

23rd December 2020

Sir Peter Hendy
c/o Department for Transport
Great Minster House
London, SW1P 4DR

Sent via email to: ucr@dft.gov.uk

Dear Sir Peter,

Union Connectivity: Call for Evidence

In response to your call of evidence, most recently [updated 18th November 2020](#), we are pleased to submit our response on behalf of the Thames Valley Chamber of Commerce (TVCC) and our membership.

About Thames Valley Chamber of Commerce and our commitment to good transport connections

The TVCC is the only accredited Chamber covering the Thames Valley (Berkshire, Buckinghamshire and Oxfordshire) and Swindon areas, with 4000+ businesses in membership. These members include the full range of companies from start-ups and high growth innovators to large corporates and multi-national organisations.

Our membership includes many operators in the transport sector, transport and logistics supply chains and those who recognise the enabling role transport plays in securing economic well-being and delivering an effective growth strategy.

From our events and business activity, previous consultation responses (see below) and working groups we actively manage, our membership and the wider business community that makes up the Thames Valley have made it very clear that the ability to move people and goods across the region, and beyond, is vital to the success of their businesses, the sustained growth of this and our regional economies, and access for people to jobs, housing, education and health services. They concur with the headline message you are presenting that *“good transport connections are needed to ensure that regions across the UK are able to maximise their potential”* – and for this Thames Valley, the UK’s true turbo economy, we strongly argue this includes investing in its success and delivering transport solutions that can benefit not just this region, but the UK economy as a whole – so crucial in regard’s the UK Government’s levelling up agenda.

Our response has been developed and prepared in consultation with our membership through the forum outlined above and via a direct engagement with selected members with specific interest in your review. In responding (see annex to this covering letter) please note that we have commented on those questions we have most interest and/or technical capacity to answer.

On behalf of the Thames Valley Chamber of Commerce and our membership we thank you for this opportunity.

Yours sincerely,



Paul Britton
Chief Executive

Union Connectivity: Call for Evidence

Recognising the call has a far-reaching remit and covers a broad range of issues within the questions, in our comments we address only the questions we have most interest and/or technical capacity to answer (i.e. not all questions are covered below).

General Comments

As part of this review, we understand that your terms of reference also consider the following four priority points and five factors on which we specifically comment throughout our response:

| Priority Points | Five Factors |
|---|---|
| <ul style="list-style-type: none">the quality and reliability of major connections across the UKlikely current and future demand for transport linksthe environmental impact of policy options (inc. regard to climate change)existing work completed by the government on cross-UK connectivity | <ol style="list-style-type: none">Cost.Feasibility.Value for money.Delivery arrangements and timescales.Sequencing of projects. |

In addition, we believe that delivering regional/cross-border connectivity requires a supportive planning policy framework at a national, sub-regional and local level both to secure consent and give confidence to investors (public and private). It requires decision makers to think spatially when considering proposals, both in terms of integrating proposals with wider land use planning (including for new settlements and large-scale employment uses) but also in terms of wider socio-economic and environmental benefits of a project.

Assessing the need for cross-border connectivity

Question 1: If you represent a place, what is your current strategy for growing the economy and improving the quality of life there?

On 10th December 2020, Thames Valley Chamber of Commerce (TVCC) published our Business Manifesto for 2021. The fourth annual statement of its kind, it sets out the opportunities and challenges our membership want to champion and which we believe will have the most impact. It commits the Chamber, a politically neutral organisation, to lead, support and campaign for a programme of activity across the region in 2021. This document can be downloaded via the link [HERE](#)¹.

We set out four main priorities, on which the Chamber will focus, including one directly linked to your Review, namely:

- Resilient Infrastructure Networks: Promote the need for investment in a resilient infrastructure network for the Thames Valley, strengthening provision of physical and digital networks that will support the region's future sustainable economic growth and innovation.

Key actions under the core themes include:

- Continue our direct support to help secure the commitment that will fund and deliver the Western Rail Link to Heathrow (WRLtH).
- Champion cross-boundary working and use our reach to break down barriers between relevant authorities to plan for and deliver infrastructure improvements that match demand and the future needs of business.
- Actively work to help drive the recovery of one of the nation's most vital assets – London Heathrow Airport.

