

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT  
GENERAL COMMITTEES

## Public Bill Committee

### HIGH SPEED RAIL (PREPARATION) BILL

*Fifth Sitting*

*Tuesday 16 July 2013*

*(Morning)*

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CLAUSE 1 under consideration when the Committee adjourned till this day at Two o'clock.

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**The Committee consisted of the following Members:**

*Chairs:* † ANNETTE BROOKE, JIM SHERIDAN

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| † 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)                            | † <b>attended the Committee</b>                      |

## Public Bill Committee

*Tuesday 16 July 2013*

*(Morning)*

[ANNETTE BROOKE *in the Chair*]

### High Speed Rail (Preparation) Bill

8.55 am

**The Chair:** I have a few preliminary announcements. Members may, if they wish, remove their jackets during Committee sittings. Will they please ensure that all electronic devices are turned off or switched to silent mode. Copies of the memorandums that the Committee has received will be made available in the room.

It has been suggested that before we begin line-by-line consideration of the Bill, a brief reminder about procedure may be useful. The selection list for today's sitting is available in the room, and shows how the amendments selected for debate have been grouped. Amendments grouped together are generally on the same or a similar issue. A Member who has put their name to the leading amendment in a group is called to speak first, and other Members are then free to catch my eye to speak on the amendments. A Member may speak more than once in a single debate.

At the end of a debate on a group of amendments, I will again call the Member who moved the leading amendment, and before they sit down they will need to indicate whether they seek to withdraw the amendment or seek a decision. If any Member wishes to press another amendment in the group to a vote, they must let me know during their speech. Please note that decisions on amendments take place not in the order the amendments are debated, but in the order they appear on the amendment paper—something that has taken me a long time to learn.

Although this is a paving Bill of relatively narrow scope, the project it contemplates is wide ranging, and I and my co-Chair will bear that in mind. Nevertheless, I remind Members to adhere to the subject matter of the amendments under discussion. Further, we as Chairs will use our discretion to decide whether to allow a separate stand part debate on individual clauses and schedules following debates on the relevant amendments. I should tell Members at the start that as we have 10 groups under clause 1 covering a wide range of topics on each subdivision of clause 1, my co-Chair and I do not currently intend to have a separate stand part debate on clause 1. Similarly, a substantial number of amendments have been tabled to clause 2, so although there are only two groups, we do not propose to have a separate stand part debate on clause 2. However, if Members feel particularly strongly, they may approach me or my co-Chair informally and we will resolve the issue.

I and my fellow Chair do not intend to call starred amendments that have not been tabled with adequate notice. The required notice period in a Public Bill

Committee is three working days, so amendments for Thursday must be tabled by the rise of the House today. I hope that that is helpful.

#### Clause 1

##### PREPARATORY EXPENDITURE

**Frank Dobson** (Holborn and St Pancras) (Lab): I beg to move amendment 12, in clause 1, page 1, line 2, after 'expenditure', insert 'up to a limit of £50 million'.

**The Chair:** With this it will be convenient to discuss the following:

Amendment 13, in clause 1, page 1, line 3, at end insert—

'(1A) Any further expenditure shall be limited to tranches of £50 million (not including monies paid under any compensation scheme) each of which shall individually be approved by a resolution of both Houses of Parliament.'

Amendment 14, in clause 1, page 1, line 3, at end insert

'No expenditure shall be incurred under this Act after a period of six months beginning with Royal Assent.'

Amendment 21, in clause 2, page 2, line 3, at end insert—

'(1A) The Secretary of State shall make a statement to the House of Commons should agreed yearly budgets be exceeded, or should they be expected to be exceeded.'

**Frank Dobson:** Welcome to the Chair on another lovely day, Mrs Brooke. The purpose of the amendments in my name and that of the right hon. Member for Chesham and Amersham (Mrs Gillan) is to limit any expenditure to tranches of £50 million, so that when each tranche is spent, the Department must return to the House for permission to go on to the next £50 million. The original budget for spending by the Department and HS2 Ltd has already been grotesquely exceeded. The sums are enormous—not enormous in comparison with the £50 billion for the whole project, but not small sums.

In response to questions from the Select Committee on Public Accounts, the permanent secretary at the Department for Transport said,

"We are spending £370 million this year."

Alison Munro of HS2 Ltd told the PAC,

"To date, High Speed Two Ltd has spent £234 million, until the end of the last financial year."

We did not get a statement of how much the Department had spent so far, other than what it is spending this year. We did not get from the permanent secretary, and nor did the Public Accounts Committee get from the chief executive of HS2 Ltd, a statement of what is intended to be spent this year. Those are huge sums of money that have not previously been reported to Parliament. It seems to me and the right hon. Lady that it would be wholly appropriate for each tranche of £50 million to be reported to the House and its approval sought.

I emphasise that not one practical thing has been done with that money: no sod has been cut, no rail has been laid. It is all paperwork and computer work—all money spent either directly on administration, bureaucracy and planning within the Department for Transport, or within HS2 Ltd. A lot of it has been paid in fees to

advisers who are now amending some of the advice they originally gave, so those sums have been mis-spent. It therefore seems wholly appropriate for the Department to have to report to the Commons every time the bill goes up by a further 50 million quid.

It is a lot of money. If we are to get value for money for the taxpayer out of that spending, we need to be able to log what is going on in £50 million bites. Each tranche of £50 million is a lot of money; it would build a couple of secondary schools, so it is not a trivial sum. I hope the Committee agrees with me. Government Members are rightly keen to ensure that taxpayers' money is carefully spent and that the Government get value for money, so I hope they agree with the amendment.

**Lilian Greenwood** (Nottingham South) (Lab): Does my right hon. Friend share my concern that the budget for HS2 has already in this Parliament increased from £773 million to at least £900 million, without a proper explanation of why that increase has come about?

**Frank Dobson:** Yes, that is certainly the case. I can see why a lot of money is having to be spent. People in my constituency are having to spend a lot of money on the fees for advisers who originally gave advice about costs. Those self-same advisers are advising that the costs have gone up, without offering any explanation. The whole process seems out of control. I will come to that later in relation to other amendments.

**Lilian Greenwood:** I am sure my right hon. Friend shares my concern that the Government's consultation exercise was found to be inadequate and unlawful. Has he asked any questions about the cost of re-running the consultation exercise, and how it might have increased the overall costs of HS2 in the preparation stage?

**Frank Dobson:** I confess that I have not asked any such questions. Generally speaking, in Departments time costs money. My understanding is that the re-consultation on compensation that the courts required has not yet been published, and indeed will not be published for another two months. Presumably, unless people are just being bone idle or Ministers are trying to be difficult with the public, which I find hard to believe, people are still working on reformulating the erroneous compensation consultation document, in which case the Government will be spending even more money. The longer any of this drags on, the more money will be spent. For all I know, they may be consulting people in the City about how to come up with a proper compensation package.

**Iain Stewart** (Milton Keynes South) (Con): In the course of our evidence gathering, we heard many calls for property bonds and adequate compensation of residents and businesses along the line. I am wondering about the practicalities of asking for approval in £50 million increments as the project goes along. How would that square with paying adequate compensation to people along the line?

**Frank Dobson:** My understanding—I do not have the accurate figures in my head—is that about £50 million or £60 million has been set aside for compensation, of which about three and ninepence has been paid out. Perhaps the Minister will correct me.

**The Minister of State, Department for Transport (Mr Simon Burns):** If it is helpful to the right hon. Gentleman, the amount paid out in compensation on properties so far is £49 million.

**Frank Dobson:** Can the Minister help us by saying how much was in the budget for it? My understanding—

**The Chair:** Order. We are not having a question and answer session. Perhaps you could more subtly invite a response from the Minister of State, Mr Dobson, but he will answer those questions when he speaks.

**Frank Dobson:** Let me put it this way: if the Minister wishes to intervene, my understanding is that a substantially bigger sum has been set aside for compensation, and it has not been paid out so far.

**Mr Burns:** To be helpful to the right hon. Gentleman, by definition, it will depend on how many people claim under existing schemes or any future scheme arising from the re-consultation on the compensation scheme, so at this stage I cannot give a clear-cut figure for how much the total compensation bill will be. We do not know how many people will apply, or what the exact final compensation scheme will consist of.

**Frank Dobson:** Again, my understanding is that the final compensation scheme will not be paid for out of those moneys; that sum was included in the calculations of the overall cost of the HS2 scheme, because even the Government estimate that it is likely to exceed £1.25 billion. That will not be paid out of those monies; the long-term compensation will be paid out of the overall cost of HS2.

There may be difficulties in having a sum as low as £50 million, as the hon. Member for Milton Keynes South suggested. Perhaps £100 million would be a better amount. I do not know, but I am absolutely convinced that if we pass this Bill we are signing a blank cheque, and I do not think it is the job of Parliament to sign blank cheques for anybody or anything, particularly a speculative and amateurish outfit such as HS2.

**The Chair:** Does the right hon. Gentleman want to make any comments on amendment 14, given that they should be made at this stage?

**Frank Dobson:** I do not.

**Lilian Greenwood:** It is a pleasure to serve under your chairmanship today, Mrs Brooke. I will to speak to amendment 21, which is grouped with amendments 12, 13 and 14.

I welcome my right hon. Friend's comments on the concern about cost control. Amendment 21 would put a duty on the Secretary of State to make a statement to the House of Commons when agreed yearly budgets are or are expected to be exceeded. I feel that that allows a little more flexibility than is allowed by my right hon. Friend's amendment.

The amendment relates closely to another, about quarterly reporting, that we have tabled and will debate later. My right hon. Friend made an important point,

[*Lilian Greenwood*]

which is that when Parliament is being asked to approve expenditure of such significant sums and there seems to be potential for those sums to increase, public confidence that the money is being spent wisely is vital. That is even more important in the current economic climate, in which there is such a strain on public spending and so much pressure to reduce it. People will expect us to monitor any Government expenditure closely.

Let me be clear: the Labour party strongly supports the project and believe that a north-south rail line is vital. However, we feel that there is a need to ensure that all spending, in particular any unbudgeted increases, are subjected to close parliamentary scrutiny. Unfortunately, that has not always been the case: HS2's budget in this Parliament has increased from £773 million to at least £900 million, and Ministers have not adequately explained that increase.

My right hon. Friend did not speak very much about Euston station, although I know that the and his constituents are very worried. The costs of the initial design for Euston station were massively underestimated. As a result, we have a redesign that is still £400 million over the original budget, but as we heard in evidence last week from the leader of the London borough of Camden, Councillor Sarah Hayward, the redesign, which was brought forward by HS2 with little warning, is expected to have a much greater negative impact on the local community.

