



RESPONSE BY THE NORTH WALES ECONOMIC AMBITION BOARD TO
THE NATIONAL INFRASTRUCTURE COMMISSION'S CALL FOR EVIDENCE IN RELATION
TO CONNECTING THE NORTHERN CITIES

The North Wales Economic Ambition Board ('the Board') works closely with the Welsh Government and is a body representing the 6 North Wales Local Authorities, together with the Chairs of the 3 North Wales Enterprise Zones, representatives from the Mersey Dee Alliance, the academic sector and the Private Sector through the North Wales Business Council. The purpose of the Board is the development of the North Wales economy and improved connectivity is central to achieving this.

Overview

The economy in the north of England is not as city centre focussed as London and is spread more widely about the whole region. Therefore, connectivity needs to be more regionally orientated and not just concentrated on the corridors between the 5 major cities. If the economy in the north of England is going to grow there must be efficient labour mobility and business connectivity between all parts of the north as well as other parts of the country to fuel that growth.

North Wales is invariably excluded from the definition of '*The North*' and tends to be excluded from the scope of many infrastructure Studies encompassing the north of England. Two recent examples of this are the '*Report of the Northern England Electrification Task Force March 2015*' and the '*One North A Proposition for an Interconnected North July 2014*' both of which exclude North Wales. This was a shortcoming in both Reports and failed to take any account of the contribution North Wales makes to the wider northern England economy. North Wales has a long standing natural orientation towards the north west of England, and the economies of both are inextricably linked. Future infrastructure planning in the north generally, particularly rail should treat North Wales as an integrated part.

There is evidence to support this contention: the biggest inflow of labour into the Cheshire Warrington LEP Region comes from Flintshire¹ and that forms part of over 1mn cross border commuter movements monthly². That makes North Wales an integral part of the Northern Powerhouse concept and that labour flow helps drive a £31bn economy annually in the corridor stretching from Manchester along the M56 and the North Wales coast to Holyhead³. The Mersey Dee Alliance forecast 55,000 new jobs between the Wirral Waters Enterprise Zone and Holyhead by 2030. Cheshire & Warrington LEP forecast 220,000 new jobs and an increase in GVA from £21bn currently to £50bn by 2040. This will not happen unless future infrastructure planning is not only more regionally inclusive but also plans for this additional capacity requirement.

Despite the importance of efficient transport links from North Wales into northern England, investment in the rail network has fallen behind other parts of the United Kingdom especially compared to current and planned investment in the North West of England. The result is a rail infrastructure in North Wales that does not meet the needs of the current market and acts as a brake on economic development on both the Welsh and English sides of the border. The rail offer is not competitive with road and fails to encourage modal shift from private to public transport. Travel to

¹ Cheshire Warrington LEP Draft European Structural and Investment Funds Strategy 2014 - 2020

² Mickledore Report 2013

³ As reported by the North East Wales Integrated Transport Task Force Report – June 2013

work by rail in Flintshire is 1.0% and in Wrexham 0.9%, which is well below the all Wales average of 2.1%⁴. This situation must improve. To develop the full economic potential of the entire northern region including North Wales rail needs to deliver a step change with faster more frequent services offering more capacity so that it offers a more attractive transport offer. Rail must start to act as driver of economic growth by improving connectivity with key destinations important to North Wales including the international gateways at Manchester, Liverpool, and Birmingham airports. In order to achieve this a broad package of investments with electrification as the backbone is needed transform the rail network in North Wales.

These are the Board's comments regarding the specific questions set out for the NIC's initial Phase of work:

1. To what extent are weaknesses in transport connectivity holding back northern city regions (specifically in terms of jobs, enterprise creation, and growth and housing.

The Board believe that the current weaknesses in transport connectivity from North Wales have a significant effect in constraining growth in northern England. It's perfectly reasonable to assume that with better connectivity the level of cross border commuting would increase. That in turn would encourage access to better paid jobs and stimulate B2B links between supplier and customer over a wider radius. The very slow rail journey times out of North Wales into northern England severely constrain this growth potential. For example commuting from Flint (NE Wales) to Manchester (56 miles) takes ca. 85 mins compared to Leeds to Manchester (51 miles) ca 52 minutes - and the latter is considered unacceptably slow. The situation is not any better commuting from Flint into central Liverpool, which takes 75 minutes to travel 30 miles by rail. With such poor levels of connectivity rail fails to act as an effective facilitator of economic growth in the two nearest city regions to North Wales.

