



DEBATE PACK

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Parliamentary debate 23/11/16: Transport in the North East

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Summary

This is a short overview of the issues that may be discussed in the debate in Westminster Hall on 23 November 2016 between 4.30 and 5.30pm. The Member who secured the debate is Bridget Phillipson MP (Lab., Houghton and Sunderland South).

Recent Parliamentary information on transport in the North East can be found [via this link](#).

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The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

1. Transport spending

The table below shows public spending on transport by region: the North East, year on year, sees by far the lowest overall spend in England:

Public spending on Transport by region, UK, 2010-2015

£000, 2015 prices

	2010-11	2011-12	2012-13	2013-14	2014-15
North East	704,865	611,939	544,371	525,645	573,885
North West	2,250,827	2,054,066	1,786,996	1,595,993	1,789,089
Yorkshire and the Humber	1,494,318	1,445,771	1,471,157	1,462,632	1,588,772
East Midlands	1,087,033	1,027,768	830,891	907,410	1,053,410
West Midlands	1,314,156	1,250,710	1,261,133	1,162,380	1,349,752
East	1,960,819	1,733,172	1,299,619	1,300,464	1,351,467
London	5,712,546	5,167,513	4,214,234	4,455,184	5,120,694
South East	2,177,804	1,845,037	1,870,674	2,108,716	2,169,507
South West	1,194,496	1,051,489	1,022,638	941,433	1,046,514
Scotland	2,937,155	2,850,407	3,058,558	2,934,678	2,746,178
Wales	1,189,081	1,111,651	1,115,425	1,031,706	990,357
Northern Ireland	748,539	635,667	587,086	530,949	516,563

Source: HM Treasury, Country & Regional Analysis, 2015.

Public spending on roads in the NE is roughly a third higher than all other transport spending combined:

Public expenditure on Transport by mode, North East, 2010 - 2015

£000, 2015 prices

	Local Public Transport	Local Roads	National Roads	Railway	Other Transport
2010/11	132,857	251,061	140,728	157,740	22,479
2011/12	112,140	220,066	115,261	148,191	16,281
2012/13	123,719	150,767	103,214	147,870	18,801
2013/14	76,232	168,142	115,074	141,511	24,686
2014/15	72,755	192,895	147,447	136,252	24,536

Source: HM Treasury, Country & Regional Analysis, 2015.

2. Devolution

The North East does not have a devolution deal.

The former Chancellor, George Osborne, signed a deal in October 2015 with the seven constituent councils of the North East, however this was voted down in September 2016 on a vote of 4-3: Newcastle, North Tyneside and Northumberland backed the devolution deal, while Gateshead, Sunderland, South Tyneside and Durham voted against.

Those who voted against said that they were not satisfied with reassurances over funding following the UK's decision to leave the European Union.

The Secretary of State for Communities and Local Government, Sajid Javid, withdrew the relevant legislation and said that a deal was 'off the table', but that his Department continued to work on a devolution deal for the Tees Valley.

3. Northern Powerhouse

The Northern Powerhouse is an initiative to address a constellation of issues surrounding economic growth and productivity in the North of England. Government publications have also addressed associated matters such as skills, transport infrastructure, and connectivity, plus the agenda of 'devolution deals'. The majority of publications, both from Government and other stakeholders, define the area covered as the three previous 'standard regions' of the North-East, North-West and Yorkshire & Humber.

One of the key aspects of the Northern Powerhouse agenda is creating better connections between all of the North's economic centres, so that they can function as a single economic unit. In addition, the North no longer has the spare transport capacity to accommodate growth; rail journey times are slow and the road network is becoming increasingly congested. As such, much Northern Powerhouse policy focuses on transport and, in particular, transport between the main metropolitan areas.

The Government has said that it is spending £13bn on transport for the Northern Powerhouse over this Parliament, including improvements to roads and railways in the North. This includes £3bn for rail schemes; £5bn for major road schemes, including improvements to the A1; and the remaining £5bn is made up of the standard allocations to local councils through the Integrated Transport Block Capital Grant for projects such as bus lanes, cycle lanes, and traffic-calming and local highways maintenance, including filling in potholes.

4. Rail issues

The July 2012 [*High Level Operating Statement \(HLOS\)*](#) for the railways stated that the Government wants to deliver the following projects in 2014-19 that would benefit the North East:

- Intercity Express Programme on the ECML;
- creating a high-capability 25kV electrified passenger and freight route from the South Coast via Oxford and the Midlands to South Yorkshire;
- electrification of the route between Micklefield and Selby with appropriate links to the ECML;
- maximising the value of the previously announced North trans-Pennine electrification through capacity enhancement at Huddersfield station; and
- in addition to the schemes already funded, seeking further improvement in capacity and reduction in journey times on the ECML by asking the industry to develop plans to deliver works within a maximum CP5 expenditure of £240m.

Much of this has been delayed until after 2020.

The North East is served by five rail franchises and the open access operator Grand Central. Two of the franchises are long distance (Cross Country and East Coast) and three are regional (Northern, TransPennine and ScotRail).