¹ <https://www.thamesvalleychamber.co.uk/wp-content/uploads/2020/12/Business-Manifesto-2021-Interactive-Rs.pdf>

Question 3: In general terms, is there a need for new or improved transport links between the nations of the United Kingdom?

We consider the potential benefits in this regard are quite well-established, e.g. to support economic growth, reduce regional disparities and mitigate environmental impacts of travel. The present challenges of recovery from COVID-19 and of achieving the economic benefits of Brexit increase the scale and urgency of need. Further, and by way of example, there is a need for improved sustainable transport options (including surface access) to key transport hubs like London Heathrow Airport (LHR) as well as the broader consideration of improved links providing viable and more sustainable alternatives to air travel options between cities and regions.

We commend you to the Transport Strategy aims and objectives of both the [England's Economic Heartland](#) and [Transport for the South East](#) Transport Strategies as to key cross regional transport links we support and have commented on in most recent consultation responses (see end).

Specifically, these would include consideration of:

- WRLtH, detail of which we set out under Q7.
- The A34(T) road and [improvements to reduce congestion and improve safety](#) on the A34 between the M4 and M40. A strategic road link, it also connects the manufacturing heartland of the West Midlands (e.g. Jaguar Land Rover) and the port at Southampton (the UK's main port for exports, inc. of motor vehicles). The route in Oxfordshire is a 'bottleneck' for the smooth transportation of these products for export.
- Oxford to Cambridge (OxCam) Arc: investment in both rail and road, including East-West rail and the Oxford to Cambridge expressway. These projects will help unleash the economic potential of the Arc and promote the region as an investment location. It will also enhance opportunities for travel between the west country, Wales and the OxCam heartland.
- The A420 Swindon to Oxford and reigniting consideration for road improvements to reduce congestion, improve safety and re-trunking this road to a motorway standard. This road would then connect Swindon, more effectively, with the OxCam Arc proposals and 'stretch' the benefits southwest.
- LHR's expansion (3rd runway) following the [Supreme Court ruling](#) (16th/12/2020) that has overturned the Court of Appeal's decision which sees the ANPS reinstated as Government policy. LHR as the UK's only international hub airport and as such serves all four nations by providing access to destinations not otherwise served or served frequently by regional airports. Whilst maintaining domestic flights to LHR is vital to the devolved nations, improved surface access by rail, particularly from Wales, will both supplement and complement domestic flights and will be environmentally more sustainable.

Question 4: What are the main obstacles and challenges in improving transport connectivity between the nations of the United Kingdom?

We consider the key obstacle remains funding and sustaining investment in our infrastructure network. The Government needs to provide a policy framework that gives investors' confidence to support project delivery and to satisfy the statutory tests in respect of compulsory acquisition.

Other factors affecting pace of delivery and cost are also a challenge. Successive Governments and major infrastructure providers including Network Rail (NR), Highways England and HS2 have struggled to deliver at pace. Business often considers that public and quasi-public bodies tend to be risk-averse, planning timescales and requirements are very onerous, local communities and their national and local representatives are sometimes lacking in understanding of the bigger picture. Providers have not been successful in engaging with communities at an early opportunity to understand concerns, explain the benefits and, where reasonable, alleviate concerns.

See also our answer to Question 11.

Question 5: What evidence exists to demonstrate the potential impacts of improved transport connectivity between the nations of the United Kingdom?

We do not have specific evidence of impacts between the nations but suggest there is a lot evidence on benefits to England sub-regions, e.g.: Highways England road projects – as set out in relevant strategic outline business cases; HS2 Phase 1 ([April 2020](#)), and; the business case for WRLtH held by the DfT which shows the passenger numbers of a two and a three runway airport, modal shift, economic impacts for the UK and in the regions and environmental impacts. See below.

Question 6: When making transport investment decisions which aim to improve connectivity between the different nations of the United Kingdom, does the current appraisal framework capture all the potential impacts?

