

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

HIGH SPEED RAIL (PREPARATION) BILL

First Sitting

Tuesday 9 July 2013

(Morning)

CONTENTS

Programme motion agreed to.
Written evidence (Reporting to the House) motion agreed to.
Motion to sit in private agreed to.
Examination of witnesses.
Adjourned till this day at Two o'clock.

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The Committee consisted of the following Members:

Chairs: † ANNETTE BROOKE, JIM SHERIDAN

† Burns, Mr Simon (<i>Minister of State, Department for Transport</i>)	† Morrice, Graeme (<i>Livingston</i>) (Lab)
† Dakin, Nic (<i>Scunthorpe</i>) (Lab)	† Reid, Mr Alan (<i>Argyll and Bute</i>) (LD)
† Dobson, Frank (<i>Holborn and St Pancras</i>) (Lab)	† Shannon, Jim (<i>Strangford</i>) (DUP)
† Glass, Pat (<i>North West Durham</i>) (Lab)	† Spelman, Mrs Caroline (<i>Meriden</i>) (Con)
† Greenwood, Lilian (<i>Nottingham South</i>) (Lab)	† Stewart, Iain (<i>Milton Keynes South</i>) (Con)
† Hopkins, Kris (<i>Keighley</i>) (Con)	† Sturdy, Julian (<i>York Outer</i>) (Con)
† Lumley, Karen (<i>Redditch</i>) (Con)	† Vickers, Martin (<i>Cleethorpes</i>) (Con)
† Mahmood, Mr Khalid (<i>Birmingham, Perry Barr</i>) (Lab)	Neil Caulfield, <i>Committee Clerk</i>
† Morgan, Nicky (<i>Loughborough</i>) (Con)	† attended the Committee

Witnesses

Councillor Sarah Hayward, Leader of the London Borough of Camden

Councillor Jane Urquart, Portfolio for Planning and Transport, Nottingham City Council

Sir Richard Leese, Manchester City Council

Geoff Inskip, Chief Executive (Centro), Centro and Passenger Transport Executive Group

Councillor Mark Winnington, Cabinet Member for Economy and Infrastructure, Staffordshire County Council

Professor John Tomaney, Bartlett Professor of Urban and Regional Planning, University College London

Public Bill Committee

Tuesday 9 July 2013

(Morning)

[ANNETTE BROOKE *in the Chair*]

High Speed Rail (Preparation) Bill

8.55 am

The Chair: I have a few preliminary announcements. First, please would right hon. and hon. Members ensure that all electronic devices are turned off or switched to silent mode during Committee sittings?

As a general rule, I and my fellow Chair do not intend to call starred amendments, which are those that have not been tabled with adequate notice. The required notice period in Public Bill Committees is three working days, therefore amendments should be tabled by the rise of the House on Monday for consideration on Thursday and by the rise of the House on Thursday for consideration on the following Tuesday. This Thursday is the deadline for amendments for the first day of line-by-line consideration on Tuesday next week.

Not everyone is familiar with the process of taking oral evidence in Public Bill Committees, so I shall briefly explain how we will proceed. The Committee will first be asked to consider the programme motion, on which debate is limited to half an hour. We will then proceed to a motion to report written evidence and then a motion to permit the Committee to deliberate in private in advance of the oral evidence sessions, which I hope we can deal with formally. Assuming that the second of those motions is agreed to, the Committee will move into private session, at which point non-Committee members will be asked to leave the room for a brief period. Once the Committee has deliberated in private, the witnesses and members of the public will be invited back into the room and our oral evidence session will begin.

Motion made, and Question proposed,

That—

(1) the Committee shall (in addition to its first meeting at 8.55 am on Tuesday 9 July) meet—

- (a) at 2.00 pm on Tuesday 9 July;
- (b) at 11.30 am and 2.00 pm on Thursday 11 July;
- (c) at 8.55 am and 2.00 pm on Tuesday 16 July;
- (d) at 11.30 am and 2.00 pm on Thursday 18 July;

(2) the Committee shall hear oral evidence in accordance with the following Table:

TABLE

Date	Time	Witness
Tuesday 9 July	Until no later than 10.00 am	London Borough of Camden; Nottingham City Council
Tuesday 9 July	Until no later than 11.00 am	Manchester City Council; Staffordshire County Council; Geoff Inskip, on behalf of Centro and the Passenger Transport Executive Group

Date	Time	Witness
Tuesday 9 July	Until no later than 11.25 am	Professor John Tomaney, Professor of Urban and Regional Planning, University College London
Tuesday 9 July	Until no later than 3.00 pm	51m; HS2 Action Alliance; Stop HS2
Tuesday 9 July	Until no later than 4.00 pm	Sheffield City Region Local Enterprise Partnership; Birmingham City Council
Tuesday 9 July	Until no later than 4.30 pm	Network Rail; Greengauge 21
Tuesday 9 July	Until no later than 5.00 pm	Country Land and Business Association; Campaign to Protect Rural England
Thursday 11 July	Until no later than 12.30 pm	British Chambers of Commerce; Transport Scotland
Thursday 11 July	Until no later than 2.30 pm	Campaign for Better Transport; Passenger Focus
Thursday 11 July	Until no later than 3.30 pm	Institution of Civil Engineers; Crossrail Limited; HS1 Limited
Thursday 11 July	Until no later than 4.00 pm	Rail Freight Group
Thursday 11 July	Until no later than 4.45 pm	Department for Transport; HS2 Limited

(3) proceedings on consideration of the Bill in Committee shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Thursday 18 July.—(*Mr Simon Burns.*)

Frank Dobson (Holborn and St Pancras) (Lab): In so far as the programme motion relates to the time given to witnesses, is it really appropriate that the Minister and HS2 Ltd should give evidence for only three quarters of an hour after we have had six or seven hours of evidence from other people?

The Chair: We are in a process wherein we make speeches at this stage, but if that is your speech, Mr Dobson, that is fine. I ask the Minister to wind up if he wishes to do so.

The Minister of State, Department for Transport (Mr Simon Burns): All I would say is that I think that that is a perfectly adequate period of time for the evidence sessions, because of course when the Committee goes into line-by-line consideration next week, right hon. and hon. Members on both sides will have an opportunity to raise issues, ask questions and seek information.

Question put and agreed to.

Resolved,

That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.—(*Mr Simon Burns.*)

The Chair: Copies of written evidence that the Committee receives will be available in the Committee Room.

Resolved,

That, at this and any subsequent meeting at which oral evidence is to be heard, the Committee shall sit in private until the witnesses are admitted.—(*Mr Simon Burns.*)

9 am

The Committee deliberated in private.

Examination of Witnesses

Councillor Sarah Hayward and Councillor Jane Urquart gave evidence.

9.8 am

The Chair: We will now hear oral evidence from the London borough of Camden and Nottingham city council. I remind all Members that questions should be limited to matters within the scope of the Bill, and that we must stick to the timings in the programme motion the Committee has just agreed. I will have to interrupt mid-sentence if a session is still continuing at its scheduled finish time—apologies to our witnesses if that happens.

Members should declare any interests before the start of each panel in which that interest is relevant. I shall also ask our witnesses to declare any financial interests during the evidence sessions. Will the witnesses introduce themselves and tell us the positions they hold? I will then call Lilian Greenwood, who will commence the questioning for us this morning.

Sarah Hayward: I am Councillor Sarah Hayward, the leader of the London borough of Camden.

Jane Urquart: I am Councillor Jane Urquart, the cabinet member for transport and planning for Nottingham city council.

Q1 Lilian Greenwood (Nottingham South) (Lab): Councillor Hayward, in your submission you said you do not believe that High Speed 2 will deliver the Government's strategic objectives. Do you believe that high-speed rail in general is a poor investment, or is your opposition based more on the details of this particular proposal?

Sarah Hayward: Our position is very much based on the details of this individual proposal. Camden has a history of big regeneration projects—indeed, it is unique as the only borough in the country that has regeneration with high-speed rail partially as its anchor in the King's Cross railway lands. This scheme would be devastating to Camden and, as it stands at the moment with the scaled back station proposals, would actually lose us jobs and opportunities, rather than be an engine for growth as the Government currently claim.

Q2 Lilian Greenwood: If the project does go ahead, what benefits would you like to see for the Euston area, and how do the proposals fall short?

Sarah Hayward: We supported regeneration of the Euston area a long time before High Speed 2 came on the table. I do not know whether anybody on the Committee regularly uses Euston station, but it is not the nicest train station in the world, and the area itself could do with some investment in terms of jobs and new homes. It sits in one of the poorest communities in the country.

The plans as they stand are dramatically scaled back, but will still cost £400 million more than HS2 had budgeted. We would like some comprehensive investment in the Euston area. That needs to include considering whether a temporary solution at Old Oak Common could give us time to get Euston right. I do not think that HS2 has considered all the options for Euston

station, such as the double deck down proposal or other options to keep the station on the footprint that it is now. Certainly, we are not getting the investment in terms of jobs and homes that we were promised at the outset of the project.

Q3 Lilian Greenwood: Are there realistic options for developing Euston within its existing station envelope, to avoid the sort of disruption to the local area that you are concerned about?

Sarah Hayward: I am not a railway engineer, but people who are think that there are realistic options to explore things such as double deck down, which is a two-tiered track with the classic tracks above and the high-speed tracks below. That is one option; then there are options to move some of the suburban services to other London train stations and reduce the pressure on Euston station in that way. We do not think that all the alternatives have been properly considered. HS2 jumped straight to a proposal that requires it to demolish buildings, homes and businesses on a piece of land the size of the current St Pancras station.

Q4 Lilian Greenwood: I know that you said specifically that you are dissatisfied with HS2 Ltd's compensation proposals, and those are in the Bill. What compensation would you like to see available and what hopes do you have for the Government's revised compensation package?

Sarah Hayward: The compensation package, as we understand it, is wholly inadequate for the devastation that will be caused in Camden, not just in the Euston area but across the whole borough. My understanding is that HS2 currently has about £1.3 billion allocated for compensation across the whole of phase 1. We estimate—we are doing more work to understand this—that around £1 billion of compensation is needed to re-house people, compensate businesses, provide relocation costs and so on in Camden. That has simply not been budgeted for at all. It is wholly inadequate at the moment.

Q5 Mrs Caroline Spelman (Meriden) (Con): I should explain that I come from a west midlands constituency, which will help you to understand where I am coming from. When High Speed 1 was built, the regions outside London were encouraged to think in terms of regional high-speed travel. In your evidence, you said that,

“there is no business case for the link to High Speed 1”

whereas in the regions beyond London, the link to High Speed 1 is important when considering High Speed 2. Your evidence focuses very much around Euston, but High Speed 1 comes out of St Pancras. Has your council looked at a connection to St Pancras if it is so difficult for Euston?