That redesign, like the additional tunnelling work introduced at various stages of the route, was announced with little clarity about the cost implications. The overall cost of the project has now increased by £10 billion, including contingency funds. That increase, which was announced during Second Reading, has led to real concern and scepticism on the part of a number of right hon. and hon. Members, and also perhaps the wider public.

**Nic Dakin** (Scunthorpe) (Lab): My hon. Friend quite properly spells out her concerns. Does she agree with me that the concern about costs raised by our right hon. Friend the Member for Holborn and St Pancras and others is such that it is necessary to have some sort of controls and reporting, so that we do not have large increases with no explanation given not only to the House of Commons, but to the people outside?

9.15 am

**Lilian Greenwood:** My hon. Friend is absolutely right. There is a real expectation on the part of both Members of this House and the wider public that any unexpected increases in costs need to be properly explained, and the proposed arrangements are not sufficient for that.

Under the Bill the Secretary of State will have to make a statement on the project's cost only once a year. It is a good idea to present a full annual report and we support that, but there is natural concern that news of exceeded budgets would be stored up until the date of that report. Hon. Members will be aware that the first date for reporting is not until 2015. Our amendment would establish a mechanism requiring the Secretary of State to make a statement should such budget increases occur, or be expected to occur, in advance of the annual

statement—it is simply a case of keeping the House updated. An analogy might be how people deal with bank statements: we do not wait until the end of the month to see how much we have spent; we check the account balance on a cash machine, and if we are going to have problems, we might speak to our significant other about that. That is a normal way of controlling budgets—keeping people updated, rather than waiting until the end of a control period.

**Nic Dakin:** Does my hon. Friend feel that bringing in such a mechanism will help the project to go forward with support of everybody across the country? It is a controversial project and people need reassurance, and the proposed measure would be a more proactive way of giving assurances on finance than the current reactive approach.

**Lilian Greenwood:** My hon. Friend is exactly right. As we know from our evidence sessions last week and from reading press reports, there is real concern in the country.

The project is controversial, in part because some wonder whether it is the right use of public money to achieve the outcomes set out by the Government. There has been criticism of their ability so far to make the case for the high-speed rail line and the objectives set out in their statements. Hon. Members will be aware of the criticisms made by the National Audit Office in its recent report on High Speed 2's progress. The NAO felt that insufficient evidence had been presented to show that the project would meet the objectives of developing additional capacity, the wider economic benefits such as rebalancing the economy between north and south, and our aspiration for environmental benefits. It is particularly important that we have good reporting and early warning of any problems in the budgets or any excess spending, now that annual budgets have been set out up to 2020-21. Parliament should know as soon as possible whether those budgets will be exceeded, owing to either unforeseen costs or additions to the route.

I am not necessarily against changes to the route. During a consultation period—we just concluded the consultation on the draft environmental assessment—if the Government are consulting properly on issues such as compensation, it is absolutely right they have the ability to change their mind and make amendments. However, if they make changes to the project plan and any additions to the route, they need to set out clearly the additional costs, and not simply wait until the end of a reporting period to do that. That is required for effective scrutiny.

In evidence last week, the chief executive of HS2 Ltd said that she was 95% certain that the increased cost ceilings, as set out by the Secretary of State, would not be breached.

**Pat Glass** (North West Durham) (Lab): The Bill has cross-party support, but there are many anxieties, not only the business case or the route, but the cost and how it is going up. The Government's long-term spending plans suggest that HS2 will cost three times as much as London transport investment, twice as much as all local authority major projects and maintenance and seven times as much as the integrated transport block. It is

therefore important that, as the project moves forward, Parliament has proper scrutiny and control of the costs, which means regular reporting.

**Lilian Greenwood:** I thank my hon. Friend. She is quite right that it is clear from the Government's long-term spending plans that investment in HS2 will make up a significant proportion of that spending. The total by 2020-21 will be £16 billion, which is a significant sum, second only to the Government's expected investment in our railway infrastructure through the allocation of funding to Network Rail. Of course the public expect to know that that money is being well spent. Let us hope that the chief executive's assessment of 95% certainty that those cost ceilings would not be breached is correct. That increased certainty makes scrutiny all the more important if something does go wrong.

I shall comment briefly on the other amendments in this group. Unfortunately, I cannot support amendment 12, tabled by my right hon. Friend the Member for Holborn and St Pancras. Although I completely understand his desire to see costs controlled and to keep parliamentary scrutiny strict, the £50 million limit is not the right way to achieve those aims, because it does not relate to the agreed budgets for HS2 Ltd that the Government have set out. Looking at the budget for 2015-16, it is expected that the Government will spend £832 million, and I am not sure that having to seek parliamentary approval for that in tranches of £50 million would be appropriate. He is, however, absolutely right to state the need for proper ministerial accountability for those sums of money. The same is true of amendment 13, especially when we reach 2016-17, which is when the budget goes up to just over £1.7 billion.

Of course, at this point we do not know when the hybrid Bill will be passed and that leads me to amendment 14, which would make the paving Bill invalid six months after Royal Assent. As we heard in evidence last week, the hybrid Bill is scheduled to be completed by May 2015, and my impression was that that is at best an ambitious target, particularly compared with previous hybrid Bills. We heard from the chief executive of High Speed 1 and from the chairman of Crossrail about the time it took to pass the relevant hybrid Bills, which was significantly longer than the time set out for the HS2 hybrid Bill, even though this project is even larger and more complex. Amendment 14 would not only leave the project somewhat in limbo, but have serious consequences for compensation payments, which is the point the hon. Member for Milton Keynes South made. Whatever hon. Members' views on the merits of the project, I cannot imagine that we would want to take steps that would frustrate compensation payments if the scheme went ahead.

I look forward to hearing the Minister's views on the amendments, particularly amendment 21, on which we intend to divide the Committee. Does he really believe that a single report is adequate, regardless of changed circumstances? We have seen changes made in the past year, with additional tunnelling announced to the west of London and the extension of the tunnel under East Midlands airport, which sounds helpful. Jobs would be created and a rail freight terminus would be developed, which I am sure would be welcomed, although I note it is not sufficient to attract the support of the hon. Member for North West Leicestershire (Andrew Bridgen).

Nevertheless, as circumstances change, one would hope that Ministers would feel the need to update the House on the implications for the budget, rather than wait for a single report at the end of the financial reporting period.

Amendments have been tabled for more regular reporting, which we will deal with later. On the amendment before us, will the Minister give a categorical assurance that he or the Secretary of State will inform Parliament of any increases to the project's budget, not just annually, but as soon as is reasonably practical? I look forward to listening to his response.

**Nic Dakin:** It is a pleasure to serve under your chairmanship, Mrs Brooke, as we debate this very important preparation Bill for High Speed 2. I rise to speak in support of amendment 21. I support the north-south line and its development with proper regional connections. As we heard during the evidence sessions, that is crucial in taking the project forward. The Bill is controversial, so it is crucial that we have proper reporting structures in place. They will assist Government as well as those of us who are here to keep the Government under scrutiny, and they will give people confidence in big infrastructure projects going forward under many different Governments over a long period. It is important that we get the structure right. That will protect all of us in all our positions as HS2 proceeds over the years and decades to make a significant contribution to our national life.

My right hon. Friend the Member for Holborn and St Pancras described the changes in the original budget as "grotesquely exceeded". That might be a little flowery, but it does echo the language we have heard from people who really do care about this. Passions are running strongly.

**Frank Dobson:** I would not think there was anything flowery about how I described a £1 billion revision of the costs of the original proposals for Euston and for using the North London line for the HS2-HS1 link. I should be commended for understatement.

**Nic Dakin:** True. I accept that my right hon. Friend's language was accurate and precise.

I want to pick out some of the evidence witnesses presented to us. Although I do not agree with the direction of their argument, it is important that we as a Committee take on board their concerns and try to move this forward in a way that gives them confidence. In his evidence to us, Mr Joe Rukin of Stop HS2 said:

"The worst issue with HS2 Ltd is that they seem to have no concept whatsoever of budgetary control, because the consultants that have been employed by HS2 Ltd have just been effectively given a blank cheque."—[*Official Report, High Speed Rail (Preparation) Public Bill Committee*, 9 July 2013; c. 51, Q79.]

We do not want to give anyone a blank cheque, and I am sure that is not what the Minister or the Government want, so it is important that we have controls in place to demonstrate that a blank cheque is not being given. It is important that the Minister makes his case for a mechanism that does that and that my hon. Friend the Member for Nottingham South makes her argument for a better mechanism that will give confidence to people out there so that the Committee can consider both arguments.

9.30 am

**Frank Dobson:** We all have to recognise that there is an intrinsic problem both for the Department and for HS2 Ltd in controlling the cost of consultants. If they go to consultants of world renown who then let them down, which is clearly the case with HS2, it is difficult to see what else they should have done. If they go for advice to people who purport to be the best but then give duff advice, it is a bit difficult to criticise the officials who appointed those people.

**Nic Dakin:** My right hon. Friend makes a very good point, but it is the responsibility of anyone employing other people to ensure that they operate within those costs. His frustration was echoed by Mr Rukin's commentary on what he described as the "Euston debacle". Mr Rukin went on to say that, in his view,

"Costs will continue to escalate, which is our major concern about the Bill, because we see it as a Bill for a blank cheque to go forward"—[*Official Report, High Speed Rail (Preparation) Public Bill Committee*, 9 July 2013; c. 52, Q79.]

It is important that the Committee demonstrates with the decisions it takes that the Bill is not a blank cheque and that there will be processes in place that will proactively control those costs. My hon. Friend the Member for Nottingham South alluded to the evidence of HS2 Ltd, which said that it was 95% certain that it would manage within those costs. If the amendment is made, it will assist in ensuring that that 95% is 100%.

Mr Tett is the leader of Buckinghamshire county council, and he therefore rightly brings with him the voice of people who are particularly concerned about this development. His voice needs to be listened to, and in his evidence he again talked about spending:

"Do we know what their key milestones are?"

He was talking about budgetary milestones:

"Have they met those milestones? Have they always remained within budget?"

The history, as my right hon. Friend the Member for Holborn and St Pancras has just reminded us, is of budgets not staying within the set template, so it is right and proper that people such as Councillor Tett should draw our attention to it:

"Do you have proper scrutiny, as Members of Parliament, of the budget and expenditure that HS2 is incurring? They are spending something like £360 million as of this year; how many times has Parliament scrutinised that expenditure?" —[*Official Report, High Speed Rail (Preparation) Public Bill Committee*, 9 July 2013; c. 52, Q79.]