In our opinion, the [Green Book](#) would benefit from a further review in the context of wider Government objectives, in the context of both net-zero and economic impacts. Therefore a review against, for example, the most recently published Energy White Paper: [powering our net zero future](#) and against earlier consultations we have responded (see below) should happen. Consider, also the weight currently applied to economic impacts, particularly catalytic jobs, multiplier effects across supply chains and longer-term regeneration potential. We propose that any future assessments should include, in addition to the obvious commercial assessment and direct jobs, consideration of Indirect and catalytic jobs (including Foreign Direct Investment, business retention, regeneration multipliers, etc); Added GVA and potential tax take; New markets and strengthening resilient sectors; Business efficiencies and savings, and; consideration of wider economic (e.g. inbound tourism, University linkages), social and health benefits and environmental impact - both the gains and other costs avoided.

Opportunities for improved transport connectivity between the nations of the UK

Question 7: Which specific journeys would benefit from new or improved transport links?

Closing the gap with a WRLtH – a short tunnel giving direct access from the west and improving journeys for c 14 million people in Wales and the South West, South, South East and Midlands.

- LHR is rare among international hub airports in being without a rail link to a major part of its economic hinterland. This results in far slower, less reliable and less attractive rail access to the airport involving changes and travel through London. This gap has an adverse economic, social and environmental impact inhibiting much needed prosperity, investment and business growth.
- Businesses and community representatives in Wales and several English regions, (including Chambers of Commerce, LEPs, Welsh Assembly, local authorities, transport partnerships and rail interest groups) have been lobbying for a link for more than 15 years. They identify ease of access to a major airport as a key factor in investment decision making and retention and are frustrated by the increasingly poor access to LHR when compared to European airports which have maintained or improved access.
- Road access is often unreliable, at increasing risk of congestion and accidents and, even over a short distance, can take far longer. Air passenger usage contributes to pollution particularly on major routes in the south east.

a) What would be the benefits of improvements to these specific journeys? See: our 'Elevator Pitch' [HERE](#)².

WRLtH is a 6.5km rail link from Heathrow T5 onto the Great Western mainline, east of Slough. Once constructed, it will deliver a faster, more reliable and more frequent link from the west to Heathrow, offering a journey time reduction of

² https://www.thamesvalleychamber.co.uk/wp-content/uploads/2020/11/11-2020_WRLtH-Elevator-pitch-final-1.pdf

30 minutes from all stations with a direct service to Reading and then by a shuttle service every 15 minutes to the airport, so avoiding a change in London. Newport, Cardiff and Swansea will be among those benefitting and access will also be improved for all south Wales communities with ease of road or rail access to those stations. The 30-minute gain is in addition to the impact of recent rail enhancements. We summarise the strategic benefits of the scheme as:

- Transformational – bringing substantive improvement in connectivity to 14m people across multiple regions.
- A levelling-up project – serving and supporting regional economies across Wales and many English regions, including those hardest hit by COVID-19 and addressing the Government’s objective of Union Connectivity.
- A carbon reduction project – delivering UK climate change targets and mitigating the impact of LHR.
- A vital stimulus to the recovery of the UK aviation industry.
- Value for money and with well-evidenced Return on Investment (ROI) to HMG and business.
- A catalyst for the recovery of business confidence, inward investment, international trade and inbound tourism across the benefitting areas.

We also highlight that poor access is such a critical factor in business decision making that business growth and retention are at risk.

The DfT holds the current business case which identifies measurable benefits. The ROI of jobs and prosperity is believed to exceed that of other major infrastructure schemes. A business case completed in 2010 based on the two-runway airport showed a strong ROI. At this time, estimated benefits included: (i) 42,000 new jobs; (ii) £800 million added GVA; (iii) £1.5 billion savings in travel times and costs to business, and; (iv) 5,100 tonnes less CO2 p.a.

The benefits to English regions are further documented [HERE](#)³ and include: benefits to airport workers; reduced congestion and pollution on the road network including in existing AQMAs on major routes; reduced passenger congestion at London Paddington; and increased resilience to rail journeys from the west as trains will be able to run through. The last three of these will also benefit travellers by road and rail from Wales.

b) Are you aware of any work that has been done to assess the need or feasibility of improvements to all or part of these specific journeys? See also: [11-2020 Summary-Position-Statement-final.pdf \(thamesvalleychamber.co.uk\)](#)

Early development work to GRIP 2 was led by Slough Borough Council (SBC) with support from a public-private sector group of local authorities and business interests including Cardiff, Swansea and Newport Councils. This solution identified a preferred route, the cost-benefit at c2010 figures, the economic and environmental benefits as above and apportioned some benefits to major settlements in England and Wales.

