



**Open Report on behalf of Andy Gutherson, Executive Director - Place**

Report to:	<b>Highways and Transport Scrutiny Committee</b>
Date:	<b>13 December 2021</b>
Subject:	<b>Rail Recovery and Strategic Role in Providing Connectivity, Supporting Lincolnshire Communities and Economy</b>

**Summary:**

This item provides an update regarding changes to the rail industry, forward strategy and the Department for Transport and Transport for East Midlands rail collaborative agreement. Changes/enhancements to regional rail services operated by East Midlands Rail including rolling stock issues and COVID 19. Representatives of Network Rail (NR), East Midlands' Councils (EMC) and East Midlands Railway (EMR) will be in attendance to outline current rail schemes/proposals for Lincolnshire and answer questions.

**Actions Required:**

The Highways and Transport Scrutiny Committee is invited to discuss progress on rail related issues with representatives of Network Rail, East Midlands Councils, East Midlands Rail and to consider the recovery and role of rail in Lincolnshire going forward.

## **1. Background**

In the Lincolnshire County Council (LCC) region the majority of regional rail services are provided by East Midland Rail (operated by Abellio). EMR also provide 3 direct services on weekdays between Lincoln and London St Pancras via Nottingham.

Regional services are also provided by Northern between Leeds/Sheffield to Gainsborough to Lincoln/Cleethorpes. Cross Country (operated by Arriva) provide the majority of service for Stamford (Birmingham to Stansted). London North Eastern Railway (LNER) provide inter-city services on the East Coast Mainline that call Grantham (also Hull Trains) and limited direct services between Lincoln and London Kings Cross.

Both LNER and Northern are owned and overseen by the DfT Public Sector Operator, DfT OLR Holdings Ltd (DOHL).

## **COVID – 19**

The impact of the COVID-19 pandemic led to an initial six-month suspension (starting 23 March 2020) and subsequent ending of Rail Franchise agreements as announced on the 21 September 2020 by Grant Shapps; confirming the renewal of Emergency Recovery Measures Agreements (ERMAs) and current transition to National Rail Contracts.

These emergency measures transferred all revenue and cost risk to the government. The public subsidy to provide rail services during the pandemic has cost £12 billion to date and is not sustainable. Grant Shapps advised the Transport Committee on 26 May 2021 that "no formal agreement is in place" for a timeline with treasury for subsidy reduction and suggested that a medium-term view should be taken.

There is however confidence in the industry to recover rail patronage, Rail Delivery Group and rail operators have launched the 'Back on Track' large scale rail recovery campaign which has been implemented across a wide range of media including television.

The industry has seen strongest patronage recovery in the leisure market over the summer, focus is now moving to the commuter market which has changed significantly with the advent of home working options and new emerging trends in travel times.

It should be recognised however that train operators continue to have significant challenges maintaining services following staff outbreaks of Covid infections.

### **The Williams – Shapps plan for Rail - Transition to Great British Railways (GBR)**

The Governments White Paper " Great British Railways, the Williams – Shapps plan for Rail" published on 20 May 2021 is based on the Williams Rail Review that was commissioned in 2018 seeking recommendations for reform that prioritise passengers' and taxpayers' interests after the damaging consequences of new timetable introduced in May 2018 and emerging issues with the Rail Franchising model.

Publication of the White Paper was delayed from Autumn 19 by a general election and the COVID-19 pandemic. Link to document: [Great British Railways: Williams-Shapps plan for rail](#)

The Williams-Shapps Plan for Rail sets out the path towards a passenger-focused railway, the vision is summarized by 10 outcomes:

- Modern passenger experience
- Retail revolution
- New way of working with the private sector
- Economic recovery and financially sustainable railways
- Greater control for local people and places
- Cleaner greener railways
- New offer for freight
- Increased speed of delivery and efficient enhancements

- Skilled innovative workforce
- Simpler industry structure

The terms of the review indicate that the rail industry will be simplified but still mainly privatised as a rebranded Great British Railways (GBR), which will control rail infrastructure and services under a new arm's-length public body (the single guiding mind).