Those questions echo around this room, and they are part of the evidence that we heard. It is important that we take proper steps to ensure that we take very seriously people's concerns about the project. The project's opponents set out major concerns when they came to see us, and their words—not my words—when describing their concerns were about budgetary control.

We can take steps today to assist in ensuring the strongest possible budgetary control. I agree with my hon. Friend the Member for Nottingham South that simply reporting on an annual basis, although a good discipline, does not have the proactive mechanism for keeping a real eye on the budget that the amendment would provide.

I strongly recommend that the Minister, a listening and thoughtful man, takes on board the amendment so that together we can improve the quality of the Bill. That will be to the benefit of not only the House, but, most importantly, the whole country.

**Mr Khalid Mahmood** (Birmingham, Perry Barr) (Lab): I rise to look at comments made by my right hon. Friend the Member for Holborn and St Pancras. I think the principle behind what he said was that it is highly important for us and for Parliament to gain hold of the financial controls of this project. Our problem with a project of this size is that since the 1980s, and perhaps earlier than that, we have got rid of all our real engineering disciplines.

We are now at the mercy of the consultants and the huge contractors who, essentially, put us over a barrel with these contracts. Until we come to terms with that, such infrastructure projects will always be subject to these people. They are not necessarily taking advantage, but they are certainly making capital out of these types of projects.

Although in principle the limit set by my right hon. Friend was perhaps a bit too low, I certainly think that Parliament should be looking at releasing tranches of funding so that this project does not run away and cost us an arm and a leg in the end. I am an enthusiastic supporter of the project, but at the end of it I do not want egg on my face when the costs come through.

The costs need to be properly controlled throughout the whole period of the project. So far there has been no demonstration whatever of controls, but there have been consultancy fees that keep going up and up. We need to have some sort of mechanism that ties the project down and brings it back to us.

**Mr Burns:** We have had an extremely interesting debate on what is clearly a crucial subject. The Committee should be aware, particularly with regard to amendments 12, 13 and 14, that the Bill is setting out provisions that will allow us to undertake preparatory work for all future phases of a high-speed rail network, not simply High Speed 2 phase 1 and phase 2, which have already been outlined by the Government. Given that one might extend the high-speed network to Scotland, for example, or to other parts of England, over many years, the requirement to come back to Parliament after every £50 million has been spent would be in some ways shambolic, and totally unnecessary.

It would also be short-sighted to put a financial limit on expenditure powers that aim to support a project that is going to span several decades, as any such limit would require the assumption about future spending requirements. I just do not believe that that is workable, as a number of Labour Committee members have said.

**Lilian Greenwood:** I hope that the Minister will reassure us that the Bill is not meant to cover a period of decades. As I understand it, the purpose of the Bill is to enable the Government to make preparations ahead of the full hybrid Bill. We understand the timetable to which he is working, so clearly, whatever the financial reporting provisions in the Bill, they would not stretch over the whole length of the project.

**Mr Burns:** No; the purpose of the Bill is that it could stretch over many decades for the simple reason that it is a paving Bill for the development of a high-speed rail network in this country. The first instance in which the Bill—or Act, if Parliament approves it—will apply is to High Speed 2 phase 1 and phase 2.

However, let us say hypothetically that in 2030 the Government of the day decided to build a high-speed rail link to Glasgow and Edinburgh and/or to Cardiff and Exeter. The Bill would still be on the statute book and applicable to approving the finances for the preparatory work, if such a project were to happen. That is why I say the Bill would apply over many decades. It is not realistic to require the Government of the day constantly to come back to Parliament regarding expenditure of £50 million. Adopting that principle would be harmful to any major infrastructure project under the Bill or to any other major infrastructure project.

**Pat Glass:** Minister, I am not necessarily arguing in support of this, but how does that differ from the Government's policy of requiring local authorities to publish details of any of their expenditure over £50 or £500? Surely that falls into the same kind of category.

**Mr Burns:** No, it does not. The hon. Lady asks how this differs from the procedure under which a local authority that spends more than a certain amount must publish the details. Under the amendments, the Department and HS2 would have to come back to Parliament for express approval for another tranche of £50 million. That is just not a viable way to run any major infrastructure project.

I hope that my hon. Friends, my right hon. Friend the Member for Chesham and Amersham and Opposition Members, including even the right hon. Member for Holborn and St Pancras, will, on reflection, accept that the amendment is not a sensible way forward for any major infrastructure project, not least High Speed 2, and, therefore, that they will consider not pressing it to a vote.

**Frank Dobson:** The Minister raises a point that has, admittedly, just occurred to me. At the moment, the Bill authorises spending on phase 1, phase 2 and phase “fantasy”. Will the reporting distinguish between the money spent on phase 1 and the money spent on the rest?

**Mr Burns:** Yes is the straightforward answer.

Amendment 14 is a classic sunset clause. I notice which right hon. Members have attached their names to it, so how do I put this tactfully? The amendment is not designed to speed the Bill on its way with good intent. I am being careful, Mrs Brooke, because the amendment has been selected, so it is, of course, in order. My private views on its intentions are probably less charitable than yours were in selecting it.

The amendment would mean that, six months after the Bill was enacted, it would cease to have effect. We would then have to return to Parliament for another paving Bill. Any reasonable person, including every right hon. and hon. Member on the Committee will

understand what a nonsense that is. I therefore urge Members not to support the amendment if it is pressed to a Division.

I fully understand the points the hon. Members for Nottingham South, for Scunthorpe and for Birmingham, Perry Barr made in support of amendment 21, but I am not as enthusiastic about it as they were. I am certainly enthusiastic about transparency and accountability, and about making sure that both Parliament and those well beyond this building are informed regularly about expenditure on the project. However, I do not think that the measures in the amendment are the right way forward.

9.45 am

The hon. Member for Nottingham South made the reasonable point that although having the annual report—we will no doubt discuss that in Committee—was perfectly satisfactory, she did not think that it was good enough by itself, and so believes that there should be more mechanisms, as set out in her amendment 21. However, we have had initial discussions with the National Audit Office, which was supportive of our plans for an annual financial report as that would marry with the NAO's annual duty to report to the Public Accounts Committee on the project's value for money. If the National Audit Office is not proposing a more regular report, it would be out of step for us to do so.

There are already other mechanisms in place to ensure that my right hon. Friend the Secretary of State for Transport keeps a close eye on the monitoring of the financial expenditure of the project. There are mechanisms that he has to comply with now if expenditure is to exceed the budget.

**Graeme Morrice (Livingston) (Lab):** Will the Minister give way?

**Lilian Greenwood:** Will the Minister give way?

**Mr Burns:** I was in the middle of a point, but I will give way, unless the hon. Gentleman would like to wait for me to finish the point and then intervene—it is up to him.

**Graeme Morrice:** Finish the point.

**Mr Burns:** Thank you. Amendment 21 would create a duty for the Secretary of State to issue a statement before the House should the yearly budget be exceeded or should it become clear that that budget is likely to be exceeded. However, that is unnecessary: the amendment would have no effect additional to that of the established process of the estimates and would create no further duties for my right hon. Friend the Secretary of State than those that already exist.

The Secretary of State already has to make a statement should he believe that the Department's budget will be exceeded, as part of the overall estimates process. If the expectation or the reality were that the spending on HS2 at any given moment would be exceeded, under the existing estimates procedures the Secretary of State would have to make a statement on that. It would be both highly unusual and unnecessary to create an additional duty specifically on high-speed rail, as amendment 21 seeks to.

[*Mr Simon Burns*]

On that basis, I urge the Committee to reject the amendments in this group, should any be pressed to a Division.

**Lilian Greenwood:** I feel that the Minister is taking a bean-counting approach to this matter. We have established—certainly it was clear from the evidence sessions—that there is real public concern about spending on the project. This is not simply a matter of meeting the accounting requirements of the National Audit Office; it is about ensuring public confidence in expenditure on the project.

That is why we have tabled amendment 21, which would simply require the Secretary of State to make a statement when agreed yearly budgets are going to be or are expected to be exceeded. It is not only an issue of good accounting practice; it is about providing reassurance to the public that when large sums of money are being spent, they are being spent properly.

I accept the Minister's point about the estimates process; however, as we have noted, there has already been a large increase in the budget for the project during this Parliament. I do not recall a specific ministerial statement explaining why that was or seeking parliamentary approval for those increases.

**Mr Burns:** I accept that it is crucial that proper financial disciplines are in place to ensure that the budget for the project is strictly and properly monitored. I also accept the need—the Government are determined to do this—to ensure that the public's money is spent properly and for there to be transparency and accountability.

**Graeme Morrice:** Will the Minister give way?

**Mr Burns:** Not yet—only because I am answering the question asked by his hon. Friend, the hon. Member for Nottingham South, and I assume that he wants me to answer her question before I give way to him.

It is crucial that there is proper transparency and accountancy. That is why so much work has been done in High Speed 2 Ltd to tighten up on the mechanisms for the determining and the controlling of money and its expenditure, and on the project itself. That is an ongoing work in progress. My right hon. Friend the Secretary of State is acutely aware of that, which is why he is ensuring that the mechanisms are robust, accountable and transparent, so that we can ensure that we do not have a situation where the budget will balloon.

I return to my original point: the National Audit Office, with which we have had discussions, is satisfied with the way we are doing our annual final report. However, on top of that, as I mentioned during the course of my comments, there are the estimates processes, which apply to the Department for Transport and to High Speed 2 Ltd. The amendment, in some ways, would merely duplicate the existing requirements on my right hon. Friend the Secretary of State that are subject to parliamentary scrutiny and approvals. It would be unnecessary to duplicate that power.

**Graeme Morrice:** I am most grateful to the Minister for giving way. My question for him has been asked, to an extent, by my hon. Friend the Member for Nottingham South, and most eloquently. I hear what the Minister

said about not wishing to duplicate the role of the NAO, but the issue is not only about the financial situation. Of course we want to see transparency and accountability, but we, in particular, as the Opposition, have a scrutiny role. I do not understand why the Minister does not accept the amendment.

Many on the Government Back Benches do not support the project, and I feel that they would like confidence and a degree of reassurance about the issue. If the proposal were put to all Members of the House, I think it would be agreed.

**Mr Burns:** The only thing I do not think hon. Members would find understandable is duplicating a process that is already in place.