The scheme was adopted by HMG in 2012 and since developed by NR. NR confirmed a similar route, developed the Business Case and prepared for a DCO submission in 2019/20. DfT and Treasury have further developed and accepted the Case which, based on two runways, meets investment thresholds. The sole obstacle to DCO submission was the need for DfT, Treasury, HAL and the CAA to conclude a funding agreement sharing the capital cost between HMG and the aviation industry, principally HAL and airline charges. Although the business case is based on two runways, HAL’s ability to contribute is primarily dependent on expansion. The Appeal Court judgement in January 2020 stalled LHR’s expansion (judgement overturned 16/12/2020) and the subsequent severe impact of COVID-19 on the aviation industry has pushed the timescale backwards. The DCO submission is now planned for late 2022. This delay is primarily to enable further negotiation on a funding agreement which is dependent on HMG’s expectations in the new context and the aviation industry’s ability to commit funds. Swift agreement to funding could bring the programme forward.

³ https://www.thamesvalleychamber.co.uk/wp-content/uploads/2020/11/11-2020_What-is-WRLtH-and-What-Are-The-Benefits-1.pdf

c) How would the costs and benefits of the identified improvements be distributed?

The estimated cost, including sunk costs and costs attributable to provision for a future Southern Rail link, is £1.5bn – about 1.5% of the current estimated cost of HS2. The cost was planned to be distributed between HMG and the aviation industry in majority and large minority shares and assumed Heathrow's expansion. See above. Without the certainty of expansion and recovery from COVID-19 both the commercial benefit to HAL and its ability to make a large contribution are reduced.

The possibility of benefitting communities contributing has been considered but the benefits are so fragmented and indirect that this has not been pursued. Nevertheless, SBC and private sector interests, TVCC, Berkshire Strategic Transport Forum (BSTF), TVB-LEP have contributed to the development stages. BSTF and SBC have recently committed £8 million to road enhancements to mitigate the necessary closure of a minor road.

Private partnership solutions have been considered by HMG including during the market soundings exercise in 2018. It was deemed not to be feasible to deliver WRLtH in this way, we believe because the scheme was too well-advanced to be attractive and because of the necessity for NR to have close control of the mainline junction. Opportunities for private financing have been discounted by HMG on grounds including: the late capital cap, conflicts with State Aid rules and adverse risk share. We hold no current information on the distribution of the benefits of WRLtH. This is held by the DfT.

d) How will demand for these journeys change in the future?

As an organisation we do not have an accurate estimate and COVID-19 will have made all predictions less certain. The Business Case, held by DfT, includes some prediction of future demand based on two runways. HAL's pre- COVID research concluded that 56% of people surveyed from the West claimed they would be interested in using the Western Rail link to get to/from Heathrow, with Business travellers (65%) more interested than Leisure (55%).

A Case based on three runways has been produced which we understand indicates a far higher passenger use, ROI and even stronger commercial, economic and environmental outcomes. Heathrow's expansion plan estimated an overall increase in annual air passenger numbers from 80,000 to 130,000. HAL's Surface Access Strategy showed how WRLtH would serve and mitigate the environmental impact of new passengers by making a significant contribution (6% of all public transport passengers) to LHR surpassing 50% for public transport mode share.

e) In your opinion what is the preferred means by which to improve these journeys?

WRLtH has been subjected to intense review, a full development process and public consultation. It is the preferred means of HMG, HAL, NR and the numerous public and private sector supporters across the benefitting regions. In 2012, in response to the HMG's adoption of the scheme the Western Mail said, "*one of the most important events for Wales in 50 years*" and national and local leaders from all major parties celebrated the benefits and continue to support the scheme.

f) What would be the environmental impact of improving these journeys in the way that you have identified?

