

Public Bill Committee

HIGH SPEED RAIL (PREPARATION) BILL

WRITTEN EVIDENCE

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Contents

Camden London Borough Council (HSR 01)
Dr Paul Hoad (HSR 02)
Dr Chris Eaglen LLB (HSR 03)
Andrew Bodman (HSR 04)
Wendover HS2 action group (WHS2) (HSR 05)
HS2 Action Alliance (HSR 06)
Greengauge 21 (HSR 07)
Charlie Sarrell (HSR 08)
Country Land and Business Association (HSR 09)
Campaign to Protect Rural England (HSR 10)
John Withington (HSR 11)
Institution of Civil Engineers (ICE) (HSR 12)
Rail Freight Group (HSR 13)
Heathrow Hub Ltd (HSR 14)
Woodland Trust (HSR 15)
The Airport Operators Association (AOA) (HSR 16)
Dr Paul Harlow (HSR 17)
BiblioFox Research (HSR 18)
Tonge and Breedon HS2 Action Group (HSR 19)
David Richards (HSR 20)
David Dundas (HSR 21)
Andrew Cordiner (HSR 22)
Penny Gaines (HSR 23)
London Borough of Newham (HSR 24)
Cllr Ray Puddifoot (Leader of Hillingdon Council) (HSR 25)
Stop HS2 (HSR 26)
Digbeth Residents' Association, Birmingham (HSR 27)
Dr Paul Hoad (HSR 28)
Michael Edwards (The Bartlett School, UCL) (HSR 29)
Camden London Borough Council supplementary (HSR 30)
South Yorkshire Passenger Transport Executive (SYPTTE) on behalf of the Sheffield City Region Local Enterprise Partnership (HSR 31)
Chris Damant (HSR 32)
Network Rail (HSR 33)

Written evidence

Written evidence by Camden London Borough Council (HSR 01)

SUMMARY

1. The London Borough of Camden (the Council) recognises the need to deliver growth for the UK economy. The Council itself has policies in place to actively encourage and support growth and this can be seen in major regeneration schemes currently in progress across our borough. The Council also acknowledges that investment in rail and other transport infrastructure is key to both delivering and sustaining growth. But the Council does not accept that this High Speed 2 (HS2) proposal is an effective way of achieving these outcomes. The current proposals are already harming our local economy and will do so for more than a decade. The current proposals for Euston Station are a massive lost opportunity to invest in sustained future growth, which is particularly significant for the Council, which has the fourth largest economy of any borough in the UK. The proposals to link HS2 with High Speed 1 (HS1) along the North London line will have a potentially devastating impact on the Camden Town economy. Both the Euston Station and HS1 link proposals are already deterring developers from implementing granted planning permissions, causing the Council and the country substantial loss jobs and growth.

2. Under the current proposals the terminus for HS2 will be at Euston Station, which is in the London Borough of Camden with a proposal for a connection between HS1 and HS2 across the North London Line, which is also located in the borough. The impact of the HS2 development in Camden as a whole will be overwhelming if the proposals remain as they are. The most significant effect would be on the area to the west of Euston Station where hundreds of homes would be demolished, public open space would be lost, schools would need to be moved and businesses would be severely affected. Of all the homes proposed to be demolished along the length of Phase 1 of HS2, eighty percent are located in Camden. There is a large Bangladeshi community located in this area that is likely to be fractured as a result of the HS2 line. Indeed, the whole community around Euston Station will be at risk if the basic infrastructure that it relies upon is removed, demolished or relocated. We have good reason to believe that the full costs of making good or mitigating these impacts have not been accounted for by the Department for Transport or HS2 Ltd. Once the costs are understood, this will further undermine the business case for HS2 and push up the full costs of the project well beyond the recently revised figure of £46bn.

3. For all those reasons, the Council opposes the idea of Parliament sanctioning an open-ended authorisation for expenditure on the project, and therefore objects to the Bill in principle. Nonetheless, the Council believes that there are a number of ways in which it could be improved for the Council's benefit:

- (i) the Bill should contain some recognition of the enormous impact of the proposals at Euston, and should contain a specific requirement that expenditure should be spent on implementing mitigating those impacts;
- (ii) in respect of the proposed HS1 link, expenditure should in the first place be limited to the carrying out of a) a proper cost benefit analysis, independently reviewed; and b) a full structural survey of the North London Line viaduct. No further expenditure should be incurred on the link if the analysis results in an unacceptable cost benefit ratio or the survey shows unacceptable impacts to the structure of the viaduct;
- (iii) save for expenditure on compensating and otherwise mitigating those adversely affected by the proposals in terms of loss of housing, school places, business revenue and open spaces; expenditure on the proposed route north of Birmingham should be limited in time up to the point where the government announces the proposed route, following consultation;
- (iv) the Bill should be more tightly drafted so as to ensure that only expenditure on high speed railways is permitted, not other railways;
- (v) the Bill should specifically provide for the payment of compensation to local authorities who are incurring significant costs themselves in relation to the HS2 proposals; and
- (vi) the Bill should specifically allow for expenditure to address the blight that has already occurred around Euston Station and which will only worsen as the scheme progresses, to ensure that the station itself and the businesses around it are able to continue to operate as a contributor to the London and regional economy for the time required to construct the line into and station at Euston.

4. Comments in greater detail on some of the clauses which are of particular interest are set out in paragraphs 5 to 21 below.

CLAUSE 1(1)

5. The Council has four issues with this clause:

- (i) a general complaint at the proposal to provide unlimited funds to be spent on a project with unproven cost benefits at a time when people are experiencing financial austerity;

- (ii) the cost to the London Borough of Camden has been significantly underestimated in the Department for Transport and HS2 Ltd's calculations;
- (iii) funds should not be applied to developing the proposed HS1 link. They could be more effectively used elsewhere; and
- (iv) a general complaint of the incurring of cost without proper consideration of reasonable alternatives.

These points are discussed separately below.

Unlimited Expenditure

6. The Secretary of State for Transport recently announced an additional £10b contingency allocation for HS2, thus increasing the total projected cost of HS2 to £46b. This £10b increase is almost exactly the amount of money that the Chancellor identified as "essential cuts" in his recent Spending Review. These figures are also based on 2011 figures, so are already out of date, especially considering the start date for the development is currently projected for 2017.

7. At a time when the country is trying to recover from the recent recession and is experiencing more pushes for austerity and cuts to services from central government, it is difficult to understand how the promoters of HS2 are able to justify the enormous spend on the HS2 line, particularly when there is doubt about the cost benefits of the scheme.

8. Recent reports from two important and influential bodies who have investigated the financial statements and forecasts of DfT in relation to spending on HS2 have been very critical of the project. Margaret Hodge, the Chair of the Public Accounts Committee stated on 16 May 2013:

"There is virtually no evidence in this business case to support claims that HS2 will deliver regional economic growth, one of the key aims and justifications for this project".

9. The National Audit Office's report¹ concludes that the strategic case for HS2, in terms of increasing rail capacity and generating regional growth, has still to be demonstrated clearly.

10. On 1 July 2013, the Public Accounts Committee took evidence from HS2 Ltd and DfT officials and scrutinised the cost of HS2. After hearing the evidence, Margaret Hodge stated that the projected timetable for completing the HS2 railway is "complete madness" and that there would be even greater costs as a result of any delay in the promotion of the hybrid bill.

11. Further, the recent New Economics Foundation report concluded that the Department for Transport (DfT) has omitted a vital step in what should be a fair, transparent and prudent appraisal of the proposed High Speed 2 (HS2) rail line in that it has failed to explore alternative options properly and that spreading the capital across many diverse projects, in a way that is responsive to local as well as national needs, could reap much wider economic, social and environmental dividends.

12. The Council cannot see why such a large part of its borough should suffer such extreme disruption and see residents, business owners and visitors deprived of local infrastructure without any guarantee (to date) that these will be re-provided. To date the Council has not received guarantees that the open spaces lost will be re-provided, that homes lost will be re-provided within the community that residents currently live in or that the school will be suitably relocated. If the government is to be able to incur unlimited expenditure, then the Council is of the view that the Bill should say explicitly that funds should be directed towards achieving those ends.

13. Notwithstanding that there was a majority vote in favour of second reading of this Bill, it is noticeable that there is more general dissent for this particular high speed proposal from politicians across the political spectrum as well as from economists and other commentators than when the proposal was first put forward by the Secretary of State for Transport in January 2012. This is important to note, considering the Bill effectively allows an open cheque for the Department to use in progressing the project.

The Cost to Camden

14. The financial impact of HS2 that the government has allocated to Camden and in particular the area around Euston has not been accurately calculated. The Council considers that the government has not properly considered the costs to the Council's economy around Euston, which in turn has further impacts on London's economy. HS2 Ltd has set aside £1.3bn² for compensation payments for Phase 1 of the route. The Council is undertaking a "True Cost to Camden" study which was commissioned to provide a comprehensive detailed and in-depth appraisal of HS2's cost to the people, communities and businesses based in the borough. Early indications show that the cost of HS2 to the London Borough of Camden will be in the order of £1billion. We are undertaking detailed work to account for this sum, which will be released shortly. It is worth noting that not all of these costs are compensable under the statutory compensation scheme.

¹ Entitled *High Speed 2: A review of early programme preparation* dated 16 May 2013

² DfT announcement with release of Property Compensation Consultation 25 October 2012

It follows that the cost to rest of the country is likely to have been similarly underestimated by HS2 Ltd and the government, meaning the already vast amount set aside by the government for HS2 will be grossly exceeded in the construction of the line.

15. Where the Council is particularly concerned is the reported³ increase of expenditure required to construct a smaller, less comprehensive Euston Station terminus. The original scheme as announced in January 2012 was for a complete demolition of the existing station, the lowering of the tracks and the construction of a comprehensive new station which would allow development above. These plans have now evolved into nothing more than a side extension to the existing Euston station which is going to cost £400m more than the original estimates of comprehensive station developments with less benefits. The potential for maximising above-station development has been severely reduced by this change and significantly limits the ability for a proper regeneration of the areas around Euston station.

HS1/HS2 Link

16. The Council considers that there is no business case for the link to High Speed 1, even on the government's own evidence. The significant cost that the borough and London would incur with the disruption caused by the current plans to widen the viaduct to allow the high speed trains through the city to link to HS1 has not been accounted for properly in the government's benefit cost ratio so the business case is even worse than that presented by the government. There is no evidence of any strategic advantage promoted by the government for having this link. Therefore, should HS2 proceed in spite of the overwhelming evidence that it will cost the country billions with strictly limited financial benefit, the Council would like to see the expenditure allocated to create this link reallocated to providing a comprehensive redevelopment of Euston Station.

Failure to consider alternatives

17. While the focus of the Council's concerns is on the immediate negative impact that will be inflicted on the borough, of further more general concern is the significant amount of public money that the Bill would allow to the government to spend on a project that makes no sense financially or strategically. This is especially so when considering that the government has not undertaken a full and proper investigation of the environmental impacts of the alternatives to High Speed 2. There has been some assessment of alternatives as was seen in the 2012 decision issued by the then Secretary of State, Justine Greening. However, given the substantial amount of public money that is currently committed to the project it is incumbent upon the government to undertake a comprehensive study of the alternatives to show whether the strategic objectives of the schemes can be better met by options that are less expensive and have less impact environmentally. This was not done in the run up to the 2012 decision and (in breach, in the Council's view, of the Strategic Environmental Assessment Directive), and it shows a lack of basic common sense when handling substantial public funds.

CLAUSE 1(2)

18. The Council is of the view that it is fundamentally wrong for the government to be spending any money on Phase 2 of the HS2 route without undertaking a proper budgeting exercise on Phase 1 and more especially the cost to Euston. The additional £400m increase in the cost of constructing a smaller HS2 station at Euston than the original comprehensive station that was proposed (see paragraph 15 above), shows how incredibly important it is to have accurate detailed up-to-date information on costing and budgets. Not to have such is not a proper way to spend public money. Whilst it is accepted that expenditure will need to be incurred in consulting on the proposed route and other route options, the Council is of the view that no further expenditure should be permitted by the Bill after the point at which the final choice of the route is made (save for expenditure in compensating those affected by the proposals). Any further expenditure should be authorised by a further paving bill.

CLAUSE 1(3)

19. There is a concern that the wide wording of this clause could potentially allow expenditure on Crossrail 2 to enable the government to address the issue of dispersal of passengers from Euston Station. The wording in the clause is very wide-ranging. Terms such as "any railway line" and "any other infrastructure" are very broad, particularly when read with the words "at least" in clause 1(2)(a). There is a requirement that expenditure must be incurred in relation to clause 1(1), but that provision is not restricted to HS2, and includes "a high speed railway transport network". This needs to be more carefully drafted to ensure that expenditure is limited to infrastructure which is part of or directly related to the provision of high speed railways, and not other railways such as Crossrail 2 (save for any connecting infrastructure).

CLAUSE 1(4)

20. The Council simply notes that compensation is referred to without the revised scheme having been formulated yet.

21. Conspicuous in its absence is any reference to the payment of costs incurred by local authorities and other bodies in responding to the HS2 proposals. A significant amount of money has been and is being spent

³ Alison Munroe response to PAC questioning 1 July 2013—increase by £400m for reduced scheme

by the Council in responding to the various consultations, keeping local residents and businesses informed, negotiating (or attempting to negotiate) with HS2 and working on alternative proposals. At a time when central funding of local government is being cut further than any other area, it is unfair that the councils who are affected by these proposals should have to bear the significant costs involved. Clause 1(4) should be amended so as to enable expenditure on recompensing local authorities for these costs.

July 2013

Written evidence from Dr Paul Hoad (HSR 02)

1. BACKGROUND

1.1. Introduction

1.1.1. This paper has been written by Dr Paul Hoad who has 16 years' experience in Transport Modelling and Planning. Dr Hoad has worked on a wide range of transport projects, in the UK, East Asia and the Gulf, including the economic and financial assessment of transport schemes. This experience has included "hands on" computer modelling of schemes, the management of planning projects and the critical review of other consultants' work

1.1.2. Having undertaken and scrutinised studies of a similar nature (although admittedly smaller) to the HS2 scheme I consider that the study as currently being progressed has numerous errors and does not present value for money for the country. However given the remit of the Scrutiny Committee it is not my intention in this paper to present my detailed arguments over the errors made by the HS2 study.

1.1.3. It is however clear to me that a fundamental problem with the development of the HS2 project is lack of proper scrutiny of the work being carried out by HS2 Ltd, and a lack of rigour in their work. This was clearly demonstrated to me in a letter to me from HS2 Ltd in response to a Freedom Of Information request. I had written to HS2 Ltd asking for parameter values from their HS2 model. The response I had (HS2 Reference FOI13-642 dated 27th June 2013) was that HS2 Ltd could not provide me with these model inputs as "The company has not completed the quality assurance of the information." and that "Premature disclosure of potentially incorrect information is not in the public's interest as it may mislead debate about an important policy issue."

1.1.4. As will be readily apparent, if the input values for the model could be incorrect then it follows that the output values could also be incorrect. Despite the concern about handing over incorrect input data, HS2 Ltd appears content to present forecast values to Parliament and the public. To be still going through the quality assurance process (ie checking) and be concerned over the accuracy of the model is unbelievable given HS2 Ltd have been using the model for at least three years to assess the scheme and to publish forecasts for public consultation, and the model lies at the very heart of any calculation of the overall benefit of the scheme.

1.1.5. The picture that the HS2 study presents is therefore that a decision has already been made that the HS2 network will be built and that the calculation of the actual benefits of the scheme is a mere formality, and that HS2 Ltd assume that the model results will automatically show a net benefit regardless of the inputs.

1.1.6. In addition, statements have been made in support of the HS2 project (including statements made by HS2 Ltd to Parliamentary committees) that do not appear to be supported by the documents made available to the public on the HS2 Ltd website. It is difficult to know if such statements are supported by documents which are not in the public arena, or whether there is in fact no evidence to support such assertions.

1.1.7. A clearer account therefore needs to be kept of the reports and other documentation produced by HS2 Ltd, to provide a better understanding of the evidence base of the study. This will assist not only with the current scrutiny of the project but would be of benefit in the future, should the project be built. Once HS2 is up and running there is every possibility that changes will be proposed to the method of operation. By having the original assumptions preserved in the Parliamentary records it should be easier to prevent subsequent detrimental changes being made.

1.1.8. It is therefore clear that greater scrutiny needs to be applied to HS2 Ltd, and by implication the Secretary of State who oversees HS2 Ltd. The purpose of this note is therefore to identify constructive methods by which more formalised scrutiny can be applied to the progression of the scheme and provide greater clarity to the public and Parliament.

1.2. Overview of recommendations

1.2.1. The Bill as currently drafted provides the Secretary of State with the power to spend large amounts of tax payers' money whilst setting out only very modest requirements to justify this spend. Furthermore the development of HS2 has been, and will continue to be, a long drawn out process causing difficulties in keeping track of what changes may have been made and what previously published information may have been superseded.

1.2.2. The need for an annual financial report therefore provides the opportunity to produce what would be an Annual Progress Report, setting out not only what money has been spent but also what this money has

been spent on. This would facilitate the transparency of the overall process to the public and ensure proper parliamentary scrutiny of the project, thereby maximising value for money.

1.2.3. The information provided in such an Annual Report should be readily available to the Secretary of State as HS2 Ltd would be providing their own progress reports as a matter of course. The Annual Report should not in itself need to carry excessive details, merely have a summary of information with references to the relevant reports or other document where the details can be found.

1.2.4. With regards the reporting of the expenditure, the Bill sets out the Secretary of State must provide “details” but is not explicit on how detailed. A large project such as HS2 would be broken down into different work streams with their own budgets so it should not be too difficult to give a breakdown of costs according to different aspects of the study. Such reporting is important to ensure that sufficient attention is given to each aspect of the study.

1.2.5. Using the concept of an Annual Progress Report as a template for the Secretary of State’s annual report, it would also be appropriate for the report to include a forecast of work to be carried out in the coming period (ie financial year). A listing of future work need not be to the same level of detail as would be used in reporting the preceding financial year, but should follow the same basic format, thereby allowing subsequent comparisons of what was planned and what was achieved.

1.2.6. Placing a requirement upon the Secretary of State to produce such an Annual Progress Report would not be an onerous task. The production of progress reports is a standard procedure within the planning and construction industry and presumably the HS2 study would be generating such reports on a monthly or even weekly basis. Therefore it would only be a matter of collating information that should be readily available.