Sarah Hayward: It is not we who say there is no business case for the link between High Speed 1 and High Speed 2; it is actually High Speed 2 that says that. It proposes to use the North London line, which is one of the most successful railways in the country in terms of customer satisfaction and punctuality, and putting High Speed 2 along that line would potentially jeopardise that. It takes less than 10 minutes to walk from Euston to St Pancras. People in Paris walk between Gare du

Nord and Gare de l'Est. I do not see that there is any need for a link that would disrupt suburban rail travel in London.

Q6 Mrs Spelman: To pursue that line of argument, if you clear immigration at Birmingham international airport and board a train at the interchange, after which you have a through train to Paris or Amsterdam, there is a significant advantage in not having to get off the train, come back through immigration and re-board the train.

Sarah Hayward: I can see that, but—again, I am not an immigration specialist—under that proposal, would the train not stop anywhere else, or do you need immigration controls at every station at which it stops between Birmingham and St Pancras? There are plenty of other cities in the world that have high-speed rail where people interchange at different stations to go to different locations in the country. Again, High Speed 2 and the Department for Transport have not considered other options. They have not considered tunnelling under Camden, they have not considered walking between the two stations and they have not considered the differential impact. We do not think that the viaduct is viable or that there is a business case for it.

Q7 Frank Dobson: Sarah, could you explain to the Committee the physical impact of the proposal to use the North London line on the part of Camden that that line crosses?

Sarah Hayward: Yes. For those who are not familiar with Camden, the proposal is that the railway line will come out of a tunnel just by Primrose Hill, which is to the west side of central Camden Town. It is one of the top 10 tourist destinations not just in London or the UK but in Europe, and it has a thriving local economy. The proposal will require eight bridges over eight mostly major roads to be strengthened or wholly rebuilt, although we do not know which because the structural engineering work has not been done to check that they can use the line. That would have a devastating impact on Camden Town's economy through major road closures, both for people travelling to Camden Town and for people travelling through Camden Town on their way into central London to jobs. It has just not been thought through at all.

Q8 Frank Dobson: As far as you know, is the estimated cost of the HS2-HS1 link included in the current estimates that are banded about?

Sarah Hayward: Not as far as I know. We think that the money could be used better at Euston station.

Q9 Iain Stewart (Milton Keynes South) (Con): To follow on from Caroline Spelman's questions about the link to HS1, would you be in favour of a link to HS1 that does not involve using the North London line? Is that your principal objection?

Sarah Hayward: We object to the proposal to use the North London line. It was ruled out as an option for High Speed 1 and it was decided that it was better to build a new tunnel, because of the structural problems with the Victorian viaduct that it runs on. We have not seen any other options for linking them up, because HS2 has not done any other options. We think that they could tunnel, and we do think that walking could be a

viable alternative, but HS2 needs to go away and do this work. This proposal will be devastating to Camden Town's economy.

Q10 Iain Stewart: To press this further, I understand—but I do not think it is practical—the idea of having a walking solution between the two stations. If there were a viable project to tunnel between the two, would you, as a council, object to that?

Sarah Hayward: It would depend on what it was and if it was an improvement. We would need to see the detail of a scheme. We do not object out of hand to things. As I said when comparing this scheme to the High Speed 1 scheme, we think a tunnel could be better and a vastly improved solution to using the North London line link, but High Speed 2 need to do the work and the engineering, and we would then have to assess what disruption and what have you it would cause Camden Town. I cannot object to or support a scheme I do not know the detail of, but we do think a tunnel would be better than the current proposal.

Q11 Iain Stewart: Finally, have you spoken to your colleagues in Newham council, who I believe advocate using Stratford International as a London hub for connecting HS2 to HS1?

Sarah Hayward: Yes, and I think that is another option that has not been explored. Obviously, it takes seven minutes to get from Stratford to St Pancras, and HS2 should be exploring all these options. Stratford has just had massive investment as a railway station, and the platforms are there, ready to be used. That is an option HS2 needs to explore.

Q12 Pat Glass (North West Durham) (Lab): Sarah and Jane, can you tell us about your engagement with HS2 Ltd—its consultation with the community and the local authority?

Jane Urquart: In Nottingham, we have had considerable engagement with HS2. We have been engaged in meetings with them for quite some time now and we had a visit from them recently, all of which has been helpful in enabling HS2 to understand a bit more about the level of work they need to do in engaging with local communities. Certainly, I am not aware that they have done much active engagement with local communities as yet in Nottingham, but I know from their visit that they are aware that that is the next phase for them. There is a need for HS2 to improve their understanding of the way the connectivity will work between the major population centres and the HS2 line as it runs up through the east midlands in particular. I will probably say more about that, but it is one they need to engage much more actively with.

Q13 Pat Glass: So there is some contact with the local authority?

Jane Urquart: Yes, absolutely.

Q14 Pat Glass: They are listening?

Jane Urquart: We have not seen the fruits, if you see what I mean, but we have certainly had positive engagement.

Q15 Pat Glass: But so far not too much engagement with the community?

Jane Urquart: Not too much engagement with the community so far, but certainly engagement with us.

Sarah Hayward: I think our experience of HS2 is one of our main reasons for our opposition to writing them a blank cheque. Our experience has been pretty poor. We have been speaking to them for over two years. Some 80% of the demolition that happens in phase 1 happens in Camden, where 470 homes and countless businesses will go. Obviously, those people need compensating and need alternative places to live and work from. There is a very pressing need; the spades are supposed to go in the ground in 2016—three years away—and we are not getting the level of engagement and commitment that we need out of High Speed 2 to be able to develop plans to rebuild a school, to replace 470 homes, to help businesses relocate and to re-provide open space. We keep getting, “We’re talking to Camden,” but we have not seen any tangible outcome in terms of compensation or proposals to help us deal with the impacts, and that is us, as a local authority.

If you talk to the community, our community forums are very poorly serviced by HS2. We got to the point where our council officers were taking minutes because HS2 were unable to provide accurate minutes of community meetings. That does not instil confidence when this organisation wants to come and bulldoze homes, I am afraid. So we are really worried about the capacity of HS2 to deliver on a fairly fundamental level.

Q16 Mrs Spelman: It is very interesting to listen to you talk about your engagement and the role of the council and the community. Are you aware that, in other local authorities, it is the council that takes the minutes and runs the working groups with the community, precisely because the elected representatives of the community are seen to have the interests of local people at heart? Those working groups are, of course, attended by High Speed 2 officials, who must answer all the questions that are put to them, but mostly electors feel reassured when the local authority holds the pen, don’t you think?

Sarah Hayward: No, it is a drain on council resources at a time when we face the biggest cuts that we have ever faced. There is no financial aid for us to facilitate all the work that we are required to do for HS2. If you ask Martin Tett the same question this afternoon, he will say that other local authorities take the minutes because they do not trust HS2 to do it, not because they want to provide officers at endless evening meetings.

Q17 Nic Dakin (Scunthorpe) (Lab): Jane, how do you see the advantages or otherwise to the east midlands? In particular, would you pick up on HS2’s suggestion of a station at Toton? Are there any issues of connectivity there, or is that the preference of people in the east midlands?

Jane Urquart: We in Nottingham support a high-speed network. One of the reasons is the need for greater connectivity between other cities as well as London. For us, it is about connectivity to Leeds, Birmingham, Sheffield and all those places enabled by a high-speed network that would be really significant. We have had conversations for some time with HS2 about station location. Although

for us in Nottingham a city centre station would perhaps have been an ideal solution in some ways, in many other ways a city centre station would not be ideal, for some of the reasons that Sarah has talked about. It is difficult and the impact would be great, so we are quite content that Toton provides a positive option for Nottingham.

Clearly the biggest issue to resolve for a Toton station is the connectivity into it. People will be aware that we are currently building tram lines in Nottingham, and the end of one of our tram lines is very close to the proposed Toton site. That is one thing that we will explore further with HS2. However a tram connection is not sufficient; we will need to explore much further the connectivity into the city centre and the use of classic-compatible trains to get high-speed rail right into Nottingham city centre. That will be a big issue for us, because we can see great advantages for being on the high-speed network.

Given the three cities that drive the east midlands economy—Nottingham, Derby and Leicester—having a station at Toton makes sense for all of them to have access. Clearly on a high-speed network, it would be unfeasible to have all three cities directly linked in, because you would soon lose the high-speed bit of the system. So Toton is a reasonable option, but connectivity needs a great deal more thought and active planning from HS2 to get it right.

Q18 Nic Dakin: Are there any disadvantages to the east midlands if this does not go ahead?

Jane Urquart: Yes, considerable disadvantages. Our rail connectivity to London and other large cities is currently quite poor in terms of time. Upgrades are needed in any case, whether HS2 happens or not, to the midland main line to improve those rail times, but this is still not sufficient to increase capacity on the rail network or to bring our city closer in terms of travel time to those other cities, particularly Birmingham and Leeds. That, as well as the connection to London, would be very significant for our economy.

Q19 Mr Khalid Mahmood (Birmingham, Perry Barr) (Lab): Sarah, you keep saying that Euston to St Pancras is a seven or 10-minute walk. Have you considered the effect of this on people with disabilities, elderly people with baggage and families with really young children, again with considerable baggage? I am glad that we have some good weather today, but generally that is not the position in London or the UK. How would you address that?

Sarah Hayward: The current situation is that if someone wants to go on a service that comes into Euston and another that goes out from St Pancras, they have to walk between the two stations. That will not change with our domestic classic rail services between the two stations. Currently, disabled people, those trying to carry small children and the elderly, who are perhaps not as mobile, are disadvantaged and that will remain the case, because the link only affects the high-speed line and not the traditional lines. Anyone who is familiar with the area will be familiar with people pulling wheelie cases along the Euston road; that is what happens and what will continue to happen. It is one reason why I think HS2 should explore other options for linking the two stations.

Q20 Graeme Morrice (Livingston) (Lab): Either Sarah or Jane, I would like to press you more on the issue of compensation. You have clearly indicated that you are not satisfied with the proposal coming from HS2 Ltd, and obviously you would like to see a revised compensation package coming from the Government; but have you been able to quantify financially what kind of compensation package you would like to see for your local community?

Sarah Hayward: We are in the process of doing that at the moment and we have hired independent consultants to do it. We estimate that it will be about £1 billion—that will be the bricks and mortar cost of replacing the homes, open space, school, and so on that are all impacted in Camden. We know that HS2 has not budgeted for that level of compensation. We hope to say something more publicly about that in the next few weeks.

Q21 Mrs Spelman: Councillor Hayward, obviously your location means that a significant mix of businesses and houses are affected. You have referred to the 474 homes that would have to be demolished in phase 1, but do you know how many business properties are affected, and have you estimated what compensation would be due if business properties were eligible?

Sarah Hayward: The business compensation is a big issue at the moment, and it is not clear at all how that will work. We had an issue with Crossrail 1, where some businesses were not compensated until nine months after their businesses had been closed for the Tottenham Court Road station work. Obviously, we want to ensure that that does not happen, because people need to be able to relocate their businesses.