NR estimate that 94% of passengers from the west travel by road. 2010 and more recent studies show that without WRLtH the greater the distance travelled the more likely travel, though still in the minority, will be by public transport

with bus being in greater use from south Wales and train from parts of the south west. Travellers from closer to the airport are currently more likely to travel by private car, taxi or bus. The attractions of reduced time and reliability result in modal shift and environmental benefits from WRLtH across all regions. 2010 estimates indicated that public transport use from south Wales would increase by nearly 20% to c 50%, rail use would triple to over 30%, whilst private car and bus use would reduce. More recent estimates of road to rail modal shift of passengers travelling to Heathrow are, for example, c20% from both Reading and Slough rising to between 23% and 30% by 2040.

Such a shift will deliver improvements to air quality along major routes and benefit AQMAs such as that between the M40 and M4 on M25, and those in the corridor including Junctions 5, 6, 7 of the M4.

The environmental impacts of local travel to stations will also be mitigated by planned station improvements, innovations in vehicle technology (including net-zero ambitions).

g) Are there any interdependencies with other policies that may impact the deliverability of the identified improvements?

The case for WRLtH is based on a two-runway airport. It can be constructed before and independently of any expansion of the airport and without compromising future expansion. It faces no known legal or technical obstacles, has extensive support (especially from business) and modest levels of objection. Preparations have already been made to procure a construction partner.

If HMG continues to expect a significant share of the costs to be funded by HAL, delivery becomes dependent on confirmation of Heathrow's expansion. A modification of expectation would enable the link to be built and the benefits to UK plc to be delivered without further delay.

Conversely the case for a third runway is dependent on WRLtH. The Davies Commission presumed WRLtH to be in place before a third runway. We anticipate deliverability may be dependent, for example, on: (i) Aviation Recovery Plan – TBA; (ii) National Infrastructure Strategy; (iii) Airports National Policy Statement; (iv) Heathrow's expansion plan, particularly the most recent Surface Access Strategy.

Question 8: Is there a need for the development of a national strategic transport network to replace the European Trans-European Transport (TEN-T) network following the end of the UK-EU transition period?

Is there a reason why, as part of the transition, the UK cannot remain part of the TEN-T network? Our road, rail and air networks aren't going to disappear as a result of EU transition and the network provides the integration your Review is considering (see your terms of reference).

The designation of a transport corridor, as part of that strategic network, has enabled significant investment to be leveraged (e.g. the HST Connect project that related to the significant improvements to Reading train station and the original business case for the upgrade) as well as other smaller scale opportunities for European investment in public realm / wayfinding have been key to then enabling UK match funding and/or local authority s106/CIL funding to be combined to achieve a sum greater than the individual parts. Whilst large projects clearly play a vital role in enhancing transport, it is also the smaller localised projects along corridors that can make a real difference to individuals and can often be harder to make an individual business case justification. Consider also:

That the publication of the [sustainability and smart mobility strategy](#) indicates its objectives align strongly with those of our Government in regards presenting a plan for green, smart and affordable mobility and significant cuts in emissions by 2050, delivered by a smart, competitive, safe, accessible and an affordable transport system.

The network has been beneficial across a wide range of areas, including for example standardising driver training and the provision of safety equipment. We should consider replicating those functions in defining the role of the guiding mind for the UK.

Considering that any future participation might be beneficial (or future replacement UK designation), this needs to be contingent on mutual access being available across UK and EU networks – notwithstanding the challenge of potentially being beholden to something we have no/little input on. It may therefore be important to define the UK's strategic corridors and specifications that better suit UK requirements in a post-COVID world, potentially with more focus on freight or leisure travel. By way of example, a future replacement UK designation for the Great Western Mainline (and therefore stations and communities along the line of route) would appear important in policy terms to secure future funding – especially noting the focus on levelling-up – recognising that people and goods travel throughout the region and country and that there are key air and sea ports in the south and east that provide connectivity to the north too.

We appreciate things are likely to change substantially in 2021 and ensuring we have flexibility to be able to react to these changes quickly, rather than being tied to Europe on this, or any related, issue may be preferred.

The principle we might consider adopting is that of a guiding mind for the UK on strategic routes should:

- Feed requirements from the UK into Europe for consideration in their TEN-t specifications updates (noting we would not be able to mandate anything).
- Review what is being specified in TEN-T and consider whether that needs to be incorporated into any UK standards/specifications that the guiding mind might issue.