1.2.7. Finally, previous experience of transport planning studies has shown the need for undertaking comparisons between scheme forecasts and actual outcomes. Given that HS2 is taking a major step in the provision of transport for which there is no precedent in the UK, it would be appropriate to carry out such a post opening study.

1.2.8. The requirements for such a “before and after” study would be significant and would require additional funding and would need to be prepared and planned for in parallel with the current study.

2. ITEMS TO BE INCLUDED IN ANNUAL REPORT

2.1.1. Listed below are a number of items, each of which should be included in the Secretary of State’s Annual Progress Report on HS2.

2.2. Breakdown of costs

2.2.1. All financial spending to be broken down according to the purpose of the spending, such as (but not limited to):

- Purchase of land;
- Rental of land;
- Maintenance of land;
- Construction costs (capital);
- Construction costs (labour);
- Transport Modelling;
- Economic Assessment;
- Engineering Design;
- Environmental Assessment;
- Publicity and Consultation
- Legal (with respect to statutory requirements such as Compulsory Purchase Orders);
- Legal (with respect to external challenges); and
- Administration.

2.2.2. All such costs should also be broken down according to which of the construction phases that they are related to ie Phase 1 (London—Birmingham) or Phase 2 (North of Birmingham), or whatever phasing may subsequently be applied.

2.2.3. In order to ensure clarity of the figures, no single category should account for more than 10% of the total figure. If necessary a category should be broken down into more detail so that each subcategory is less than 10% of the overall total.

2.3. Breakdown of hours

2.3.1. A summary of person hours worked should be included, broken down in the same categories as given for the breakdown in overall costs. Such a breakdown by person hours would be necessary in deriving the financial costs and should not place any additional burden on reporting.

2.4. *Progress Statement*

2.4.1. A summary of key milestones achieved, new work produced, revisions etc. should be given.

2.4.2. A full explanation for each need not be included provided that a relevant reference is given to the relevant published document where details can be found.

2.5. *Report Listing*

2.5.1. A list of all Reports, Technical Notes etc. that have been issued in the preceding financial year by HS2 Ltd, or the Department for Transport in support of the HS2 project.

2.5.2. A list of all Reports, Technical Notes etc. that have been superseded or otherwise rendered no longer relevant to the project in the preceding financial year by HS2 Ltd, or the Department for Transport in support of the HS2 project.

2.5.3. A summary list of all Reports, Technical Notes etc. that have been issued by HS2 Ltd, or the Department for Transport in support of the HS2 project. This would be a cumulative list, providing a definitive list of all reports, whereas the lists referred to above would refer only to the reports published or superseded during the previous year.

2.6. *Deviations from Standards*

2.6.1. A list shall be provided of all instances of deviations from standards, guidance or other established principles governing the development of the HS2, during the preceding financial year. For example, the DfT's WebTAG guidance sets out the methodology for transport assessments. Any variations or inconsistencies from this guidance that HS2 has used should be identified. Similarly deviations from established standards on railway (or even highway) design should be identified. Such deviations from standards would be expected to be already documented by the study and so the information should be readily available.

2.6.2. Reporting on such deviations from standard would ensure the quality standard of the project. In addition, given that the UK has not built a railway with such high speeds, there is the likelihood that the design will require significant changes from current standards. By bringing together such deviations it would help to provide a valuable reference source to define new standards.

2.6.3. A full explanation for such deviation need not be included provided that a relevant reference is given to the relevant published document where details can be found.

2.7. *Overview of Scheme Benefit*

2.7.1. The annual report should include the Transport User Benefits and the Benefit Cost Ratio (BCR) of the scheme, to demonstrate the viability (or otherwise) of the scheme.

2.7.2. It should be noted that in deriving the BCR of a scheme, the convention is to exclude any historic costs from the calculations. In general the costs of scheme design and preparation are relatively minor compared with the overall scheme costs and would not affect the final BCR.

2.7.3. For the HS2 study significant costs have already been incurred, and the bill will allow further significant spending to take place before the scheme is finalised. As time progresses, such spending will therefore disappear from the projected costs of the scheme as tabulated in the Transport User Benefits and the Benefit Cost Ratio of the scheme. This will inevitably result in the scheme appearing to have a steadily better and better benefit and higher BCR ratio.

2.7.4. In order for consistent year on year comparisons to be made of the scheme benefits a BCR should be calculated using both future and historic costs (eg to include all previous costs of HS2 Ltd) and not just future costs. This will improve the transparency of the project and help maximise value for money.

2.7.5. Such reporting should be in addition to the conventional form of reporting and not replace it. As it is possible (and not unknown) for a scheme to reach a position where although the total costs (historic and future) mean that the scheme is not value for money, it may still be valid that finalising the scheme is better than halting the project in its entirety. However it is possible for significant additional costs to be left out of the BCR calculations using the conventional method.

2.7.6. To demonstrate the need for such an additional BCR calculation, take the following hypothetical example: in planning the scheme the purchase of a parcel of land might be assumed to cost one million pounds, and this value is used in the calculation of the BCR. When the land is actually purchased it then actually costs one hundred million pounds. Despite the cost being higher than planned, when the BCR is next calculated its value will actually be lower as the cost is in the past and not the future. Although self-evidently the scheme would not be as good as originally expected, the manner in which the calculations are carried out means that the scheme would appear to be better value.

2.7.7. Whilst it is not suggested that scheme costs have been undervalued to the extent shown in the hypothetical example above, this example clearly demonstrates how the true viability of a scheme can be obscured by how costs are accounted for. As the HS2 project is going beyond the normal conventions of

a scheme, requiring a dedicated bill to allow significant sums to be spent prior to the final approval of the scheme, it is appropriate for additional checks to be carried out on the project to ensure value for money for the tax payer.

2.8. *Projections for forthcoming financial year*

2.8.1. A forecast should be provided of the projected spend for the forthcoming financial year. This total should reflect the budget allocated by the Secretary of State for the project. Given the levels of uncertainty in large projects, this value may not be the final sum spent, and this value should not be taken as a fixed value. Instead the purpose is to provide transparency over future spending and to allow comparisons to be made in the following financial year of what had been planned and what was actually spent.

2.8.2. The format and breakdown of the projected spend should be in the same format and breakdown as given for historic spending, in order to allow easy comparisons.

2.8.3. In addition to projected spending, the report should also provide projections for all other items to be included in the historic reporting. The report should therefore include projected person hours to be spent.

2.8.4. A list of key milestones to be achieved should also be included, together with planned deliverables (eg reports, construction, land purchase etc.).

3. PREPARATORY WORK FOR POST OPENING ASSESSMENT

3.1. *The need for Post Opening Assessment*

3.1.1. Undertaking a comparison of the forecast impacts of a scheme with the actual results is a common practice in transport planning. Such a process helps to inform future works and can identify potential weaknesses in assessments that can be addressed in future studies. For many studies this can make use of survey data undertaken as part of the original planning and design process (eg traffic counts) which can be repeated once the scheme has been opened.

3.1.2. For larger schemes where the impacts are wider than simply diverting traffic, there can be increased difficulties in identifying all the potential effects. This can only be rectified by carrying out additional surveys prior to the opening, or rather before construction, of the scheme.

3.1.3. Underlying the proposals for the development of HS2 network is the assertion that this will be a major step change in transport provision, not only providing shorter journey times but creating large numbers of jobs. As such, the implementation of such a scheme should be the subject post opening assessment, firstly to confirm whether such assertions were correct and if so, to obtain a better measurement of the effects.

3.1.4. Carrying out a post opening comparison for Phase 1 of the HS2 network (ie London to Birmingham) would help to inform the design of Phase 2 and any subsequent Phases.

3.1.5. To carry out such a post opening assessment would require a certain amount of lead time in order to get the study planned out properly (even before any surveys are carried out). Such surveys would include not only conventional traffic surveys (eg traffic counts, passenger counts) but surveys of employment and land use, which would be beyond that required for the current study (although the availability of such data may help to inform the current study).

3.1.6. The Secretary of State should therefore have the responsibility for, and the powers to progress, the preparation of a post opening assessment study for the HS2 network. Such a responsibility would be best initiated at the earliest possible time, and hence should be included in the current bill, and not be delayed till the final HS2 bill is passed.

3.2. *The requirements for Post Opening Assessment*

3.2.1. The Secretary of State should put into place the preparatory planning for a post opening assessment study. Such a planning process need not be undertaken by HS2 Ltd, and would be best undertaken in the conventional manner via competitive tender. However any such surveys would need liaison with HS2 Ltd, and hence HS2 Ltd would need to have budget allocated for such additional work.

3.2.2. In a similar manner, data may need to be obtained from local authorities (eg land use, employment etc.), placing additional financial requirements on them. In such a case a funding mechanism would need to be in place to facilitate the process.

3.2.3. Funding should also be allocated to allow a design study to be undertaken, with subsequent funding to follow to allow pre-construction surveys to be undertaken.

4. CONCLUSION AND SUMMARY

4.1.1. This paper has set out a number of items that should be included in the requirements of the Secretary of State's annual report on the HS2 study.

4.1.2. The information required for such proposed items should be readily available to the Secretary of State and should not place any undue burden on the Department for Transport or on HS2 Ltd.

4.1.3. The additional data requirements will however provide greater transparency of the HS2 study and help maximise value for money in the project.

4.1.4. Placing more information on the Parliamentary record would also aid in future operation of the proposed network, providing a reminder of the assumptions the business case was based upon thereby preventing detrimental changes being made.

4.1.5. Conversely, there should be no reason why the Secretary of State should want to withhold any of the suggested items from the public domain.

4.1.6. The Secretary of State should also be authorised to undertake a post opening study, for which additional data would need to be collected prior to the construction of Phase 1, and for which additional funding would be required.

July 2013

Written evidence from Dr Chris Eaglen LLB (HSR 03)

The approach to consultations is a fishing approach not an iterative design and planning approach. Please find why the preparation is not wise at this stage on such a singular Route and such a railway which requires much more infrastructure to be effective but at too high a cost and impact currently. For example there is the need to be able to show the balance of alternatives which the Chairman of HS2 said do not exist but they do and some have been included in the different court cases.

AVDC now is threatening to bring a case after the Hybrid Bill. Why are the processes casting off the peoples wishes like flares from a C130 or Chinook landing in Bagram or in Basra. What is wrong with this project where a process has not had the normal iterative steps or a sensible development of a plan.

DRAFT ENVIRONMENTAL STATEMENT AND DESIGN REFINEMENTS FORMAL SUBMISSIONS

The documentation fails to demonstrate balance, local impacts and FAILS to make the do nothing options and alternative routes and sections impacts. A poorly approached design and maximises damage to Aylesbury Vale areas and Buckinghamshire. A how not to approach to large projects being approached as though minor change projects. Fails for modern Britain to provide capacities and strategic links. Does not align with Secretary of State and promoters claims.

Please is it possible to change the last page statement from 1 to 2 please:

1. Responses to the consultation will be analysed and used to produce a summary report which will inform further development of the Environmental Statement and the draft Code of Construction Practice.

2. Responses to the consultation will be analysed and used to produce a summary report which will inform further development of the Environmental Statement and the draft Code of Construction Practice. We wish these comments to also be formed into a presentation to the Hybrid Bill and or the Independent Assessor to be appointed for the Paving Bill and Hybrid Bill to ensure a balance of disagreement with Route 3 because of the very poor reviews of alternatives and omission to refer to some non-HS2 led alternatives. Also because of the misrepresentation in the Draft Environmental Statement and failure to apply the SEA or its principles.

Hopefully there can be a recognition that the UK should not railroad poor processes through regardless of consequences.

The scrutiny group can request HS2 and the DFT demonstrate the baseline do nothing and other options more diligently.

Communities and people have lost faith in the MPs and the current practices in Parliament shown by the vote and other votes which have such impacts on people's economical losses and detriments.

July 2013

Written evidence from Andrew Bodman (HSR 04)

1. Andrew Bodman—retired IBM project manager. He lives close to Northampton, approximately 16 miles from the proposed route of HS2. He has studied in detail the evidence for and against HS2 since March 2011. He has delivered presentations on HS2, and has submitted written evidence to the Transport Select Committee, Public Accounts Committee and National Audit Office.

SUMMARY

2. The HS2 Preparation Bill enables unlimited spending to be made on the HS2 programme. Full details of the programme have not been provided to Members of Parliament which compromises their ability to make well informed decisions. HS2 is an ill conceived project for the following reasons:

- The West Coast Mainline does not have the capacity issues that other lines currently experience.
- HS2 is more likely to attract businesses to London (not to the North and Midlands) based on independent research that has been carried out.
- HS2 appears to offer very poor value on a cost per mile basis.
- The benefit cost ratio of this programme is unacceptable and the passenger forecasts are very likely to be overstated.
- HS2 will require a substantial ongoing subsidy and will add to the significant debt this Government already has.
- HS2 has no expansion capability beyond 2032/3 due to the designed in bottleneck between London and Birmingham.
- Underground services at Euston will be overwhelmed
- The vast majority of homeowners living close to the proposed route will not be fairly compensated.
- Classic rail services post HS2 will be downgraded in many cases
- Experience of high speed rail in other countries shows there has been a cutting back of new projects.
- There appears to have been weaknesses in some aspects of programme management so far.

PREPARATION BILL

3. The High Speed Rail (Preparation) Bill is an additional piece of legislation which was not part of the original plan for HS2. It had been thought that a Hybrid Bill would be the only legislation required for HS2 Phase One. The Hybrid Bill would have allowed for a detailed study of the issues associated with HS2 by all Members of Parliament prior to a vote. While the Hybrid Bill is still expected to proceed between 2013 and 2015, voting on the Preparation Bill will be taking place without the same detailed information about the HS2 project being made available for study by Members of Parliament.

4. The Preparation Bill is not needed to enable compensation payments to be made. Total HS2 expenditure to date (approximately £260m) has been made without a Preparation Bill. Phase One safeguarding payments (about £1bn) have been expected from as long ago as 2009. The Exceptional Hardship Scheme payments are very small within the overall context of the HS2 budget (£49m to date).

5. There is no upper expenditure limit proposed within this Preparation Bill. While most Government departments have been forced to reduce expenditure during the most recent spending review, it is both extraordinary and inconsistent that no limits are placed on expenditure for HS2.

6. Reporting to Parliament regarding HS2 will first take place after 31st March 2015 and annually thereafter. The reporting will be on expenditure incurred. Therefore the whole reporting process will be backward looking without any looking ahead. Parliament should be advised of the likely expenditure before it is incurred and actual spending should be compared with anticipated expenditure. A definitive total budget needs to be established, as does the budget for each year of the programme between now and completion.

7. If Parliament approves the Preparation Bill, it is facilitating the expenditure of taxpayers' money on a singularly ill-conceived and ill-founded project. It is ill-founded for the following reasons.

CAPACITY REQUIREMENTS

8. It has been argued by Government ministers that the West Coast Mainline (WCML) will be full by the early 2020s and that HS2 is the only way to overcome that overcrowding. However, peak time loading of Virgin trains was measured at 52% in 2011. Since then over half of the Pendolino fleet has been extended from 9 to 11 carriage trains, reducing peak time occupancy to about 35%. Significant spare capacity exists now and this was confirmed by the First Group bid for the WCML franchise in 2012 (initially accepted by the DfT). The First Group anticipated annual growth of 10.4% for 13 years on the WCML.⁴

9. There are lines other than the WCML which are currently overcrowded. Nationally 69% of rail passenger journeys take place in London and the South East regions, while 2% are on Virgin Trains and just over 1% are on East Coast trains. 132,000 rail passengers stood on trains during the three hour morning peak on a typical day in autumn 2011. 89% of these standing passengers were on trains to London stations, although none of

⁴ <http://www.hs2actionalliance.org/index.php/the-case-against-hs2/capacity-case>
<http://www.rail.co.uk/rail-news/2012/west-coast-rail-franchise/>

them were on Virgin or East Coast trains. DfT data from 2011 provided the following number of rail passengers standing (typical autumn day) during the three hour morning peak:

— London Bridge	32,536
— Waterloo	29,748
— Liverpool Street	15,151
— Victoria	12,297
— Fenchurch Street	6,653
— Paddington	4,435
— St Pancras	4,018
— Euston	3,716

10. Furthermore there was no sign of standing passengers on Virgin Trains at Euston in the morning peak. It was London Midland and London Overground services which carried the standing passengers. Similarly at Birmingham there was no sign of standing passengers on Virgin trains, but instead on London Midland and Chiltern trains. In the case of the latter, it is not clear whether the survey was performed before or after the introduction of Project Evergreen.⁵

11. If the Government wants to spend its money most effectively, it should be dealing with routes experiencing the most serious overcrowding now. Spending a disproportionate amount (in excess of £40 billion) to relieve congestion on a line which carries 2% of total rail passengers and currently does not appear overcrowded will surely delay investment by up to 20 years for lines which are seriously overcrowded now. Providing additional capacity in the South East and London regions would produce benefits to far more rail passengers and could be completed much sooner. The focus has been on the wrong area and needs to be changed.

12. However, if it is adamant about increasing the capacity on the WCML then the Government would be better served to implement the 51M Optimised Alternative which is more than 90% cheaper, can be introduced much earlier and provides more than double the standard class capacity at peak times compared to a 2008 base.⁶

REGIONAL REGENERATION

13. A number of Government ministers have claimed that HS2 will help rebalance the North South divide; it has also been suggested that 100,000 jobs will be created. No evidence has been supplied to support these claims.

14. However in his extremely well researched submission to the Transport Select Committee in 2011 and when being interviewed as a witness, Professor John Tomaney indicated that if there were to be any regional benefits, then they would most likely be experienced in London. That view was also supported by a Spanish professor on the Newsnight programme on 7th May 2013.⁷

15. If high speed rail is such a creator of jobs and growth as the DfT and HS2 Ltd claim, how is that Spain has the second highest level of unemployment in Europe while also having the greatest mileage of high speed rail of any European country? If the Government wants to redress the North—South regional imbalance then there are far more effective methods than the construction of HS2; study the views of Professor John Tomaney referred to above.

