

Rt Hon Chris Grayling MP
Secretary of State for Transport
Department for Transport,
Great Minster House,
33 Horseferry Road
London
SW1P 4DR

By email to chris.grayling.mp@parliament.uk

Rail capacity in the South East

29th May 2019

Dear Chris

I am writing on behalf of members of the South East Local Enterprise Partnership (SELEP) Accountability Board (which includes the six Local Authority/ Unitary Authority Leaders from across the SELEP area and further/higher education representatives), to express our concerns in relation to rail connectivity across the SELEP area.

SELEP recognises the important role of rail connectivity in supporting the South East economy and improving economic connectivity. Historically, as a country, there has been severe under investment in our rail infrastructure. This has led to widespread issues within the SELEP area of overcrowding, with routes into/from London being those most severely impacted.

Given SELEP's proven record of delivering economic growth through investment in rail infrastructure, SELEP and its constituent local authorities has committed to support rail infrastructure through capital investment. This has included the substantial investment of Local Growth Fund (LGF) in projects such as Stanford le Hope station redevelopment, Thanet Parkway Railway Station and Beaulieu New Railway Station. Equally local authorities in the SELEP area are investing revenue in funding infrastructure studies to enable the development of a pipeline of potential capital projects for the future. For example, East Sussex and Kent, along with the DfT, have invested in a study on the infrastructure needed in Ashford to enable high speed rail services to run into East Sussex.

The investment of this LGF has been targeted at interventions which will deliver maximum benefits in terms of the unlocking new homes and employment opportunities. For example, the LGF contribution, along with a successful award of Housing Infrastructure Fund by central government, will enable the delivery of Beaulieu New Railway Station project. This will support the construction of 3,600 new homes in North Chelmsford, Essex.

The delivery of rail infrastructure across our area has, however, been constrained by Network Rail's complex governance processes and their risk adverse approach to the development of new projects promoted by LEPs and local authorities. The rail infrastructure projects which are being supported through LGF investment require vast sums of funding contingency to be added to project costs and committed by

project promoters. This reduces the affordability and requires local authorities to take the risk in order to the projects to progress. It is disappointed that Network Rail has not been able to support new transformative projects to a greater extent through a fairer approach to the sharing of risk.

Project's such as the Gray's South regeneration project in Thurrock will tackle Network Rail safety concerns, in relation to the level crossing which is located within Gray's town centre. Despite the project delivering considerable benefit to Network Rail in terms of improving line speed, network capacity and addressing safety concerns, there has only been a very minimal funding contribution to the project by Network Rail. This has led to SELEP and Thurrock Council having to bear a majority of the project cost.

It is also recognised that SELEP's investment in rail improvements can only go so far in tackling the constraints on the rail network. Much more extensive investment is required to modernise our rail infrastructure. There is serious concern, across the SELEP area, that the capacity of our existing rolling stock and the age of our signalling systems leaves us ill equipped to cope with the growing demand for rail travel across the SELEP area.

Furthermore, whilst rail prices continue to rise, delays to the award of the South Eastern franchise and the extension of Thameslink services to Maidstone East have exacerbated the issues of overcrowding on the network. The delays to the award of the new South Eastern franchise has led to the continued extension of the contract originally awarded in 2016. This means that the improvements which have been identified within the new franchise specification remain unimplemented.

As a specific example, Kent County Council has continued with extensive work on the development of Thanet Parkway station. The requirement to serve Thanet Parkway railway station was included in the new franchise specification. Without the new franchise having taken effect, based on the new DfT specification, this creates uncertainty around the train operating company's serving of the new Thanet Parkway railway station. We therefore call for certainty over the award of the South Eastern franchise so that the benefits which were expected to be delivered through this new specification can be realised.

I hope that the concerns which have been raised by local authority leaders and further/higher education representatives across the South East can be addressed through decisive action by the DfT to deliver improvements to the rail franchise process and to embed a change to culture within Network Rail which strives to work with project partners in delivering new projects. I urge you and your department to consider what action can be taken to encourage a more collaborative approach to project working by Network Rail to help us ensure the timely and effective deployment of LGF to stimulate economic growth in our economy.

We'd welcome clearer channels of communication into Network Rail to maximise the opportunity to engage and to work with you in addressing the concerns which have been raised across SELEP.

Yours sincerely

Geoff Miles
Chairman
South East Local Enterprise Partnership Accountability Board

On behalf of SELEP Accountability Board members