- The **East Coast** franchise was awarded to Virgin and Stagecoach and began operation in February 2015. Amongst other things they pledged to deliver: new direct links to Huddersfield, Sunderland, Middlesbrough, Dewsbury and Thornaby; more trains to London from Newcastle; 12,200 additional seats (a 50% increase) by 2020; 65 state of the art Intercity Express trains brought into passenger service from 2018, totalling 500 new carriages; complete refurbishment of the existing train fleet; better wi-fi connections and onboard catering on the new Intercity Express train fleet; improved ticket offices and 170 new ticket vending machines; and a commitment to reduce all long-distance standard anytime fares by ten per cent.
- The **Northern** and **TransPennine** franchises were awarded to Arriva and First respectively and began operation in April 2016. Amongst other things they pledged to deliver: the complete removal of the outdated and unpopular Pacers by the end of 2019, to be replaced by 281 brand new air-conditioned carriages; more than 2,000 extra services each week; nearly a 40% increase in capacity – creating space for 31,000 extra passengers travelling into the 5 major commuter cities (Liverpool, Manchester, Leeds, Sheffield and Newcastle) during the morning rush-hour; doubling the number of Manchester to Newcastle services from December 2017 and improved ticketing, including mobile and print-at-home tickets, and discounted fares for jobseekers.

HS2 is a proposed infrastructure project to build a high speed rail line from London to Manchester and Leeds, via Birmingham, to begin operation in 2026 and be completed in 2033. Phase 2b comprises an

eastern leg from the West Midlands to Leeds New Lane with intermediate stations in the East Midlands and South Yorkshire; and a western leg from Crewe to Manchester with an intermediate station at Manchester Airport. It will include a new connection for services travelling north from Sheffield, which could serve York, Newcastle and Hull via Leeds station.

5. Buses

Bus services have long been a concern for MPs and campaigners in the North East, so much so that in 2014 Nexus, the Tyne and Wear Integrated Transport Authority, was the first authority in the country to attempt to reintroduce bus regulation in the form of what is called a 'Quality Contract Scheme' (QCS). This was unsuccessful after the QCS Board concluded that Nexus had failed to comply with the statutory requirements on consultation; that it was not affordable; the effectiveness of the QCS had been significantly overstated due to errors within the modelling; and that the negative impacts on the three existing operators were "wholly disproportionate to the benefits accruing both to the travelling public in Tyne & Wear and the well-being of the wider citizens". Nexus was naturally disappointed and was particularly concerned that the Board took a "highly pessimistic and surprising view of financial risks", and suggested that the incumbent bus companies should be compensated for missing out on future profits.

Nexus (or other authorities in the NE) may wish in the future to take advantage of the bus franchising (re-regulatory) powers in the *Bus Services Bill*, currently before Parliament. The Bill was amended in the House of Lords to allow any transport authority to make a franchising scheme; however this was against the Government's wishes and is likely to be removed in the Commons and the Government's preferred methodology restored: that these powers would only be available automatically to Mayoral Combined Authorities. As indicated above, the North East has been unable to agree this sort of devolution deal so might be excluded, at least in the short term, from these powers.

6. Tyne and Wear metro

[Metro](#) is the North East's urban transit system, with 60 stations spread across Tyne and Wear. In July 2016 Nexus published its plans to refresh and expand the Metro to 2030. The 'Metro Reinvigoration programme' comprises three phases:

- Phase 1 is now largely complete and involves provision of a ticketing and gating programme alongside the introduction of smart ticketing products;
- Phase 2 (to 2020/21) encompasses the bulk of the asset renewal programme that is currently under way across the network, ensuring that tracks, buildings, systems and stations are kept safe and in the best possible condition; and
- Phase 3 comprises fleet renewal and the construction of network extensions.

The potential extension corridors as part of Phase 3 are:

- Sunderland to Seaham;
- Washington extension from Pelaw/Souith Hylton;
- Howdon to Northumberland Park;
- South Shields to Doxford Park via Sunderland city centre;
- Newcastle city centre to West Newcastle;
- Metrocentre to Gateshead and Newcastle; and
- Team Valley to Gateshead and Newcastle

The North East Combined Authority has said the proposals needed Government investment to become a reality. The Government said in its 2011 paper [Green light for light rail](#) that those areas seeking to build new or expand existing light rail schemes should depend less on Government funding and use funds released as a consequence of business rate retention and Tax Increment Financing.

7. Further reading

NECA, [Local Transport Plan](#)

Archived [Nexus bus strategy website](#)

Commons Library, [Rail electrification \(SN5907\)](#), 16 November 2016

Commons Library, [The Northern Powerhouse \(CBP 7676\)](#), 1 November 2016

["‘Turning point’ as north east convenes rail franchise oversight board"](#), *Rail Technology Magazine*, 10 October 2016

["Sajid Javid ends North East devolution deal"](#), *BBC News*, 8 September 2016

["£1bn plan to improve the Metro approved by North East transport chiefs"](#), *North East Chronicle*, 20 July 2016

Nexus, [Metro Strategy 2030](#), July 2016

["Northern Powerhouse critics describe transport revolution a 'sham' over smartcard divide"](#), *Chronicle Live*, 8 February 2016

DfT press notice, ["Massive boost to rail services brings Northern Powerhouse to life"](#), 9 December 2015

Nexus press notice, ["Nexus response as QCS Board publishes its opinion of Tyne and Wear's plan for better buses"](#), 3 November 2015

Traffic Commissioner, [Quality contract scheme \(QCS\) board report on the proposed Tyne and Wear QCS](#), 3 November 2015

["George Osborne's £13bn 'northern powerhouse' fund includes routine council spending on potholes"](#), *The Guardian*, 5 July 2015

Commons Library, [Transport 2015 \(CBP 7177\)](#), 14 May 2015

DfT press notice, ["More seats, more services and new trains for East Coast passengers"](#), 27 November 2014

Highways Agency press notice, ["Major improvements for roads in the north east"](#), 30 April 2014

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