Because rail is an uncompetitive mode of travel for commuting out of North Wales and into the north west city regions it places an additional burden on an already stretched road network. There is peak period congestion on the A494 at Queensferry, which is the major arterial route out of North Wales into the north west and that's going to disincentive commuting in both directions.

Commuter and business travel in northern England is not restricted to travel in the corridors between the City regions. The infrastructure network has an important role to play in spreading economic activity about the whole region rather than just focussing on the transport axes between the cities. As noted, not all business in the north is city centre focussed and that requires a different shape of infrastructure network, which can spread the economic benefits more evenly.

The Board is aware of the progressive electrification of rail routes across the north of England and the possibility of electrification terminating at Chester at some point in the future. The North of England Electrification Task Force concluded that the Warrington to Chester was a Tier 1 route for electrification, and separately the Network Rail Utilisation Strategy – Refresh 2014 classed Crewe to Chester as a Tier 1 route for electrification. If electric services terminate at Chester then passengers to and from North Wales would have to change trains so effectively truncating Wales from England. Forcing passengers to change trains at Chester would have a seriously negative effect on the English and North Welsh economy. Greengauge 21 (a consultancy) concluded that in this scenario⁵ nearly £600mn of transport benefits and £476mn of B2B agglomeration benefits would be lost (at 2010 prices). Another effect of electrification terminating at Chester is that it would be even harder to establish a viable business case for the remaining Chester – Holyhead section at a later date.

⁴ 2011 Census ONS

⁵ Economic Growth and Social Value Benefit potential from Modernisation of Rail Services in North Wales Phase 2 Report September 2014.

On a positive note electrification of the Crewe/Warrington – Holyhead route will contribute strongly to the regional economy and to the national economy by adding a minimum of £400mn in transport and wider economic benefits⁶. Faster services resulting in shorter journey times to work opens up employment opportunities in Cheshire, Merseyside, and the North West. Employers then have the benefit of having a deeper labour pool to recruit from.

Faster journey times are also good for business: shortening the distance between customer and supplier heats up the rate of commercial activity and attracts more companies into an area. The transport planning in the Northern Powerhouse region is based on shrinking the journey times between Liverpool – Manchester – Leeds – Sheffield – Newcastle. Two of those cities, Liverpool and Manchester, lie close to North Wales and it is essential that there is fast efficient rail connectivity between all three not just between the two cities.

2. What effective cost Infrastructure Investments in city to city could address these weaknesses.

For the reasons set out above it's suggested that future infrastructure investments are not restricted to the corridors between the 5 major northern cities. Because of the spread of business about the north the infrastructure needs to deliver more than just city to city connectivity. The end result of any infrastructure investment is economic growth, whether that's in the cities or elsewhere about the region. The question should be asked what other corridors feeding into the city regions could also help develop the regional economy?

One such corridor is along the M56 extending onto the A55 and into North Wales, which includes both rail and road. It's already noted that this corridor is a sizeable economy in its own right but is handicapped by poor rail connectivity. The rail network is in desperate need of investment and that would be no more than catching up with other areas. There is a risk that just focussing on the city to city corridors that other important corridor routes are ignored.

3. Which city to city corridors should be the priority for early phases of investment?

As stated in (2) above the Board suggest that the M56/A55 corridor for both road and rail should be a prime candidate for priority investment. Although not a city to city corridor it is nevertheless an economically important corridor and should be considered in the same way. The population of Flint, Wrexham and Cheshire West and Chester combined is 516,000⁷ which is concentrated on the immediate cross border area. It's a population that's not significantly less than Sheffield, which is considered one of the cornerstone cities of the Northern Powerhouse concept.

This is a valid reason, why infrastructure enhancement in the north should not just be confined to the city to city corridors. There are other economically important areas of the north, which will suffer unless the broader view is taken that investment is made where it's needed, and wherever that may be.