ECONOMIC CASE—VALUE FOR MONEY

16. The first phase of HS2 (London—Birmingham) is extremely expensive on a cost per mile basis. 140 miles are to be built at a cost of £21.4bn which works out at £153m per mile. This is an increase of 82% over the cost per mile of HS1. What is even more concerning is that the cost per mile of HS2 (phase 1) is five times greater than the cost per mile of an equivalent high speed line built in France. It is also of real concern that the cost of building HS2 increased by almost £10 bn in the last week of June 2013. That increase almost negates the total cost savings for 2015–16 brought about by the Comprehensive Spending Review in June 2013.⁸

⁵ Modern Railways June 2013 page 36,
Rail Magazine issue 719 page 22,
<https://www.gov.uk/government/publications/rail-passenger-numbers-and-crowding-on-weekdays-in-major-cities-in-england-and-wales-2011>

Department for Transport including rai0212, rai0213, rai0214, rai0215 spreadsheets

<http://www.51m.co.uk/select-committee>

⁷ <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmtran/writev/rail/m14.htm>

<http://www.publications.parliament.uk/pa/cm201012/cmselect/cmtran/1185/11071201.htm> (Q269 onwards)

<http://www.bbc.co.uk/news/uk-22441169>

⁸ <http://www.publications.parliament.uk/pa/cm201314/cmselect/cmpublic/uc478-i/uc47801.htm> Answer to question 69

<http://metricviews.org.uk/2011/10/spotlight-falls-again-on-the-uks-high-construction-costs/>

Source: NCE Conference Barcelona September 2011.

<http://www.bbc.co.uk/news/uk-23070506>

<http://www.telegraph.co.uk/news/politics/spending-review/10141596/George-Osbornes-Spending-Review-is-based-on-already-obsolete-assumptions-about-the-world-economy.html>

ECONOMIC CASE—BENEFIT COST RATIO

17. In calculating the benefits for HS2, the assumption has been made that rail passengers do not work on trains. It has then been assumed that all journey time savings will lead to an equivalent amount of extra work. As most rail travellers will observe many people do work on trains using laptops, iPads, smart phones or reading documents. A DfT report in 2009 demonstrated that a specific journey time saving does not produce a corresponding amount of additional work. As approximately half the financial benefits relate to journey time savings (productivity improvements), this correction has a dramatic and adverse effect on the benefit cost ratio.

18. The passenger demand forecasts are over optimistic for HS2 for at least two reasons. Firstly the DfT have persisted in using Passenger Demand Forecasting Handbook v4.1. This was superseded by v5 in August 2009, but the DfT have continued to use the older forecasting model for HS2 even though they were using v5 in 2012 in relation to the West Coast Mainline franchising bid programme. The use of the later Passenger Demand Forecasting Handbook will result in lower (more realistic) passenger forecasts. In addition DfT guidelines say the model should only be used to forecast passenger demand up to 18 years ahead. Instead it has been used to forecast passenger demand at least 35 years ahead.

19. Secondly the DfT has assumed that HS2 ticket prices will carry no price premium. This is quite unrealistic when HS1 tickets carry a 20% price premium and high speed lines in Europe typically have a 75% price premium on their ticket prices. Premium priced tickets will lower passenger demand from that forecast.

20. Professor Bent Flyvbjerg of Oxford University found there is a tendency to overestimate passenger demand after studying 258 infrastructure projects in 20 countries. For rail projects he found the average cost overrun was 44.7% and the average overestimation of passenger traffic was 105.6%. His report is titled: "Survival of the unfittest: why the worst infrastructure gets built—and what we can do about it."

21. HS2 Action Alliance has shown that a more realistic benefit cost ratio for phase one is 0.43 to 1 and for the full Y is 0.9 to 1. This is after making corrections for the out of date forecasting model (see paragraph 18 above) and acknowledging that 50% of time spent on trains is not wasted. These calculations do not reflect the most recent rises in construction costs, which will further adversely affect the benefit cost ratio. Even then, the calculation does not include a realistic allowance for property blight compensation.⁹

22. Where a benefit cost ratio is less than 1 to 1, that represents a loss. Does the Treasury not have a responsibility to cancel a project with such a poor (corrected) benefit cost ratio?

ECONOMIC CASE—ONGOING SUBSIDY AND DEBT

23. It is understood that Spain spends nearly \$3 billion on high speed rail subsidies annually and Germany more than \$1 billion per year. We also know that the high speed line between Amsterdam, Rotterdam and Breda (in the Netherlands) has been saved from bankruptcy with a £250m government bailout. It has been losing £320,000 per day due to disastrous levels of patronage.

24. Japan is another country which appears to subsidise its high speed rail despite it having the highest rate of rail use in the developed world. In July 2010 a World Bank report cautioned that governments planning high-speed rail systems "..... *should also contemplate the near-certainty of copious and continuing budget support for the debt*".¹⁰

25. An ongoing subsidy of £1 billion or more per year for the next 50 plus years is an unnecessary and unwanted millstone for taxpayers. One of the reasons that a subsidy will be required is that passenger revenues will fail to match projections for the reasons outlined in paragraphs 18, 19 and 20 above.

26. In addition the Government is going to be saddled with the debt resulting from the construction costs of HS2 just as it has been (on a much smaller scale) for HS1. Network Rail currently has a debt of just over £30 billion. In France the accumulated debt from TGV line construction costs had reached 38 billion euros by 2011 (SNCF and RFF combined). Total rail debt in Spain in 2012 was 16 billion euros (Renfe and Adif combined). Japan has had major issues with the debt incurred in building its high speed lines which had reached \$300 bn.

⁹ <http://www.telegraph.co.uk/news/uknews/road-and-rail-transport/9321412/Benefits-of-HS2-were-exaggerated-secret-report-reveals.html>

<http://oxrep.oxfordjournals.org/content/25/3/344.full.pdf+html>

<http://www.hs2actionalliance.org/index.php/news/press-releases-new/202-dfts-new-business-case-for-hs2-hides-more-than-it-reveals-24-august-2012>

¹⁰ <http://capoliticalnews.com/2012/04/15/grimes-new-high-speed-rail-biz-plan-crashes-into-reality/>

http://money.cnn.com/2009/06/10/news/economy/high_speed_rail/index.htm

<http://www.telegraph.co.uk/news/uknews/road-and-rail-transport/9000166/High-speed-rail-A-250m-lesson-for-Britains-rail-enthusiasts.html>

<http://www.cc-hsr.org/assets/pdf/bnote-10.pdf>

http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2010/07/26/000334955_20100726032714/Rendered/PDF/558560WP0Box341SR1v08121jul101final.pdf (Page 1)

China's high speed rail debt is close to \$300 billion and has been described by a professor as more serious than the US subprime crisis.¹¹

FUTURE EXPANSION

27. HS2 will have no scope for capacity expansion as the section from London to Birmingham is planned to carry 18 trains per hour (in each direction) once the phase 2 sections have been completed to Manchester and Leeds. While HS2 Ltd and the DfT have yet to provide satisfactory evidence to support how such a high frequency can safely be achieved, that frequency will be needed to replicate existing frequencies of services. Trains travelling at 360 kph need a greater stopping distance than trains travelling at slower speeds. The highest frequency of high speed trains run in other European countries is 12 trains per hour and this is for trains travelling at lower speeds. The UIC (international Union of Railways) says that is unsafe to run more than 16 trains per hour at a speed of 350 kph; HS2 trains will initially run at up to 360 kph.

28. The indicative service pattern provided in January 2013 did not include any train paths to Europe on the section between London and Birmingham.¹² It therefore appears unwise to build a high speed rail line costing in excess of £40 billion which has no expansion capability.

SUPPORTING INFRASTRUCTURE

29. It has been estimated that HS2 will provide an extra 10,000 passengers per hour into the Underground network at Euston in addition to the existing 7,000 per hour at peak periods.

30. As is well known, the Underground is another British railway system that is very short of capacity at peak times. To more than double the demand at Euston without providing additional Underground capacity is unworkable. As Transport for London has pointed out, it will require the building of Crossrail 2.¹³

PROPERTY BLIGHT

31. It has been estimated that there are more than 300,000 homes within 1 km of the full HS2 route. It is likely that less than 5% of these homeowners will have their house purchased by HS2 Ltd. If any of the others want to move house in the next 14 years (phase one) or 20 years (phase two), they are likely to experience a loss of tens or hundreds of thousands of pounds. No individual should be forced to take a significant fall in the value of their life savings as a result of government action; they should be fairly compensated. If the government will not cover these losses then it should not be building HS2.¹⁴

CLASSIC RAIL SERVICES REDUCED

32. Research into the indicative service pattern released by the DfT on 28th January 2013 suggests that a reduced service is likely to be provided to a number of stations on classic rail post HS2. Stations which may have a reduced service on classic rail to London post HS2 include Coventry, Birmingham (International and New Street), Stoke-on-Trent, Wilmslow, Stockport, Leicester, East Midlands Parkway, Nottingham, Chesterfield, Sheffield, Doncaster and Wakefield. Through services would no longer be run from London to Dundee, Aberdeen and Inverness. 17 stations are likely to have longer journey times to London on classic rail post HS2 due to extra stops and/or route changes.

33. This should not come as a surprise as the Government is planning to save £7.7 bn from classic rail post HS2.¹⁵

HIGH SPEED RAIL IN OTHER COUNTRIES

34. Poland considered building a 480km high speed rail network but abandoned those plans. Portugal abandoned plans to build three high speed lines including one to link with Spain; it will focus its resources on

¹¹ <http://www.nao.org.uk/wp-content/uploads/2012/03/10121834.pdf> (Page 7, item 8)
<http://www.managementtoday.co.uk/go/news/article/1185333/leaves-line-network-rail-debt-tops-30bn/>
<http://www.thetransportpolitic.com/2011/09/24/after-30-years-tgv-service-prospers-even-as-its-future-is-questioned/>
<http://www.reuters.com/article/2013/06/17/spain-spending-train-idUSL5N0EQ1KI20130617>
<http://www.heritage.org/research/reports/2010/03/america-s-coming-high-speed-rail-financial-disaster>
<http://factsanddetails.com/china.php?itemid=1848&catid=13>

¹² <http://www.hs2aa.org/index.php/news/publications> Section 7.4 (page 43) of HS2 Action Alliance Review (17th June 2011) of the Consultation Business case for HS2.

<https://www.gov.uk/government/publications/updated-economic-case-for-hs2-august-2012-explanation-of-the-service-patterns>
¹³ <http://highspeedrail.dft.gov.uk/sites/highspeedrail.dft.gov.uk/files/hs2-route-engineering.pdf> Section 3.6, (page 20) HS2 Ltd Route Engineering Report.

<http://www.publications.parliament.uk/pa/cm201012/cmselect/cmtran/1185/11062801.htm>
See answer to question 172

<http://www.tfl.gov.uk/assets/downloads/corporate/Part-1-Item16-Crossrail-2.pdf>

<http://www.hs2actionalliance.org/index.php/compensation/overview>

<http://www.hs2actionalliance.org/index.php/news/press-releases-new/256-hs2aa-condemns-hs2-compensation-proposals-that-benefit-less-than-1-of-those-blighted-as-not-fit-for-purpose-23-may-2013>

¹⁵ <https://www.gov.uk/government/publications/updated-economic-case-for-hs2-august-2012-explanation-of-the-service-patterns>
<http://www.hs2.org.uk/news-resources/publications/economic-documents> August 2012—Update to the Economic Case for HS2 Phase 2 spreadsheet

improving rail freight capacity. In the last week of June France cancelled plans to almost double the length of its TGV rail network. French government ministers are concerned that their classic rail network has suffered from under investment for many years. Spain has suffered from low ridership on many of its high speed (AVE) lines. It stopped running trains completely on one of its AVE lines and in June reduced services on several AVE lines. The Netherlands introduced its high speed rail service five years later than intended. It had so much trouble with its rolling stock that it is now claiming a refund from the manufacturers in Italy. The Belgians no longer allow these trains to be run in their country because of safety concerns.

35. A number of countries with high speed rail have encountered lower than anticipated ridership on their high speed lines including The Netherlands, Italy, Spain and Taiwan. In some countries there have been reduced price ticket promotions to encourage more travel by high speed rail. If demand for high speed rail travel was strong, there would be no need for these promotions.¹⁶

PROGRAMME MANAGEMENT

36. Where a project or programme is well managed one can have a degree of confidence that it will be delivered on time and to budget. However the HS2 programme has faced a number of adverse comments from the National Audit Office in their report of May 2013. It has had three amber/red ratings from the Major Projects Authority (November 2011, June 2012 and November 2012). When Philip Rutnam appeared before the Public Accounts Committee on 1st July he advised there were a significant number of vacancies to be filled for HS2 within the DfT and programme (major project) management remains a concern.¹⁷

37. This suggests that there could be significant increases in cost before completion of the programme.

CONCLUSIONS

38. HS2 has received sustained criticism from several areas of Government:

Public Accounts Committee—July 2013

National Audit Office—May 2013

Major Projects Authority—believed to be third consecutive amber/red rating November 2012 (published May 2013)

Public Accounts Committee—July 2012

Transport Select Committee—November 2011

39. The justifications made for HS2 have in most cases not been supported by sound evidence. While there is currently enthusiasm within Government to embark on infrastructure projects, it does not follow that every project put forward is a sound investment. Each should be assessed on its merits and true benefits. If it does not measure up then it should be scrapped at an early stage. The current spend on HS2 is probably no more than 1% of its final cost. HS2 is an ill conceived project that does not use taxpayers' money in a prudent fashion.

July 2013

Written evidence from Wendover HS2 (HSR 05)

1. This submission is from Wendover HS2 action group (WHS2). This group has been working since April 2010 to oppose the route of the high speed line in the Chilterns AONB on environmental grounds, to examine the national business case and to seek local mitigation with the specific aim of a fully-bored Chiltern AONB tunnel.

2. This submission concerns the national financial consequences of the HS2 scheme. HS2 Ltd last provided an updated business case in August 2012. WHS2 has developed an interconnected financial model of the HS2

¹⁶ <http://www.railwaygazette.com/nc/news/single-view/view/polish-high-speed-rail-project-cancelled.html>
<http://www.theportugalnews.com/news/high-speed-rail-u-turn/27691>
<http://www.independent.co.uk/news/world/europe/france-shunts-new-tgv-projects-into-a-siding-8676909.html>
<http://www.independent.co.uk/news/world/europe/life-on-the-fast-track-thirty-years-of-the-tgv-2265455.html>
http://elpais.com/elpais/2013/01/15/inenglish/1358253198_135607.html
<http://www.telegraph.co.uk/news/worldnews/europe/spain/8603392/Spain-cuts-high-speed-ghost-train.html>
<http://www.theglobeandmail.com/report-on-business/international-business/european-business/spains-obsession-with-high-speed-trains-runs-into-budget-reality/article12605580/>
<http://en.wikipedia.org/wiki/Fyra>
<http://www.ft.com/cms/s/0/41ddf142-cf80-11e2-be7b-00144feab7de.html#axzz2Y4DKaFr8>
<http://www.iamexpat.nl/read-and-discuss/expat-page/news/high-speed-fyra-project-between-the-netherlands-and-brussels%20cancelled>
<http://beleben.wordpress.com/2013/01/20/high-speed-rail-in-italy/>
<http://ccsenet.org/journal/index.php/ijbm/article/view/6370/6325>
<http://live.kyero.com/2013/02/01/renfe-to-lower-rail-fares-from-february/>
<http://www.zamanfrance.fr/article/sncf-baisse-prix-remplir-tgv>
¹⁷ <http://www.nao.org.uk/wp-content/uploads/2013/07/Full-Report.pdf>
<https://www.gov.uk/government/publications/government-major-projects-portfolio-data-for-dft-2013>
<http://www.publications.parliament.uk/pa/cm201314/cmselect/cmpubacc/uc478-i/uc47801.htm> Q205, Q206, Q208

scheme based upon the business case numbers published by HS2 Ltd. This model, HS2–2037 V2.3, is available free of charge to MPs. It uses Microsoft Excel or similar spreadsheet programs running on standard PC's.

3. The method used by HS2 Ltd to compile its business case relies upon manually linking disparate models of passenger demand, construction costs and social benefits. This makes rapid evaluation of possible scenarios impossible for policymakers. Because the linkage is done through Present Values, all time elements in the business case forecasts are hidden. It is therefore not easy to evaluate the potential financial impact in any future year.

4. The advantage of HS2–2037 is that different assumptions can be used with immediate indicative outputs. This enables rapid testing of assumptions about key variables like the economic growth to 2092, the level of passenger demand linked to economic growth, the impact of increased costs and the effects of debt, interest and real operating costs. HS2 Ltd assume that all costs remain at 2011 prices up to 2092 although social benefits are calculated at real GDP prices: for example, business passengers are assumed to become 350% richer whilst HS2 staff remain on 2011 wages.

5. It should be noted that the HS2 business model as of August 2012 is no longer “accurate”. It was confirmed at the Public Accounts Committee on 1 July, 2013 that outdated standards for demand forecasting were used and will not be revised until November 2013. It is also known that the value of work on trains has been overstated by at least 50% according to internal DfT research. No new BCR has been provided, It seems to be 0.9–1.4.

6. A specific advantage of the HS2–2037 model is that it provides a realistic profit and loss statement for HS2 in any year of operation up to 2092. This is not available from the HS2 Ltd business case. In the summary of findings below, the year 2037 is used as this is the arbitrary peak passenger demand year selected by HS2 Ltd.

7. **Passenger growth:** the interacting effects of GDP growth, rail demand elasticity, and premium fares are key parameters. High demand is critical to HS2's case so HS2 use an outdated long-distance passenger growth elasticity factor of about 2.9 compared to the current standard of 1.9. The HS2 forecast also assumes an average real GDP growth from 2013 to 2092 of 1.88% with no recessions. The HS2–2037 model allows users to make a simple adjustment to these parameters. For example, a demand factor of 1.6 with GDP growth of 1.5% reduces apparent demand by 37% implying a doubling of rail demand into London by 2069. Passenger numbers govern the social benefits of HS2 and its financial viability but do not affect the construction costs, hitting the BCR hard.

8. **Premium fares:** The model uses theoretical work by HS2 as a basis for exploring premium fare impact on HS2 revenues and demand. HS2 expect 30% business passengers; this seems to be an assumption rather than a verified forecast and may be significantly above West Coast line business use. If the number of business passengers was 20% and total demand was lower than expected a franchise operator would seek premium pricing (30% business, 20% leisure) to reduce the financial impact. This would further cut HS2 passenger numbers to 51.9% of HS2's current forecast but would limit the loss in revenue to 23.4%. Of course, these are illustrative numbers but they illustrate the types of interconnected impacts that occur in the real world and require proper financial evaluation.