**Mrs Caroline Spelman (Meriden) (Con):** Perhaps I can be of assistance in the debate on this important issue, having been a Secretary of State. Very rigorous audit processes are in place not only for Departments, but for bodies outwith Government that are responsible for delivering big infrastructure projects. It is not true to say that we continue in a pattern of constant, serious overruns; take the Olympics, for example, which were delivered on time and on budget. Scrutiny has become much tighter on infrastructure projects—at the Department for Environment, Food and Rural Affairs, we considered the Thames tunnel, for example—and it is about precisely the risk to any Government Department of any overrun in a project, whether it is one that the Department is building directly, or whether it has commissioned an external body to deliver on the project. The audit trail has to be very clear and estimates processes are there to ensure that the institutions of Government cannot just overrun. Parliament has the power to summon a Secretary of State to give account, on an estimates day, for any overrun, because it happens, and sometimes there are justifications for it.

Finally, the National Audit Office will qualify a Department's accounts if it is not confident that the proper auditing process has been undertaken. A number of Departments have qualifications to their accounts, because the audit process turns up a lapse or a failure. It is made public and we can debate how that happened here; the process is in place. I hope that is of assistance.

**Mr Burns:** I am extremely grateful to my right hon. Friend, who has tremendous experience from her previous role in ensuring that public money is held to account and projects do not overrun.

**Pat Glass** Will the Minister give way?

**Nic Dakin** Will the Minister give way?

**Mr Burns:** I will finish my point. My right hon. Friend made the point far more eloquently than I have done that the procedures are in place, and Departments are subject to parliamentary scrutiny if Parliament wishes to scrutinise them. Parliament can summon Secretaries of State and hold them to account for overspends in Departments or on projects.

I return to my original point, which is that amendment 21 is not necessary because it duplicates existing procedures that are tried, tested and effective at holding Government

Departments and Secretaries of State to account on the spending of public money. I will take one more intervention before I conclude my remarks.

**Pat Glass:** Does the Minister accept that had HS2 Ltd proved itself to be financially prudent and careful with taxpayers' money, we would not have such great concerns? We are, after all, guardians of our constituents' money. Therefore, given our concerns about the track record of HS2 Ltd, we want proper scrutiny in place for the future.

**Mr Burns:** I accept that we need proper measures in place.

**Nic Dakin:** Will the Minister give way?

**Mr Burns:** May I answer the hon. Lady first? I do not accept the premise of her question. There are robust procedures in place at the Department for Transport for its element of the spending on high-speed rail and HS2 Ltd. We will continue to have robust procedures and tight monetary controls to ensure that the best value for the taxpayer and the project is secured. Given the procedures in the Bill that we will discuss later, such as the annual report that my right hon. Friend the Secretary of State has to produce, and the procedures we have discussed in detail in the past 15 minutes on the estimates procedures in Parliament, I am satisfied that amendment 21 is not necessary because the mechanisms are already there. I will finally give way to the hon. Gentleman, because he is so persistent, before I draw my comments to a conclusion.

**Nic Dakin:** I thank the Minister for giving way. May I clarify one point? He seems to be saying that the estimates process, which seems to be quite arcane and comes at certain points in the year, does the same as what amendment 21 says, which is:

"The Secretary of State shall make a statement to the House of Commons should agreed yearly budgets be exceeded, or should they be expected to be exceeded."

Is the Minister saying unequivocally that that will happen in relation to HS2?

**Mr Burns:** I am not cavalier enough to dismiss the estimates procedures and scrutiny in Parliament as arcane. I think it is a very effective way for Parliament to hold Governments and Departments to account. I am slightly surprised, given that the hon. Gentleman's party have been in Opposition for three years and three months, that they have not come to see the benefits of the estimates procedures in holding the Government and their spending to account. I suspect what is disappointing them is, given their profligacy before we came to power, they are finding it difficult to find mistakes by this Government to highlight in the estimates procedures.

In conclusion, I believe we have, through the estimates procedures and my right hon. Friend's requirement in the Bill to produce an annual report, and in the discussions we have had with the NAO—

**Lilian Greenwood:** Will the Minister give way?

**Mr Burns:** No; I am not giving way again. We have suitably robust procedures, with which Parliament can monitor, keep an eye on and hold to account not only the Secretary of State but the project itself. I therefore urge hon. Members not to support amendment 21. I do not think it is necessary, because of the existing procedures and other proposals in the Bill to deal with an important issue.

10 am

**Frank Dobson:** I am happy to withdraw the amendment; it would have been the quickest sunset clause in history. I have heard of Instant Sunshine, but as for instant sunset—we hoped we would sneak it through, but we did not.

Ministers may not think so, but the whole country wonders about giving a blank cheque to a Department that has never been responsible for a major project that came out on time and to price.

**Lilian Greenwood:** I do not know whether my right hon. Friend has been reflecting on the National Audit Office's report "High Speed 2: A review of early programme preparation". I have been reminding myself of its contents this morning, including the statement:

"We estimate there is a £3.3 billion gap spread over four years".

Does my right hon. Friend think that that is contributing to the public concern about escalating cost? Does not it create a need for the Government to understand that they must provide reassurance about budgets—and, if they are to be exceeded, to come to Parliament and explain why, so that people can understand what is happening with the project?

Inevitably, there may be cost overruns in a project of this size, as it develops. That was anticipated, and the National Audit Office recognised it, but that needs to be explained.

**Frank Dobson:** I agree entirely with my hon. Friend. I doubt whether many of the public know about the gap of £3 point-whatever-it-is billion. We are being asked by the Minister to go along slavishly with the views of the National Audit Office—except when he does not agree with them. I have always understood that we cannot pick and choose from what the auditor says; we must go along with it. That is the usual arrangement.

The Department of Transport is not, in Wordsworth's words, "trailing clouds of glory" in relation to estimates. Those are the people who fouled up the franchising of the west coast main line. When the Secretary of State, for whom I have great respect and whose integrity I would not challenge for a minute, said after that franchising débâcle that he believed the estimates for HS2 were sound, I suggested to him that he might show a little hesitancy. Then, lo and behold, the figures just within my constituency turned out to be £1 billion out. It is such figures that make people suspicious, and make them want better and closer monitoring. Parliament should be in favour of closer, more specific monitoring of what is happening; because what is happening is a mess.

**Lilian Greenwood:** My right hon. Friend makes a strong case. Was not that point raised specifically by the NAO, with reference to the failure to take account of what might happen to VAT? It said:

[*Lilian Greenwood*]

“Public perception of how well the Department manages the High Speed 2 programme may be adversely affected if the estimate is increased to include VAT even though this represents an internal transfer within government”.

Is not that all about explaining things and making what is happening to planned and actual expenditure transparent? That might not be a problem, but the public perception is that it is. That is the issue that the Government need to tackle.

**Frank Dobson:** I agree with my hon. Friend.

I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

**The Chair:** Amendment 21 to be moved formally later.

Members might like to think about using time effectively, with shorter interventions.

**Lilian Greenwood:** Mrs Brooke, will you say whether you intend to have a stand part debate? If not, I will make my comments on amendments.

**The Chair:** That will be reviewed during the day, presumably with my co-Chair.

**Lilian Greenwood:** Thank you.

I beg to move amendment 22, in clause 1, page 1, line 5, after ‘lines’, insert ‘adding capacity between and’.

The amendment would add reference to capacity to the Bill. The genesis of this project was under the previous Labour Government, when it was ably championed, and still is, of course, by my noble Friend, Lord Adonis. He has a formidable reputation in the rail industry. Indeed, the Minister sometimes likes to pray his support in aid, perhaps wrongly. He is held in high regard. I am sure that the Minister and I both aspire to be held in such high regard.

In 2009, the noble Lord recognised the pressing need to tackle a coming capacity crunch on our railways. Labour agrees, as do all three major parties, that a new north-south rail line is needed to deliver that extra capacity. That is why we supported this paving Bill on Second Reading and why, although we may seek to amend it in Committee, to improve it, we continue to support its parliamentary progress. We recognise that cross-party support is vital to the successful delivery of such infrastructure projects.

When Dr Adam Marshall of the chambers of commerce gave evidence to the Committee last week, he used an interesting phrase that I almost felt I had heard before. When I asked him why he thought that high-speed rail was needed, he said, “Capacity, capacity, capacity.” He was right. Over the past year, 1.5 billion journeys were made on our rail network. That is 4,000 more services each day than in the mid-1990s. In the past 30 years, rail journeys are up 30%.

In the past, it was felt that rail growth was related to the growth in GDP, but that 30% rise is more than double the growth in GDP over the same period and rail use, per head of population, has nearly doubled: 48%, according to the Office for National Statistics. We

may not quite agree about the reasons for that growth—that issue was hotly contested in the recent debate on the Transport Committee’s “Rail 2020” report in the main Chamber—but the tremendous growth in demand for rail travel is surely not in dispute. Passenger numbers have continued to grow, despite tough economic times, at an average of 4% a year.

I should add a little caveat at this point, because Joe Rukin, giving evidence last week on behalf of Stop HS2, said that the figures from the Office of Rail Regulation showed that in the first quarter of this year there was 2.6% decrease in passenger numbers on long-distance journeys and that overall the number of rail passenger journeys on Great Britain’s railways was down 1.3%, year on year. However, that is the first time that demand for rail travel has fallen since 2009, when the economy was in recession.

**Nic Dakin:** My hon. Friend is right to spell out the importance of capacity and why capacity should be mentioned in the Bill. Does she agree that it is not only about passenger capacity, but that we also need, significantly, to consider the impact on freight capacity, which needs to be captured?

**Lilian Greenwood:** My hon. Friend makes a vital point, which I shall come to later.

I was speaking about passenger growth and, since 2009, with the exception of the recent quarter, the railways have enjoyed 12 consecutive quarters of growth. While the latest quarter’s figures give us cause to pause and think, we cannot conclude that one quarter’s figures show a change in a well-established trend.

I know that there is anxiety at the Department for Transport about what caused the decrease in the first quarter of the year, and some Opposition members might consider that the eye-watering fare increases in January was the reason. People will recall that, since Ministers restored the ability of train operating companies to flex the fares, in some cases, while the cap was set at 1% above inflation, fares increased by as much as 9% above inflation. There is a risk that those large increases could start to choke off demand for rail services, but it really is far too early to tell. The long-term trend would suggest otherwise.

Perhaps not surprisingly, growth in demand for rail travel has been particularly strong in our cities. The Association of Train Operating Companies found that 14 cities, including six of the most populated cities in Britain, recorded double-digit growth in rail journeys during the past five years—despite a double-dip recession. The demand for extra capacity affects all the major inter-city lines, including east coast and midland main line. I was looking at the growth in passenger numbers predicted for midland main line, the line used by me and the Secretary of State, and noted that by 2020, it is expected that east midlands to London traffic will increase by 27%, that Nottingham to Birmingham traffic is anticipated to increase by 42% and that the east midlands traffic to east England will increase by 36%. As my hon. Friend the Member for Scunthorpe rightly said, freight growth is important and, on the midland main line, that is expected to increase even higher, reaching 50% by 2015. Of course, we want that growth met without significant compromises on performance.

