



The Red House
10 Market Square
Old Amersham
Buckinghamshire
HP7 0DQ

4 December 2011

Rt Hon Justine Greening MP
Secretary of State
Department for Transport
Great Minster House
76 Marsham Street
London
SW1P 4DR

Dear Secretary of State,

I am writing to you to:

- Make you aware of work we have had done that shows (contrary to what your officials claim) the long distance WCML services are currently only 56% full in peak.
- Draw your attention to serious deficiencies in the claims on capacity and modelling being made by your Department this weekend, and
- Again ask you for the opportunity to explain in person our case that HS2 is simply not in the national interest.

I appreciate that you have many demands on your time, but we have yet to receive a response to my previous letter (of 19 November) or Hilary Wharf's e-mail of 15 October. We do represent 73 Action Groups, and have been responsible for the core analysis that calls HS2 into question.

Crowding on WCML

Following your Department's refusal to release data on load factors on peak services for WCML, we conducted research on peak loading. This research was validated by CRT Viewpoint and I attach a copy of their report.

The key findings were:

- Long distance services in the mid-week evening peak had an average loading of just 56%
- Trains to Manchester had an average loading of just 45% - indicating how weak the case for extending HS2 to Manchester is.
- The most crowded long distance trains were ones which called at Milton Keynes with an average of 107% loading. This clearly reflects the acute problem with the Milton Keynes/Northampton commuter services that needs to be addressed urgently.

- The average load factor was higher for the first trains after the evening peak, ie at or after 19:00, when lower fares apply. These had an average load factor of 67%. This reflects the 'fares cliff' to which Philip Hammond has referred.

Misleading statements

In my letter to you of 19 November 2011, I cautioned about taking your Department's assessments at face value. In response to a recent report¹ criticising the economic case for HS2 as deeply flawed and very weak, your spokesman said:

"HS2 could provide a solution to a long term capacity problem that is very real now and only expected to get worse for at least the next 15 years." Telegraph 3 December 2011

As our work on crowding in the peak confirms, the only current capacity problem is on the Northampton and Milton Keynes commuter services for Euston. This is a problem that could be cured by doubling peak commuter services through relieving a pinch point on the line (Ledburn Junction) and running faster trains.

Furthermore the limited current peak crowding that we found on the long distance services is not due to get worse for 'at least the next 15 years'. Most of the Pendolino fleet will be lengthened to 11-car (from 9) doubling standard class capacity, and four new 11-car sets will come into service (allowing increased off-peak services). Both these increases in capacity will occur within the next two years.

The case for HS2 on capacity grounds simply doesn't exist. The optimised alternative (developed for 51M) fully meets the demand your Department forecasts, at less cost, with better value for money and in stages – so resources will not be wasted if demand is lower than your department predicts.

Your spokesman also said:

"Our modelling has been calculated using conservative assumptions and a well established approach to demand forecasting that is recognised across the transport industry, and that conforms to the highest standards of evidence." Telegraph 3 December 2011

Your Department's modelling is far from conforming to the 'highest standards of evidence' as the modelling is based on out of date forecasting factors. The version of Passenger Demand Forecasting Handbook used (4.1) is importantly out of date in regard to the income elasticity distance growth factors. These cause DfT's model to overestimate long distance rail demand compared to the current version (5.0). The treatment of the distance term, ie its exclusion, has been confirmed by a major study conducted by Oxera and Arup. Your Department has refused to release the report from this study in response to an FOI request, but this particular result was presented to a transport economists group in February 2011.

In fact when Philip Hammond came to office in 2010 he inherited a draft Tag Unit (3.15.4d) that was to reduce these distance terms as a temporary measure² on the basis of an explicit recognition that the version 4.1 values are wrong. A full revision awaited implementing the outcome of the Oxera Arup work. The recommended maximum values in the draft guidance

¹ By transport economists Chris Castles and David Parish, published by the RAC Foundation

² Unit 3.1.5.4d says:

'4.2.9. We agree that the PDFH 4.1 recommendations produced unfeasibly large elasticities over long distances. However, in light of the ongoing research described above we are reluctant to suggest changes to our demand forecasting methodology that may be superseded within a matter of months. As way of compromise we recommend that PDFH 4.1 elasticities continue to be used but that a maximum limit is placed on the elasticity value, in line with most practitioners use. In the absence of further evidence we suggest limits of 2.5 (to London) and 1.5 (from London). Should promoters wish to use the PDFH 5.0 elasticities then they may do so as a sensitivity test to this core analysis.'

are lower than those used for HS2, and would have resulted in forecasting lower demand. The draft guidance was due for adoption in April 2010. To date the draft has not been confirmed as guidance, nor has the version 5.0 approach been adopted, nor has the Oxera Arup research been published nor acted upon.

This falls well short of my concept of conforming to the 'highest standards of evidence'.

Meeting with us

You have previously said that you would meet only with MPs on HS2 prior to making your decision. Notwithstanding it seems that you have met with Professor Begg. We are concerned that you will have been given a very partial and distorted view of the potential benefits of HS2 by him.

In order for you to be able to form a balanced view, I hope you will agree to see us.

While we appreciate that the Government is anxious to invest in infrastructure and so both stimulate demand and improve our future cost base, I hope we can persuade you that HS2 is simply the wrong project:

- It will not deliver the claimed economic benefits (the value of time savings is grossly over-valued)
- it will not rebalance the economy and redress the north south divide (academic opinion is that it would have the opposite tendency)
- it is not green (even on your Department's own over-favourable assessment it is only carbon neutral)
- it is not necessary to create the required capacity. There are, as the Transport Select Committee's independent assessors recognised, alternatives to a new railway that fully meet your Department's demand forecasts.

We look forward to meeting with you.

Yours sincerely,



Bruce Weston,
Director, HS2 Action Alliance

cc

Louise Ellman, MP (Chair, TSC)
Alison Munro (Chief Executive, HS2 Ltd)
Philip Graham (Deputy Director HSR, DfT)
Martin Tett (Chair 51M)