9. **Construction costs:** The Secretary of State announced a 56% rise in the underlying Stage One factor costs on 26 June with a reduction in the Stage One contingency at the 95% level giving a 31% increase overall. A 24% rise in Stage 2 factor costs and contingency was also announced. These are still at 2011 prices. No revision was yet made to rolling stock costs. The HS2–3037 model allows the use of real prices assuming that these increase in line with GDP. The model can also adjust to allow for more increases in cost. If the market price of HS2 rises in line with HS2's GDP growth assumptions, the total cash cost could be £74.3 billion.

10. **Interest charges:** transport projects typically do not consider the cost of financing. However, Network Rail owns the rail network as an asset and is debt funded through a separate body. Network Rail pay a 3.5% interest charge plus a 0.8% government guarantee on its £33bn debt. The current position is that no decisions have been taken on how HS2 would be financed or run. The HS2–2037 model allows a Network Rail type scenario to be considered. In that case, the debt could rise to around £90 billion by 2033. The annual interest charge plus the government guarantee could be about £4 billion. Even if this debt is “written off” it will still be embedded in the national accounts and any interest payable would still be charged to future taxpayers. It seems unlikely that HS2 could repay debt from its operating revenues and likely that it will need significant perpetual subsidy.

11. **Operating costs:** HS2 Ltd hopes that its operational costs can be curtailed. It uses constant 2011 prices in its evaluation; although unionised drivers are assumed to receive 1.5% pay rises. However, in the real economy, staff costs tend to track GDP. HS2 also assume that electricity, costing £472m a year in 2037 at 2011 prices, does not rise in price. Current government policy indicates that energy costs will increase. HS2 will require adequate grid base load generating capacity independent of renewable sources and uncoded. Any increase in line speed to 400 km/h will require disproportionately more energy. It therefore seems possible that HS2's operational costs in 2037, in 2011 money, might be in excess of £1.6 billion a year rather than the £1 billion currently assumed.

12. **Franchise costs and network contribution:** the rail model implies a franchise operator with a guaranteed profit (revenue support). The HS2–2037 model allows franchise costs to be added. The profit margin is assumed to be based on the gross fare revenue. Given that HS2 hopes to carry at least 290,000 passengers of whom 270,000 would be to and from London, the gross revenue could be in excess of £4.4bn. However, HS2 may have removed about 190,000 passengers from the conventional network. A contribution of £2.9 bn to support underused conventional services is therefore assumed. At best, HS2 may carry about 5% of UK long-distance journeys in 2037, although this seems unlikely as the HS2 forecast is known to be an optimistic overestimate. However, HS2 directly serves only six major cities. Consequently, it will be important, but expensive, to maintain the extensive conventional rail network. This leaves net fares of about £1.4 billion on HS2’s assumptions directly paid into the HS2 fare box. Fares are over 40% higher in real terms than in 2011. Note that the HS2 Ltd journey projections appear to be on a network-wide basis with only a proportion of these travellers actually using the HS2 line.

13. **Potential profit and loss account for 2037:** the HS2 2037 model is a year by year cash flow-based model. As such, depending on the assumptions made, it projects a profit and loss statement and simple balance sheet for HS2 in each year. On assumptions made above, and these can be varied at will, HS2 could make a small operating profit on HS2’s August 2012 assumptions with high passenger numbers, no interest and fixed 2011 prices. On a more realistic scenario, Exhibit 1, the project could require a cash subsidy of at least £4.4 billion a year in addition to existing conventional rail network support. Given that rail network support is largely directed towards commuter services, as these are the bulk of rail journeys, it is highly probable that the national rail subsidy will rise dramatically. It should also be noted that to get the levels of demand suggested by HS2, the conventional rail network will have had its existing capacity significantly increased otherwise there will not be the massive numbers of passengers available to transfer to the new network. This requires further conventional network investment.

14. **Exhibit 1: indicative HS2 financial statements for 2030 (Stage One) and 2037 (Full Y network).**

	<i>Stage One 2030</i>		<i>Y-network 2037</i>	
	<i>HS2 figures</i>	<i>Revised forecast</i>	<i>HS2 figures</i>	<i>Revised forecast</i>
Gross revenue	£899	£417	£4,358	£2,460
Support to network	-£691	-£263	-£2,928	-£1,363
Gross margin	£208	£154	£1,431	£1,096
Operating costs	-£341	-£468	-£1,011	-£1,601
Franchise profit	£0	-£75	£0	-£184
Operating margin	-£133	-£389	£420	-£689
Interest	£0	-£1,742	£0	-£3,749
Depreciation	-£387	-£545	-£822	-£1,178
Profit/Loss	-£133	-£2,131	-£403	-£5,616
Cash flow	£254	-£1,585	£420	-£4,438
Assets	£21,661	£30,546	£43,341	£62,154
Debt	£23,208	£40,517	£49,338	£87,181

15. **Conclusion,** using real-world cost and debt assumptions and more realistic passenger demand assumptions and fares, HS2 is a particularly risky project even without additional factor cost rises. It is likely to incur a significant debt and the cost of that debt has not been factored in to the business case. If passenger demand is not as high as HS2 Ltd forecasts, the result will be a largely-empty, expensive conventional network coupled with an underutilised and highly expensive, debt-ridden HS2 system. The French example shows how resources spent on high-speed rail cause underinvestment in conventional rail that has more value for regional economies. The HS2 business case is very strongly predicated on high and consistent economic growth and real salary rises for passengers worth 350% over a very long timescale. Whilst these are desirable outcomes, it is less clear why today’s taxpayers should bear the risk of a high-speed ride for very rich travellers in 2092.

July 2013

Written evidence from HS2 Action Alliance (HSR 06)

1. HS2 Action Alliance, founded in April 2010, is a not for profit organisation that is making the case that HS2 is a poor use of resources and not in the national interest. It now has the support of over 90 local community, resident and action groups that are affiliated to it.

2. HS2AA have challenged the case for HS2 in the media, courts and with Government. We have responded in detail to all Government consultations since 2010 and appeared before the Transport Select Committee. Our particular area of expertise is in the business case, matters of proper process and in compensation. We developed and are championing an alternative approach to compensation called the Property Bond.

THE PREPARATION BILL

3. The Preparation Bill makes provision for funding development of HS2. HS2 has no sound justification, it is a waste of money and should not proceed. As the National Audit Office has suggested¹⁸, HS2 is not an effective means of achieving its strategic objectives.

4. Our evidence demonstrates that HS2:

- Is not needed for capacity
- Not only requires a massive subsidy but delivers economic and social benefits that are considerably smaller than the subsidy
- Is unlikely to redress the North/South divide
- Will not benefit British industry or jobs
- Is not green
- Is not required for Britain to maintain competitiveness with foreign competitors
- Has inadequate compensation arrangements for the extent and degree of blight it is causing.

5. As a consequence the preparation bill would give approval to a misallocation of precious resources.

CAPACITY

6. It is repeatedly claimed that HS2 is needed because WCML will run out of capacity in the mid-2020's. However this ignores the fact that capacity on WCML can be increased to more than meets the doubling in long distance demand that DfT forecast to 2037. The 51m Optimised Alternative has been proven to be capable of doing this (Network Rail do not dispute it) with a combination of longer trains, reallocation of first to standard class capacity, and addressing three pinch-points on the route.

7. When DfT assessed the 51m solution in January 2012, they found it to have a benefit to cost ratio of 5.17¹⁹ compared to 1.4 for the first phase of HS2 (excluding Wider Economic Impacts). Since then Network Rail has said it intends to implement the infrastructure works which cost most in the 51m proposal, with the result that the residual costs are small enough that the 51m solution no longer requires a subsidy²⁰.

8. DfT have claimed that the 51m solution does not accommodate forecast additional short distance London commuting, whereas HS2 frees-up capacity that can be used for short distance London commuters and freight.

9. However, the service patterns published in January 2013 for HS2 and the residual classic services show that HS2 does not provide spare capacity for London commuting and freight traffic. This is because the capacity previously thought to be freed-up is consumed by re-instating services to cities that are bypassed by HS2—and would otherwise have worse services. We have put this to DfT and they have not contradicted this analysis²¹, and this assessment was published in *Modern Railways*²² without challenge. In any event it is hardly a proportionate response to a shortage of short distance London commuting capacity to build a new high speed railway!

10. It is unlikely that the level of demand forecast by DfT will materialise. Their forecast was based on an out of date forecasting model that exaggerates long distance demand (as NAO pointed out), and no account is taken that the long distance domestic services on WCML are currently the emptiest or that passenger growth on WCML has stopped²³. If demand is less than predicted, HS2 will require even more subsidy, while the 51m alternative can be implemented to just the extent (and cost) needed.

NO BUSINESS CASE

11. The announcement of the nearly £10bn increase in HS2 costs worsens the public subsidy needed and the benefit cost ratio (BCR) figures. Yet despite this Preparation Bill none of these figures have been released. HS2AA estimate²⁴ the new subsidy to be:

¹⁸ 'High Speed 2: A review of early programme preparation', 16 May 2013

¹⁹ 'High Speed Rail Strategic Alternatives Study: Update following Consultation', January 2012, table 5.3

²⁰ Giving it an infinite benefit to cost ratio in the manner in which DfT calculate them. The evidence for this, and a summary of the alternative is at <http://www.hs2actionalliance.org/index.php/51m-solution-is-subsidy-free>

²¹ DfT state 'the released capacity assumptions published in January 2013 do not represent a commitment to any timetable or services that might operate in the future. Instead they indicate just one of many possibilities ...'. This is perhaps less than reassuring to local authorities and others that have accepted the statements on the use of released capacity as assuaging their concerns about HS2. The correspondence is available upon request

²² *Modern Railways*, March 2013, Chris Stokes

²³ Stagecoach preliminary results to April 2013 show a 0.9% growth in Virgin's passenger kilometres, with total long distance franchised services showed a year on year reduction in passenger km and journeys for the last quarter 2012/13.

²⁴ Using DfT's spreadsheets released in support of the last August 2012 economic update

- £18.4bn²⁵ (from £13.5bn) for Phase 1, after the extra £5.1bn infrastructure spend is included
- £33.4bn (from £25.7bn) for the full Y, after the extra £9.2bn infrastructure capital costs are included

12. The effect on the BCR (on DfT's figures) will be to reduce it below the threshold of 1.5 that Philip Hammond marked out as his key test of value for money²⁶. In the context of a bill that is proposing funding it would seem a highly appropriate test, with (using DfT numbers):

- Phase 1 BCR falling from 1.4 to only 1
- Full Y BCR falling from 1.9 to 1.4.

13. But DfT's benefits are based on 13-year old data, and assume that no one spends any time working on trains. A major study that reported in 2009²⁷, which DfT itself commissioned, recommended almost halving the value of business time savings because people were already working on trains. It also noted the trend in increasing use of train travel time for work. By 2026, when HS2 starts services, being on a train will be no inhibition to productivity, and journey time savings will have negligible productive value. Reflecting this in the business case devastates the benefits attributed to HS2—as the business journey time savings are taken by DfT to be worth over £21bn (of the claimed £48bn benefits) for the full Y. This single and transparently outdated assumption for business travellers accounts for well over 40% of HS2's benefits, and over half with the similar assumptions also applied to leisure travellers.

14. DfT have commissioned more work on the value of time, ignoring the work they have already had done, which is clearly now dismissed as giving the 'wrong' answer.

15. It is clear that the benefits purchased with the subsidy are worth less than half of the subsidy. In other words there is less than 50p back for every £1 spent of public subsidy. It is not a question of whether it is an investment UK can afford to make, it is a waste of money.

NORTH/SOUTH DIVIDE

16. HS2 would be another London-centric railway, further improving connections between the economically, politically and culturally dominant capital city and regional centres.

17. There is a consensus of academic experts that better connecting an efficient economy with a weaker one is likely to be to the advantage of the stronger economy—in virtue of removing a barrier to competition. London is the economically most efficient city in the UK, and its strength is in the service sector—which is the sector most relevant for passenger travel.

18. As a study done for HS2 Ltd²⁸ shows, high speed rail does not itself improve the efficiency of labour markets and create economic growth. A more effective—albeit unsexy—approach is to improve local transportation, for example by improving bus services, creating better access to jobs and training for those who are currently economically inactive. As 'new economics foundation' state²⁹, improving the intra-regional transportation and hence the efficiency of regions is a better solution than HS2 if the objective is regional regeneration.

BRITISH INDUSTRY AND JOBS

19. HS2 is presented as a bonanza for British business. The reality is that the building and operation of HS2 itself will create few jobs in the UK. The UK lacks a high speed rail design and manufacturing capability, so that UK activity would likely be restricted to assembly and installation. 9,000 jobs are expected to be created for the construction, with 1,500 permanent jobs for its operation, and about same again for phase 2³⁰.

20. When built, it is likely that HS2 will attract shopping centres and offices to the vicinity of its stations. However, this may well be at the cost of other locations in the 'hinterland' rather than creating additional jobs. NAO have questioned this, showing that DfT have offered no evidence that such jobs are additional to what might happen in any event. This puts 80,000 of the 100,000 jobs in question. Even if they had been truly additional jobs, at £400,000 a job it makes no economic sense.

21. There is a body of work—including that done for Centro (Birmingham) and the Northern Way (a former consortium of northern transport interests)—that purports to show that HSR (and HS2) would bring major increases in productivity. This work has been discredited by academics in this field³¹. The key academic study indicates no such benefit, and HS2 Ltd's advisor in this area, Prof Vickerman, observed that such an effect in Kent from HS1 is 'not visible to the naked eye'³².

²⁵ Assuming the same reduction to create a present value as the previous estimation of costs by using HS2 Ltd's own spreadsheet

²⁶ Philip Hammond, Secretary of State for Transport, told the Transport Select Committee, September 2011 "if [the BCR] was to fall much below 1.5 then I would certainly put it under some very close scrutiny."

²⁷ 'Value of Working Time and Time Travel Savings'. Mott MacDonald and others, 2009 (two reports June and December)

²⁸ 'Advice on the Assessment of Wider Economic Impacts: a report for HS2', Daniel J. Graham and Patricia Melo, 25 February 2010

²⁹ High Speed 2: The best we can do: Creating more value from £33 billion', nef, June 2013

³⁰ HS2 Ltd website—Facts, figures and journey times

³¹ 'Review of Methodologies to Assess Transport's Impacts on the size of the Economy', September 2010, James Laird and Peter Mackie, ITS Leeds, see also Prof John Tomaney's evidence to the Transport Select Committee on 'Transport and the Economy, 2010.

³² Oral evidence to the Transport Select Committee, 11 September 2011

NOT GREEN

22. Even DfT claim than HS2 is no more than roughly carbon neutral. Accounted correctly it is worse. Speed is not green, with trains travelling at 360km/hr (HS2 initial maximum operating speed) consuming three times the energy for the same journey travelling at 201km/hr (125mph)³³—the current maximum speed of intercity services.

23. On DfT's own figures, most of HS2's passengers would transfer from less polluting means of travel (classic rail) or would not otherwise have travelled (65% and 24% respectively), with only 11% transferring from car and air (8% and 3% respectively). And this level of modal shift for the full Y depends on implausible levels of growth in travel, given that total domestic air travel has been declining since 2005, and domestic travel per person has now been static for nearly twenty years.

24. The 'future proofing', which involves a track layout that allows 400km/hr running, means that HS2 scythes through irreplaceable tranquil countryside and the Chilterns Area of Outstanding Natural Beauty.

COMPETITIVENESS

25. Shorter rail journey times between Britain's major cities is not a priority. Journey times between London and the next five largest cities are already shorter than for its main European competitors. Britain has had fast frequent intercity trains well before its competitors, and its smaller size means that journey times are not an issue, as was noted in the Eddington transport study (in 2006).

26. Despite its larger size, even France is turning away from high speed rail and the massive operating subsidies it requires, greatly curtailing planned expenditure.

27. Increasingly business is dependent on high performance electronic communications. Business travel is actually declining³⁴. High speed rail is simply the wrong priority.

28. HS2 is not an 'engine for growth' but we believe an investment in obsolescence.

COMPENSATION

29. The preparation bill seeks money for compensation. But the Government decided to introduce compensation arrangements long before the preparation bill was mooted and had budgeted for this—with a budget of £1.5bn for phase 1 (and a further £1bn for phase 2) with most not being spent before the hybrid bill is planned to be passed in 2015.

30. Almost all the losses are not actually borne by Government but by those unfortunate enough to live close by the proposed route—and are uncompensated.

31. The HS2 compensation schemes are outdated, do not reduce blight and relieve very few of the financial costs that HS2 creates. We have proposed how compensation can be modernised, with a property bond approach. This adopts private sector best practice, greatly reducing blight and puts the costs of blight where they belong—on the promoter.

32. A property bond not only puts the cost where it belongs but by restoring market confidence actually removes blight itself. It would be a win win—stabilising the property market and giving fair compensation for those affected by blight, and at the same time reducing opposition founded on fear of uncompensated losses for the promoter.

On the basis of the above evidence HS2AA believe the preparation bill is not required and should not proceed. The case for HS2 has not been made.

July 2013

Written evidence from Greengauge 21 (HSR 07)

1. Greengauge 21 was founded in 2006 to promote a debate on high-speed rail (HSR) in Britain. Funded by a Public Interest Group, widely drawn from across the country, including all of the English regional development agencies, Greengauge 21 has undertaken extensive research and developed a plan for a national HSR network. It has also established (last year) an Industry Leaders Group, which is carrying out further work to help build the capability and understanding of HSR in Britain.