In the Euston area, my recollection—I do not have the figure to hand; I am happy to provide it later for the Committee—is that 2,500 jobs will go as a result of the demolition in the Euston area, and obviously, there is the knock-on impact in Camden Town that we have talked about, with the link. There are already blight impacts—several planning permissions are not being implemented that would provide jobs if they were implemented. Then there are the knock-on impacts: one of those is on a street full of restaurants and leisure activities that would be cut off from Euston station. They get up to 50% of their trade from passing Euston station traffic. We cannot quantify what that impact will be until we know what the construction methods and programme will be, but we know it will be pretty devastating to those businesses. HS2 really needs to work with us to understand those impacts and compensate businesses appropriately, and that is not being done at the moment.

Q22 Lilian Greenwood: The Bill mentions that the existing network should connect

“with the existing railway transport network.”

Do you think that is sufficient explanation in the Bill, or do you have concerns about the way that the high-speed rail line as proposed might connect with the existing so-called classic network?

Jane Urquart: I do have some concerns about connectivity. I am glad that that phrase is in there, so that there is some mention of connectivity, but I think that HS2 really needs to promote very actively and work

very hard to make that connectivity with the classic network a fundamental part of developing High Speed 2. If the classic network is not connected into High Speed 2, in a sense, you simply have two different sets of railways. You have a classic network and a high-speed network, and not an integrated and connected network.

One of the things that we know in Nottingham, having developed quite a lot of integrated transport projects, is that integration is the key to enabling people to choose to use different modes of transport and to reducing congestion, car journeys and all that. Enabling people to make that choice is about having things that are properly integrated and properly connected, so that it is simple and easy to make the transition. For us, more positive statements about connectivity into the classic network, and using classic-compatible rolling stock to run services in to and out of different places that are not directly on the HS2 line, would be an added positive. That would then bring greater economic benefit and enable economic benefits of that connectivity between northern cities and the midlands to be more fully realised.

Sarah Hayward: For me, it is not just the link to the classic network, although I endorse everything that Jane said. It is other forms of transport. A key problem we face at Euston is moving people away from Euston station if there is a massive increase in passenger numbers, and the ability of the tube and the local bus network to cope with those increased passenger numbers. Again, we are not seeing the level of planning that we would expect to cope with the plans for high-speed rail.

Q23 Frank Dobson: To return to the question of compensation, could you explain Camden’s concerns about the likely inadequate compensation for right-to-buy leaseholders of properties that might be affected?

Sarah Hayward: Yes. About 20% to 25% of the properties affected are of right-to-buy leaseholders, almost all on the Regent’s Park estate, which you can look up on a map. It is just to the west of Euston station. Having invested in the equity of their communities, they would not have sufficient equity in their right-to-buy property to buy a new flat in the local area. Many of those people will be significantly disadvantaged.

A two-bedroom right-to-buy property on the Regent’s Park estate would currently sell for about £250,000 to £270,000. A new build two-bedroom home in Camden would market from anywhere upwards of £450,000. That is the nature of the property market in Camden. There is going to be a significant disadvantage to people who invested in the equity of their communities and have roots in the local area, send their kids to local schools, work in local jobs and go to local churches.

Q24 Iain Stewart: I would like to follow up a comment Sarah Haywood made about the onward journeys for passengers arriving at Euston. Would you not accept that a potential link with Crossrail at Old Oak Common would deflect a number of passengers from Euston? Secondly, in the recent spending review the Chancellor announced funding for a feasibility study for Crossrail 2, with many of the plans involving calling at Euston. Would that be sufficient to allay your concerns?

Sarah Hayward: The passenger numbers we are concerned about are HS2’s passenger numbers based on a link into Crossrail at Old Oak Common. The justification

for using Euston station as the terminus is based on claims about passenger numbers coming into Euston. Currently the capacity does not exist in the tube or bus network to get passengers away from Euston station.

In principle, we support greater investment in regional transport in London, including the potential for Crossrail 2—obviously, we have not seen the scheme. They are not being brought forward together. If Crossrail 2 is ever funded, it would be delivered some time after HS2. HS2 is due to open at Euston station in 2026 and people will need to be able to get away from Euston station from 2026.

Q25 Nic Dakin: You have both talked about the importance of good connectivity to HS2. Are the costs of that going to be borne by local authorities or are you being supported by HS2? Or is that not clear at the moment?

Sarah Hayward: For us it is not clear.

Jane Urquart: I would echo that. It is not clear; it is something that we have raised with HS2. It is something that we feel they need to do more work on. We in Nottingham and the east midlands hope a successful high-speed network will happen because we think it is right for the economy in the east midlands. However, the only way that that network will be successful is if, before and during the construction, the connectivity is properly planned in, rather than being something you can add on at some point separately. It all needs to be planned as one, as well as thinking through the land-use planning that goes alongside that, along the line of route, and all those things. All that needs to be properly planned ahead of time, rather than simply assuming that all the local authorities along the route will, of their own accord and separately, do the right thing. We think that HS2 needs to engage better with that issue. It would be very helpful to have greater clarity on that, and it would be helpful if connectivity was a more fundamental part of the business planning and processes.

Q26 Lilian Greenwood: A general question for both of you: in your experience, how effective is rail or transport infrastructure as a catalyst of economic growth?

Sarah Hayward: It can be an exceptional driver for economic growth. I mentioned the King's Cross railway lands earlier, and re-doing the stations and bringing High Speed 1 in has been a real driver. As a local authority, we campaigned with local MPs for High Speed 1 to come in to St Pancras station, to safeguard the station and drive the regeneration. It will provide 25,000 jobs and 2,000 new homes. It is an incredible transformation of a site that had been derelict for 40 years. We support the right regeneration schemes, but I am afraid that this is simply the wrong one for the Euston area.

Jane Urquart: I agree that transport can be a very positive catalyst of regeneration. We have seen that in Nottingham with building line 1 of our tram network. It has had a significant impact on property values and on business investment along line 1. We have already seen business investment along lines 2 and 3, which we are now building. There is already a business park that has a number of tenants who have located there specifically because there will be a tram line.

It can be a very positive catalyst of economic growth and regeneration, but it has to be planned properly and thought through in the right way, so that those things happen. It is not automatic that transport provides that regeneration; it has to be part of the planning, and it has certainly been part of the planning of our station regeneration scheme in Nottingham. Part of the reason for redeveloping our Nottingham station is the regeneration of an area, but that has been possible only because we have done it as a multi-operator, multi-agency operation, which has looked very carefully at planning and transport together, to ensure that things work together to get the right kind of business and residential investment in the area.

Q27 Lilian Greenwood: Can you say a little more about what is needed in the project to make it act as the catalyst you have described it can be, but which it is not automatically? That is a question to both of you.

Sarah Hayward: What happened on the King's Cross railway lands is what Jane has just described—a multi-agency approach of support. Not every partner got every single little thing they wanted out of the development—I probably would have argued for more affordable housing, for example—but it was a coming together of Network Rail, a developer, the local authority, the voluntary sector and other partners locally, to develop a vision for the area, identifying the key elements they wanted out of the site—for example, residential, jobs, open space—and working together to deliver on that.

Currently, that option is not available at Euston station. With HS1, there was a temporary solution at Waterloo station while the King's Cross site and the St Pancras station option were got right, and we urge that that be seriously considered here. Euston station is not even a once-in-a-generation opportunity; we will build High Speed 2 only once, if it goes ahead. Euston station should be got right, and if the way to do that is to bring High Speed 2 into Old Oak Common for a time—let us not try to do it quickly and on the cheap—let us get it right and deliver the thousands of jobs and hundreds of homes that could be delivered with a proper comprehensive redevelopment of Euston station, with all the partners around the table able to support it.

Jane Urquart: I agree that partnership is the way to do it right. Because of where we are in the east midlands, in terms of the phasing, we have got an opportunity to build those kinds of partnerships, if HS2 is willing to do that with us, in order that we can get the right connectivity for us into the city, but also the right solutions for the land around Toton, where the station is going to be.

We have already done—and are doing—some joint work already with Nottinghamshire county council and Broxtowe borough council to try to identify what it is that will need to be in place to ensure that Toton, as the east midlands hub station, works in the right way to produce that regeneration effect, and to produce that economic and housing benefit. We have started that work collectively, as three local authorities, and we think once we have done that work we would like to widen it out into a partnership approach—saying, “What is it that we need around that station location to mean that there will be the optimum regeneration effect from HS2?”

We have time to do that, but it does need the buy-in of Network Rail for the classic lines, East Midlands Trains, the current rail operators, and all the local authorities all to work together, to come up with that right vision and get it set early. I think there is an opportunity for us, because the dates for us are a little further away than for Sarah, but that is the right way to do it. That means that planning policy has to be appropriately aligned as well.

Again, in Nottingham and Nottinghamshire we are working very hard on that. We already have a joint planning board, which meets to make sure that our planning policies are aligned and can support schemes such as this, with regional significance, in a way that enables all of our planning policies across the different local authorities to move towards the same end; but we will need HS2 and this proposal to support that too.

Q28 Karen Lumley (Redditch) (Con): In the midlands we have got huge capacity problems already. Can you just explain to us how you think HS2 will alleviate those in the east midlands?

Jane Urquart: Yes, I think HS2 will alleviate capacity issues and improve the connectivity with those other cities. Our rail speeds at the moment: getting, for example, from Nottingham to Birmingham takes about an hour and a quarter; that is a very long time for a comparatively short distance. Our current connectivity to Leeds: it takes about two hours, again. That is a very slow journey. You can get from London to Leeds in those sorts of times.

For us there are capacity issues. The midland main line is very busy and full and needs the upgrade work that is currently happening. The resignalling scheme is due to start in a couple of weeks at Nottingham, to improve the midland main line. All of those improvements need to happen anyway in the intervening time. For us it is not a case of “Either you increase the capacity on the classic network or you build high-speed rail.” Actually, you need to do both, because the capacity constraints are so great. HS2 will then enable capacity to be released on the midland main line to serve different markets for different kinds of travel that people want to do.

We would expect and want, when HS2 arrives, to have HS2 and regular, reliable, efficient services on the midland main line as well, to serve the intervening locations that will not be served by HS2. So it is incredibly important for us to get both the improvement in journey time and the increase in capacity.

Q29 Frank Dobson: Sarah, I think it might be useful for members of the Committee who are not familiar with the history if you were to spell out the opportunities that the original proposals for Euston, from HS2, held out for local people and businesses, and what has happened since they have revised the scheme and made it much less generous, shall we say.

Sarah Hayward: For a year, 18 months, HS2 was talking to us. We have a planning board to look at the redevelopment of Euston station and were talking in terms of a comprehensive redevelopment and bringing

the High Speed 2 and classic railway station together into one railway station and holistic redevelopment. That was very much supported by Network Rail and Transport for London. Although we had some significant problems with the demolition that was proposed, that station redevelopment offered an opportunity to lower the track slightly and recreate ground-level connectivity. For those not familiar with Euston station, it is just sat in the middle of two residential areas, creating a very divisive blight in that community. It is not a pretty station—it is not St Pancras; it is not King’s Cross—and it divides a community where there were once historical links.