The extra capacity affects all the major inter-city lines, including midland main line as well as east coast for which, unfortunately, I do not have any figures handy. The greatest need that was focused on when we took evidence in Committee last week was in respect of midland main line such that, by the mid-2020s, the line is expected to be full. Figures were provided for what the percentage capacity might be on some trains operating on west coast main line. It is interesting to note that passengers consider trains to be full when they are operating at about 70% to 80% capacity. When a higher level of occupancy than that is reached, obviously some way off 100%, people are deterred from using the train because it seems that, when they get on the train, it is full—perhaps because they do not have the delight of an empty seat next to them.

According to the National Audit Office, capacity levels on long distance inter-city services are expected to exceed 100% by 2033. It is important that we do not deter passengers from using the railways. The main competitor is the motor car, and we need more people to use the railways rather than their cars for long-distance journeys because of safety considerations and, of course, the reduction of carbon emissions as well as the cost implications. In 2011, during the morning peak, on average 4,000 people were standing on their arrival into London Euston and 5,000 people were standing on their way into Birmingham, which means 115 passengers for every 100 seats.

I am referring primarily to capacity, and I am sure that many members of the Committee will have heard some of the opponents of HS2 arguing that we do not need faster journeys because passengers can work on the train. Obviously, their ability to work on the train is severely limited if they do not have a seat, and I imagine that those who are standing on a train wish to reach their destination as swiftly as possible. Those who gave evidence emphasised the need to take action to tackle the capacity crunch. I particularly want to mention Birmingham, where capacity is a significant problem. I am sure that hon. Members will remember Geoff Inskip from Centro saying:

“Capacity issues are already with us.”—[*Official Report, High Speed Rail (Preparation) Public Bill Committee*, 9 July 2013; c. 18, Q32.]

10.15 am

He described the importance of the commuter railway to the west midlands, where it is already impossible to meet current demand, and the need not only for longer trains with more seats, but for sufficient space on the network. Overcrowding on the network leads to problems with reliability; if too many trains are in operation, a problem in one area can have multiple knock-on impacts.

**Mr Mahmood:** Capacity is a particular problem for Birmingham and the west midlands. It is not simply that passengers have to stand on trains into and onwards from Birmingham, the regional capital; the key question concerns businesses coming to Birmingham. My constituency has recently seen investment from the United Arab Emirates. Because the investors have businesses in London, they will come to London first and move on to Birmingham, but they are having huge difficulty making arrangements to get across to Birmingham. A proper rail system that served those needs would be better not

only for London but for the regions outside it, particularly the west midlands, because greater capacity would attract far more businesses to such areas.

**Lilian Greenwood:** My hon. Friend is quite right that tackling capacity impacts on the Bill’s other objectives, including attracting inward investment and rebalancing the economy between London and the south-east, and the midlands and the north. As we heard from Centro, demand for more services to London has resulted in downgrading some local services in the west midlands. That is in spite of the west coast main line modernisation, which cost almost £10 billion and caused massive disruption, as several hon. Members and witnesses mentioned.

Rail travel in the west midlands has increased so dramatically that Network Rail’s growth forecast for 2020-21 has been achieved eight years early. Recent figures issued by the Association of Train Operating Companies show that, during the past five years, rail commuting into and out of Birmingham has increased by some 105%, which is the point that my hon. Friend was making. There is real unmet demand, which is why there is such strong support for action to create extra capacity on our railways. Our cities—we heard not only from Birmingham, but from Manchester, Sheffield, Leeds and Nottingham—cannot continue to thrive without it. A new north-south rail line will primarily serve long-distance passengers who will be able to transfer on to the high-speed line, but that will free up capacity for commuters on the existing or classic line.

As my hon. Friend the Member for Scunthorpe said, we are talking about not only passengers but freight. We need to do a much better job of getting freight off our roads, but the lack of capacity on the rail network constrains our ability to do so. Lord Berkeley said last week:

“Freight volumes will probably grow about 40% in the next 10 years”—[*Official Report, High Speed Rail (Preparation) Public Bill Committee*, 11 July 2013; c. 133, Q243.]

As he told us, the most important route for freight is the west coast main line. It is vital that we shift freight off our roads and on to rail to tackle congestion. Anyone who has sat in heavy traffic on our motorways knows the congestion that can be caused by large numbers of freight vehicles. We must also improve safety on our roads, particularly on major trunk roads. I do not know to what extent rail freight would assist with this, but we have seen during the past week the danger that heavy goods vehicles pose to other road users, especially cyclists. While we do not have cyclists on our motorways, they do use some of our other major routes.

This rail line is also about reducing carbon emissions by taking some freight away from HGVs and on to rail. The Rail Freight Group estimated that providing extra capacity on our railways could save 500,000 tonnes of CO<sub>2</sub> a year by removing 200 trucks an hour from our motorway network, which is extremely significant. To provide extra capacity is absolutely key and that is one of the reasons why we support the Government in incurring expenditure for a high-speed rail link transport network.

**Iain Stewart:** I agree with much of what the hon. Lady says. The main purpose of phase 1 and phase 2 is to add capacity to the network, but I am puzzled by her amendment. Given earlier comments about the Bill

[Iain Stewart]

allowing potential extensions to the high-speed network in the future, might the amendment be restrictive if a particular future project is not so much about capacity but increasing speed? That might fall foul of the Bill if it is amended in the way she proposes. Will she reflect on that in her comments?

**Lilian Greenwood:** The hon. Gentleman is right to say that capacity is not the only issue in the Bill; there are others, such as connectivity and journey time savings that we have debated and might discuss further. Nevertheless, the Minister was clear in his comments that capacity is the critical issue. In fact, in evidence he said that, when making the case for the project:

“We should have concentrated more on the critical issue of capacity”.—[*Official Report, High Speed Rail (Preparation) Public Bill Committee*, 11 July 2013; c. 155, Q294.]

That is what we seek to acknowledge. The amendment addresses the concerns of not just hon. Members, but the wider public.

When I speak to my constituents and people around the country, they often ask, “Why are we investing in a high-speed rail line simply to provide quicker journey times down to London for a few business travellers?” I am sure that the hon. Gentleman knows that that is not the main argument for the high-speed rail line, but the public perception is that it is simply about speed. There is a real need to rebalance and refocus the argument on the need for the line.

**Iain Stewart:** I entirely accept the hon. Lady’s argument; I just worry that, if the Bill is amended in the way that she seeks and, for example, in the future a decision is made to extend the high-speed line to Glasgow, with the primary intention of improving speed and journey times, using the lines in Cumbria and the Scottish borders where there is not a capacity constraint, as that project would not specifically increase capacity, it might not be viable under the terms of Bill.

**Lilian Greenwood:** I hear what the hon. Gentleman says, but I do not believe that that would be the case. Adding the wording about capacity to the Bill does not commit it to allowing the development of high-speed railways only where there is a capacity issue. Inevitably, if we further develop the high-speed rail network, that will add capacity between destinations. The amendment does not seek to say that that should be the only reason for continuing to develop high-speed rail; it simply acknowledges that that is one of its effects.

The hon. Gentleman is right to say that a high-speed rail network brings benefits other than capacity. I wish to speak further about the importance of journey time savings and, more broadly, connectivity between some of our core cities.

As we dwell on capacity, I am mindful of your comments, Mrs Brooke. We should consider whether the high-speed rail network is the right way to provide that capacity. That was a contentious point in our evidence sessions last week. Paul Plummer of Network Rail told us that their studies had concluded that a new line was the only viable way to provide that extra capacity. When looking at alternative suggestions for ways to boost the capacity, he said:

“They would be very considerable in scale, very expensive and very disruptive to existing services”.

Perhaps even more importantly, they

“do not get us anywhere near where we think we need to be.”—[*Official Report, High Speed Rail (Preparation) Public Bill Committee*, 9 July 2013; c. 68, Q115.]

Although evidence from witnesses suggested that the overriding imperative for the new line is capacity—the Minister agreed—particularly to relieve the London to Birmingham stretch of the west coast main line, we should also acknowledge the point made by the hon. Member for Milton Keynes South about there being enormous potential for improving connectivity and journey times between Britain’s towns and cities. Yesterday, I travelled from Nottingham to London, which takes at least an hour and 44 minutes. It would be valuable to be able to get here in just an hour and eight minutes. The journey time savings are even more significant on some of the other routes. Hon. Members will be aware that London to Manchester currently takes two hours and eight minutes, but on High Speed 2 the travel time would be nearly halved to one hour and eight minutes. It would also take one hour and nine minutes to travel from Sheffield to London, compared with two hours and five minutes now.

Thinking about the businesses in my constituency, I can see that, while capacity is the driving benefit, there is a real benefit in reducing the travel time not just to London but between our core cities. High Speed 2 would also help us rebalance the economy because of that extra connectivity and allow people to make a different modal choice, as they can decide to leave their car at home and use the railways instead. For example, it does not take long to drive from Nottingham to Birmingham in the car—although I can get stuck in traffic—but it takes an hour and 16 minutes on the train, which seems utterly ludicrous. On a high-speed line, that could be reduced to just 36 minutes, which would be a real incentive for us to make that modal shift. Similarly, it currently takes two hours and three minutes from Nottingham to Leeds and that would be cut to just 46 minutes.

There is a close link between providing extra capacity and enabling new services on the existing network. We should not forget that it is about not just providing capacity on the high-speed line, but the things that it frees us to do on the existing lines. That point came out in evidence last week when we discussed the potential for improving commuter services. We have tabled another amendment that addresses new services, so I will not pre-empt that discussion now. However, we want to see both amendments passed, better to reflect the aims and benefits of this project in the Bill.

The Minister said in his evidence last week that, when making the case for the project, there should have been more focus on the critical issue of capacity. I suspect that Members of all parties would agree with that statement. The Bill is a prime opportunity to reflect that emphasis, and that was the point I was trying to make to the hon. Member for Milton Keynes South. At the moment, the Bill, as it stands, does not mention the word capacity once, and the amendment seeks to address that omission. When we return to the main Chamber on Third Reading, we can make that case to a wider audience. For that reason, we intend to push the amendment to a vote.