2. This written evidence is submitted on behalf of Greengauge 21 by Jim Steer.

3. All the Greengauge 21 research, commissioned from the experts in the field, has been published (at www.greengauge21.net). It has included studies of:

(a) a national plan for HSR ('*Fast Forward*')

³³ Transport Policy Statement 09/03, High Speed Rail, Table 1. Institute of Mechanical Engineers

³⁴ As demonstrated by National Travel Survey Table 0410 showing a 19% drop in business travel per person from 2007 to 2011 (the latest data)

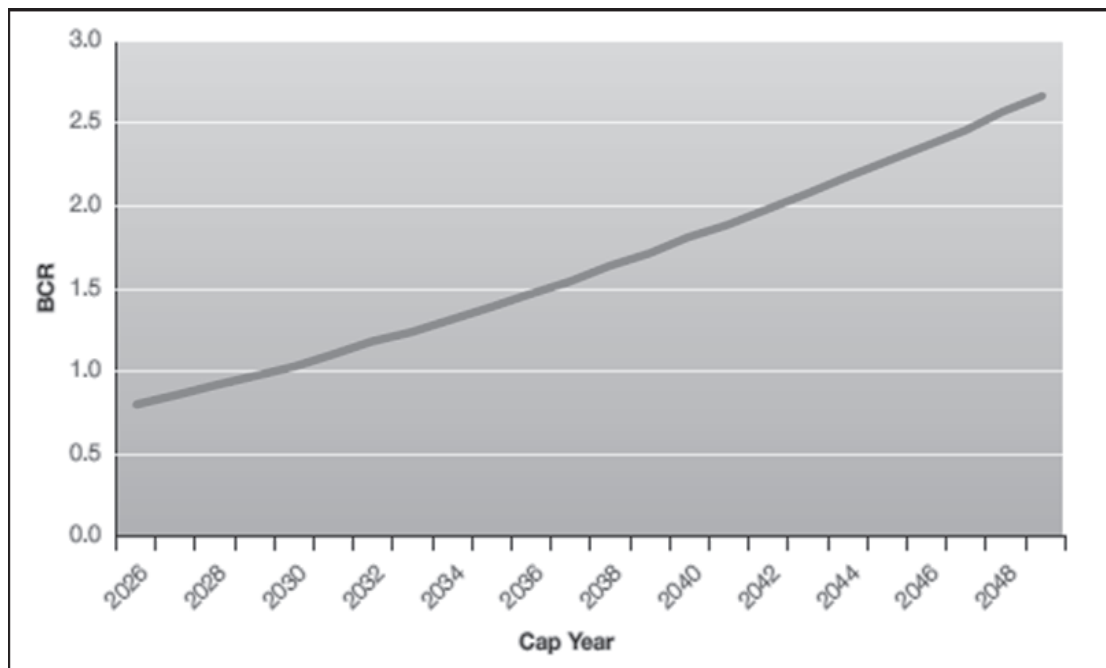
- (b) employment and regional economic impacts of HSR
- (c) an examination of how the capacity freed up on existing railway lines can be re-utilised when HS2 is built
- (d) the demand for services using the planned HS1—HS2 link
- (e) the potential reduction in air demand at Heathrow as result of HSR
- (f) the carbon impacts of HS2
- (g) lessons that can be learned from HS1 in Kent
- (h) HS2 jobs analysis (the jobs created at the planning, design, construction and operational stages of HS2).

4. I would like to draw the Committee's attention to the published case for progressing with HS2 and the question of its business case and value for money.

5. The *case for HS2* was first published in March 2010 (Command Paper 7827). It explained the rationale for choosing high-speed-rail over other options in terms of: capacity, connectivity and sustainability.

6. The text in *Cm 7827* continues, saying that a HSR network in Britain should: improve the productivity of the UK's urban economies; enable the major cities of the Midlands and the North to compete and collaborate more effectively (particularly when combined with improvements to Trans Pennine services—for which work is now in hand, through electrification and the Northern Hub); support housing growth in the Milton Keynes/South Midlands growth area; and promote London's long term effectiveness. It showed that in British cities and towns, gross value added (GVA) per head is strongly correlated with journey time to London.

7. The *business case* for HS2 has been calculated using standard DfT assumptions—for comparability with other, smaller and more rapidly deliverable schemes. A critical question is whether it is assumed that demand for longer distance rail, which has continued to grow through the period of economic downturn, is likely to reach some kind of limit or saturation level. This has a crucial effect on the project benefit cost ratio (BCR) as shown in the diagram below.



Source: HS2 Ltd

8. Greengauge 21 believes that it is inappropriate to present the BCR on the basis that demand stops growing in 2033 when the project is complete, or 2035 when the BCR would be 1.4:1. While long term forecasting is subject to uncertainty, the national demographic trends alone would suggest that a zero growth outlook is unlikely, and setting a cap at (say) 2048 would indicate a BCR of 2.6:1.

9. The *value for money* of HS2 has recently been called into question following the revised cost estimates included in the Spending Review settlement. In considering this matter, account should also be taken of the disposal or lease value of the infrastructure asset created. In the case of HS1 (the channel tunnel rail link), the capital costs was £5.8bn, but just three years after its completion in 2007, a 30 year concession was let, returning a cash lump sum to HM Treasury of £2.1bn. The question arises as to what might be expected from HS2.

10. Greengauge 21 commissioned PwC (*Selling HS2—Delivering a return on government's investment, July 2011*) to address this question for the first phase of HS2, a project which post spending review has been set a

budget ceiling of £17.2bn (in 2011 prices). PwC assessed the same model that was applied to create the 30 year concession for HS1 and concluded that the value lay in the range £7.5bn—£9bn. In other words, roundly half of the capital outlay could be returned to HM Treasury in cash, 2–3 years after project completion.

11. There are also further cash returns to HM Treasury from this investment, not picked up in a conventional DfT style appraisal. Work commissioned by Greengauge 21 from KPMG explored the question of how a national HSR network could change Britain's economic landscape and its impacts on employment levels and economic output. This preliminary work concluded that the largest productivity impact would be on Northern Cities and Glasgow/Edinburgh. It projected additional GVA of £17bn—£29bn annually by 2040, and additional tax income to the exchequer of £6bn—£10bn per annum.

12. This evidence suggests that the business case and the value for money from a British tax-payer/HM Treasury perspective is rather greater than indicated by a conventional benefit cost ratio (BCR).

July 2013

Written evidence from Charlie Sarrell (HSR 08)

1. I am a resident of Breaston, Derbyshire who will have retired before HS2 is up and running.
2. My concern is the lack of any evidence of an intergraded transport thinking with regards to the proposal to have the station on the site of the Toton Sidings. This site does not connect with the existing main line stations, and it does put additional pressure on an already busy road network namely Junction 25 of M1 and the A52.
3. This proposed station would not easily connect with the East Midlands Airport, nor would it serve Leicester the third major city of the East Midlands.
4. I would propose that the station is moved to East Midlands Parkway which is a site on the mainline, which could have a new road links to the A50. I understand that the A453 is being upgraded and that the Nottingham tram is also due to reach this station.
5. Furthermore, if as I understand it the line of the track takes it under East Midlands Airport, could not a shuttle train (such as at Birmingham Airport) be incorporated with access to the airport?
6. An additional advantage of this proposal would be that it not only links the HS2 station to the 3 major urban centres in the East Midlands, but given the time to London, it would open the possibility of London flights coming into East Midlands Airport and so relieving some of the pressure on Heathrow.

July 2013

Written evidence from the Country Land and Business Association (HSR 09)

The need to amend the Bill to deliver fair compulsory purchase system for properties and business

INTRODUCTION

The Preparation Bill enables preparatory expenditure for all three sections of the HS2 proposals. Section 1(3) allows finance to be committed in preparation for the construction HS2. Section 1(4) allows expenditure on preconstruction activity, acquiring property and the provision for the payment of compensation.

The Preparation Bill is the first opportunity to address the impacts on those who will be directly affected by HS2, who are already suffering considerable loss and uncertainty. Addressing Blight, introducing a Duty of Care and making HS2 mitigate its impact on affected businesses would send out a strong signal to property and business owners along the route who could be told, for the first time, that they will not have to suffer crippling long term losses and business disruption in a such a difficult economic climate.

CLA

The CLA represents 34,000 members who own or manage about half the rural land in England and Wales. Our members are landowners, farmers, rural business operators and those with conservation interests. The CLA have campaigned for over 20 years for compulsory purchase reform. 15 years ago we set up the Property Industry Group with other partner organisations. This led to the establishment of Compulsory Purchase Policy Advisory Reform Group (CPPRAG). Finally the Law Commission undertook a full review of the compulsory purchase system which was published in 2003—this accepted the need for real change. It is iniquitous that a decade later not one of their recommendations have been taken forward.

The CLA was very active in HS1 and achieved the establishment of a hardship scheme, a reduction in land take, early agreement on mitigation works and a small appeals claims process. HS1 has now been operational for a number of years now, but there are still landowners who feel the process wasn't fair and that they have not received full compensation.

In November 2012 the CLA published its report “Fair Play—CLA a vision for reform of the compulsory purchase system.”

THE NEED FOR COMPULSORY PURCHASE REFORM FOR HS2

HS2 is a long term national infrastructure project that will take at least 20 years to complete. HS2 will provide fast train travel between Birmingham and the North to London, and we are told, free up capacity on the existing rail network.

It is cited that there will be economic benefit to the urban areas close to the new stations and enlarged stations. However the route through the rural areas, after construction, will derive no economic benefit and in the planning and construction phases will potentially stagnate many businesses for decades whilst throwing the property market into turmoil making the sale and purchase of all property within the locality of the railway very difficult.

Currently the Compensation Code provides for compensation to be paid for “not a penny more” than the proved loss suffered by the landowner. This can lead to unrealistically low valuations being negotiated by overzealous agents working for the acquirer. Whilst the code provides for a 90% advance payment of compensation, there is nothing in law to make this happen. Often negotiating this 90% can be as difficult as negotiating the final figure, in reality the advance payment figure is seldom 90% of the final claim which tends to be higher because of the additional losses arising out of the construction of the scheme.

The acquiring authority currently has a duty to compensate landowners and rural businesses for their proved direct losses.

- For landowners losing land to the scheme a payment for 90% of the acquirers compensation estimate can be paid on entry, often these payments are not made immediately and sometimes the acquirer’s estimates are unrealistically low. A final claim at the end of the scheme is then submitted for the balance of any further loss—this often takes many years to negotiate with some claims still outstanding after 10 years.
- Property owners who are not losing land, but nevertheless suffering the impact of the scheme, are able to submit a claim for compensation but only on limited grounds. This claim can only be submitted a year after the scheme has been operation.
- Interest is payable by the acquiring authority on outstanding claims for compensation but only at the prescribed statutory rate which is currently 0%.

The Exceptional Hardship Scheme tries to address some of the blight issues, but with a success rate of under 30% and reported inconsistencies this is wholly inadequate. The voluntary provisions detailed within the Property and Compensation consultation are not available and are to be consulted on again, but as originally proposed they would only compensate a proportion of residential properties affected and offer no help to owners of businesses, farms or other property—the criteria were drawn far too tightly.

The reality is that people are already suffering loss as a direct result of the HS2 proposals. This may be a capital loss as a result of not being able to sell a property a loss of income as businesses stagnate as they cannot invest and grow because of the uncertainties of HS2, its future disruption and the vagaries of the compensation code.

CLA Proposal

Under this Bill the CLA propose that:

- s1(3) be amended to introduce a Duty of Care. This would compel HS2 ltd to consider the impact on property owners, farmers and rural businesses and mitigate the scheme’s impact on those properties and businesses, not just rely on an inadequate and outdated compensation code.
- s1(4) be amended to provide for duty to pay fair compensation. This would remove the overzealous need to pay as little as the acquirer “can get away with” but impose a legal duty to ensure that the final settlement is fair to the property owner.
- s1(4) be amended to introduce a Property Bond Scheme. This would guarantee that an owner of a property would not suffer financial loss as a result of the scheme. If there is a need to sell a compensatory scheme would be available to underwrite any loss of value resultant from HS2. Such a scheme would need to overcome the issues of both statutory and generalised blight which are currently suffered for many years. The Property Bond Scheme would also be used as an advance guarantee of the level of compensation that would be paid to business property affected by the scheme. This would provide certainty for the business and allow re-investment at an appropriate point in time to ensure the continued growth of the business.
- s1(4) be amended to ensure that mitigation measures are put in place as early as possible to enable businesses who remain in situ to continue to operate efficiently.

SECTION 1 (3) SHOULD INCLUDE A DUTY OF CARE

The impact of HS2 on landownership of rural business should have been assessed at the outset, this was not the case. HS2 Ltd communications with individual landowners has been poor, with route plans being unveiled to Community Forums before the landowner has been made aware of the impact on his land.

The Draft Environmental Statement was, for many, the first indication of the extent of the scheme. However there is disappointment, that whilst the document attempts to quantify the impacts on agriculture and business, it offers no mitigation. Some businesses are also disappointed that their business information is inaccurate. Unfortunately the Environmental Statement is only a partial picture with the full extent being unveiled when the Draft Bill is put before the Houses of Parliament. It is understood that engineering considerations may change the scheme even after that.

A Buckinghamshire landowner who knew he would lose land, buildings and a cottage to HS2 was unaware of the extent of the land take required until the Draft Environmental Statement came out. This showed that a substantial area would also be taken to provide for an electricity substation and balancing ponds together with other landscaping provisions. He says he fears that there will be more to come when the final Environmental Statement is issued.

Throughout the last two years landowners have allowed survey work to be carried out. But no decisions have been taken as to how to mitigate the long impact on these businesses—HS2 have concentrated their energy on community impacts. Landowners require bridges and underpasses so that severed land can be efficiently managed, noise barriers and bunds to reduce impacts on their individual properties, but none of this seems to have been forthcoming. The Draft Environmental Statement shows little of this detail, but shows an ever greater land take and larger construction areas.

From the outset the impact on the landowner and business operator should have been considered. Mitigation should have been planned to reduce the impact on the property and business—the same way as the environment has been dealt with. A real commitment to supporting rural business would deliver this, but it must be backed up by a statutory Duty of Care to ensure that those impacted by the scheme are properly dealt with—they are not just another interest group.

SECTION 1 (4) PROVIDES FOR COMPENSATION BUT REFORM IS NECESSARY TO ENSURE FAIRNESS

The High Speed Rail (Preparation) Bill covers both phase 1 (London to Birmingham) and phase 2 (Birmingham to Leeds and Manchester) and its clauses provide for compensation to be paid, but fails to specify how any compensation should be paid.

The Compulsory Purchase Code has grown out of legislation and case law much of it over 40 years old and some over 100 years old; it is out of step with the 21st century. The Land Compensation Act imposes a duty on the acquirer to pay not a penny more than the proved loss and can encourage an overzealous attitude to reducing compensation claim.

A heritage property in Kent, held in trust, lost 5 acres of land to a railway scheme but was unable to successfully claim against the acquirer for Injurious Affection resulting in minimal compensation for a very large impact on its setting.

SECTION 1 (4) SHOULD PROVIDE FOR A PROPERTY BOND SCHEME TO OVERCOME INADEQUACIES OF BLIGHT NOTICE REGIME

The delivery of HS2 is a long term proposal that will be cover many Parliaments. It is already more than 3 years old. Land, businesses and properties are already being affected, losses are being suffered, yet the only compensation available is through a discretionary scheme, the Exceptional Hardship Scheme, to which three quarters of the applications are rejected.

A Staffordshire property owner preparing for retirement plans to downsize from his large house into some of the outbuildings. After years of wrangling with the local authority he gets consent for conversion, he starts considerable building works and puts the main house up for sale to fund the conversion. HS2 will pass nearby and he cannot sell the main house and is now in debt as a result. He has had his application under the exceptional hardship scheme rejected.

A Property Bond Scheme needs to be set up that underwrites property values where the scheme has an adverse impact. This will protect business owners from a drop in equity value and owners of residential property will have the value of their most precious asset secured. It will also stabilise volatile property markets and enable people to stay in their houses and operating their businesses for as long as they wish. The greatest impact on the property market is fear of the unknown; a property bond scheme would create stability in the market.

A Yorkshire property owner who is retiring wishes to downsize. Phase 2 of HS2 will sever his access. He cannot sell and there is no Exceptional Hardship Scheme for phase 2.

A Staffordshire farmer diversified into a wedding business. He is already suffering from a loss of business, as those who wish to get married want to revisit the venue many years later—it will be flattened by the scheme.

Property bond schemes have been proposed by British Airports Authority (BAA) to alleviate concerns over a possible third runway at Heathrow Airport and also by Central Railways.

SECTION 1 (4) ACQUIRERS SHOULD BE COMPELLED TO AGREE EARLY MITIGATION TO REDUCE INTERFERENCE WITH PROPERTIES AND BUSINESSES, AND THUS REDUCE COMPENSATION PAYABLE

HS2 Ltd needs to consider mitigating the impacts on farming and other businesses and property now. It is inaccurate to say that it is possible to compensate for all losses. Even when the route is safeguarded compensation will not be delivered for many years and indirect or personal impacts will never be compensated for. If no property is taken then an individual may have to wait 20 years until he can even make a modest claim for the impact of the scheme. Where no land is taken by the scheme, but impacts are suffered a property owner may submit a claim, under limited criteria, but only a year after the scheme has been in operation

HS2 Ltd needs to speak to all landowners and businesses and quantify the impacts and what they can do to mitigate those impacts. The default position should be the delivery of mitigation to reduce the impact, rather than the current assumption that mitigation is not required. Under the current regime it is acceptable to cut a farm in half and for the farmer to have to travel 10 miles, or more, by road to reach the other half, providing he is compensated. Provision of a bridge would prevent this travel and be more sustainable in the long run.

A Northamptonshire farmer who owns a listed farmhouse has diversified into providing office accommodation to complement his agricultural income. HS2 will pass close to his house and his buildings making them a less attractive proportion and leaving 100 acres severed from the main holding.

Delivering a fair and expedient compensation system would make the scheme less controversial for those on the route.

INTRODUCTION

The CLA recognise the complexity of “blight” in all its forms. The interrelationship between the current compensation system and market confidence is extremely clear. Once a scheme is announced market confidence is lost because property owners have no idea what affect the scheme will have and how they will be compensated as the scheme goes ahead. The existing compulsory purchase code is fiendishly complicated with rules and procedures which many property professionals find difficult to understand, let alone lay property owners.

Blight is exacerbated by the opaque nature of compulsory purchase compensation. The CLA has argued for many years that the system needs reform. We have published our ideas in our policy document “Fair Play” which was launched in November 2012. Clear compulsory purchase rules and procedure which put fairness and a duty of care at the heart of them would go some way to reduce burden of blight.

However, regardless of any compulsory purchase reforms there is also the need for a Property Bond Scheme for large infrastructure projects such as HS2, this will ensure market confidence and allow normal business transactions to continue to take place during the inception, construction and completion of a scheme.

BACKGROUND TO THE PROPERTY BOND SCHEME

The Property Bond Scheme would apply to all property owners affected by HS2. Its primary aim would be to deliver certainty to the property and business owners who face a prolonged period of uncertainty and disruption resultant from the delivery of infrastructure projects.

All large infrastructure projects take decades to deliver. Many businesses are affected by such proposals, but the most damaging aspects are the uncertainty and business stagnation that these schemes bring. In many cases important management decisions are put off for decades and the business is unable to progress. The current law only recognises a tightly drawn definition of blight which excludes the majority of those affected.