The original proposal allowed ground-level comprehensive redevelopment—hundreds of homes and thousands of jobs to be created in the active frontage at the bottom, with retail space, cafés and what-have-you, and perhaps business space above, and homes on the site as well, so allowing a local opportunity to replace some of the homes that were lost. That would actually have increased housing capacity in the area—there is very high demand for housing of all tenure types in Camden, including our massive social housing waiting list—and provided a very good opportunity for us as a local authority, local communities and local businesses, although we retained concerns about some of the demolition.

High Speed 2 came to us completely out of the blue, with no prior discussion, in February, with what it calls option 8, which was effectively to bolt a lean-to on to the current shed that is Euston station. We have got all of the demolition, but none of the redevelopment of the existing Network Rail station and no lowering of the tracks. Any redevelopment will have to have a grade up to any over-station development. We are not aware that there is current funding for over-station development now over the existing station, but only for the High Speed 2 bit coming in along the side of the existing railway station. It is a massive lost opportunity.

We get all of the blight, all of the demolition and all of the lost jobs in the immediate vicinity, but none of the regenerative effects under the current proposal. I will have to urge a rethink. That is why I say that if the Government and HS2 insist on bringing it into Euston, take a temporary option of Old Oak Common and let us get Euston station right for High Speed 2 passengers, classic rail passengers and Camden’s communities.

Q30 Mrs Spelman: That is interesting. I did not quite understand your submission when you talked about an “additional £400m increase in the cost of constructing a smaller HS2 station at Euston than the original comprehensive station”.

What was the cost of the original comprehensive station that you outlined, and why will it be £400 million more if the project is smaller?

Sarah Hayward: When High Speed 2 came to us, it said that it had massively underestimated both the costs and time it would take to have a comprehensive approach to Euston station. It had originally budgeted £1.2 billion for a comprehensive station, and is now budgeting £1.6 billion for the very slimmed-down scheme. The original scheme cost proposal was £1.2 billion for a

comprehensive station, but High Speed 2 had massively underestimated it. It said to us that that was its reason for coming back, with the smaller scheme estimated to be £400 million more than the comprehensive scheme. It just got its numbers extraordinarily wrong.

Q31 Lilian Greenwood: I have a final quick question for Jane. You commented on being relatively satisfied with Toton as an alternative to Nottingham city centre. Trying to speak from an east midlands perspective, do you think that Toton is a better alternative than either Derby city centre or East Midlands Parkway, which other people might suggest would be appropriate?

Jane Urquart: I think Toton is a better solution for the east midlands, and it is the best solution for the east midlands. There would be a difficulty with Derby particularly; again, connectivity from Nottingham would then be problematic. Both in terms of economic drivers and potential passenger numbers, Nottingham offers the greatest economic return, so Toton seems a reasonable option. At that location, there is considerable rail infrastructure already, because it is a very large sidings area, so for rail overall it seems to offer a better option than East Midlands Parkway, which is simply a parkway station on the midland main line. The level of rail infrastructure already there is nowhere near as great as at Toton, so the opportunities for good connectivity and the classic compatible issues for the whole of the east midlands—both Derby and Nottingham—are greater from Toton than they would be from East Midlands Parkway. Therefore, although in some ways East Midlands Parkway might, on the face of it, seem to be a good idea, I think that Toton is the best location, and with the right connectivity we can make it work extremely well for the east midlands and for Nottingham and Derby. It is that connectivity that will really make the difference.

The Chair: If Members have no further questions for this panel, we will move on to questions to the next panel. I thank both witnesses from whom we have just heard. We will now hear oral evidence from Manchester City Council, Staffordshire County Council and Geoff Inskip on behalf of Centro and Passenger Transport Executive Group.

Examination of Witnesses

9.56 am

Sir Richard Leese, Councillor Mark Winnington and Geoff Inskip gave evidence

The Chair: For the record, would the new panel introduce themselves to the Committee? In particular, I ask Geoff Inskip to tell us a little bit about his organisation.

Geoff Inskip: In that case, perhaps I can start. My name is Geoff Inskip and I am the director general for Centro, which is the transport authority in the west midlands. I also am the lead director general for rail matters, in particular for high-speed rail, for Pteg, which is the passenger transport executive group representing all the metropolitan authorities.

Mark Winnington: Good morning. I am the portfolio holder for economy and infrastructure for Staffordshire County Council.

Sir Richard Leese: I am the leader of Manchester City Council. Although I am speaking on its behalf today, I am also the vice chair of the Greater Manchester Combined Authority, which is an enthusiastic supporter of high-speed rail, and the chair of English Core Cities, comprising the eight large cities outside London, all of which are enthusiastic supporters of high-speed rail.

Q32 Lilian Greenwood: This is a question to all three members. What capacity and connectivity challenges do you face in relation to Manchester, the west midlands and, indeed, Staffordshire, and do you think that those will be addressed by this new line? What contribution will it make?

Geoff Inskip: Capacity issues are already with us, certainly in the west midlands. If we look back at the timetable changes that took place in December 2008, we put in more services to London, but those were at the expense of local services. Therefore we had worsening of service frequencies at local stations and loss of direct local services between, for example, the black country and Birmingham airport and Coventry. There is always a compromise to be made. We have a mixture of both fast and slow services on the current west coast line; it is that mix of rail services that causes the capacity constraint. It certainly is our view that the only way in which we can alleviate those capacity constraints is by building a new line. If that new line is to be built it should be built with current technology and therefore at high speed.

Sir Richard Leese: On the current and projected capacity issues for Manchester, at the moment we have inadequate space for commuter services, which at the very worst are running at 190% capacity. We have inadequate pathways for inter-city services, and intermediate services. There is a demand for freight access to double over the next decade. There is not the capacity for that. Although, for the bulk of the week, there is capacity on the existing west coast main line services to London, there are already times of the week, particularly Monday and Friday peaks, when there is already a lack of capacity.

If we are to look at the position worsening over the next 15 years, which it very much will do, we see that the only route to deal with those capacity issues is through a completely new network, wholly integrated with the existing classic network. That would allow us to maintain growth in services to Birmingham, London and other cities; to increase our number of commuter services; to have better services to Stoke, Stafford, Preston and so on, and to double the amount of freight that can be taken off roads and put on the railways through Manchester. That has to be coupled with other work, and I make particular reference to the work that will be taking place over the next control period dealing with what used to be called the Manchester hub, and is now called the northern hub. It is aimed to free up congestion in the heavy rail network around Manchester and will, in itself, improve the potential for connectivity between northern cities.

Speed, which is often referred to, is not the primary issue from a Manchester point of view for the bulk of the services, although it takes almost as long to travel from Manchester to Birmingham as it does from Manchester to London at the moment, and a high-speed network will help correct that imbalance.

Mark Winnington: A slightly different message from Staffordshire: we have good connectivity. We have a lot of work being done within Staffordshire. Network Rail is just starting a scheme in the millions to take out the last pinchpoint on the west coast main line. We have 18 trains a day. They are not superfast but, from Stafford to Euston, we came up this morning in one hour and 20 minutes. I am really concerned that we are starting to find economic benefits, because we have such good connectivity. As portfolio holder for the economy, if that service is denigrated, we will start to lose the business that is coming from London back into Stafford again now.

Listening to what has been said, I am more concerned about the capacity east to west than down to London. The two previous speakers have just said that London to Manchester and London to Nottingham are quicker than going east-west. We have a bigger problem that way than we have up and down.

The Chair: We clearly have a slight problem, which is almost certainly due to a mobile phone switched on and being too close to the microphones. If you can deal with it, that would be good.

Q33 Lilian Greenwood: I am sure you are aware of alternative packages put forward, particularly by opponents of the new line. Will those alternatives tackle the capacity problems described particularly in Manchester and the west midlands?

Sir Richard Leese: I have seen the alternatives put forward. Manchester and the north-west went through a 10-year, £10 million upgrade programme for the west coast main line. We never wish to repeat that. It was verging on disaster. All the proposals that I have seen on things like taking out pinchpoints, making trains a little longer and reducing the number of first-class seats—a lot of which Virgin west coast is already doing—will have only a marginal impact on capacity. They might succeed in deferring the requirement for a new network by a few years, but they will do no more than that. I have not seen any alternative that will realistically meet the capacity requirements that we are looking at, really from the middle of the next decade. A lot of proposals are based on existing capacity requirements and are not doing the projection about what we will potentially face by 2025 when the expectation is that, although we can never be certain, the problems will be significantly greater than those that we currently face.

It is very rare to have two successive Governments planning our transport requirement so far in advance, and I have to say it is very welcome.

Geoff Inskip: We looked very long and hard at a number of proposals, including things such as four-tracking at Coventry, which has been on the cards for some time; it is something that we have wanted. Having gone through all the options—we looked carefully at them, including upgrading of the current west coast main line and so on—we came to the conclusion that the only real

way to bring us the capacity we need on the railway is a big step change: building a new line or new lines. Those new lines have got to be built in a way that will release capacity on the existing system, otherwise—again—it does not work. It is about the local services and freight as well as inter-city services.

The commuter railway is very important. The commuter railway in our cities has been a big success for everyone; but the demand is for greater services on our commuter networks and at the moment we are not fulfilling that demand, because of the constraints around either rolling stock or services. We need longer trains, but getting them into the space is the biggest difficulty we have.

Our conclusions from the study we did were along the lines of saying we must have a high-speed rail network and it must be a new network. Just to confirm from a west midlands perspective, it was actually making sure that we built the full Y network, not just the Birmingham-London bit, but that we did the Manchester as well as the Leeds. Also important in this regard was the issue around hybrid trains and allowing high-speed trains to run on the classic network to give benefits to other parts of the UK that currently would not benefit directly from the high-speed rail line. So this is a whole package of measures that needs to be looked at, including the impact on local and commuter services.

Mark Winnington: Again thinking slightly out of the box, we are spending £97 million on superfast broadband. We are talking about technology. In 10, 15 or 20 years' time, I wonder whether we will need people chasing up and down the country or whether we will be in a virtual world. I would prefer a lot of this money to be spent on strengthening the network that we already have. It does work, but it needs strengthening. I am concerned that we will spend £50 billion-plus on HS2 to the detriment of the infrastructure that we have already.

Q34 Nicky Morgan (Loughborough) (Con): One of the arguments in favour of HS2 is that it spreads economic benefits and growth throughout the country. This is a question for all three of you, but I will start with Sir Richard, who mentioned the Core Cities being very supportive of HS2. Perhaps you could expand on that. I am thinking of the opportunities that it brings—I represent the midlands seat of Loughborough—and the benefits that it can bring throughout the UK, rather than focusing economic growth, as we always do, on London.

Sir Richard Leese: If I talk from a north-west point of view, high-speed rail will give better linkage not only to London, but, if we get the linkages between High Speed 2 and High Speed 1, right through to mainland Europe as well. The two station locations in Manchester—Manchester Airport and Piccadilly stations—give direct linkages into the distribution services through heavy rail, light rail and bus networks, so it increases the access to high-speed rail over a very large part of the north-west and north midlands, going across into parts of Yorkshire and Derbyshire as well.

