



# Rail *the catalyst for change*

Britain's railways now earn their keep in a way unimaginable a decade ago. The taxes paid by Train Operators cover almost all of the £4bn annual support rail receives from Government, and rail delivers £9.3bn gross value added to the national economy. Rail passenger journeys have grown by 50% over the last 17 years and have bucked the recession, continuing strong upward growth.

Railfuture believes that this success has earned the current record levels of rail investment. We should no longer be talking about rail subsidies, but about investing in rail as the catalyst for economic success. HS2 is a key part of this, as is the HS3 proposal linking Manchester and Leeds more closely, but both must be integrated with the classic network to spread the benefits as widely as possible.

The Northern and Trans Pennine franchises are currently being retendered and attention has focussed on the high cost of the former, compared with the increasing number of franchises in the south east now paying a premium to Government rather than requiring a subsidy.

So, what is the difference between North and South? Quite simply, average London commuting trips are longer and command a higher price, and so the subsidy required is less. Commuting trips in the north on average

are shorter and fares tend to be lower, so the earnings are lower, even though the benefits in terms of reduced traffic congestion are very high. Northern carries huge numbers of people into cities like Leeds and Manchester that could not function without their commuter railways. The time saving and economic benefits of reducing traffic congestion on roads like the M6 and A1(M) are huge.

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The way in which rail industry costs are allocated mean that local services pick up a large proportion of the cost of the great city stations and the complex networks that serve them, even though these also benefit the national network of inter-city and freight trains.

Costs need to be contained, but not at the expense of a specification for Northern that fails to meet the challenge of the continuing growth in rail demand.

The Northern Hub in Manchester will bring big benefits to the north, but investment is

also needed in more and modern trains to meet rising demand and reduce the current level of overcrowding. Too many communities no longer have access to the rail network, and there is a strong case to reconnect with reopened lines – a Railfuture speciality.

Above all, this investment needs to be planned with local people and businesses through local authorities and agencies such as Rail North or the separate unit proposed for the North East. Rail plans need to dovetail with plans for new businesses, housing, employment and education to enable the railway to be the catalyst for change and 'Powerhouse growth'. This is also discussed in more detail at [www.railfuture.org.uk/Northern+powerhouse](http://www.railfuture.org.uk/Northern+powerhouse)

Railfuture welcomes discussion with Members of Parliament, Peers and officials about the planning of rail services and investment and its UK-wide branch network keeps in close touch with local opinion. For more, see our website at [www.railfuture.org.uk](http://www.railfuture.org.uk)

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