Most property and business owners do not want to move, but are driven to do so to either avoid uncertainty or to protect their most valuable investment (their home or business). The Property Bond Scheme allows them to remain in situ, but having the option to move when they desire without fear that their property and investment will reduce.

HOW WILL THE PROPERTY BOND SCHEME WORK?

The Property Bond Scheme would apply to all property owners affected by HS2. It would apply from the time that a single preferred route is published and finish one year after the scheme has been completed. This timeframe acknowledges that for many the impacts of the scheme are most greatly feared after it is first announced, and there is need at the end of the scheme for any impacts resultant from the operation to be recognised.

HS2 Ltd need to produce an amalgamated map showing all the impacts of the scheme—noise, dust, lights, landscape visibility, and well as transport routes for construction and any other pertinent matters. HS2 Ltd will need to produce reasoned evidence to quantify the impact of all these matters—this would be based on real evidence not artificial thresholds. Individuals who own property within any of the areas identified on the amalgamated maps are automatically invited to join the Property Bond Scheme. Those outside the boundaries of the amalgamated maps can apply to be included, if they can offer justification.

Landowners will have to register to join the Property Bond Scheme and this will be registered on their Land Registry Title and will remain until the Bond is redeemed.

HOMEOWNERS

The Property Bond Scheme will work if it confirms and guarantees that the house is due a compensation payment in the future, be it through compulsory purchase of land or compensation under Part 1 of the LCA 1973. Its effect is to underwrite the open market value of the property concerned to its unblighted value until such time as formal compensation is payable.

If the property needs to be sold before the scheme is built or comes into operation the property would be formally marketed with the benefit of the bond. The advantage to both buyer and seller is the implicit guarantee that any buyer will be compensated in the future. If the property is to be sold then the vendor has a choice at the time to redeem the bond and sell the property for its blighted value (the redemption of the Bond making up the shortfall) or selling it for its unblighted value leaving the Bond in place for the benefit of the next owner. The value of the Bond can only be realised once.

The affect of the Property Bond scheme would be to guarantee timely compensation to those who suffer most as a result of the HS2, whilst restoring confidence and bringing stability to what otherwise will have grown into a volatile market.

Houses with land-take

Under the current compensation code where residential property suffers land-take then compensation is paid following negotiation. Whilst there is provision for an advance payment this is seldom sufficient and often not paid on entry. The Property Bond Scheme would deliver a guaranteed sum negotiated in advance of the scheme, and the bond could be redeemed at any time once the scheme is confirmed (Royal Assent). The Bonds value would be calculated at the time of redemption and would be the value of the land taken and the injurious affection and severance claims.

Houses without land-take

Under the current compensation code where residential property suffers no land-take, the earliest time when a claim can be made is a year after the scheme is in use—which could be more than 20 years away and the heads of claim are very limited. The Bond would allow the value of a property to be underwritten so if it was sold then either the vendor redeem the Bond and thus be compensated for his loss or the sell the property with the benefit of the Bond.

The Value of the Bond

This is the value by which a property, at a specific point in time, has reduced in value as a result of the scheme. The exact value will depend on when the Bond is redeemed and will vary depending on the impact of the scheme on the property and the impact of HS2 on the property market at that time.

It is proposed that if there is an intention to market a property that benefits from a Bond, a notice of “intention to sell” should be served on HS2 ltd. If the intention is to redeem your bond HS2 ltd will require the necessary valuation evidence to justify the claim at least a month before the sale. The agreed Bond value would be released at the time of completion.

If the Bond is not redeemed then its final value will be the same as the amount of compensation that would be payable under the compensation code.

NON RESIDENTIAL PROPERTY

The blight of a major infrastructure scheme for agricultural and other businesses takes a different form to the residential owner. For individuals in this category be they landlords (whether urban or rural) of tenanted properties, owner occupiers or tenants the blight is one of uncertainty and the difficulty of predicting the timing

of the loss of land, buildings or access, as well as the difficulty of predicting the quantum of the eventual compensation.

In the case of agriculture and business the Property Bond Scheme would therefore be quite distinct. It allows for early negotiation of the estimated final compensation package at the outset of the scheme which would be secured as a Bond.

It will allow compensation to be negotiated and the principles to be agreed way before the parliamentary process is completed thus giving some certainty as to the compensation that will be paid to allow the business to consider future reinvestment flexibly. This would also mean that the acquirer would have to consider the impact and potential mitigation measures at the outset rather than as a last resort.

This Bond can be redeemed at any time and there is no preclusions on renegotiation should the compensation agreed as part of the Bond prove to be inadequate as a result of the construction and operation having a greater adverse impact.

We foresee the value of the Bond will assist businesses in the early stages of a scheme make ongoing business decisions eg to invest in replacement land/buildings or secure finance against the value of the Bond.

RIGHT OF APPEAL

There must be a full right of appeal to an Independent Body before final resort to the Upper Tribunal.

ADVANTAGES OF THE PROPERTY BOND SCHEME

Advantages to Acquirer

- Reduce impact of currently uncompensated blight
- Compensation is paid without HS2 unnecessarily having to property it does not require
- Land purchased earlier in scheme, so greater flexibility
- Compensation is only paid when there is a proved loss

Advantages to Property Owners

- Value of property underwritten against the effects of the scheme
- There will be certainty as to compensation provision
- By offering a Bond there will be a reduce need for property owners to sell
- Allow the vendor/purchaser the choice to claim the value or retain the Bond

July 2013

Written evidence from Campaign to Protect Rural England (HSR 10)

CPRE LONDON RESPONSE

This is a brief response to the draft Environment Statement from the Campaign to Protect Rural England London Branch. We are holding a member event in September from which we will draw more in-depth local views on the proposal to support a submission in relation to the hybrid bill. In general however we are concerned about the current proposal and *its underpinning argument* that HS2 will deliver wide economic and environmental benefits. A number of local London-based groups and local government actors have raised clear concern that the socio-economic impacts of HS2, as well as the impacts on open space and nature conservation. In respect of the latter, and assuming that HS2 were to be built, they are suggesting that these impacts have been underestimated and insufficient measures for mitigation of these impacts have been identified.

Our key concerns are outlined below.

Economic case. One report has suggested that whilst the official cost-benefit ratio for HS2 is 2.0 the Centre for Economics and Business Research (CEBR) estimated it is likely to be nearer 0.5 which would significantly undermine the main economic rationale ([Regeneris, 2013](#)). Other recent reports, including from the National Audit Office, have also questioned the economic case. We have also seen additional requests calling for a proper debate about the merits of linking up the ‘Core Cities’, not London, and to allow for a better debate about the case for enhancing the existing infrastructure as an alternative project.

Life-time carbon footprint of HS2, including construction and running—There is a lack of information on greenhouse gas (GHG) emissions in the current draft statement. HS2 Ltd’s previous Appraisal of Sustainability (AoS) suggested that a GHG assessment would be completed in 2011. This needs to be completed to give full picture of the carbon impacts, one of the key rationales for the scheme.

Air quality, noise, dust and traffic impacts during the construction phase. The cost of construction to local areas such as from air pollution and congestion of local roads, particularly in areas that already exceed European air quality standards eg Euston Road and Ickleford, need to be fully assessed and mitigation steps

outlined in detail. No transport assessment (TA) has been completed to complement the draft environment statement which would provide important supporting information in that regard.

Houses, property and heritage impacts. Construction of the scheme would require the demolition of up to 215 homes in Camden, loss of a number of commercial buildings, railway buildings and other structures. Significant harm will be caused to a number of heritage assets. They include St. James's Gardens burial ground, the site of St. James's chapel, 51 Kentish Town Road, 110 Camden Road, Primrose Hill station, and the central section of the Up Empty Carriage Tunnel, North London Line brick arch rail viaduct, the Grade II listed Camden Road station and the Old Oak Common carriage shed. Construction of the scheme would result in the destruction of archaeological remains associated with Iron Age and Romano British settlement, Bronze Age cremations, a medieval moated site at Brackenburg Farm and Bourne Bridge. Various other listed buildings and conservation areas will be lost or impacted (eg South Kilburn conservation area, Queen's Park Estate, Kensal Green conservation area, Kensal Green Cemetery conservation area, Grand Union Canal)

Transport impacts. HS2 will boost demand on the Northern and Victoria lines; the Mayor's transport strategy will need to bring forward further major upgrades and schemes. The increase in taxi movements and private car drop-off and pick up activity would have a significant effect on traffic flows on 13 roads around London Euston station and a significant effect on safety at two junctions. *See also above regarding the need for a full transport assessment.*

Ecological impacts, assessment and mitigation. Despite the tunnel extension in Primrose Hill, Ealing, construction would result in the loss of key ecological habitats and cause permanent land loss from a number of sites, including a summary list below. CPRE London supports the London Borough of Camden in requesting that *National Vegetation Classification Surveys* need to be completed at various key sites, not only in Camden, to identify where wild flowers may be present as well as identify sites that may offer potential mitigation. Mitigation responses also need to be identified in relation to tree impacts, particularly ancient woodland which may be permanently affected. According to the Woodland Trust 21 ancient woods, covering a combined area of 409ha, will suffer direct loss in the entire route and a further 12 are at risk from noise, vibration and further infrastructure such as roads.

Taking the above areas of concern together, CPRE London believes that the case for HS2 offering net benefits to London or the UK as a whole have not yet been made.

Annex A

GREEN SPACES IMPACTED IN GREATER LONDON

Listed here are key green sites in Greater London which we expect to be directly impacted by the proposed route, as outlined in the draft Environmental Statement. Many smaller green sites of environmental sensitivity or special value will be also indirectly affected.

- St James's Gardens 'Site of Importance for Nature Conservation' (SINC),
- Euston Square Gardens
- Regents Park Estate open space
- Hampstead Road Open Space
- Adelaide Road Nature Reserve Site of Borough Importance (SBI) & Local Nature Reserve
- (7.4.6) The London's Canals Site of Metropolitan Importance (SMI)
- Kensal Green Cemetery (SMI, Grade II* registered park and garden)
- Old Oak Common Sidings Birch Wood (SBI.I)
- Wormwood Scrubs Railway Embankment (SBI)
- Central Line West of White City (SBI)
- Silverlink Metro between Brondesbury and Willesden Junction (SBI)
- Park Royal Railway Land (SBI.II)
- St Mary's Cemetery (SBI.II)
- Ruislip Woods National Nature Reserve
- West Ruislip Golf Course and Old Priory Meadows Site of Borough Importance Grade I (SBI, 10% land loss)
- Newyears Green SBI (16% of site lost)
- Brackenburg Railway Cutting Grade II (SBI II, facing 58% land loss)
- Victoria Road Railway Banks
- Yeading Brook (Roxbourne Pk-Ruislip Gdns) adjacent to track river and riparian habitats
- Colne Valley SSSI and SMI

Written evidence from John Withington (HSR 11)

The HS2 is yet another disastrous politicians' vanity project, and should be cancelled immediately before any more taxpayers' money is wasted. My objections are as follows:

1. Costs are completely out of control. At a time when the government is allegedly trying to save every pound of public spending that it can, this week it blithely announced an increase of £10 billion (!!) in the cost of HS2 without so much as a spadeful of earth yet having been dug. And even though the price tag has been increased to £40 billion plus, everyone knows that the project will cost tens of billions more than even this extraordinary figure.

2. If we need to spend money on infrastructure to help repair the economy our politicians have wrecked, there are much more effective ways of investing it. Instead of pursuing divisive policies like HS2, why not for once do something that would be popular and win almost universal approval, such as building affordable housing on brownfield sites. When money is invested in housing, a far larger proportion stays within the British economy than with investment in rail, where sadly the Conservatives allowed the closure of our centres of engineering and manufacturing expertise. Building affordable housing will have important social benefits for thousands of people. Building HS2 for premium fare passengers will benefit only a rich few.

3. The government claims that HS2 will benefit the North (the part of the country from which I originate), but there is no evidence for this, and a great deal to suggest that it will increase the divide between London and the rest of the country. Before ploughing on with HS2, the government should instead ask the councils outside London what they think is the best way of investing £40 billion to improve transport. Much of the rail network is still not even electrified, and many sizeable and growing communities have no access to the network at all, even though lines closed in the 1960's could be re-opened again at minimal cost. And there are many projects in other forms of transport where benefits could be achieved far more economically than through HS2.

4. The business case for how the line will supposedly improve our economic performance has been holed beneath the waterline. The government claims business people will be able to improve their productivity enormously because they will no longer have to waste valuable extra minutes sitting around on a train when they could be working, but the figures used to support this highly dubious contention were years old, drawn from a time before the mobile communications revolution meant that everyone could spend their whole train journey working at their seat if that is what they wished to do.

5. It is a nonsense to have the line going into Euston where it will not link with Heathrow Airport, Gatwick Airport or Crossrail.

6. The project will ruin life for the residents of the London Borough of Camden for a decade. In addition to the unnecessary destruction of hundreds of homes, people's lives will be made intolerable, and in many cases shortened, by noise, vibration, dust, and disruption to all modes of transport. There are not even proper safeguards to ensure that noise, vibration and disruption are confined to normal working hours, though even if that were the case, there would obviously need to be additional safeguards to protect residents who work irregular hours.

7. It is extremely disturbing that such a complex proposal is being rushed through for party political motives, meaning that insufficient time is allowed for those affected to study the mountains of paperwork being generated.

July 2013

Written evidence from the Institution of Civil Engineers (ICE) (HSR 12)

1. ABOUT ICE

The Institution of Civil Engineers (ICE) is a UK-based international organisation representing over 80,000 members around the world, who range from professional civil engineers to students. It is an educational and qualifying body and has charitable status under UK law. Founded in 1818, the ICE has become recognised worldwide for its excellence as a centre of learning, as a qualifying body and as a public voice for the profession. Under our Royal Charter, ICE takes seriously its role as a learned society and we actively contribute to the development of public policy at all levels of Government.

ICE has drawn upon the knowledge of its members to respond to previous Government consultations on High Speed 2 proposals in 2011 and 2012 and will continue to contribute when possible.

2. OVERARCHING ICE VIEW

ICE supports the development of a UK High Speed Rail network as a central plank of a structured integrated transport policy. In this context, ICE believes that the economic case for HS2 is significantly stronger when it is considered as part of a more extensive network, connecting London with Leeds, Manchester, Glasgow and Edinburgh and integrating with the existing UK and European rail networks. As highlighted in our recent report, *State of the Nation: Transport 2013*, we believe that the maximum benefit would be gained through full

integration with local/regional transport systems enabled by devolved and fully integrated regional transport bodies.

A strategic approach is also required in nurturing the skills and capabilities required to meet national needs. In the case of HS2, greater continuity between phases of the project and with other projects drawing on the same supply chains will have the dual benefits of reducing costs and helping to maintain and grow the capabilities of UK based industry.

3. DETAILED ISSUES

(i) *Capacity and connections*

Network Rail have estimated that by 2024, key lines from London to the North and West of the UK will be operating at full capacity and the conventional and next generation tools for increasing capacity on the classic network will be exhausted³⁵. In responding to DfT's 2011 consultation, *High Speed Rail—Investing in Britain's Future*, ICE considered a number of alternative packages of work to deal with this shortfall. We concluded that HS2 would allow the UK to deal with capacity problems on the West Coast, East Coast and Midland Main Lines for at least two generations, while providing significant opportunities for urban regeneration and economic re-balancing. The UK would also avoid a further costly, lengthy and disruptive upgrade to the West Coast Main Line.

(ii) *Commissioning, procurement and delivery*

In recent years the UK construction sector has a good record in delivering complex projects to time, budget and quality requirements. Lessons from these successful projects, including the Olympics, High Speed 1 and Heathrow Terminal 5 have been captured and disseminated.

In addition, the infrastructure sector worked closely with Infrastructure UK (IUK) on its 2010 study into the costs of delivering projects and programmes (the Cost Review) and has continued to collaborate with Government to implement the review findings. The review found that UK on-site construction costs were broadly comparable with competitor nations. The UK was however found to suffer from higher out turn costs driven largely by inefficiencies in the pre-construction phase, including stop/start investment, poor commissioning and ineffective use of competition.

Having been closely involved in this process, ICE welcome the fact that the Cost Review findings are being systematically applied to HS2 via its Efficiency Challenge Programme and note that a recent IUK report suggests that £1bn of opportunities for savings have already been identified for phase 1 of the project³⁶.

HS2's decisions on procurement strategy will be crucial in realising these and other savings. A collaborative approach will be required that ensures the full supply chain can be engaged at an early stage of the project, allowing it to contribute expertise and innovation to detailed design work and planning for project delivery and hence set the conditions for efficient delivery and operation.

HS2 would be the largest infrastructure project in Europe and a High Speed Rail network has the potential to form a central plank of the UK's future strategic transport system. It provides the opportunity for the UK to build on the success of the Olympics and demonstrate world class credentials for delivery of complex mega-projects and further establish its credibility in the global market place. Meeting this challenge will involve setting and meeting the highest safety and environmental standards, using innovative procurement and a wholly different approach to infrastructure based on level 3 BIM and new benchmarks for off-site manufacture.

(iii) *Construction Schedule*

ICE believes the HS2 Paving Bill, in allowing preparatory work to take place in advance of the passing of the hybrid bill, will play an important part in ensuring continuity of workflow through the early years of the project, removing the costs from mobilising and demobilising resources and making it significantly more likely that the target of beginning construction in 2017 is met. As an example carrying out a thorough geotechnical ground investigation prior to the Hybrid Bill will de-risk the major civils works, particularly tunnelling, and hence reduce costs.

More broadly, the key factors driving the existing schedule are the level of annual funding available to HS2 Ltd and the variety of legislative and regulatory issues that need to be dealt with. If these factors are dealt with satisfactorily we are confident that the UK supply chain can deliver the necessary construction and engineering works well within the planned timescale.

(iv) *Tunnelling*

The already large volume of tunnelling works envisaged in phase 1 of HS2 has increased in response to public concerns. As part of the IUK Costs Review (see above), the British Tunnelling Society (an Associated Society of ICE) reviewed a selection of recently completed tunnel projects in the UK and Europe. Key items

³⁵ Network Rail *Comparing the environmental benefit of conventional and high speed rail and New lines programme capacity analysis*

³⁶ HM Treasury (2013) *Infrastructure Cost Review: Annual Report 2012-13*

of data including the construction costs were gathered for analysis. This study found that on-site construction costs in the UK were broadly in line with comparable parts of Western Europe. There was, however evidence, supporting the general findings of IUK's work, that indirect costs in the UK were resulting in higher overall project outturn costs. As noted above we believe that the HS2 Efficiency Challenge Programme represents a concerted effort to apply the lessons of the Cost Review to HS2.