The estimates in the work we have done suggest that even places as far away from Manchester as Preston would benefit from significant productivity increases as a result of high-speed rail coming into Manchester. That will be repeated, certainly in Birmingham, Nottingham, Leeds and Sheffield. It will be more dilute on the Y network for Newcastle. Although the impact

on Newcastle to London will not be that great, the links between Newcastle and other northern and north midlands cities will be significant indeed, so the Newcastle city region will have similar benefits as well.

The evidence that we have produced shows that if the stations are in the right places and have the right linkages, the benefits will be very widespread. Earlier, I heard reference to the potential site at East Midlands Parkway. As the owners of East Midlands airport, we might be very interested in that, but we suggest that Toton is a better place for the whole region.

Geoff Inskip: We have undertaken very detailed studies, because the issue for the west midlands is the allegation that everyone will go to London and not come to Birmingham and the airport. We feel that that is quite wrong. The high-speed rail connections through to Manchester, Leeds and London are vital for the west midlands, because they put it at the heart of the high-speed network.

The economic benefits in the work we have already undertaken show that just the link between Birmingham and London would create some 22,000 jobs. Those 22,000 jobs include the better local connections that would ensue as a result. We are now completing a study to look at the impact on the west midlands of putting in the Birmingham to Leeds and Birmingham to Manchester routes as well. We will publish that in the next couple of weeks. Once it is published, I will send it to the Committee.

Mark Winnington: As I alluded to earlier, I am concerned that HS2 may, particularly in the building stage, have a negative effect on the economy within Staffordshire. We are doing an awful lot at the moment on the economy. It is growing and the joblessness figures are good. We have got a lot of people in work. The build of HS2—this is why we are concentrating on mitigation and compensation—will have a big impact on Staffordshire, with very little economic impact. The A38 will be disrupted, as will the main roads all through Staffordshire. It concerns me that if we do not get it right, it will affect Staffordshire.

We have a lot of employers now saying that their employees are very choosy about where they move to. They want to move to a place with a lot of potential in itself and in terms of the environment and the leisure offer. One example is that next to the Cannock Chase area of outstanding natural beauty, there is a proposal to put a 2,000 metre long stretch of road on stilts, which will be visible from the area of outstanding natural beauty. There will also be a need to move canals and all sorts of things within Staffordshire. HS2 will impact on the county and it worries me.

On the compensation side of it, people cannot sell their houses, because as soon as HS2 was announced, that was it. We want to ensure that the compensation package is right, and that the compensation is fair and timely. We do not want people being compensated in 20 years' time. I am concerned about the economic impact.

Q35 Nicky Morgan: Specifically Mark Winnington, on that last point about the compensation package, I notice that in the points you put in writing to the Committee you said you believe the Bill is too widely drafted. It would seem to me that the wider the draft, the better, in the sense that that gives more scope for getting the compensation package right. Could you expand on the Staffordshire county council view of the Bill as being too widely drafted?

Mark Winnington: For residents of Staffordshire, there is no clarity. If you are a person who has a house in Staffordshire that will be impacted—whether it is directly on the line, or just off the line—there is no clarity about whether we will be looking at property bonds or direct payments, when those payments will be and what the mitigation in terms of the environment will be. If HS2 goes ahead, all those things will cause it problems.

With HS2 itself, we have found that trying to get answers from the company is difficult. It is almost as if there is an in-built resistance from the whole project to going forwards. We are a county that acknowledges the economic benefit, but we want to work with the Government if the project goes forward. There are big problems and your paving or preparation Bill is a point at which those problems should be sorted.

Although I acknowledge what you say about widening the parameters, there are certain specifics we need to get right to get the public on board. That is as simple as it is. We are all politicians; we know that we need to get the electorate on board.

Sir Richard Leese: May I take an opposite point of view? Prior to this preparation Bill's being announced, we had had discussions with HS2 Ltd about how we could minimise planning blight issues, particularly around the Piccadilly station site, where there is some commercial property—about 250 houses—that will need to be demolished.

We have started talking with HS2 Ltd, Network Rail and other landowners about how we would develop a regeneration vehicle; rather than waiting 20 years, we want to start doing the necessary work now. We had a very positive response from HS2 Ltd to that, and we believe that this Bill will give us the scope to get on with that work. Perhaps unlike some of the previous witnesses, we would expect the city council to take the lead on that rather than HS2 Ltd. It is our place, not their place, and we would expect to be running that process.

We think that the response so far has been very positive. Although we would expect to lose around 250 homes, we have already consulted with those residents. They are not always necessarily that happy about it, but they accept the realities of progress. What they want us to do is to get on with sorting out alternatives for them, which we have committed to do. We expect to replace those 250 homes with 3,000 homes, and we will probably create 30,000 jobs around Piccadilly station alone, never mind the other impacts. We believe this Bill will allow us to get on with that process.

The Chair: I think I will move to Graeme Morrice.

Q36 Graeme Morrice: It appears that the main focus of people in the north and the midlands is on improved connectivity, going southwards towards Birmingham and ultimately to London, and—I suppose—in turn into Europe as well. However, I was pleased, following the question that Nicky Morgan asked, that you, Sir Richard, spoke about improving connectivity northwards; in particular, you mentioned Preston and Newcastle. What is your view about including Glasgow and/or Edinburgh in the Bill, and what benefits would

[Graeme Morrice]

you see from those improved links going north into Scotland, on the basis that, as Nicky Morgan said, this project must benefit the whole UK?

I put the question first to Sir Richard.

Sir Richard Leese: Prior to the last general election, I chaired a campaign group that included Edinburgh and Glasgow, the objective of which was to get all the major political parties to include a high-speed rail network in their manifestos. Since then, the group has continued to have discussions with the Scottish cities and with the Scottish Executive. The Scottish Executive are increasingly supportive of high-speed rail; the two cities always have been supportive.

If you take high-speed rail beyond Manchester to Glasgow and Edinburgh, the cost-benefit analysis continues to improve significantly. Yes, we are looking not just to London, but northwards to Scotland and southwards, beyond London, to near Europe and linking that to improved east-west connections in the north of England.

Let me be clear that current journey times between Manchester and Leeds, which are about 35 miles apart, are absolutely ludicrous and need to be improved drastically, but not by high-speed rail, because the places are too close together. A train will never reach full speed over that sort of distance, but those east-west links are important. We are looking at high-speed rail as part of an integrated transport network, not as a stand-alone project.

Geoff Inskip: Once the Y network was announced, we said, "Now Scotland". We also have to think about the south-west. We should be building a UK network, not just the Y network. It needs to be integrated into Europe as well, so High Speed 1 services and High Speed 2 services need to have good connections. This is about building a full network; we should not be stopping here. I know people will start saying that £40 billion is going too far, but no, it is not. For the UK economy, we must build a very fast network that supports both Scotland and the south-west and Wales as well.

Mark Winington: I went to a meeting on Thursday in Manchester about the Northern Rail franchise. If nothing else, I hope that it improves the connectivity east and west and further north. With regard to HS2 going further north, I think that that is one for the Government, because we are on £50 billion already.

Kris Hopkins (Keighley) (Con): Just to build on the economically positive contributions of High Speed 2, how do you think it will help the north of England economy, particularly Greater Manchester and the Leeds city region, and make a better contribution? There is lots of talk and evidence about the differences in the north-south economy. What will this do that cannot be done at the moment?

Sir Richard Leese: There are a number of things that connectivity is important for. I will preface that by saying that there is lots of evidence that there are two prerequisites for building a modern economy—one is knowledge and skills and the other is connectivity.

Notwithstanding the growth in high-speed broadband—although in this country it is not very high speed—all the evidence is that improved digital connectivity increases

the propensity to travel; it does not reduce it. It is about getting people to work, goods to market and people to meet with each other and about the normal range of business activity, which, at the moment, we have limited capacity to do.

Apart from the positive benefits that will come out of that improved connectivity—our estimate is about £1 billion per annum in improved gross value added for the north of England—it is also what would happen if we did not have that improved connectivity. The alternative is that we would see increased congestion on the railways and on the M6 and the M62, which are pretty much full to capacity at the moment. It will be not a standstill for the northern economy, but a decline for the northern economy if we do not get that improved connectivity.

Geoff Inskip: Clearly, what global companies look for is that sort of big transport infrastructure investment. Connectivity comes in the top three priorities for them when they are looking to invest in any city. In this global economy, they can go anywhere they like, so what is important is that we are competing on an equivalent basis to other cities. That means we have to have good connectivity, both on an international and national level, to ensure that we can compete, otherwise those companies will not come here.

That is what High Speed 2 will bring. It will be a game-changer—of that there is no uncertainty, in my view. It will bring foreign investment into the country, and it will be a big stimulus for our big cities. I agree with Richard that it will not happen on its own. It is for cities to take charge of their own destiny in this regard. This is an opportunity for our cities, but they have got to react accordingly. That is why, if you look at all our cities now, we are looking to take massive advantage of high-speed rail and the connectivity it brings to both our cities and airports.

Q37 Kris Hopkins: In Yorkshire, two authorities have come out very much against High Speed 2. You represent metropolitan authorities. What conversation is going on between the authorities who want to engage and think it is a benefit, and the Wakefields and Bradfords, which have come out against it?

Geoff Inskip: The issue for me is around the Coventry area, in a way. One of the things Coventry was saying at one stage is that it was not sure it would benefit from high-speed rail. The answer is that it is a game-changer. Look at UK Central, which has just been launched. It is massive; it is bringing in 60,000 jobs, which will come from places such as Coventry. UK Central will be a success because of high-speed rail and connectivity, but those jobs will be served by cities, and will be filled by people who are resident in places such as Coventry and Warwickshire. That is why it is a game-changer.

Things have changed; what people now want is a job. People will travel to their job, and we have got to make sure the jobs are in the right locations and are well connected. That does not mean you have to have the jobs in the particular cities you are talking about, which are not well connected to the high-speed rail network. But we come back to the point that all cities and all places need to be well connected. We need to make sure that we get those local connections into our cities, because it is local connections that will add to the value that high-speed rail will bring.

Sir Richard Leese: Could I add to my credentials and speak on behalf of the north-west, as chair of the North West Regional Leaders Board? All 10 local authorities in Greater Manchester are in favour of High Speed 2; all five in Merseyside are in favour; Lancashire is in favour; and the three unitaries in Cheshire are in favour. There is unanimous support among local authorities in the north-west for high-speed rail because they see the benefits.

The Chair: Thank you for that. May I remind people that mobile phones need to be switched off because they affect the recording of this evidence?

Q38 Mr Mahmood: This is a parochial question, so it is probably just to Geoff. First, I want to say how pleased we are with the investment currently going on in New Street station. It was hugely needed; there were huge issues with people with disabilities trying to use the service, and the investment will have a marked effect on that.