10.30 am

**Pat Glass:** The focus of the case for High Speed 2 on speed and cost is unfortunate. In areas such as mine, making the argument for HS2 is much harder when we simply look at that focus, because my constituency has no railway line, HS2 will not come anywhere near and people's main transport concern is whether they can get a bus—usually, they cannot. The Government need to frame the case for HS2 in a much wider argument if they are to involve people throughout the country. HS2 is often seen as a vanity project for the south-east, or as far north as Manchester and Leeds, but it is not going much further, to where people will still be paying the bill. Those people need to be included in the discussion and the Government need to frame their arguments a little wider.

We understand the problems of meeting housing growth in places such as Milton Keynes and Northampton, and there is a great deal of sympathy for commuters who are paying more, with higher costs, on the railways and still failing to get a seat. Those arguments resonate, as do those on economic growth and rebalancing the economy from south to north, but the project will simply bring our country to the position that Japan was in 25 years ago.

The arguments about freight are important, and there is an understanding that freight volumes have grown and will continue to grow, by more than 40% over the next 10 years. If we are serious about carbon emissions, we need to improve capacity for transporting freight as well as passengers. People in my constituency also understand the arguments about HS2 freeing capacity on the east coast line, which would be a welcome development.

What really resonates in places such as the north-east is the tipping point argument. We understand that at the moment the tipping point between rail and air travel between London and the north-east is Newcastle; HS2 will move that tipping point to Edinburgh, which would clearly have a beneficial impact on the environment and on carbon emissions. The Government need to frame the case for HS2 within a much wider argument.

**Lilian Greenwood:** Has my hon. Friend reflected on the comments of Mike Hewitson from Passenger Focus? When he gave evidence last week, he was talking about the importance of the Government spelling out more clearly the benefits for capacity. He said:

“If we had that debate a bit more in public, people might see how some of the benefits of this railway could be spread out a bit. It has got locked into an issue of cost and speed, when in reality it is about the capacity. If it were framed about capacity there would be a different debate.”—[*Official Report, High Speed Rail (Preparation) Public Bill Committee*, 11 July 2013; c. 112, Q192.] Does she agree that that is why we are seeking to put the issue of capacity into the Bill?

**Pat Glass:** I do agree, and that is exactly the argument that I am making. HS2 will not directly affect an awful lot of people throughout the country, or not affect them for decades, and yet they will still be paying the bills for it. They need to be supportive and to be part of the debate, and they understand the argument about capacity well.

The Government need to sell the project to the wider community by framing the argument in terms that will reach well beyond the planning route. Explicit references to capacity are an important part of the argument, which will be understood by people who are paying the bills, but who are well beyond that route and will not feel the impact of HS2 directly for decades, if at all.

**Lilian Greenwood:** Does my hon. Friend agree that last week's evidence sessions highlighted the importance of the benefits that accrue to towns and cities not directly on the new lines? The new north-south rail line will be fully integrated into the existing network—I guess that we will come on to this point later in our discussions of the Bill—and the classic-compatible trains will have the ability to travel on the high-speed track and then on the existing network, so they will be able to connect to far more places than only those with an HS2 station. Does that not help to make the case for the high-speed rail network?

**Pat Glass:** It does. The fact that it will cut journey times in the relatively short term resonates with people in the north-east, but the biggest argument in favour is the fact that it will release capacity on the existing east coast line. At the moment it is very difficult to get a seat even from York to London, which is a long time—two hours—to stand.

**Mr Burns:** This has been an extremely interesting debate. Opposition Members have made a valid point, which the Government wholeheartedly share, that probably one of the most crucial benefits of High Speed 2 is how it will address the problem of capacity. As we heard during the evidence sessions and elsewhere before that, it is expected that the west coast main line will be full to capacity by the mid-2020s. We see from our own examples around the country, whether commuter lines into London and other big cities, or the examples that the hon. Members for Nottingham South and for North West Durham gave, that there are currently problems with capacity. The Government are determined to deal with that.

We have always made it absolutely clear that HS2 is about providing capacity as well as other benefits. We must provide capacity for our over-burdened commuter lines to allow additional freight on to our railways—I think every hon. Member in the Committee accepts that—and to provide for future increases in rail transport capacity. The Secretary of State made that clear on Second Reading, and we have repeatedly stated that the proposals for HS2 will provide additional capacity to the locations it serves and have a ripple effect on other services. Indeed, hon. Members will be aware that it is the first new railway to be built north of London for more than a century.

In so far as I have a problem with the amendment, it is that it is not linked to the intentions and nature of the Bill. The purpose of the Bill is to authorise the Government to spend money on the preparatory work for high-speed rail projects. Its purpose is not to solve any of the problems that high-speed rail will address when it is built. For that reason, it is superfluous to insert such a provision in the Bill because we are dealing with allowing the Government to spend money on the preparatory work for the railway, and HS2 is a critical part of

[*Mr Simon Burns*]

addressing the problem of capacity. Because the amendment is superfluous and irrelevant to the Bill's purpose, which is about money, and not the related issues, I urge hon. Members, on reflection, not to support it. We are determined to deal with capacity and this is not the right vehicle in which to do that.

**Lilian Greenwood:** I note the Minister's comments, but in his evidence to the Committee last week he said:

"I think that, in the early days, too much emphasis was placed simply on this being a project that would make it quicker to go from A to B... We should have concentrated more on the critical issue of capacity".—[*Official Report, High Speed Rail (Preparation) Public Bill Committee*, 11 July 2013; c. 154, Q294.]

I appreciate his acknowledgement that the Government failed to make that argument sufficiently well.

**Mr Burns:** Both Governments.

**Lilian Greenwood:** The Minister seeks to suggest that I am part of that failure.

**Mr Burns:** I think the shadow Minister was about to refer to the failure of the previous Government, which was of course her Government, before she realised the hole she was dropping into. The fact is that HS2 was launched by her Government. I am prepared to accept that in the past we have concentrated too much on stressing the importance of speed, or allowed the press to get carried away with that, when capacity is the crucial issue. However, that tendency started from the moment the whole concept of HS2 was embraced under her party's Government.

**Lilian Greenwood:** The Minister suggested that I was in some way responsible for not having made the argument about capacity, but I am not convinced that I had that responsibility.

I appreciate that the Minister believes that it is not necessary to make a reference to capacity in this preparation Bill, but I do not agree. No matter who was responsible for creating the impression about the purpose of the Bill and its importance, the fact is that we have all accepted that there is a misapprehension on the part of the public that HS2 is purely about saving journey time, when the critical issue at this point, particularly in relation to phase 1 but also to phase 2, is about adding capacity. However, as I said in my response to the hon. Member for Milton Keynes South, the amendment does not seek to make that the only reason for developing the high-speed rail network.

I take on board the Minister's comment that this enabling Bill will allow for future preparations for the development of high-speed rail, not just for phases 1 and 2. The amendment would simply make it clear in the Bill that developing a high-speed railway has the effect of adding capacity in addition to providing connectivity. It would be useful, when we are seeking to change the views of the public, increase public support and improve understanding of the Bill, to make that clear so that the Bill is better understood by the wider public.

**Graeme Morrice:** My hon. Friend makes a powerful and important point. The Bill is not just about money, but about what the project is about. As she said, capacity is crucial. Indeed, according to the words uttered by the Minister just a few moments ago, capacity is crucial. Does she not find it bizarre that he is not prepared to accept her argument and the amendment?

**Lilian Greenwood:** I am somewhat surprised that, having recognised the importance of making the case for capacity and acknowledging that that case has not been sufficiently made, the Minister is not more willing to consider the amendment. It is designed to be helpful and reflects our joint support for the project and our joint understanding of the objectives that the project is designed to achieve.

To reflect on the contributions in last week's evidence sessions, we heard from Sir Richard Leese, leader of Manchester city council. Manchester is a key city for regenerating our economy, and the council is an important driver not just of Manchester, but of the whole north-west region. The importance of the challenge of capacity facing that city is why the amendment matters so much. Sir Richard said that

"at the moment we have inadequate space for commuter services, which at the very worst are running at 190% capacity."

That demonstrates the importance of making a step change in the ability of our railways to cope with demand. He also said:

"We have inadequate pathways for inter-city services, and intermediate services. There is a demand for freight access to double... There is not the capacity for that... the only route to deal with those capacity issues is through a completely new network, wholly integrated with the existing classic network."—[*Official Report, High Speed Rail (Preparation) Public Bill Committee*, 9 July 2013; c. 18, Q32.]

I do not understand. There is no difference between us on the importance of capacity and on the fact that any further development of high-speed rail adds capacity between connected cities. That is not to say that connecting cities is not important. The Bill acknowledges that we are providing connections between places and names a number of places that are being connected. It also allows the "at least" in order that the range of places that can be connected by the network can be expanded in future.

We quite simply have to win this argument with the public. The Government are proposing, with our support, to spend £50 billion, or thereabouts, on the development of this high-speed network and, from my postbag, the e-mails that I receive and so on, I know that people are challenging whether it is the right thing to do and whether that money might be better spent. We heard in evidence last week the arguments about how that £50 billion could be spent and how well or otherwise the project meets the capacity challenges that our railways face. That is why we tabled amendment 22. We want that issue to be acknowledged and for the wider argument to be addressed.

10.45 am

*Question put, That the amendment be made.*

*The Committee divided: Ayes 5, Noes 9.*

**Division No. 1]****AYES**

Dobson, rh Frank	Mahmood, Mr Khalid
Glass, Pat	
Greenwood, Lilian	Morrice, Graeme ( <i>Livingston</i> )

**NOES**

Burns, rh Mr Simon	Spelman, rh Mrs Caroline
Hopkins, Kris	Stewart, Iain
Lumley, Karen	Sturdy, Julian
Morgan, Nicky	Vickers, Martin
Reid, Mr Alan	

*Question accordingly negatived.*

**Lilian Greenwood:** I beg to move amendment 23, in clause 1, page 1, line 8, leave out ‘the East Midlands’ and insert ‘the Nottingham/Derby corridor’.

**The Chair:** With this it will be convenient to discuss the following:

Amendment 5, in clause 1, page 1, line 10, after ‘Leeds’ leave out ‘and’.

Amendment 6, in clause 1, page 1, line 11, after ‘Manchester’, insert

‘and one or more towns or cities in Scotland’.

Amendment 24, in clause 1, page 1, line 12, at end insert—

‘(c) provides new services to destinations including, but not limited to, Glasgow and Edinburgh.’.

**Lilian Greenwood:** Amendment 23 seeks to address an apparent oddity in the Bill. Subsection (2)(a) lists five cities, but the east midlands is in a unique position as the whole region is named rather than a more precise description of where a station might be. Nottingham, Leicester and Derby are the three main centres of rail passenger demand in the east midlands. Last year, there were almost 6.5 million passengers from Nottingham, almost 5 million from Leicester, and 3.35 million from Derby.