(v) *Supply Chain Development*

HS2 is a major project creating significant demand for a skilled workforce and will be delivered during a period when the UK government has aspirations for a step change in the volume of investment in economic infrastructure. It will therefore be important that robust plans are in place for securing the necessary skills.

Taking tunnelling as an example, the National Infrastructure Plan (NIP) contains a series of projects & programmes that will place significant demand on the tunnelling supply chain over the next decade, including Crossrail, Thames Tideway, London Underground's Capital Programme, National Grid cable tunnels and the new nuclear programme.

A 2012 study by BIS³⁷, to which ICE contributed, found that in the five years to 2017/18, Crossrail and Thames Tideway alone have a requirement for 14,500 person years of tunnelling capability.

This capability could potentially be transferred to projects in the NIP with a later start date including HS2. This would reduce the costs of reconstructing and remobilising supply chains and ensuring transfer of knowledge and innovation between projects.

However, the realisation of this opportunity should not automatically be assumed. The BIS study also identified that while the UK has a long established technical expertise in this area, *"the historic lack of visibility and certainty of a forward pipeline of tunnelling projects has led to fragmentation of the industry as a lack of continuity of work has limited industry's confidence to invest in training new workers ahead of contracts being placed. Whilst the industry has been able to solve capacity shortfalls reactively, this carries an increased risk of inflationary pressures and potential delays"*.

It will therefore be important that HS2 Ltd continues to collaborate effectively with other relevant major projects, including Crossrail on key initiatives such as the Tunnelling and Underground Construction Academy (TUCA).

Government must however play its part by providing a consistent strategic vision for the development of UK infrastructure and a clear project pipeline.

(vi) *Environmental Management*

Consultation on HS2's draft Environmental Statement ends on 11 July. This is a substantive piece of work, which we understand draws on much of the learning developed during the delivery of the Olympics and other recent major projects.

July 2013

Written evidence from the Rail Freight Group (HSR 13)

The Rail Freight Group (RFG) has been the UK's leading rail freight trade association since its formation in 1990. It has more than 120 corporate members active in all sectors of rail freight from ports, terminal operators, customers, through to operators and suppliers. RFG's aim is to grow the volume of goods moved by rail, delivering environment and economic benefits for the UK.

Further information on the RFG: www.rfg.org.uk.

RFG'S VIEW ON THE BILL

From the outset, Rail Freight Group has been a strong supporter of HS2. With capacity becoming ever more scarce on the West and East Coast Main lines, and with strong forecasts of future freight and passenger growth focussed on the city regions, it is clear that investment to provide new capacity is essential.

Indeed, growth in rail freight provides an important part of the justification for HS2. Recent studies have demonstrated the scale of the potential benefits, with Greengauge 21's report into the carbon impacts of HS2 (<http://www.greengauge21.net/publications/the-carbon-impacts-of-hs2/>) concluding that *'The carbon savings from using the additional unclaimed capacity of three train paths per hour in each direction for freight are considerably larger still, adding 55% to the direct carbon savings from HS2. This is such a strong advantage that it will be worthwhile examining complementary measures to ensure that a major switch from HGV road haulage to rail freight is achieved as a consequence of HS2.'*

³⁷ BIS (2012) *Tunnelling—A Capability Analysis*

Research by WSP (<http://www.wspgroup.com/en/Welcome-to-WSP-UK/WSP-UK/Press-centre-UK/?item=20665>) also found similar results, stating that ‘HS2 could take 500,000 HGV lorry journeys off the M1, M40 and M6 motorways each year leading to environmental benefits worth over £45 million per annum and saving over 65,000 tonnes of carbon dioxide emissions per annum’.

With such significant conclusions, it is clearly imperative that Government ensures that the development and operation of the route allows rail freight benefits to be delivered in practice as well as in principle. Although the opening of the route is still many years away, this framework needs to be understood as part of the dialogue around the Hybrid Bill, expected later this year.

The Network Rail Freight Market Study, presently out for consultation, shows that significant growth in rail freight is forecast, in particular in domestic and deep sea intermodal services, which are significant users and potential users of the North London Line and WCML. If this growth is not met by rail, the traffic will go by road.

So, although supporting this solution to the challenge of growth, there are elements of the current proposal that concern us:

1. The inadequacy of the proposed link with HS1. This has been revised as part of HS2’s Design Refinement Consultation, but is still not fit for purpose, since it limits capacity to the existing volume of freight traffic, and also limits future options for the development of the conventional rail infrastructure. An effective cap at existing levels is unacceptable in that context. The freight link to the WCML is also frequently used for recessing trains waiting for paths on the main line. The proposals would limit this capability and could therefore be expected to have performance impacts, even at existing levels of freight service.

2. There is currently a failure to consider the effect of the HS2 trains which join the WCML around Tamworth; although these are understood to be a straight substitution for the current Virgin services on the WCML, there is likely to be additional passenger trains to serve stations such as Blackpool and Chester, and HS2 is believed to have promised Milton Keynes a very frequent high speed service to compensate their passengers for not having a station on HS2. We need an indicative timetable to be produced to show how all these trains, together with local passenger services and the increased freight traffic, can be accommodated on the WCML. If this cannot be done, then we will suggest to the Select Committee considering petitions in the main Hybrid Bill that the promoters be required to produce this so that the effect of HS2 on other services can be discussed.

3. In respect of this High Speed Rail (Preparation) Bill states in Clause 1:

The network referred to in subsection (1) is a network which—
(a) involves the construction of railway lines connecting at least—
London,
Birmingham,
the East Midlands,
Sheffield,
Leeds, and
Manchester, and
(b) connects with the existing railway transport network.

It is not clear to us whether this actually includes expenditure on the HS1-2 link. We urge the Committee to seek confirmation from Government on this.

Thus, we support the proposal to construct HS2 as the most achievable means of bringing additional capacity on that corridor. We are seeking to discuss and resolve as many issues as possible, including those summarised here, with the DfT to avoid the need to petition, but will have little alternative in the absence of agreement.

July 2013

Written evidence from Heathrow Hub Ltd (HSR 14)

1. Heathrow Hub Ltd. (HHL) is pleased to have the opportunity of providing evidence to the Committee.
2. HHL is the private company that has developed and promoted an alternative HS2 route directly via a Heathrow airport interchange and the M40 motorway corridor, (and which now also includes increased runway capacity). A summary of our proposals is at www.heathrowhub.com
3. HHL is also one of the claimants appealing judgment in the Judicial Review of Government’s decision to proceed with HS2. HHL’s claims were heard, with others, in the Court of Appeal in June 2013. Judgment is awaited at the time of writing.
4. We request that the Committee considers what appear to be fundamental contradictions between Government’s promotion of the Paving Bill and its oral submissions in the Court of Appeal.

5. Government is seeking Royal Assent for the Paving Bill in order to “*deliver the HS2 project as fast as possible (where) the preparatory work ... is so urgent that it cannot wait until Royal Assent*”—(House of Commons Library Note SN6624)

6. The introduction of the Paving Bill to Parliament therefore gives the clear impression that the Government has already undertaken all the necessary consultation for determining at least the route of Phase 1 of HS2 and that it can now seek Parliament’s approval for expenditure to allow construction to proceed as soon as possible.

7. However, this fundamentally conflicts with the submissions and undertakings made by Government in the Court of Appeal.

8. In these proceedings, Counsel for Government told the court that “*the Secretary of State cannot stand up at the second reading debate (of the Hybrid Bill) and say, “The scope for debate here is trammled by the four corners of the DNS” (Decisions and Next Steps, January 2012). This effectively makes clear that Government’s current position is that no firm decisions have been taken on the route of HS2 and that all other options remain open to Parliament as the decision maker.*

9. In fact, Government had no choice but to take this position in order to seek to mitigate the consequences of its failure to carry out a Strategic Environmental Assessment prior to a decision being taken to proceed with the scheme.

10. Recognising this fact, Counsel went further, suggesting that if the Secretary of State did seek to constrain Parliament’s consideration in due course—whether of alternative routes for HS2 or indeed an entirely different proposal—there was a “*risk of creating grounds for a challenge to the Bill on a fact alone basis on the basis that there had been a failure to fulfill the objectives of the Environmental Statement.*”

11. On hearing these submissions, Lord Justice Dyson, (The Master of the Rolls) said: “*I must admit, I am a bit astonished. This is so central to the big issue in the case, that it should come out in this way at this stage of the game is simply astonishing.*”

12. Government’s submissions further acknowledged the need for HHL’s specific proposal to be properly evaluated in view of the fact, (which is not in dispute between the parties), that the Secretary of State “*did not read (HHL’s) consultation response (to the 2011 HS2 public consultation) and therefore ... did not have a proper understanding of the merits of the case that (HHL) were making for an alternative phase 1 route through Heathrow airport.*”

13. In recognizing this deficiency, Government made an undertaking to the Court that an “*alternative report,*” (presumably including HHL’s proposals) “*will be submitted as an appendix to the Environmental Statement that is submitted with the (Hybrid) Bill.*”

14. Government therefore appears to accept that the process of determining the HS2 scheme to date is fundamentally flawed and that an “*alternative report*” is essential to allow the HS2 Hybrid Bill Committee to properly consider those schemes (including HHL’s proposals) that -as a result of the acknowledged failure of the decision maker³⁸—were not considered in the 2011 public consultation.

15. However, there is no detail available as to the anticipated content of any such “*alternative report,*” nor the process by which such a report might be prepared.

16. We therefore respectfully request the Committee to reflect on the effect of these matters and undertakings in considering the Paving Bill.

17. At the very least, the Bill might benefit from amendment to include, for example, a specific requirement for alternative HS2 routes to be fully considered, consulted on and reported to the Hybrid Bill Committee in due course in order to reduce the risk of future legal challenge.

18. The wider issue of Parliament’s duty to spend public monies wisely might also be considered. Government has confirmed the intention to incur very significant expenditure (ca. £0.9bn)³⁹ on HS2 in this Parliament alone. Clearly, there is the potential for at least some of this to be wasted in the event of either a future legal challenge arising from a failure to comply with undertakings given to the Court, or the Hybrid Bill Committee determining, after consideration of the “*alternative report,*” that the current HS2 proposals are not supportable.

³⁸ “*There is no doubt but that this omission, (on the part of the Secretary of State in failing to consider HHL’s consultation response), occurred and it was not HHL’s fault.... It is clear that the fault lay on the Secretary of State/HS2 Ltd’s side of the fence*”—Para 596, Full Judgment of Mr Justice Ouseley, Royal Courts of Justice 15th March 2013 <http://www.judiciary.gov.uk/Resources/JCO/Documents/Judgments/hs2-judgment.pdf>

³⁹ “*The Minister of State, Department for Transport, the right hon. Member for Chelmsford (Mr Burns), has admitted to me in a parliamentary answer that the budget for the current spending period has been revised upwards from £773 million to around £900 million*”—Maria Eagle MP, Second Reading High Speed Rail Preparation Bill, House of Commons, Column 354 Hansard 26th June 2013 <http://www.publications.parliament.uk/pa/cm201314/cmhansrd/cm130626/debtext/130626-0002.htm#13062665000001>

19. There is also the further risk that HS2, which has been developed—and is proceeding—in isolation from emerging airports policy, might need to be “*adapted*” (in the Secretary of State’s words)⁴⁰ following publication in Summer 2015 of the Airports Commission’s report, (after expenditure of ca. £0.9bn on HS2) on the UK’s future hub airport strategy. Parliament has understandably questioned the wisdom of pursuing entirely separate air and rail strategies,⁴¹ despite Government’s recognition of the need for an integrated approach.⁴²

20. If, for example, the Airports Commission concludes that Heathrow is to remain the UK’s hub airport, it would seem perverse for HS2, the biggest ever investment of public monies in a single project,⁴³ to bypass (by just a few miles) one of the world’s premier airports and a vital UK economic asset. Alternatively, if the Commission recommends developing an alternative hub airport to replace Heathrow, it seems unlikely that its site would coincidentally lie on HS2’s present proposed route. It would appear logical to determine airports policy before committing to a specific HS2 route.

21. Whilst we recognize the narrow remit granted to the Committee, we believe that there is justification for pausing any further consideration of, and expenditure on, HS2 until the Airports Commission’s report has been received and considered and/or the “*alternative report*” has been prepared and properly consulted upon in accordance with the Government’s Consultation Principles⁴⁴ and the United Nations Aarhus Convention.⁴⁵

22. We also respectfully suggest that, in view of these very significant and far-reaching issues of public policy, the Committee record the risks that are inherent in Government’s promotion of the current Bill. This would in effect be consistent with Counsel for Government’s submission to the Court of Appeal—“*I would have thought it was obvious that the Secretary of State, in promoting a scheme which is going to cost hundreds of millions of pounds alone to promote through Parliament, will want to make sure that he has got his ducks in a row in relation to those matters*”

July 2013

Written evidence from Woodland Trust (HSR 15)

1. BACKGROUND

1.1 The Woodland Trust is the UK’s leading woodland conservation charity. Although supportive in principle of the concept of high speed rail, the Trust has severe misgivings about the green credentials of a line that will destroy some of the UK’s finest and most irreplaceable natural habitats. We remain concerned that the Preparation Bill itself appears to provide a blank cheque to Government to spend high levels of public money on a project with an environmentally destructive current route.

2. KEY CONCERNS AND ASKS

2.1 Given the threat posed by climate change to the natural environment, not least to ancient woodland, the Woodland Trust fully supports moves to develop a low carbon economy. However, a transport solution which inflicts such serious damage on our natural heritage as the current route can never truly be green—the **Government’s preferred routes⁴⁶, for both phases of the scheme will cause loss or damage to at least 67 irreplaceable ancient woods.**

2.2 We believe this is simply too high an environmental price to pay. It is also at odds with the Government’s policies around the protection of ancient woodland. Defra’s recent Forestry Policy Statement states: ‘*England’s 340,000 hectares of ancient woodlands are exceptionally rich in wildlife, including many rare species and habitats. They are an integral part of England’s cultural heritage*’. It states categorically that “*Protection of our trees, woods and forests, especially our ancient woodland, is our top priority*”⁴⁷.

⁴⁰ “*The High Speed Rail Line (HS2) to Birmingham may have to be adapted depending on what is decided about the future hub airport. A Bill for the line will take until 2015, the year the Davies Commission reports. I hope if anything needs to be adapted we will have the time to do it*”—The Rt Hon Patrick McLoughlin MP, Evening Standard 27th September 2012 <http://www.standard.co.uk/news/politics/i-wasnt-made-transport-secretary-to-push-through-third-runway-at-heathrow-all-options-are-on-the-table-8181588.html>

⁴¹ “*The development of what could emerge as separate strategies for rail and aviation highlights the absence of an overall transport strategy: this is a lacuna which must be filled*”—Para 21, *High Speed Rail, Tenth Report of Session 2010-12* Commons Transport Committee, November 2011 <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmtran/1185/1185.pdf>

⁴² “*There is will remain (sic) a strong strategic case for ensuring that Britain’s high speed rail and aviation hub strategies are effectively integrated*”—Para. 4.39, *High Speed Rail: Investing in Britain’s Future—Decisions and Next Steps*, DfT January 2012 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/3648/hs2-decisions-and-next-steps.pdf

⁴³ Correspondence between Heathrow Hub Ltd and Institute of Economic Affairs, 2012

⁴⁴ “*Engagement should begin early in policy development when the policy is still under consideration and views can genuinely be taken into account*”—Consultation Principles, Cabinet Office July 2012 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/60937/Consultation-Principles.pdf

⁴⁵ Aarhus Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters <http://ec.europa.eu/environment/aarhus/>

⁴⁶ *High Speed Rail: Investing in Britain’s Future—Decisions and Next Steps* (Cm 8247) and *High Speed Rail: Investing in Britain’s Future—Phase Two: The route to Leeds, Manchester and beyond* (Cm 8508)

⁴⁷ Department for Agriculture, Food & Rural Affairs, *Government Forestry Policy Statement*, January 2013

2.3 While our focus is upon the environmental impact it should be acknowledged that this loss comes against a backdrop where the National Audit Office has indicated that the economic benefits are unclear and where the Secretary of State himself has admitted last week that the Bill has risen by a further £10 billion. We therefore remain unconvinced that the benefit of the chosen routes outweighs the severe environmental loss that will occur.

2.4 The High Speed Rail Preparation Bill presents an important opportunity for parliamentarians to demonstrate full recognition of the grave environmental impact of the scheme and the need to provide adequate measures to mitigate and compensate for this in the Bill. We propose the following amendment is considered by the Bill Committee.

Clause 1, page 1, line 22—after ‘property’ insert ‘and impacts on the natural environment

c) *Mitigation and compensation*

2.5 We firmly believe, should HS2 go ahead, that a world class project receiving such high levels of public financial support needs to showcase world class mitigation. Sadly, that is not in evidence from the draft Environmental Statement. Its proposals on compensation for habitat loss do not take sufficient account of the Lawton Principles⁴⁸ on the importance of habitat networks and landscape scale action to secure a more resilient national woodland resource. That is despite these being enshrined in the Government’s own Natural Environment White Paper.

2.6 We did however, very much welcome the statement made by the Under Secretary of State for Transport, Simon Burns, during the recent debate on Ancient Woodland and HS2, where he noted “*Many of our remaining ancient woodlands are small, and there is generally a patchwork of fragmented sites in an intensive agricultural landscape. One of our objectives, which is very much in line with the recommendations that emerged from the Lawton report, is to take this opportunity to link fragments of ancient woodland, when practicable, through the planting of new woodland links. Natural England and the nature conservation NGOs have welcomed that approach, and I hope that it will be welcomed by hon. Members in the Chamber and beyond*”.

2.7 To ensure the HS2 scheme is underpinned by this type of world class mitigation and compensation, and to ensure that any replanting to be located in areas where both local people and wildlife will most benefit, we would propose the following amendment for consideration by the Committee.

Clause 1, page 1, line 22—after this line insert the following

‘d) on providing comprehensive and proportionate mitigation and compensation measures that take into account the local value of habitats impacted on by the lines construction based on the Lawton Principles.’