On HS2, there are two issues I want a bit of explanation on—first, the connectivity to New Street from Curzon Street, and how we deal with that, and secondly, the connectivity with the airport. If we are looking to put these sorts of resources back into the economy, both those issues need to be looked at.

Geoff Inskip: They do, and those particular issues are being dealt with. We are taking the lead in looking both at the stations in Birmingham city centre and the airport. For New Street, Curzon Street and Moor Street, we have got something called a one-station philosophy. We are trying to ensure that the access for people with disabilities and people with prams, buggies, luggage and anything like that works extremely well. Therefore, we have a one-station approach, and we are discussing that with HS2 Ltd to ensure that everybody can get round the city centre. The same applies to the airport. The airport and the interchange station are not close together, so we need a good people mover to ensure that access is given high priority.

The Chair: Any further comments?

Q39 Mr Burns: May I ask all three gentlemen if they are aware that the Secretary of State for Transport, last October, announced that work will be looked at in respect of the business case—the viability—of possibly extending High Speed 2 to a third phase, to Edinburgh and Glasgow? On the important point that has been made, particularly by Sir Richard and Mr Inskip, that other parts of the country might get a high-speed network, the Bill takes that into account, so it is valid for the future. Looking at clause 1(2)(a), one sees that it says:

“The network referred to in subsection (1) is a network which...involves the construction of railway lines connecting”—and the crucial words are—

“at least”.

Then it lists a number of areas. The words “at least” allow for Edinburgh, Glasgow, Bristol, Liverpool, Cardiff—wherever—if the business case stacks up and there is a need in the future, so one would not have to come back to Parliament for another piece of legislation.

May I gently point out to Mr Winnington, who keeps saying in his evidence that the cost of High Speed 2 is £50 billion, that that is far from correct? It is £42.6 billion, of which £14.4 billion is contingency.

Mark Winnington: Does that include the rolling stock?

Q40 Mr Burns: No. The rolling stock is separate. But the actual cost of High Speed 2—the building of it and the establishment—is £42.6 billion.

Q41 The Chair: Can we have the questions in the right direction, please?

Geoff Inskip: I will answer the question by saying, yes, we are aware.

Mr Burns: Good.

Geoff Inskip: Our point is, but let us get on with it.

Mr Burns: I could not agree with you more.

Sir Richard Leese: We have had regular discussions with the Secretary of State. We pressed him hard to have one hybrid Bill covering phases 1 and 2, rather than separate hybrid Bills, and for a faster delivery process. Although the Secretary of State did not agree to that, he did say that he would bring forward legislation—I think this is the legislation—that would give us at least some comfort that phase 1 would be followed by phase 2.

Mr Burns: May I come back on that with a question?

The Chair: I think I had better let you have a question.

Q42 Mr Burns: May I say to Sir Richard that he is absolutely right? One of the purposes of the Bill, among others, is that it cements the commitment to phase 1 and phase 2. He can rest assured that I am as anxious as he is that the legislative progress goes as swiftly as possible, so that we can get on with building this railway.

The Chair: Minister, thank you for that question.

I have five names written down. We need to move at a pace now. I will let people ask one question, and I ask people giving evidence to be fairly brief and concise. We will keep going till the last second.

Q43 Pat Glass: In the previous session, I asked a question about engaging with HS2. You have touched on it, but I would like to have your views. Is it engagement? Are they talking to you? Are they listening to you? Could they do better? Could they do a lot better?

Sir Richard Leese: The answer for us is yes. On the two stations for Greater Manchester, the routing is exactly where we want it to be. We have had discussions about the regeneration vehicles that we will need to deliver around those. We would say we have had positive engagement.

Geoff Inskip: We are fully engaged with HS2. We turned over a number of work streams. We have a work stream across each of the stations—that is two work streams—and have another work stream about the local connectivity package as well. And we are engaged, also, through the communications groups. So there is good communications and also good communications at the local forum level.

Mark Winnington: Again, we are engaged. We are trying to work with HS2 Ltd and the Government on this. In terms of the environmental draft Bill, we have had problems getting hold of certain information. If we

want this to go forward, we have got to have full engagement and full co-operation on it, and that is not quite happening. I have written to the Minister about it, saying that we need full engagement so that, if this is going forward, we can do what we can to expedite the process.

Q44 Mrs Spelman: You have touched on airports. My Committee colleagues may not know what UK Central is, but as the constituency MP for Birmingham airport I know that that is at its heart. Perhaps you could share with the Committee what impact you see from the running times from Manchester and Birmingham airports. Should this be connected to Heathrow?

Geoff Inskip: If I may begin on the question about Birmingham airport, HS2 and Birmingham airport are both very important. If you like, what is in it for Birmingham airport is almost as simple as north London becoming its catchment area, because it will be within 30 to 35 minutes of Birmingham airport. You could imagine that the whole of north London, instead of going to Heathrow, could come up to Birmingham airport and fly well out to all points on the globe. That is the benefit that we see coming into the airport. We should also ensure that that goes hand in glove with a connectivity package for the airport that brings people to and from the airport.

Q45 Mrs Spelman: Should it go to Heathrow?

Geoff Inskip: Our view is that, as far as Heathrow is concerned, if you wanted to go to Heathrow, we would have good connectivity via Old Oak Common. The question is how many high-speed trains would go to Heathrow. It would probably be one an hour, or something like that. If you dropped off at Old Oak Common on all the high-speed trains, you could probably get to Heathrow much quicker on Crossrail.

Sir Richard Leese: I do not think that for any of the airports the amount of interlining between rail and the airports themselves would justify a high-speed rail station at any of them. That includes Heathrow. The case for the station at Manchester airport is largely based on the improved access that it would give to the network from the north midlands and some parts of the north-west—south Manchester, Cheshire and so on. The bulk of the usage would come from there, not from the airport itself, so the airport usage then becomes a bonus element. It would certainly improve the capacity of Manchester to act as an alternative entry and departure point for the UK, which it already does. However, from the evidence that I have seen, there is certainly not a case for a station at Heathrow airport based on airline passengers alone—it would have to be a broader case.

Mark Winington: I think that if we are looking at HS2 being pivotal to the UK as a global player, it has got to be connected to airports, trains and buses. That is the important bit—it should not be a stand-alone project; it should increase. Simon Burns made the point about extensions forward. If it is going to happen, it has to be a network all across the country so that from your little house in Ranton, where I live, it is 25 minutes to wherever and then straight on to HS2, a plane or wherever. If we want to be a global player for the big economy, we have got to do it properly. It is no good doing half the job.

Q46 Frank Dobson: Both Geoff and my good friend Richard—well, so far—

Geoff Inskip: I know what you are talking about, Frank, so it might not be for very much longer.

Q47 Frank Dobson: They have both emphasised the economic advantages of HS2. However, if Birmingham was given £10 billion of the £50 billion, and Manchester, Leeds, Sheffield and Liverpool £10 billion each, do you think that your first choice to improve things would be to club together to buy HS2?

Geoff Inskip: I do not think that option is ever going to come about, frankly, at one level. The serious point is that this is not an issue of either/or, but about both. We must have a very good rail network and a high-speed rail network that goes with it. They must be integrated and they must go together. We must not do what they did in France, which is put all their investment into high-speed rail at the expense of the local railway. For us to do that would be a big mistake. I do not think that the Government expect to do that, and I have not seen anything like that. I see the commitments put forward in control period 5 going forward for ongoing investment. That is obviously to be welcomed, and there will be CP5 and CP6 and so on. Our view is that we have got to have high-speed rail, but we must ensure that we get the right level of investment in our current local rail networks as well.

Sir Richard Leese: As for the question of whether local authorities are capable of combining in that way for mutual self-interest, I will give two examples where this either has happened or is happening. One is in Greater Manchester itself, where we created the Greater Manchester transport fund, and the local authorities are putting £1.2 billion of council tax money into the local infrastructure. The benefits are not evenly distributed across the conurbation, but the 10 districts see that the overall benefit justifies that.

The other example is one that Mark referred to. I chaired the meeting last week on the Northern Rail franchise, which is a process initiated by West Yorkshire, South Yorkshire and Greater Manchester to make a proposal for the north of England to take over both Northern Rail franchises, with a willingness to take risk in that franchising process. Local authorities are capable of seeing big pictures, and capable of combining in order to achieve those bigger objectives.

Mark Winington: I briefly mention the fact that at the moment Staffordshire is putting forward a city deal with Stoke-on-Trent, which is a completely different colour to us. That is working well. If you have £10 billion, pass it over to Staffordshire, and we will spend it.

Nic Dakin: But not on HS2.

Q48 Iain Stewart: Mr Winington, you raised the important issue of mitigation measures, which you are laudably trying to secure for the route through Staffordshire. I wonder whether you have had an opportunity to consider the mitigation measures that were put in place for HS1 on its construction through Kent and London. Very similar concerns were raised there about noise and visual intrusion. Do you see that as an exemplar that needs to be followed for HS2, or does more need to be done?

Mark Winnington: I think that anyone who does not look at HS1 and what has gone on there, and try to translocate the lessons learnt to their own authority, would be insensible. That is probably the best way of putting it. Yes, there are a lot of good lessons to be learnt. As I say, we have areas. Another example is Staffordshire County Showground, which is not county council. It is a standalone. There is a big cutting going through it, and a tunnel or a covered tunnel would be the perfect answer there. It costs money but, as I have said before, if we are serious about HS2 and if it is going to happen, then let's get it right. Let's not have big scars on the countryside, and let's get the residents on board.

Q49 Nic Dakin: Geoff, you mentioned the issues around Coventry earlier. Although the local authority now seems to be on board there are still concerns from local MPs, particularly about the impact of possible service reductions. Mark, in your evidence you talked about the impact of these possible service reductions. I ask all three of you what your view is on the balance between reducing existing mainline services, as proposed by HS2 Ltd, and providing the new services.

Geoff Inskip: From our perspective, clearly the new services are fine. The point about more local services is that really that is where we kick in. We want to see a devolved railway for the midlands, because we can then start taking an interest in ensuring that we get those local services put in place. That includes freight as well, by the way. We should not forget freight, from that point of view. We see it as an advantage, provided that you step up to the plate as a local transport authority and as a region, and ensure that you take advantage of these things. Things will not just happen; if you sit back and wait, bad things will happen. What you need to do, therefore, is step up to the mark and ensure that you actually take the benefit of the opportunity that is coming, such as rail devolution, to be able to put in more services and to take, as Richard said, the risk of going forward with those local rail services and ensuring that we actually provide services for our local people. The bottom line is that this is about passengers and making sure that we carry them around and ensure that they have a very good journey experience as well.

I have to say that on mitigation, I am not in favour of so much tunnel. From a passenger perspective, we live in a very beautiful country and it is nice to sit on a train and look out the windows and admire our countryside.

Sir Richard Leese: It is also worth saying that quite often people like looking at the trains as well. I think that the idea that a railway line is going to scar the English countryside is one of the most nonsensical things that I have ever heard. Even if you take somewhere like the west coast main line, currently going through the Lune Gap in Cumbria, it is not an ugly thing.