4. What are the key international connectivity needs likely to be in the next 20-30 years in the north of England (with a focus on ports and airports) What is the most effective way of meeting these needs and what constraints on demand are anticipated.

The Board responds to this question making the point in advance that matter of airport and port connectivity is not a matter solely for England; it is equally pertinent to North Wales.

⁶ Economic Growth and Social Value Benefit potential from Modernisation of Rail Services in North Wales Phase 2 Report September 2014

⁷ ONS 2011 Census

From the North Wales perspective airport connectivity is an immediate need not one for 20-30 years' time. It's generally agreed that Rail connectivity to a regional airport is essential to the economic prosperity of a region. At the time of writing this response the direct rail services from North Wales to Manchester Airport are limited to one service in each direction - but not on the same day. This means that Chester and other parts of Cheshire are also without direct rail access to the airport. (A decision on increasing the number of services from North Wales to Manchester airport is pending a decision by the ORR). This forces all airport passengers travelling to and from North Wales to use road transport on the M56, which is already at capacity in places⁸. Furthermore, using road transport to access the airport is contrary to Manchester International Airport's plan to reduce road access and increase public transport access by 2030⁹.

The Board recognise that there is an excess of demand for paths into the airport station over available capacity. It's suggested that a fair resolution to this is a rationing of paths so that all operators have some access. That would open up the market for rail access from the south western airport catchment area.

For the longer term another solution would be the construction of a short rail spur from the Mid Cheshire Line connecting into the airport station from the south west. This would offer the following benefits (a) it would open up a rail market that currently doesn't exist, attracting passengers from North Wales, Chester, and the mid Cheshire belt (b) it would relieve pressure on the M56, which fits with the airport's objective of modal shift from road to rail (c) trains would not have to be routed through the congested Manchester Piccadilly area (d) it's a lower rail miles option than trying to route Welsh passengers via Crewe.

There are North Wales companies with strong international links such as Airbus, Toyota, BASF, Qioptiq, Wockhardt, Ipsen Biopharm, CP Pharmaceuticals & JCB, who have operations in North Wales, and the forthcoming Wylfa 2 Nuclear Power Station on Anglesey being built by Horizon will be one of the biggest civil engineering projects in the UK. The airport will play an important role for these companies just as much as others in the North West. As well as the business sector there are Universities at Bangor and Wrexham, who need easy airport connectivity in order to attract students and post graduate researchers.

The port of Holyhead has the advantage of being the closest to the Irish Republic and offers a faster point to point transport time for deliveries in the UK than using other west coast ports. This should be capitalised on especially if the Irish economy continues to grow. Although a lot of passenger traffic to and from the Irish Republic has migrated to air the Holyhead – Dublin ferry service offers an important alternative and road and rail infrastructure planning must take that into account.

One side benefit of electrifying the North Wales coast railway is that the enhanced gauge would open up the potential for multi modal rail freight in and out of Holyhead Port. A recent TfN Freight study has shown that a substantial percentage of product imported through the UK's southern ports is destined for the north of the country. By shifting some of that away from southern to northern ports of entry up to 150mn road transport miles could be saved. Importing and exporting freight by rail through Holyhead has the advantage of keeping rail traffic away from the already very congested west coast main line in the north west of England. This is an opportunity that the NIC should further explore.

⁸ One North A Proposition for an Integrated North June 2014

⁹ MIA draft Sustainable Development Plan Economy and Surface Access 2015

5 What form of governance would effectively deliver transformative infrastructure in the north, how should this be funded and by who, including local contributions.

It's doubtful that transformational (ie large scale) infrastructure decisions can be made by a regional body as they can impact on regions elsewhere. A sound reason, why decisions should be made taking a wider and higher level strategic overview. As alluded to earlier, there is a division at the border philosophy developing because of the separate administrations either side of the border, each with geographically defined responsibility. On a day to day basis the border is invisible and is recognised neither by the commuter or businesses. Whatever the solution, a unified and inclusive infrastructure planning approach is needed and that is likely to include the NIC, DfT and the Welsh Government.