Connections to Northern Ireland

Question 9: With reference to the unique geographical position of Northern Ireland, please set out how best to improve cross-border transport connectivity with other UK nations.

A fully functioning LHR (and wider UK airport network – see question 11) which secures maximum capacity to the maximum of trade and commerce destinations is key to the UK's economic recovery. LHR is the best-connected airport in the world and puts UK plc right at the heart of the global economy. It is therefore a gateway connecting Belfast and the more than 55,000 business passengers in, for example two of the UK's resilient sectors, financial and IT sectors who fly from Belfast to Heathrow each year, which reflects the city's strong and internationally focused financial services and fintech sectors employing 30,000 people. In 2019, over 685,000 people travelled between LHR and Belfast City Airport – 13% of all LHR domestic traffic – with nearly a quarter (23%) of those passengers connecting to onward destinations.

A vibrant Heathrow, therefore, is critical to HMG's levelling up agenda – as only Heathrow can provide the frequency and range of international destinations required for commerce and complement the role of many other regional airports, including Belfast. We therefore support continued investment (and long-term expansion) at the airport.

We refer you to our most recent consultation response to the All-Party Parliamentary Group for the Future of Aviation (see below).

Question 10: Other than geographic, are there any other specific restrictions to improving connectivity between Northern Ireland and other nations in the United Kingdom?

Clearly Northern Ireland is isolated by the sea and sea crossings are not reliable or swift. Whilst Government has indicated a wish to explore a bridge between NI and Scotland across a turbulent channel, consideration should also be given to enhancing the land routes on the mainland, particularly the rail links from Welsh and Scottish ports which will enable closer economic and social links between NI and the whole UK.

Final questions

11. What else can be done to support greater transport connectivity between the nations of the UK?

Specific to transport connectivity between the nations is a lack of an agreed UK strategy and the potential benefits of some pooling of funding available to the UK, and to the devolved nations and English regional bodies, to deliver beneficial schemes at pace. We trust that this review will contribute to an over-arching strategy and that the UK government will engage with the devolved administrations in a collaborative way.

Re-emphasising the need for a fully functions LHR the importance of its role as the UK's only hub airport and domestic connectivity to the globe, it is importance to reflect that:

- In 2019, over 3.5 million passengers travelled by air between LHR and other nations of the UK. This represented 73% of all Heathrow's domestic passenger numbers and demonstrated the key role the airport plays in UK regional and union connectivity.
- The average number of connecting passengers on these Union routes were 35% in 2019 - higher than the overall average of transfer passengers across the whole of Heathrow. This amounted to some 1.2 million passengers in other nations of the UK benefitting from a route network of more than 200 destinations, in 85 countries, delivered by over 80 airlines in 2019.

Previous Consultation Responses

In making the above comments we would also like to refer to most previous, and relevant, consultation responses made on behalf of TVCC on:

- APPG Future of Aviation: Inquiry into the impacts of Covid-19 on British aviation, travel and tourism sectors and the UK economy. Click [HERE](#)⁴.
- Decarbonising Transport Setting the Challenge – Creating a Plan for Decarbonising Transport (August 2020). Click [HERE](#)⁵.
- England's Economic Heartland Draft Transport Strategy (October 2020). Click [HERE](#)⁶.
- Transport Strategy for the South East (January 2020). Click [HERE](#)⁷.
- Aviation 2050 - the future of UK aviation (June 2019). Click [HERE](#)⁸.

⁴ https://www.thamesvalleychamber.co.uk/wp-content/uploads/2020/11/11-2020_APPG-Future-of-Aviation_TVCC-response_final.pdf

⁵ https://www.thamesvalleychamber.co.uk/wp-content/uploads/2020/09/28-08-2020_Decarbonising-Transport_TVCC-response_final.pdf

⁶ https://www.thamesvalleychamber.co.uk/wp-content/uploads/2020/10/06102020-Economic-Heartland_Consultation-Letter_TVCC-Response_FINAL.pdf

⁷ https://www.thamesvalleychamber.co.uk/wp-content/uploads/2018/08/070120-TSftSE-Consultation-Letter_final.pdf

⁸ https://www.thamesvalleychamber.co.uk/wp-content/uploads/2019/06/130619_TVCC-Response_Aviation-2050-consultation-v.1.pdf