about is a huge contribution to that vision that we share with the Secretary of State and we welcome the Command Paper last week. We also welcome the commitment of all political parties in supporting the investment in high speed rail links.

Less than three years ago the 30-year strategy published by the DfT, and certainly the Eddington Report, was very silent on the prospect of the high speed rail in that time horizon. Is that Andrew’s vision? A vision in boldness, possibly, but certainly it is people looking to the history of the railways and the contribution it can bring and actually starting to get excited about how rail can transform this country.

It is part of our modern dynamic and ambitious country. Slashing journey times between our major cities, driving economic development and employment, getting cars and lorries off our roads, getting people out of planes. It transforms the lines for the people that use what we call the ‘classic lines’ and it transforms the journeys for people not served by existing rail communications. So, for example, if you build a high speed link to Birmingham we can use the existing line to serve new towns and new cities which are not currently served by rail – like Telford and things like that – we can open up to new markets, get new people onto the railways.

Now we welcome the high speed rail link, it is a wonderful innovation, but there are a number of principles which we think need to be applied to the building of this new railway. The railway is a system and it needs to be planned as such and operated as such. When we take people off of the existing railway and put them on to high speed railway, we need to know where they are going to go, the impact they are going to have on the classic railways, what do you do if high speed rail ever stopped working – how do you serve the rest of the nation with rails in those types of events?

It should take as much time as possible off people's journey time, and I think we have seen that. It must deliver a step change, even for those communities not directly served and I'm one of those people with a high speed rail through my back garden and I'm going to be pretty grumpy about it going through there – but I know that in building a high speed rail link the existing rail services will improve correspondingly. It needs to be delivered as affordably as possible. It does need to get people out of planes and out of cars. Passengers should not have to put up with years of disruption whilst it is being built. This is a particular concern for us if we are starting to see major works at Euston Station (one of our busiest stations) trying to graft onto there a brand new high speed rail link: it needs to be sensitive to the users who use the railway station today. And I would say this, wouldn't I – we need to make sure the investment necessary to build a high speed rail doesn't come from a budget for existing rail networks out there.

Now I got a copy of the proposal last week. It is 1,200 pages long and it will take a long time to analyse it fully, but I do welcome the invitation that we have had from the DfT to get involved in more planning of this, and that is probably right because we have to continue to run a railway whilst this is being built and it is going to take a few years to do that.

So now we have an industry and a government and political parties ambitious and confident enough to stand up and say 'high speed rail forms part of the 21st century rail infrastructure in this country' and that is great. It puts passengers first and it is one that we, as passengers, freight-users, taxpayers, can all be proud of. So I welcome the Secretary of State's announcement last week and we look forward to working with him and anybody else in the room who is absolutely committed to building a high speed rail link in this country.

Thank you for listening.