Frank Dobson: I don't think either of those considerations applies in Camden Town.

Q50 Nic Dakin: As HS2 limits its proposals about reducing services and providing new services, do you think it is about right at the moment or does it need further working through?

Mark Winnington: May I just say that Staffordshire would welcome an enhanced service, but would be really upset at the denigration of the service that we have got at the moment because it works and it works well.

Sir Richard Leese: There are not sufficient inter-city and intermediate services serving Manchester. There are a number of local authorities that I talk to quite regularly as far away as Hull who would say that, in terms of their economy, their No. 1 objective would be to have more rail services to Manchester airport; there simply is not the capacity for that at the moment. What high-speed rail would do in the long term is ensure that we continue to have capacity to run those additional rail services. That does not guarantee that they will run, but if you have not got the capacity then you cannot even have a discussion about it.

Geoff Inskip: We have a West Midlands regional rail development plan, and that sets out our aspiration and ambition for the services that we would like to see in the future. The problem that we have got is that we do not see them having the impact that there will need to be in terms of our local rail services because we probably see greater demand than they do. That is because the ambition for our cities and our region is probably bigger than theirs.

Q51 Lilian Greenwood: I wanted to ask about stops and stations, but slightly different questions to different people. The question for Geoff with his Birmingham hat on and Richard in relation to Manchester is that both Manchester and Birmingham get two stations, whereas some places get none; how can that be justified, in your opinion? Geoff, with your Pteg hat on, what is your view of the stations that have been chosen? Are they in the right places? Mark, should Staffordshire have a station? If so, where should it be?

The Chair: Who would like to start?

Sir Richard Leese: I am quite happy to start. In High Speed Rail's draft proposals, Manchester would have only had one station, and it would have had a routing that would not have allowed for the airport station. In discussion with High Speed Rail and the then Secretary of State, we got agreement for Greater Manchester to construct a proposal that would justify the airport station. We did that and demonstrated very clearly the economic benefit that would come from an airport station and, clearly, that was accepted and is now in the proposed route. This is also perhaps a good example of, in this case, both DFT Ministers and High Speed Rail being open to proposals and willing to listen.

The point about the two stations in Manchester in comparison to other locations is that they are only about 10 miles apart. That means that the train has never accelerated while it goes from one to the other. The real problem with a high-speed network is that if there are too many stations, speeding up and slowing down become a problem. That is not an issue for those two stations in Manchester because the trains never speed up in the first place. They are very close together, and that closeness is what makes it work: if they were further apart it would not.

Geoff Inskip: From a Birmingham perspective, we are very happy to have two stations. The purpose for them was really that, looking at the first plans, they

were always city centre to city centre. That was the Greengauge work, and it made a lot of sense: looking at that report, you will see that everybody was pushing towards a city centre to city centre model.

The question then is what to do about the airport. Birmingham airport in particular is well sited for services both from and to Manchester and Leeds. From the Midlands point of view, access going north to Leeds and Manchester is vital. Once the full Y network is built, it also enables us to have services that go from Birmingham city centre directly to London without stopping at Birmingham interchange because there are other trains coming in via interchange to get to London. There will be comprehensive services at interchange.

As for ensuring that we have good connectivity to other cities, that is when we come back to the hybrid trains. Even though we have the Y network built, we must have those hybrid trains. That is absolutely not optional; it has to be an absolutely essential part of the network at this stage to ensure that places such as Liverpool and Newcastle can take advantage of coming on the high-speed train on to the high-speed network itself. That will get faster services into London and to Liverpool as well, taking advantage of the Y network while they can. We have to ensure that the hybrid trains come so that other cities can take advantage of the network straight away.

Mark Winnington: A station in Staffordshire is something we have discussed in depth. A station would change definitely the economic case for Staffordshire. Taking Sir Richard's point, the speeding up and slowing down of trains into stations would presumably be something that HS2 would have to take into account. On that basis, because we are doing the work with Stoke-on-Trent, and we have Cheshire East and Cheshire West up there as well, if there was to be a station the logical place would be in the north of the county. Again, we would still be asking for mitigation and fair compensation, but it would change the economic case. At the moment there is no economic case for it in Staffordshire.

The Chair: I think we have time for one more quick question.

Q52 Karen Lumley: Do you think it is crucial that HS2 and HS1 are linked together?

Geoff Inskip: Absolutely. Totally. It is really important that we get direct services into Europe. At the moment, the link between HS1 and HS2 needs to be future-proofed as well, to make sure that we get double-tracking in there. It must not compete with other services along that particular path. I know that people will ask whether there is the demand to go into mainland Europe, but I think that once you provide the service, overnight it will be a massive success. Therefore we have an issue with providing it and providing it quickly.

Sir Richard Leese: You used the word crucial in the question. The case for High Speed 2 and the Y network stands up without the linkage with High Speed 1, so in that sense it is not crucial; however, if we wish to maximise the benefits, there needs to be a linkage with High Speed 1 and it needs to be better—that is, with the capacity for more trains per hour—than the current proposed link.

Mark Winnington: Possibly a final comment: if we are going to do HS1, we have to do HS2. If we do HS2, we then have to take a big strategic decision and go for HS3 and HS3+.

The Chair: Thank you. Are there any further questions from Members?

Q53 Frank Dobson: Just a final one. Are witnesses aware that the cost of the link is not presently included in the £50 billion?

Sir Richard Leese: I was not aware of that. As previously stated, it is not £50 billion. Even in the £42 billion there is quite a large chunk of contingency. I was not aware of that. Adding whatever amount that is to the total cost would be good value for money. There is a lot of talk about how much money this is. We are talking about an annual expenditure by Government equivalent to what is currently being spent on Crossrail. We are talking about spending for a national network what is currently being spent on a little bit of local infrastructure for one city. I think the rest of us deserve something, too.

Geoff Inskip: I cannot really add to that. I think 0.15% of GDP is being spent on high-speed rail. In terms of getting the crucial link that we do need to get into HS1 and HS2, I think it is crucial that we do need it. I suggest taking money out of the contingency, frankly.

Mark Winnington: The reason we are here is to discuss the preparation Bill and that is part of the preparation Bill.

The Chair: Thank you for that. If Members have no further questions for this panel, we shall move on to question the next panel. I thank the panel very much.

Examination of Witness

Professor John Tomaney gave evidence.

10.57 am

The Chair: We will now hear evidence from John Tomaney, professor of urban and regional planning at University College. Welcome. Please introduce yourself to the Committee and then we will start questions.

Professor Tomaney: I am John Tomaney, professor of urban and regional planning at University College London.

The Chair: Thank you. I call Lilian Greenwood to start the questioning. Then it would be good if other Members could indicate their wish to ask a question.

Q54 Lilian Greenwood: You have looked at a number of different high-speed rail lines. Could you describe some of the main differences and similarities between them? How does the proposed UK line compare with those examples? Is there a clear comparator?

Professor Tomaney: They all have their differences, so in making these comparisons, we have to be very careful of the different contexts within which these lines are introduced. For instance, comparing the British High Speed 2 proposals with the German high-speed rail system is not a good comparison, because that system accelerates the existing rail network and connects networks of cities.

A much better set of comparisons would be to look at Japan, South Korea and Spain—places where the high-speed rail system has focused on developing links between capital cities and provincial cities. That is a good place to look for lessons, if you like, as to what might happen in the British context.

Q55 Lilian Greenwood: Your evidence has concentrated on the question of regional benefits—or not. We have heard this morning about the importance of capacity; Sir Richard Leese in particular said that without extra capacity, the northern economies would not just fail to thrive, but could go backwards. What is your opinion on the capacity arguments that have been put forward for the HS2 project in this country?

Professor Tomaney: We have not looked directly at the capacity issues. We have looked specifically at the claims that building a high-speed rail line will have a positive economic impact on northern cities, accelerating their development. The phrase the Deputy Prime Minister used, I think, was that it “will heal the north-south divide.” We are particularly interested in that.

We have not directly dealt with the question of capacity and whether there are capacity constraints on the west coast main line, largely because the issues have, I think, been addressed by others. I know that there is a dispute about the extent to which that is the case and whether High Speed 2 is the best solution for it.

What we sought to do was to concentrate specifically on the question of what the likely economic impacts would be on northern cities and regions, largely because we felt that that had not been addressed in the debate, although certainly 18 months to two years ago the claim seemed to be becoming more and more central to the case for HS2. It has certainly risen in importance in the panoply of arguments that are made. That was the question we were interested in, and we were interested in looking at what evidence the Government had presented and what evidence there was from elsewhere. We stuck very consciously to that one topic. In a sense, this is not an argument against HS2 as such, because there might be many good arguments for HS2; it is looking specifically at the claims.

Q56 Iain Stewart: You gave evidence to the Transport Committee when we considered high-speed rail, and your view, and that of other economists who gave evidence, was that just putting a high-speed line in would not in itself generate economic growth away from the main city; but that where there was, alongside the high-speed line, a development of good connectivity from the regional network, that could generate economic growth. Given that, with the plans to develop the northern hub and other regional networks, and the west midlands plans, do you think there is sufficient to see economic growth in those areas?

Professor Tomaney: Having looked at the evidence from elsewhere in the world, my view is that connectivity to regional hubs is absolutely vital—regional stations are extremely important—if we are to have a chance of generating wider benefits. I still think that the probability is that when we look at the benefits that accrue from High Speed 2—the net benefits—the majority will flow to London and the south rather than to the northern cities, if past examples are anything to go by.

There is a strong argument for investing in intra-regional transport improvements, including rail improvements, in the northern cities, and there is evidence that starting with those will produce more benefits for northern cities and regions than will investing the money in High Speed 2. The weight of evidence is strong that improving intra-regional transport networks will have some positive impact. It is much more difficult to find strong, convincing evidence that investing in high-speed rail lines of the type that is proposed for the UK will have positive net benefits in the northern cities and regions.

Q57 Iain Stewart: Thank you. There is, however, significant investment going on in intra-regional networks, including the electrification between Leeds and Manchester and of the midland main line, and the whole northern hub proposals and those being developed in the west midlands. May I put the question to you again? Do you believe that those developments, plus HS2, will deliver the economic growth that the local authorities we have just heard from talked about?

Professor Tomaney: I think it remains unlikely, because the factors that promote regional development are complex and varied. Infrastructure alone, particularly in relatively infrastructure-rich societies such as the UK, is not a good predictor of regional development. Far more important for regional development in the long run are improvements in skills and education, and investment in the innovative capacity of firms. Those are the factors that drive regional development. From the point of view of many northern cities and regions, many of the gains that are hoped to arise from HS2, rather than demonstrated to arise, could be achieved by smaller scale investments in existing infrastructures, rather than the building of an entirely new infrastructure. [*Interruption.*]

The Chair: May I just ask you to check that your mobile phone is switched off?

Professor Tomaney: My phone is switched off as far as I am aware.

The Chair: Somewhere we have a problem. I am sorry to interrupt.

Professor Tomaney: It is definitely not me.

