



Menu

[Western Section](#)

[Central Section](#)

[Eastern Section](#)

You are here: [Home](#) » [Business Case](#)

Business Case

This page has been archived and will no longer be updated.

Please follow this link to see [Economic Benefits of East West Rail Western Section](#).

The entire East West Rail corridor has experienced significant growth over the last decade. The Government's Sustainable Communities Plan will see further major growth over the next 25 years focused along it at Stansted Airport, Bedford, Luton, Milton Keynes and Aylesbury.

The route ties into these key growth areas and provides the opportunity for local and regional journeys, between these regional 'hubs', which are extremely difficult at present.

The western section of the scheme between Bedford and Oxford opens up a number of passenger and freight opportunities:

- Provides a strategic connection between the radial routes out of London facilitating journeys without the need to interchange through London;
- Provides flexibility in the network and alternative diversion routes, including potential relief to the most congested southern sections of the radial routes out of London and local connections such as a link to Aylesbury;
- Provides a real public transport alternative to the use of the trunk road network in an area where there is no high capacity road network linking the key centres of Milton Keynes, Bicester, Aylesbury and Oxford;
- Inter-connects three of the growth area in the region (Milton Keynes, Aylesbury and Bedford), as identified in the Government's Sustainable Communities Plan;

East West Rail is recognised as a key policy objective in relevant strategic planning documents and by all relevant authorities. The scheme has been recognised in Regional Planning Guidance and been declared in every relevant Local Transport Plan along the route.

The Integrated Transport White Paper – A New Deal for Transport and Transport 2010 – The ten year plan, included the objectives of a 50% increase in rail passengers, an 80% increase in rail freight use, and improved public transport for people in towns and villages. All these aims are set within the wider context of policies in

support of social inclusion, better health, an improved economy and a move towards sustainable development.

The London and South Midlands Multi-Modal Study reported in early 2003 and included a specific recommendation that ‘the western section of East-West Rail...should receive SRA support...at the earliest possible time...as the first stage of an east-west route.’ This study highlighted the strategic functions of this route as follows:

Connecting Milton Keynes, Aylesbury and Bedford with Oxford and Bristol, and by means of a single interchange giving access to most of South West England and South Wales;

- Providing access to Stansted Airport (and also Ipswich from Bedford, Milton Keynes and Oxford);
- Strengthening the role of Bedford as a transport hub, in conjunction with the proposed extension of Thameslink to Northampton;
- Improving access to Luton Airport by means of an interchange at Bedford;
- Improving services available for local commuters to Milton Keynes and Bedford.
- Connecting Milton Keynes, Aylesbury and Bedford with Oxford and Bristol, and by means of a single interchange giving access to most of South West England and South Wales; Providing access to Stansted Airport (and also Ipswich from Bedford, Milton Keynes and Oxford); Strengthening the role of Bedford as a transport hub, in conjunction with the proposed extension of Thameslink to Northampton; Improving access to Luton Airport by means of an interchange at Bedford; Improving services available for local commuters to Milton Keynes and Bedford.

Moreover, the East West Rail route provides connectivity between principal north-south corridors, creating more interchange opportunities.

The economic case (2010)



Oxford Economics produced a report in 2010 summarising the wider economic case for investment in the Western Section of the East West Rail project. The headlines from the report are summarised below. [The full report can be downloaded here.](#)

The economic case for the Western Section of East West Rail is strengthened by several important factors:

South East Economy

The South East economy is starting to show signs of neglect. Analysis shows that job creation in the region has been some 112,000 less than what would have been expected if it had followed the national trend over recent years. Rates of GDP growth in Oxfordshire, Buckinghamshire and Bedfordshire have also lagged well behind the national average – the labour market picture remains mixed at best.

Public Spending in the South East

The South East consistently receives less, in relative terms, than other UK regions in public spending. Public spending for South East residents is the lowest of all the UK regions relative to the number of people in employment.

Transport in the South East

Transport matters for the Greater South East region. More people commute to work, and travel further to do so, than anywhere else in the UK. The region has a high dependence on efficient road and rail connections. Problems with transport infrastructure often multiply economic costs for the UK as a whole.

Economic Recovery

The Greater South East is set to lead the UK's economic recovery, with its favourable combination of industries and skills giving it the potential to thrive in the new climate of fiscal austerity through private sector and export-led growth. The region will become more and more important for the UK Exchequer as all regions outside it are expected to continue to need subsidisation.

Transport Policy

The East West Rail project fits well against stated national policy objectives. Specifically, the scheme will contribute strongly to numerous key goals of the UK's National Infrastructure Plan. It will help the South East deliver its planned share of UK employment growth by making the Oxford-Bedford corridor more attractive for businesses and individuals to locate.

National and Regional benefits

GDP and Tax Revenue

Annual GDP uplift to the Greater South East economy following the implementation of the western portion of EWR will be significant.

£38.1 million GDP uplift per year and the impact on tax revenues could be around £17.4 million per year.

Rail Subsidy

Within the early stages of operating the train services, the scheme will generate a net revenue of £22m per annum and cost £18m to operate, thus there will be no requirement for a public finance subsidy.

Benefit Cost Ratio (BCR)

If the project is wholly funded by the public sector – the forecast BCR is 6.3.

If the project is able to attract private sector finance (15% contribution) – the forecast BCR increases to 11.2.

Employment

The railway will act as a catalyst for economic growth and is forecast to create up to 12,000 new jobs.

Environment

Supports sustainable growth, reduces carbon emissions and encourages modal shift from car to train.

The economic case – refreshed (2014)

The logo for Arup, consisting of the letters 'A', 'R', 'U', and 'P' in a large, bold, serif font. The letters are black and have a slightly distressed or textured appearance.

An assessment of the economic impact of the Western Section of East West Rail by Arup, an independent engineering and consultancy firm, shows that the scheme could boost the regional economy by £72.7 million per annum. This is almost double the £38 million previously forecast by Oxford Economics in 2010.

[Download the full report in pdf format here](#)

The significant increase is attributed to greater investment in the scheme (including electrification and other track improvements) and the benefits of the proposed service patterns and destinations served.

Arup identified that the East West Rail line, which will connect Aylesbury and Oxford with Milton Keynes and Bedford by March 2019, will substantially improve rail connections for business and leisure travel. When the line is completed 41 out of 65 UK cities will be accessible by rail from stations on the East West Rail line, with no more than one change.

It uses the same methodology used by Oxford Economics to assess the economic impact, using more recent data (including the 2011 census data) and taking into consideration new developments including:

- Inclusion of EWR as a committed scheme in the Department for Transport's High Level Output Specification and funded as part of Network Rail's enhancement expenditure for 2014 to 2019.
- Electrification and inclusion in the national 'Electric Spine', additional enhancements to deliver and publication of proposed core passenger services extending to London Marylebone and Paddington

Key findings:

- Investment in EWR may boost regional GDP of £72.7 million per annum
- £33.2 million boost to UK tax receipts
- The investment payback period of 5.5 years remains consistent with Oxford Economics 2010 forecasts, based on recent published cost estimates*.

*The extent of the enhancements and final specification for the redevelopment of the western section is expected to be confirmed in spring 2015 so the scheme costs are based on current estimates.

[Cookie Information](#) | [Privacy Policy](#) | [Members Login](#)

© 2008-2015 East West Rail® Consortium