Let us think about the east midlands region, which also covers Northamptonshire and Lincolnshire. There is no realistic prospect of the line cutting through or having a station out in Lincolnshire, despite the fact that the county is technically covered by the Bill. In reality, in order for the high-speed line to be effective in serving the east midlands, it must address the centres of demand, particularly the key centre of demand, which is of course Nottingham.

HS2 Ltd looked at a number of locations for a potential east midlands station—its March 2015 report to the Government, “Options for phase two of the high speed rail network,” set out all the possible locations. I am trying to remind myself of the number of stops that were considered; it was certainly in excess of 30, although some did not progress from the long-list to the short-list. Eventually, two options were considered for an east midlands hub: at Toton in Nottinghamshire, or rebuilding the existing Derby Midland station in the centre of Derby. A Leicestershire option was discounted because of the impact on the route and the difficulties in connecting from other cities.

HS2 Ltd has made it clear that Toton—roughly equidistant between Nottingham and Derby, for those who are not familiar with it—remains the preferred choice. It has good existing links to Derby and Nottingham, and is close to the M1 and the A52, which is the main link road between those cities. There is potential opportunity to link to other towns in the locality, in Derbyshire, Nottinghamshire and Leicestershire.

There are people arguing that the station should be located in Derby. I do not propose to get into that argument, but I would say that the revised wording in the amendment would cover both of the short-listed options—Toton and Derby. I would not like to fail to note the importance of connections from Leicester as well, particularly for people going north to Sheffield and Leeds or across to Birmingham. We must ensure that benefits are felt by all three major cities in the east midlands. However, in setting out what the network is going to look like, it would be more accurate and provide more clarity if the reference to the east midlands was made in the same way as to every other stop along the line.

**Frank Dobson:** Is there any demand or request for a high-speed link to East Midlands airport, rather than just going in a tunnel underneath it?

**Lilian Greenwood:** I thank my right hon. Friend for his question, which has been raised by a number of people locally. They asked whether that was an appropriate response that should be considered. I have had discussions with representatives of East Midlands airport, and they do not believe that there is any benefit to having a high-speed station located at the airport—they did not see that there was the market, or that it was necessary or desirable.

However, I can see that, because East Midlands airport is relatively poorly served by public transport, there might have been an interest in that idea.

It does not feature because it was discounted fairly early in the process, as was a stop at East Midlands Parkway, which is an existing station between Nottingham, Leicester and Derby, but not particularly close to any of them. East Midlands Parkway station gets between 200,000 and 300,000 passengers a year, but that nowhere near compares with the cities, where, as I said, we are talking about more than 6 million from Nottingham, almost 5 million from Leicester and getting on for more than 3.5 million from Derby.

The reasoning behind amendment 23 is that the current wording in the Bill is a little vague, especially as we now have a degree of certainty over where the station will be.

**Pat Glass:** Does my hon. Friend agree that any kind of vagueness in legislation is seriously bad news? We do not want to leave the door open for city corporations or companies to seek judicial reviews about what Parliament meant when we put the Bill together.

**Lilian Greenwood:** I thank my hon. Friend. She is right that, without overly restricting what is available to Ministers and the Government, as much certainty as possible is preferable. We can be reasonably certain that the station will be in or between Nottingham and

[*Lilian Greenwood*]

Derby, just as we can be reasonably certain of the other stops, which are listed in subsection (2)(a). We therefore feel that “the Nottingham-Derby corridor” is a more precise and useful wording than that in the Bill. Would the Minister like to take this opportunity to place on record his thoughts on that? It would be helpful if he could explain why the east midlands description is unique in the Bill. It is not the only stop that is not in a city centre. The current suggestion for Sheffield is that the station will be at Meadowhall, which is on the outskirts of the city, and yet the stop is clearly noted as Sheffield, in the wider sense of the word. I look forward to his response.

Amendment 24, which deals with Scotland and wider connectivity, addresses two issues: first, connections to Scotland, which have always been part of the case for high-speed rail, but are conspicuously absent from the Bill; and secondly, the wider use of classic-compatible services, which subsection (2)(b) might allude to, but we feel should have a stronger emphasis in the Bill. The Minister may argue, as he did last week, that subsection (2)(a) speaks of connecting “at least” the areas listed and requires the project to connect “with the existing railway transport network.”

Our complaint is that a literal reading of the Bill could lead to stations in the areas listed in subsection (2)(a), and connections to the classic network in those places, but no more than that. Our amendment would impose a duty on the project to run new services, including services to Glasgow and Edinburgh.

The benefits that would derive from better links to Scotland are a core part of the case for a new north-south rail line. In 2009, HS2 Ltd was established with the specific task of looking at options for better rail links between England and Scotland, and the potential benefits were assessed in the March 2010 Command Paper; that emphasis was maintained as policy developed under the current Government. The Command Paper on phase 2 makes it clear that the Government consider the project's connections to Scotland to be part of what they call “a truly national network”. The benefits to Scotland's economy from cutting journey times to London to less than four hours are estimated to be £3 billion. It seems odd to Opposition Members not to include such classic-compatible links in the Bill, especially as the overall scope of the legislation already extends to Scotland specifically under Clause 3.

I am afraid we were not convinced by the Minister's argument last week that the issue is covered by the words “at least” in subsection (2)(a). He was concerned that we might not understand the point, but we understand it full well—we just do not believe the clause goes far enough. We want a guarantee that at least some classic-compatible services will run to Glasgow and Edinburgh, as has always been planned. The amendment would provide that guarantee.

11 am

The Government's reluctance to include Scotland in the Bill raises a simple question: why not? Will the Minister give the Committee a firm commitment that classic-compatible services will run to Glasgow and Edinburgh? If he will, why not include a commitment in the Bill?

**Mr Alan Reid** (Argyll and Bute) (LD): Scotland is included in the Bill—it is in clause 3, as the hon. Lady said just a few minutes ago.

**Lilian Greenwood:** It is included in clause 3, but the clause simply extends the Bill to Scotland. The Bill gives no guarantees about the development of the rail network; clause 3 simply covers the extent of the Bill.

**Mr Burns:** The hon. Lady really is making very heavy weather of this. As I assume she understands, HS2 is about two phases: phase 1 and phase 2. The Bill, initially, is about allowing moneys to be spent regularly on the preparatory work for phase 1 and phase 2. My right hon. Friend the Secretary of State said in early October that he would set up discussions with Scotland and then studies as to the feasibility of a possible phase 3 to Edinburgh and Glasgow. That, as we heard from the evidence, is happening, but the Bill before us today deals with moneys for phase 1 and phase 2, although it can be used at a later stage for further development of high-speed rail.

**Lilian Greenwood:** I thank the Minister for his clarification, but it gives me less assurance than I had before. I was talking not about the extension of phase 3 or phase 4, but about the opportunity to develop classic-compatible services as part of the phase 1 and phase 2 network. The argument was made that, in the arrangements for phase 2, there would be connections to Scotland as part of what was called “a truly national network”.

**Mr Burns:** All right. If it helps the hon. Lady, let me say that the High Speed 2 trains, when the line is built to Leeds and Manchester, will continue north on the conventional rails to Newcastle, on the east coast; on the west coast, they will go up to Glasgow and then across to Edinburgh. That will be at conventional speeds.

**Lilian Greenwood:** I thank the Minister for that, but if he is agreeing that those services will be provided, why is he unwilling to accept an amendment that says that the development of the new high-speed network will provide “new services to destinations including, but not limited to, Glasgow and Edinburgh”?

**Mr Burns:** Because it is the high-speed services.

**Lilian Greenwood:** The amendment seems to acknowledge the very thing the Minister has just conceded will be created by the Bill.

**Iain Stewart:** When we had the evidence session last week, the representative from Transport Scotland was asked several times whether he and the Scottish Government were content with the Bill as drafted, and the very clear answer was that they were perfectly content and saw it as a perfectly reasonable vehicle for extending high-speed rail to Scotland in due course, if that is the wish.

**Lilian Greenwood:** I agree that the representative said he was content. The point is that Opposition Members are not content, and we would like the amendment to be accepted.

I should address the point that was raised by the Minister, because he sought to suggest that our amendment would require Scotland—or, at least, Glasgow and Edinburgh—to be connected directly by high-speed rail lines. That is not what the amendment seeks to do. Clause 1 already makes reference to a network “at least” connecting a number of our great cities; it talks about connecting with the existing railway transport network. We simply seek to make clear, and provide a guarantee, that as part of that development of the network and the connections with the existing network, new services will be provided to destinations that include Glasgow and Edinburgh.

In the evidence sessions last week we heard from witnesses, including the Minister for Transport in Scotland, that the Scottish Government have made no representations to include Scotland in the main text of the Bill. It seems to be a curious Tory-Scottish National party agreement to exclude Scotland from the Bill. We are very clear on the Labour Benches that Scotland should be included in the legislation as a guarantee of those new services.

**Mr Reid:** I am not sure how familiar the hon. Lady is with Scottish politics, but the SNP makes every effort it can to differentiate itself from the UK Government; indeed, it is always criticising this Government. However, the SNP could not find one word of criticism on this issue. Will the hon. Lady not accept that that means it is impossible to criticise the Government on this subject, given that the SNP experts cannot find an issue with it?

**Lilian Greenwood:** The hon. Gentleman clearly is far more expert in the ways of the SNP than I am. However, I find it hard to understand why the Minister will not include in the legislation something that he has just said will be provided as part of the new high-speed network and connecting services, when clearly there are a number of people in Scotland who believe that that should be done.

Finally, I would like to stress the two words “at least” in our amendment, because classic-compatible services are absolutely vital to the project’s overall success. That applies not just to Scotland but to many other towns and cities on the route. There is no direct reference to them in the Bill, so our amendment would address that problem.

**Mr Reid:** It is a pleasure to serve under your chairmanship this morning, Mrs Brooke. I want to speak against amendment 24. The Minister has explained that once phases 1 and 2 are constructed, the high-speed trains will run on the high-speed lines as far as Birmingham initially, in phase 1, on to Manchester and Leeds in phase 2 and will continue on the existing lines as far as Newcastle, Glasgow and Edinburgh. That means that the amendment is completely unnecessary.

I want to draw the Committee’s attention to the evidence given last Thursday by Peter Lloyd, the rail policy manager at Transport Scotland.