Q58 Graeme Morrice: Of course, there are cities in the UK that are even further north, such as Edinburgh and Glasgow. What is your view about extending high-speed rail into Scotland? What would you see as the benefits for Scotland, particularly the central belt?

Professor Tomaney: I live in Gateshead, which is another place that is not part of this network, and I use high-speed rail every week from Newcastle to London to come to work, so I think about these questions more than the average person. My arguments are the same. There will be a real problem for cities like Newcastle which will not be directly connected to the network. That will probably also be true of Edinburgh and Glasgow and places like Aberdeen, which in time terms will become even more remote from London and the south-east. Yet we have in Edinburgh and Aberdeen two of the fastest growing economies in the UK outside London and the south-east. Nevertheless, my argument remains the same. The future of the economies of Edinburgh and Glasgow will be less dependent on this

infrastructure than we are asked to assume in the case for HS2. It will be much more determined by the growth of new industries, accumulation of human capital and innovative capacity in the local economy. The relationship between those and these new high-speed rail infrastructures is difficult to determine.

Q59 Martin Vickers (Cleethorpes) (Con): You said a moment ago that skills and the like were an important driver of regional economies. That is undoubtedly true, but the demand for those skills is dependent on investment in those areas. That investment to some extent, surely, is reliant on good connectivity.

Professor Tomaney: Connectivity is important. What I question is whether the kinds of connectivity gains that arise from HS2 are of the scale which we are asked to believe when we look at the prospectus for HS2. In terms of connectivity and tackling unemployment problems in a place like the north-east, the real issues might be more to do with connecting remote former mining communities to areas of job growth in the centre of Newcastle. These are the kinds of opportunity costs which are at stake in this debate. It echoes in a sense the question that Frank Dobson asked in the previous session: if you had £50 billion, he provocatively said, to spend on regional development and you could spend it on anything you wanted, would you spend it on HS2 or would there be other ways of spending that money that could have bigger regional development impacts? That is the question we are drawing attention to and which has not been satisfactorily answered in the debate to date.

Q60 Lilian Greenwood: We heard this morning from Manchester, Birmingham and Nottingham, who were all confident about the potential economic benefits that would flow to their cities from HS2. When the Transport Committee looked at high-speed rail, it concluded that it seemed to have succeeded in bringing benefits to cities in Europe, particularly Lyon and Lille. Why do you think they are all wrong?

Professor Tomaney: They are not wrong. If you go to Lyon and Lille you can see the benefits of having a high-speed rail station. If you go to Lille there is a lot of development around the railway station in the Euralille development. Likewise if you go to Lyon you see developments in the Part-Dieu district around the railway station. It is the same around Atocha in Madrid and around the station in Seville. Those stations become a magnet for investment within those regions. What the best econometric studies carried out in France suggest is that much of the gains made in Lyon have been at the expense of other parts of south-east France, rather than Paris.

These are the issues that we need to separate out; if you build a high-speed rail line and spend £30, £40, or £50 billion on it and build a large railway station in Manchester, there will of course be some benefits, particularly to central Manchester; that is common sense. What we are interested in is the net distribution of total benefits. The evidence from studies that have been done elsewhere is that most of the benefits will accrue in London and the south, not the north. There will be some benefits to the latter, but the evidence for whether those benefits will be enough to close regional disparities—which is the claim that we are interested in testing—is not very convincing.

Q61 Lilian Greenwood: Does it not need to be seen in the context of the investment that is also going into regional transport networks? It is not happening on its own; as we heard earlier, in relation to High Speed 2 to Manchester, it sits within the northern hub developments.

Professor Tomaney: Sure; I am not suggesting for one moment that these investments are not good and significant—the northern hub is definitely an improvement to the infrastructure of the northern regions. At the same time, however, if I want to take a train from Newcastle to Middlesbrough, it takes an hour and 20 minutes. In terms of creating an integrated labour market in the north-east of England that would improve the scale of labour resources available to investors, the question is whether it would be more useful to the north-east of England to build a railway line to Leeds—which then stops there—or to invest in a proper integrated regional transport scheme.

My argument is simply that we have not weighed all the options; there is an opportunity cost involved in spending this money in one area and not in others. The New Economics Foundation produced a nice piece recently that took up this argument and asked, if that money were available to spend, what else could it be spent on? A number of things were listed, some of which I agreed with, some of which I probably would not agree with. Nevertheless, it made the point rather well that there are choices to be made; it is not just a question of HS2 and whether to make it work for Manchester. There are much wider issues that have not been sufficiently scrutinised in this process. That is the simple point that I am making.

Q62 Mrs Spelman: When the impact of high-speed rail on the continent was studied, one of the consequences was a reduction in short-haul air travel, where people have taken trains rather than flying shorter distances. What do you think would happen to air travel as a result of the construction of High Speed 2?

Professor Tomaney: The really honest answer is that I have no idea—I do not think that there has been a serious study of that. It is very difficult to apply what has happened in France and Spain in this respect to the UK. They are very different sized countries, with different distributions of airports and relationships between travel by air and by train. It is a very good question, and one of many where we could do with more useful research and analysis.

Q63 Nic Dakin: Given that this is a paving Bill for something that is going ahead, and that you rightly raise concerns about the net distribution of total benefits, what needs to happen to ensure we get better net distribution of total benefits as this moves forward?

Professor Tomaney: I suppose that, in a sense, I am sceptical that it is possible to achieve a better net distribution of benefits. I am sort of persuaded by the argument that Lord Mandelson made earlier this week, I think, in the *Financial Times*: by all means enact the paving legislation, but let us take a moment to pause and think more deeply about some of these questions than we have managed to do so far. He made a revealing point that very little attention was given to these questions when the issue was discussed in Government. That is one reason why we thought it was worthy to explore

them in the most rigorous way that we could and with the time and resources that we had available. So basically there is an opportunity to pause and think. That is what I would suggest would be worthwhile, given that we are spending a very large amount of public money in an environment of austerity.

Q64 Frank Dobson: I do not want to use the word peripheral, but in relation to Manchester, do your studies show that if it gets the station on HS2, some jobs now in Oldham and Rochdale will go to Manchester?

Professor Tomaney: Yes, that is a very strong possibility. You will certainly see development in Birmingham, Leeds and Manchester where you have these stations. I guess that is one of the reasons why the property industry is so interested in this proposal. You can certainly see evidence of this in Lyon and Lille. Studies have shown that there has been a reorganisation of jobs around those stations. If you take the example of Lille and the Nord Pas-de-Calais region and look at cities such as Roubaix, Tourcoing and Villeneuve d'Ascq, it is difficult to say that they have benefited from the arrival of the TGV.

Then there is the question of measuring the net benefits for the region. These are difficult tasks to undertake, because the data that you need are not always available in a straightforward and usable form. It requires complex econometric techniques to work out what is really the cause and effect of all this. I think that there is a real possibility that you will see a concentration of economic activity around these stations in certain sectors of the economy, but not all sectors. Professional services would be a good example.

Q65 Kris Hopkins: My question relates to that last point about smaller towns tending to lose some economic activity and it going to the centre. That effect has gone on right since the beginning of the industrial revolution when people moved out of the fields, went into towns and there was the growth of the core cities. I am a former leader of Bradford council. The demise of the mills there saw a huge acceleration, because of connectivity, to the core city of Leeds and the wider economy has gained from that. That activity has not just happened because of HS2. It has gone on for the last couple of hundred years. Do you agree?

Professor Tomaney: That was an interesting thesis. I just wondered what the question was. I agree. What is happening in the economy at the moment are processes of concentrating economic activity in certain places. The reasons are complex and multifaceted. In the case of London, they deal with the accumulation of skills and knowledge, and of wealth and assets. In that sense, high-speed rail is quite a minor factor in shaping the economic geography of the UK. All we are raising as a question for discussion is: given the historical weight of these tendencies which have produced these regional inequalities between city and country and different regions of the UK, is it not a little naive to expect that building a high-speed rail line will produce a sort of counter-tendency to this?

On the contrary, if we look at Tokyo since the building of the shinkansen, Tokyo's economic weight within the Japanese economy has grown dramatically. There is a

very high level of economic concentration. Likewise in South Korea. The line there was built in part to achieve national economic balance, as they call it, but the gap between Busan in the south and Seoul in the north has actually widened during this period. The factors producing these disparities are wide-ranging, and the notion that a railway line is the answer to them is what we seek to raise questions about. If that is part of the argument, that, at least, should be a much firmer and more rigorous base than is the case in the existing documentation, as far as we can find it, that has come out of HS2 Ltd, DFT and so on where the claims are strong, but the evidence is often difficult to find.

Q66 Lilian Greenwood: I raised earlier the New Economics Foundation report. What did your research suggest that it got right, and what did it not get so right?

Professor Tomaney: Where it is right is on the importance of intra-regional transport investments; those can make a big difference. If we take a wider view of development and try to begin to factor in questions such as well-being, rather than just economic growth, the observation that it makes that investing in cycle lanes might have a more positive impact than HS2 should be weighed up in this debate.

I am more sceptical in relation to the faith that it places in broadband as an alternative to all of this. To me, broadband is just another type of communications infrastructure like the high-speed rail line, and those infrastructures themselves do not produce economic growth because in order to use that broadband effectively, you need high levels of skills, innovative companies and a strong knowledge base in your universities and so on. If those things are lacking, rather like with high-speed rail, broadband will not be the panacea that people imagine. Some things in that report are really good, but there are others that I would raise a sceptical eye about.

Q67 Lilian Greenwood: How important do you think the improved connections between the cities of the midlands and the north could be, rather than with London? I say that in the context that, first, passenger numbers are growing faster between Birmingham and Manchester than between Birmingham and London and also, from my own perspective, I note that travelling from Nottingham to Birmingham or Leeds is currently very slow, but potentially it would be substantially better through HS2. How important could that be?

Professor Tomaney: It could be very important. Again, it would be useful to see some evidence on this: measuring HS2 against something real, rather than just the existing rail network. Those things could be very important because one of the principal advantages of London and the south compared with the peripheral regions, as you called them earlier, is the size and integrated nature of the labour market, particularly for professional jobs. More integrated transport systems in the north, or in the midlands, which facilitate the movement of professional workers, could potentially create the conditions for the agglomeration economies that might, in the longer run, help to do some of this rebalancing, if that is the policy objective.

That goes back to my point about how long it takes to travel by train from Newcastle to Middlesbrough. When I was working in Newcastle, we had visitors who wanted to travel by public transport from Newcastle to Middlesbrough. If they come from the Netherlands or any of those places that have proper transport infrastructure, they are staggered to learn that you cannot get to Middlesbrough in much less than an hour and a half. It is unbelievable, but that is where we are. Those seem to me to be equally important problems in this debate.

The Chair: If Members have no further questions for this witness, I will thank the professor very much on behalf of the Committee. The Committee will sit again to take further evidence on the Bill at 2 pm today.

Ordered, that further consideration be now adjourned.
—(*Nicky Morgan.*)

11.24 am

Adjourned till this day at Two o'clock.