GBR will provide improved integration of infrastructure and service provision, delivering efficiencies and a re-balancing of private and public sector partnership. **This is not re-Nationalisation of the Railway; the private sector has a key role.**

GBR will absorb operations of Network Rail and franchises will be replaced by National Rail Contracts (informed by Transport for London contract) that will incentivise private operators based on punctuality and efficiency, GBR will manage revenue risk.

**Rolling stock remains with the private sector** Rolling Stock leasing companies (ROSCOs).

**A 30-year strategy** will provide a longer-term plan for transforming the railways that should unlock efficiencies and incentivise innovation. GBR will be made up of regional divisions, (based on current five NR regions) with budgets and delivery held at the local level. Dedicated station management teams will be created locally within regional divisions of Great British Railways to manage stations, land and assets.

**Metro Mayors and Regional Leaders** will have role in identifying services needed to support their communities; partnerships will provide greater control over local ticketing, services and stations.

Legislation and detail supporting the white paper will take time however work to bring change within this parliament will commence during the interim by the GBR Transition Team led by Andrew Haines – Chief Executive Network Rail.

Grant Shapps made further announcement on 5 October 2021 that the Transition Team will be responsible for driving forward reforms and creating the railway's new guiding mind.

"The initial focus on driving revenue recovery efforts post-pandemic, bringing a whole industry approach to tackling cost and promoting efficiency and establishing a strategic freight unit to boost the sector"

### **The Integrated Rail Plan (IRP) - published 18<sup>th</sup> November 2021**

Publication delayed from summer 2020, the IRP followed the recommendation in the Oakervee Review of HS2 for a study to inform how major rail projects, including HS2 phase 2b and other transformational projects such as Northern Powerhouse Rail would work together to deliver reliable train services to passengers across the North and Midlands.

Some key points:

The eastern leg of HS2 between Birmingham and Leeds has been cancelled. The government will now upgrade existing routes and build high-speed lines in part rather than building the route in full:

*"a new high-speed line between Birmingham and East Midlands Parkway. Trains will continue to central Nottingham, Derby and Sheffield on an upgraded and electrified Midland Main Line"*

*"We will fully electrify and upgrade the Midland Main Line between London St Pancras, the East Midlands and Sheffield."*

*"HS2 will serve Nottingham and Derby city centres. We expect trains to run from London to Nottingham in 57 minutes and from Birmingham to Nottingham in 26 minutes – significantly faster than the original HS2 plans,"*

*"We will upgrade and speed up the East Coast Main Line (ECML). ...and remove bottlenecks such as flat junctions and crossings."*

Link to the full IRP document and EMC/TfEM statement are included under report background papers.

### **1.1. Network Rail – Lincolnshire Area Strategic Advice**

Catherine Gridale - Strategic Planner and Andrew Thexton - Senior Strategic Planner (both from Network Planning East Coast and North East Routes) will provide a brief outline of the Lincolnshire Area Strategic Advice.

The study will commence in Autumn 2021 and investigate how improved rail connectivity in Lincolnshire can support both rail passenger and freight growth at present and in the future. The geography of the study will cover the Greater Lincolnshire Region (tbc) that is within the Network Rail "Eastern Region". The network within the study area is split across the East Midlands Route and North East Route. For the purpose of this study the East Coast Route is not included.

The study will consider stakeholder current and future aspirations for rail and will identify associated key constraints such as capacity, performance and journey time. The study will provide an indication of rail scheme investment "options" that could be progressed by potential "funders" to Strategic Outline Business Case (SOBC). Central Government funding can be sought through the Network Rail Enhancement Pipeline process (RNEP).

### **1.2 EMR Lincolnshire Regional railway update:**

Craig Leaper (Senior Commercial Strategy Manager) and Laura Etheridge (Stakeholder Manager) from East Midlands Railway, will update Members on regional service enhancements delivered in May and services expected December 21 delayed to 2022/23 because of various challenges but primarily due to Covid impact.