First, he says:

“Regarding high-speed rail more broadly, we are entirely supportive of the Department for Transport and the UK Government’s position.”—[*Official Report, High Speed Rail (Preparation) Public Bill Committee*, 11 July 2013; c. 87, Q140.]

He continues:

“Our position is that we are content that the Bill indicates that the network will extend at least to the specified cities and regions... We support the HS2 plans in the Command Paper that the Secretary of State for Transport introduced in January.”—[*Official Report, High Speed Rail (Preparation) Public Bill Committee*, 11 July 2013; c. 87, Q142.]

Further on he says:

“The view of the Scottish Government is that we are content with the Bill as it stands.”—[*Official Report, High Speed Rail (Preparation) Public Bill Committee*, 11 July 2013; c. 100, Q174.]

I could see that the hon. Member for Livingston was looking extremely puzzled at that point; I think that—given that it is not normal Scottish Government behaviour to say that they are entirely content with what the UK Government are doing—he could not believe what he was hearing. He asked, yet again:

“So you are saying that the Scottish Government are perfectly content that mention of Edinburgh and Glasgow is not made in the Bill?”

Mr Lloyd replied:

“As it stands, yes. We are content with the provisions in the Bill that will allow further development of the network.”—[*Official Report, High Speed Rail (Preparation) Public Bill Committee*, 11 July 2013; c. 100, Q175.]

The Scottish Government are working with the UK Government and are entirely content with what the UK Government are doing. Both Governments are working together to prepare for a third phase to extend the network to Glasgow and Edinburgh.

**Graeme Morrice:** The hon. Gentleman rightly draws our attention to last Thursday’s evidence session when, upon being questioned by me, the representative of Transport Scotland—an Executive agency of the Scottish Government—said what the hon. Gentleman has just repeated. He correctly suggests that I appeared puzzled by the reply. The hon. Gentleman referred to the Scottish political psyche. In that context, was not he too puzzled when the Transport Scotland representative said that the Scottish Government were satisfied that Scotland—Glasgow and Edinburgh in particular—were not mentioned in the Bill?

**Mr Reid:** Yes, I was puzzled, because I expected a Transport Scotland representative to give the usual SNP line, which is that everything this Government do is awful and that the Bill must be improved. I was pleasantly surprised, therefore, when he did not. I am pleased that the Governments are working closely together on the Bill, and I am delighted that the Scottish Government have decided to behave constructively.

I am disappointed, however, that the Opposition here in Westminster have decided not to be constructive. I assume that they tabled the amendment before hearing Mr Lloyd’s evidence, and I hope that they will now sensibly withdraw it. If, as has been said, the Opposition support the Bill, why are they trying to find differences where none exists? That is simply opposition for the sake of opposition, and I hope that they, like the SNP, will put that behind them in this case so that we can work together and develop an objective that we all support. [*Interruption.*] The right hon. Member for Holborn and St Pancras makes a sedentary intervention. I accept that perhaps not everyone is behind the Bill, but all the major political parties in England and Scotland certainly are.

**Graeme Morrice:** The hon. Gentleman knows, as I do, how partisan the Scottish Transport Minister, Keith Brown, can be from time to time—we all can, but hopefully we will not be today. I put a big question mark over some of the answers I received last week from Transport Scotland, and yesterday I wrote to the Scottish Transport Minister on the matter. What does the hon. Gentleman think his reply will be?

**Mr Reid:** I agree with one thing that the hon. Gentleman says. Mr Brown is an extremely partisan politician—one of the most partisan I have ever come across—but his agency, Transport Scotland, says that it is perfectly content with the Bill. The hon. Gentleman knows that because of the way in which the SNP runs Scotland, no Government agency representative would ever dare to go against what the Scottish Government said. If Mr Lloyd had said something that Mr Brown was not happy with, he would have had his P45 by now.

It is perfectly clear that the Governments are in agreement in their support of the Bill. Phase 1 will result in a cut to the journey time from London to Scotland, phase 2 will result in an even bigger cut, and when phase 3 is complete the journey time will be such that the route will be able to compete successfully with the airlines. I fully support the Bill, and I hope that the Opposition do too. Their amendment is completely unnecessary—opposition for the sake of it—and I hope that they will withdraw it.

**Nic Dakin:** I will briefly comment on amendment 23, which relates to the east midlands. It is rather odd to name the east midlands in the Bill, and the amendment is helpful in that it better describes where the station is, and that is in the Nottingham-Derby corridor. I speak as someone who was brought up in Leicestershire, and the route is a long way from the village of Cossington, where my parents still live, so it does not serve the area directly.

I also speak as the Member of Parliament for Scunthorpe county, which abuts the constituency of the hon. Member for Gainsborough (Sir Edward Leigh), which is in Lincolnshire and part of the east midlands. East midlands suggests that it goes through the geography of the east midlands, which includes Lincolnshire, Leicestershire, Derbyshire and Nottinghamshire.

11.15 am

Although, as we have said previously, it will be significant for the connectivity of the broader east midlands, west midlands, Yorkshire and areas of the north-west, it seems unhelpful to have the east midlands defined in such a way in the Bill. It is a minor point, but when we are trying to give confidence to people, such minor points of accuracy are helpful.

**Lilian Greenwood:** Did my hon. Friend reflect at last week's evidence sessions on the importance of developing further connectivity within a region, in order better to link towns and cities surrounding a high-speed stop, so as to spread those wider economic benefits? Does he feel, as I do, that when local transport authorities and local enterprise partnerships are considering future development of transport connectivity, it is helpful to have a degree of certainty on where the HS2 stop would

be? I am sure he is aware that Nottingham is currently developing its tram network, including line 3, which goes in the direction of Toton but does not connect to it. As the city continues to develop its thinking around the tram network, would it not be more helpful to know that the stop is going to be on the Derby-Nottingham corridor rather than, in the more general phraseology of the Bill, in the east midlands? That opens up the prospect of other areas being considered, even though that is not a feasible option.

**Nic Dakin:** My hon. Friend is right. I suspect the Minister will assure us that the geographical area being looked at is between Derby and Nottingham, because that is the sensible route.

**Mr Burns:** Can I put the hon. Gentleman out of his misery?

**Nic Dakin:** I would be delighted.

**Mr Burns:** The poor hon. Gentleman and hon. Lady are making such a meal of this, it might be useful for me to explain that the east midlands reference in clause 1(2)(a) is to Toton. The fact is that not many people have heard of Toton, except for those in the east midlands, Nottinghamshire, Derbyshire, Leicestershire area. It was considered it would probably be more useful to put the east midlands for those not familiar with Toton. At least this is giving Opposition Members the opportunity to have a slightly bizarre debate.

**Nic Dakin:** The Minister would never indulge in the bizarre, I am sure. I thank him for his clarification. His clarification in many ways confirms that the description of Nottingham-Derby corridor would appropriately capture where Toton is. He will recognise that there is a debate about whether Toton or Parkway are appropriate locations. The evidence, which I listened to, tended to favour Toton. The Minister would not want to rule out proper consultation processes to clarify that. We have made the necessary points about the better description of the Nottingham-Derby corridor. I recognise that “the East Midlands” was a good try.

**Pat Glass:** I rise to challenge some of the remarks by the hon. Member for Argyll and Bute, who talked of opposition for opposition's sake. As someone who has had to interpret legislation from this place in the past, while being challenged by other people about what it means, I have often felt that some of the legislation is the product of a deranged mind. If we are talking about Toton, we should come out and say that, because if not, it will just cause problems down the line.

The hon. Gentleman also said that everyone is behind the Bill, and then slightly changed his mind and said that all the major parties are behind it. That is a classic example of the Westminster bubble. The fact is that not everybody is behind the Bill, and an awful lot of people across the country are not behind it. We have a duty to the people of this country, especially when we are spending huge amounts of public money in straitened circumstances, to ensure that the Government's vision is understood, because at the moment it is not.

At the weekend, a couple of people said to me, “Pat, this is not going to do anything for our region. It will take our money and it will be sucked into the south-east again.” This is about facts and perceptions, and one of the facts stuck in the minds of those in the north-east is that the Government are spending £5,000 a head on transport investment in London and £5 a head on transport investment in the north-east. That hurts, and people need to know, whether they are in Scotland, the north-east or other parts of the country, that HS2 will affect them as well.

It is not just about whether everyone is behind the Bill. It is the duty of the Committee, if we are in favour of the Bill, and the Government to ensure that the vision is clearly understood. HS2 will cost a great deal of money and spending at this level will require public support across the country. That does not just mean the south-east and Yorkshire, but the north-east and Scotland too. We are under a duty with projects such as HS2 to ensure that they are not seen by the public as a rich man’s toy or yet more massive investment in the south-east.

The Olympics were referred to earlier. It was a fantastic summer of sport, but, quite frankly, for the north-east it could have been happening in China, Rio or South Africa—I know an awful lot of people, but only one of them went to the Olympics. When we are spending a lot of money, we are under a duty to engage everyone in that.

**Mrs Spelman:** I cannot let that remark pass, because the benefit of the Olympics was not just about whether someone could get a ticket to see one of the events. There was a benefit to the regions beyond London with construction and the other services that were provided to the Olympic park, and there was cross-party support for those jobs that went to the regions. I visited the north of England to look at the millions and millions of pounds of contracted money that was spent in the north-east, Yorkshire, the north-west and the west and east midlands. The benefit to the taxpayer was spread evenly through the country.

**Pat Glass:** I accept that, and it returns to the idea of facts and perceptions, which I mentioned earlier. The right hon. Lady may well be giving the facts, but the perceptions in the regions of this country were different.

We have a duty to ensure that if people in Scotland and the north-east are going to pay for HS2, they see and understand the benefits of it. I said that a couple of people spoke to me at the weekend. They understood that they would get a train to Leeds and then have to change train to carry on to the north-east. That is clearly not correct, so those messages are not getting out. People have to understand the Government’s vision, and the Government need to be better at engaging right across the country with the people who will pay for HS2. Putting in the Bill that high-speed rail will go to Scotland would make a difference for those in the north-east.

**Frank Dobson:** Will my hon. Friend confirm that if there were to be connections between Newcastle and high-speed trains to Leeds, it would be necessary to get round to electrifying the line between Leeds and York to get on to the east coast main line? Spending on that is not included in any estimate.

**Pat Glass:** That is absolutely true, and it is one of the problems with perception. People do not understand that those trains will travel on a line between Leeds and York that is not electrified and is years away from being upgraded.

**Graeme Morrice:** I am conscious of the fact that we have only seconds remaining before we adjourn.

11.25 am

*The Chair adjourned the Committee without Question put (Standing Order No. 88).*

*Adjourned till this day at Two o’clock.*