East Midlands Rail (EMR) planned to restore the pre Covid level of train service in May 2021 and some additional regional service enhancements as originally specified to be introduced in the East Midlands Franchise (now ended).

Unfortunately, East Midlands Rail were unable to maintain regional service reliability as services were uplifted in May, this was due to a number of factors:

- Rolling stock - fleet reliability

- Resources –staff sickness/absences, driver training & industrial relations

In June regional services were reduced to recover reliability and service recovery will be progressed again with uplift planned for December 2021.

### **Further Service Background**

Regional Service enhancements specified in the EM Franchise 2019 (now ended)

Delays continue to the provision of specified train service enhancements that were scheduled for December 2020 and December 2021 timetables because of the impact of COVID-19.

December 2020 timetable service enhancements were delayed until May 2021.

EMR Regional improvements included:

- **Nottingham, Grantham to Skegness** – summer services operate year-round with additional peak services Between Nottingham and Grantham. Later weekday evening services.
- **Lincoln to Grimsby Town** – more daytime services with a more consistent timetable. Leicester to Lincoln services will extend to Grimsby Town every two hours.
- **Lincoln to St Pancras** via Nottingham - additional 1tpd each way (one additional service delivered at present time to St Pancras)

December 2021 timetable service enhancements will be delayed into 2022/2023.

EMR Regional improvements included:

- **Enhanced GNGE service** - this will provide a significant uplift to an hourly weekday and Saturday service that will operate between Doncaster and Peterborough via Lincoln.

A Sunday summer service will operate at this time between Doncaster and Lincoln providing 5 trains/day each way, there is currently no regional passenger service provision on a Sunday on this route. However, no Sunday service is specified for GNGE between Lincoln and Peterborough.

### **1.3 Update on the Transport for East Midlands (TfEM) and Department for Transport (DfT) Rail Collaboration Agreement**

Kyle Butterworth (Head of Rail Improvement for East Midlands Councils) will update Members on this unique and collaborative agreement that enables local leaders in the East Midlands to have a more influential and informed role in deciding how rail services can support improvements across the region that are provided by East Midlands Railway (from August 2019).

The Rail Collaboration Agreement is supported within the TfEM Strategic Statement that sets out expectations for regional rail investment and an improved customer offer. The strategic statement will inform regional engagement with the emerging Great British

Railways, Network Rail, train operators and sub-national transport bodies like Midlands Connect and Transport for the North.

The TfEM Strategic Statement can be viewed in the report appendix (Appendix A).

Cllr Richard Davies, Vice Chair of TfEM and transport lead at Lincolnshire County Council has shown support for this agreement:

*“This Collaboration Agreement for the first time gives a direct voice to councils and local stakeholders in the management of our rail services. This can only be good thing for the urban, rural and coastal communities that make up the East Midlands. I look forward to working with Government and EMR to unlock the potential of the railway to grow our economy and create jobs”.*

## 2. Conclusion

The Highways and Transport Committee is invited to consider and comment on the various rail proposals outlined by the rail industry representatives and to discuss the recovery of rail and role in supporting the regions communities and economic growth.

## 3. Consultation

### a) Risks and Impact Analysis

N/A

## 4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Transport for East Midlands Rail Strategic Statement Refresh

## 5. Background Papers

Document title	Where the document can be viewed
Great British Railways: The Williams – Shapps plan for rail	<a href="#">Great British Railways: Williams-Shapps plan for rail</a>
The Integrated Rail Plan for the North and Midlands EMC and TfEM joint statement	<a href="#">Integrated Rail Plan for the North and Midlands - GOV.UK (www.gov.uk)</a> <a href="#">Reaction to the Government’s Integrated Rail Plan: Joint Statement from East Midlands Councils and TfEM (18.11.21) (emcouncils.gov.uk)</a>

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