5. CONCLUSION

5.1 Parliament is being asked to endorse a scheme which, by following the present route, will leave environmental destruction in its wake. We urge committee members to ensure that the high levels of public investment being sought will actually facilitate a scheme which better respects our natural heritage. This means making every effort to avoid such loss and providing comprehensive and proportionate compensation measures that take into account the local value of ancient woodland, fully based on the Lawton Principles. We therefore urge Committee members to fully support our amendments and to help deliver a scheme of which Britain can be proud that has environmental responsibility at its core.

July 2013

Written Evidence from Airport Operators Association (HSR 16)

1. The Airport Operators Association (AOA) is the trade association that represents UK airports. Its mission is to see UK airports grow sustainably. It represents the views of UK airports to Government, Parliament and Regulators to secure policy outcomes that help deliver our mission.

2. The AOA initially submitted evidence to the Department for Transport consultation on High Speed Rail (HSR) in July 2011. By way of a brief follow-up to that submission, we have set out our current thoughts on the scheme in this note.

3. **The AOA supports investment in all types of public transport infrastructure**, whether aviation, rail, road or others. The benefits to business and individuals of better transport infrastructure are well documented. In addition to providing more infrastructure, HSR potentially offers the opportunity to better integrate air and rail infrastructure. **The AOA supports the proposal for HS2**, linking key urban centres throughout the country, so long as it is affordable and its costs contained and budgeted for.

⁴⁸ Department for Agriculture, Food & Rural Affairs, *Making Space for Nature: A review of England’s Wildlife Sites and Ecological Network*, Chaired by Professor Sir John Lawton CBE FRS, September 2010.

4. The 2006 Eddington Transport Study⁴⁹ looked at the relationship between transport investment and economic growth in detail. Eddington reviewed the best available research on transport and economic growth and concluded that investment in transport infrastructure had a complex relationship with growth. It affected it in a number of ways, such as by increasing business efficiency, encouraging investment and innovation, making labour markets more flexible, and increasing competition and trade.

5. Eddington further noted that while standard cost benefit analyses can estimate overall gains in Gross Domestic Product (GDP), by investing in transport, there are also a number of “micro drivers” such as those set out above that are important. Eddington recommended that the benefits of these factors should also be considered when appraising new transport schemes.

6. AOA supports the Government’s proposal for a new HSR line providing connectivity for surface and air travel to and from key urban centres in the UK. We believe that the line will result in more people residing within the catchment area of UK airports, improving both their and airports’ connectivity.

7. The Government should continue to progress plans for HSR, **but only on the provision that they remain affordable.**

8. HSR should not be seen as a replacement for short haul and domestic air journeys. Unlike airports that can, broadly speaking, be connected to any other airport on earth by the establishment of an air route, rail depends on geographically fixed infrastructure—a track which cannot simply link any two points in the UK, particularly where there is a major sea crossing involved.

9. **The AOA supports maximum connectivity and integration across the network**, with airports directly connected to the HSR network.

10. **HSR’s environmental benefits, compared with aviation, should not be overstated.** By 2050, even with an extensive and fully integrated European HSR network, the Committee on Climate Change (CCC—the Government’s independent adviser on climate change) has estimated that **less than 2% of aviation’s emissions will be saved by passengers switching to HSR.**⁵⁰

July 2013

Written evidence from Dr Paul Harlow (HSR 17)

SUMMARY

No contingent valuation has been made of the damage that HS2 will cause to the Chilterns AONB. Such a financial valuation should be made under best practice in order to make an appraisal of the scheme.

In light of the State of Nature Report we now know that all significant areas of ecological and environmental significance must now be viewed as being of National significance. The Chilterns AONB as an intact and well-preserved, protected landmass near its’ Metropoleis London and Birmingham deserves careful stewardship and the swift removal by Parliament of the risk that HS2 poses to it.

PREFACE

This is a response to the enormous, inadequate and poorly evidenced Draft Environmental Statement (DES) and proposed Paving Bill which if passed will accelerate HS2 before it can be adequately debated by Parliament.

I write as a Chilterns resident, but also as a scientist and retired specialist in psychological medicine and analytical psychology. The abuse of propaganda and the use of poorly evidenced ‘fact’ in the genesis, promulgation and justification of this scheme particularly concern me. It is reaching the point (where given the unparalleled costs of HS2 at a time of apparent austerity) such PR use (spin) by a Governmental Department rancor the public. It raises ethical issues when a policy of ‘ends justifying the means’ such as this is deployed, because the ends are unproven and unlikely, appear wildly exaggerated and most academic and policy centres disagree with them.

1.1 HS2 both conceptually and as planned has glaring economic, environmental and socio-geographic problems. Few academics and specialists support and most contest the claims made by the DfT and HS2Ltd. HS2 was recently disclosed as being a political pre-election publicity project that required caution (Lord Mandelson),

1.2 I am concerned that the Paving Bill has been used to bypass the usual democratic process and the debate on the value, merits and risk assessment of HS2 by allowing huge expenses to occur which will deter adequate review, re-evaluation and the major revision that most commentators consider necessary when it reaches the Hybrid Bill stage.

If the Hybrid Bill is debated through Parliament under a whip this will only enforce this notion.

⁴⁹ Eddington Transport Study, 2006, HMSO

⁵⁰ Committee on Climate Change, Aviation Report, 2009. See: <http://www.theccc.org.uk/reports/aviation-report> pp.66-82

The public lacks confidence in the scheme despite the significant expenditure on propaganda by vested interests including HS2 Ltd.

1.3 The psycho-dynamics of the DfT's (and its spin-off HS2 Ltd) interaction with Parliament and the public are of concern and show lack of financial modeling, honesty and fairness in the presentation of evidence particularly the evidence of noise pollution and environmental damage.

The best exemplar of the covert practices (that continue in different form) was the divisive and false premised argument Nimby lawns versus jobs campaign.

This National (and damaging project) should not be managed as a 'dark arts' campaign as the impact and effect on many hundreds of thousands of victims will be considerable. HS2 is likely to result in later legal challenge and compensation claims.

1.4 The truth will inevitable become manifest and Parliamentary scrutiny of this scheme must be commensurate with the scale of the damage and disruption it will cause particularly given the quality and quantity of academic concern in respect of the project and the irreversible damage it will cause.

1.5 HS2 Ltd has heralded "HS2- The Engine of Growth". Gone are discredited notions of speed and connectivity, which have determined the form and route from which arise many problems. So if these factors are now discredited, why has the route remained unmodified and damaging to the AONB?

By contrast the Chilterns Conservation Board has opposed High Speed 2 from the outset because of the damage it would do to the nationally protected Chilterns Area of Outstanding Natural Beauty (AONB).

Steve Rodrick, Chief Officer of the Conservation Board stated

"If the Government goes ahead with this massive vanity project, future generations will not wonder at fast trains but despair that we permanently despoiled our treasured natural heritage. It is ours to cherish and care for, not to squander."

David Harris (Chiltern Society) notes "HS2's Environmental Statement details in cold, clinical terms, the devastating impact the project would have on what is supposed to be a protected environment".

These matters arise as the Government is presented with more information about the value of nature and protected environments

The State of Natural Capital Report:

"Natural capital assets are in decline and should be measured. Changes in natural capital should be included in national and corporate accounts, properly valued and those values effectively included in decision-making processes. Stewardship of natural capital is good for growth". **The State of Nature Report (TSNR)** offers clues to the fate of the UK's 59,000 species. 70% in decline. On a day when it is reported that native flora and fauna are under threat and there is a decline in biodiversity habitats it is extraordinary that the Government endorsed HS2 threatens so much.

In the DES HS2 Ltd pass the comment "of local parish or county/metropolitan interest only" when they are to damage landscape, flora and fauna, however, TSNR highlights such ecological 'reservoirs' are of national importance now.

1.6 The DES in respect of the AONB is quite cynical and is poorly researched. It would be, as the DES has been created as a permissive tool, as a means to justify HS2 passage through the Chilterns by those who will profit from its build. It was not written to address the real environmental issues in anyway that is adequate or fair to this National asset.

1.6a. HS2 Ltd did not respond as promised about their research methodology and the DES authorship (within the promised 21 days or thereafter). This precluded full academic challenge and the date for response to the DES passed without their supplying this very simple and rudimentary information.

1.7 On reading this document (DES) it is difficult not to conclude that HS2 is an irreversible engine of environmental, social and amenity destruction and that it will impair thousands of lives, disrupt businesses and whole communities essential to maintaining the nature of the Chilterns AONB.

In my opinion on the basis of the DES the HS2 project should be reconsidered and at a minimum the route altered (to transport corridors) outside of the AONB or be completely in tunnel bar a safety gap within the Chiltern AONB.

1.8 I advise everyone concerned to read the DES thoroughly. The electronic site is not particularly user friendly. The files are large and unwieldy. I experienced several crashes, could not open any of the maps and found the search engine unhelpful for detail.

1.9 The division of the AONB into false 'areas' belies the truth the AONB's ecological continuity. This is a ploy to minimize the understanding of the AONB as a land mass and also it falsely represents a schema that suggests it can be managed as a series of part objects. This minimizes the negative impact of the HS2 project on the environment.

It is worth reading the two areas on either side of that one detailing areas of interest as the impacts are cumulative and the creation of artificial ‘fragments’ belies the truth of the major disruption to an area that examination in isolation suggests.

I am not sure from reading the document whether HS2 ltd has joined up the whole to model how much disruption construction will entail. Their own document does not suggest that they have.

1.10 The material references for the DES are documented and I am unsure how much de-novo research has been undertaken as opposed to meta-analysis of the referenced documents For clarity I asked HS2 ltd for authorship, key academics involved and who signed the document off as fit for distribution. I await their answer.

2.0 I am particularly concern with the Chiltern AONB from the Colne Valley where the so-called Chiltern Tunnel begins, through the “Mid-Chilterns” to Wendover and another viaduct in the lee of hills and emergence into the Vale.

I am particularly worried by HS2 ltd failure to seemingly comprehend and adequately factor the matters of landscape, noise and vibration and ecological impact.

2.1 It may be that these are inherent with the choice of route and that no real mitigation can be afforded and thus these would become political issues and the response to the dilemma would be better met by open Public Inquiry.

2.2 I will allow myself one aside just to note that Quainton and Waddesdon (outside of above zone) both towns lay within a specially demarcated quiet zone, recognised under European law, which is meant to preserve the area from developments that might adversely alter its special quiet status. HS2 will roar through the valley every 90 seconds.

2.3 Landscape and Noise

HS2 LTD STATE

Landscape

...our approach has been to lower the railway into the landscape. Much of the proposed route would be in tunnels or cuttings. The main visual effects would occur where the route is on embankments or viaducts.

...We have considered possible mitigation measures, including ‘false cuttings’—where the landscape is raised up around the track—and providing visual screening by planting

Noise and vibration

*...Noise from trains will be reduced through the design of the railway and the trains themselves. Our aim is to design HS2 so that there will **be no significant vibration or ground-borne noise effects.***

It is predicted already that HS2 ltd will fail in their objectives both in respect of landscaping the line and in terms of noise and vibration save where it is in a tunnel.

2.4 Much of this knowledge has apparently been known to Government. Is it adequately known to Parliament? The notion of lowering the railway into the landscape has the same truth as lowering a brick into a gateau St Honoree. The material and physical incongruities prevent their being any semblance of compatibility. HS2 ltd should be honest about the true impact of the development.

The creation of 20 settlement ponds, which was announced ‘out of the blue’ in the DES, is equally unacceptable damage to the landscape as would be their safety and perimeter fences. Their polluted water would pose a risk to the Chilterns Aquifers, which supply a good proportion of London’s best quality water.

3.0 Route:

The Coalition Cabinet decided this route. Prior to the 2010 election it was not certain and several routes were considered but no reasoned argument as to why this route was chosen has been given. It appears that the Chilterns Board was surprised at this choice of route.

This route was considered seriously flawed by this government and its advisors when in opposition.

In power they have adopted it and it is certainly the worst option for the Chilterns AONB bisecting it at its widest point. Alternative routes with the same degree of tunnel may have saved the Chilterns. There has been no explanation or rational for the choice of this route which was not that one first advocated by Arup.

HS2 ltd have vaguely suggested (through an unnamed representative) in the press that this route was taken in order ‘to protect more tranquil areas of the ANOB’ and rural countryside. (Again their belief an AONB can be divided). Yet it runs through very tranquil areas also later through EU recognized special areas of tranquility.

Further comments have talked of a route to avoid payment of compensation. If this is the case the AONB has been sacrificed and no calculation of it asset value, its contingent value has not be considered or appraised and made public.

HS2 ltd have not disclosed whether they have undertaken a valuation of the Environmental Impact.

Defra (2007a) in *An Introductory Guide to Valuing Ecosystem Services*, which seeks to ensure that the true value of ecosystems and the services they provide are taken into account in policy decision-making.

Assessment of the impacts of policies should be consistent and transparent

The results of the considerable ‘consultation’ that arose after the Cabinet choice of this route were essentially ignored; it appeared an unexplained ‘done deal’ and so the ‘consultation’ became irrelevant or could be cynically viewed as E.U. box ticking.

It leaves statutory bodies with no real voice or power to protect the very resource that they are charged with protecting.

3.1 Comparisons with HS1

Favourable comparisons by HS2ltd and Ministers of this route with the route of HS1 are entirely fallacious and seek to make a justification out of disaster. HS1 follows motorways in the main, skirts around the AONB except for a small intrusion in the North Kent Marshes.

HS2 will not be like HS1, there are considerable engineering works to make it possible for the train to pass through the Chiltern Hills which are essentially the least obvious place to route a High Speed track,

3.2 There will be significant damage to ancient woodland; there will be major damage to the environment and tranquility of the AONB. The land mass will be dissected.

Flora and Fauna will be adversely impacted.

Many HS2 pundits allude to it being a single track wide. However the truth is that the width of plant free margin has just been increased and the swathe will be wide, in addition there will be embankments, bunds, security fences, pylons, roads etc that will make the impact greater.

3.3 HS2 ltd has created some ‘representative visuals’ in which much of the additional and ugly clutter has been removed. Essentially a visual lie. Such dishonest actions must be stopped.

It is the largest infrastructure proposal since the Victorian period and as such it will consume and damage the areas it passes through and a significant margin around it will bear the brunt of noise and inconvenience.

It is to be very busy and very fast compared to HS1 and so the noise will be essentially constant and enhanced by the doppler shift which makes the noise variable as opposed to a background constant to which the brain accommodates more quickly.

The service is scheduled to run from 5am to midnight plus servicing so essentially 80% + of all time. I am sure it will be a matter of time when ‘capacity’ issues force it to be used at night or for adapted freight wagons especially when it links with Scotland.

4.0 The Engine of Destruction

Whilst the rationale or HS2 mutates from speed, to capacity to growth. The DES has plumped for the “engine of growth” something we now understand is likely to be academically untrue. HS2 is a DfT and Cabinet sanctioned juggernaut of rural and environmental destruction. A punt or gamble with the nations natural assets in a game of post post-modern brinkmanship. I find it concerning that this has been billed as the UK’s attempt to keep up (with the environmental nightmare of totalitarian) China’s pace in the global race.

HS2 ltd had no well-founded design concept for this unique environment. This was the route that Arup did not originally advocate, so one has the sense that it is ill formed, ill thought out and experimental. Indeed the only plan is to ‘sink the line in the landscape’ in cuttings, green tunnels and bunds not the easiest plan for a hilly environment and a train that needs straight rails.

HS2 Ltd suggested that their landscaping may improve on nature and be beautiful surely the most arrogant of conceits. The evidence of proposed scheme is that it is not beautiful nor sympathetic to the Chilterns.

Given that their real intention (to keep control of costs) is to push the line through the Chilterns as cheaply as possible; the real issue is to lose the spoil and not have to truck it away.

It is unlikely that the embankments/earthworks will do much to reduce noise pollution in the complexity of valley systems.

4.1 Tunnels versus cuttings

Reading the DES I am of the opinion that when the lines are in tunnels there will be mitigation of the worst impact, although vibration and sound may well escape.

The environmental impact of tunneling the aquifers (supplying London with 30% of its water will be yet another experiment for which there is little precedence and potential disaster. Further water extraction takes place in the Colne and Misbourne systems.

Tunnel build will create massive disruption for a decade at least to the AONB.

The necessary shafts and shaft heads, transformers, power lines and access roads will cause problems for the AONB. This is clear from the DES.

4.2 These noted problems are glossed over, mitigation is always promised By HS2 ltd and more interestingly true damage appears to be always offset by alluding to existing roads or built structures i.e. so the area was damaged anyway. (For example the peripheral to site of SSI M25 in the Colne Valley).

The Chilterns are surprisingly undamaged for what is an acknowledged rural area so close to London. That is the point of it being an AONB.

4.3 The M40 is the biggest existing scar and it is interesting that HS2 does not follow it or the M1, as was the practice with HS1.

4.4 A full tunnel approach to the Chilterns was discounted because of cost. It is evident that Tunnels are being used elsewhere to preserve businesses, development potential, to protect people from noise, but this degree of protection and care has been deemed too expensive to protect the Chilterns which has a huge tourist industry much bigger numerically and financially than the Lake District.

4.5 The real problems occur when there is no tunnel.

Where there are no tunnels the DES reveals the impact HS2 on the AONB will be unacceptable both in respect of disfigurement of the landscape and destruction of the tranquility.

The sounds maps already indicate that the noise pollution is to be far worse than was originally proposed to parliament. It is also likely if these maps are based on demonstrations that Arup toured with that they are also inaccurate. (i.e. not having Doppler shift but a constant tone. At high speed DS is greater).

The constant tone intensity is likely to be nor representative of the true sound.

Care was taken to use areas with background noise in excess of most of the Chilterns, which are tranquil.

The impact of HS2 even with its mitigating bunds, ugly 4 M barriers etc is going to disturb the peace and sleep of thousands of Chiltern and Buckinghamshire residents and ruin a national much used resource. It is the only AONB between London and Birmingham.

I suggest as an exercise that you explore 4 areas: the Colne Valley, Chalfonts and Amersham, Mid Chilterns and Wendover. Look at the adverse impacts of the build and of the operational HS2.

Only one area is tunnel and where the impact of operational HS2 will be mitigated.

The other areas demonstrate considerable major adverse impacts on waterways flora and fauna, landscape, natural environment and landscape business and residents of the AONB.

4.6 I believe the sound contour maps are flawed in the documentation; they do not represent the true noise pollution of the train, but have already added calculations regarding sound barriers and mitigation that is as yet unproven.

They are also based on db means that include the hours when no trains run.

The noise levels are such that they are likely to impair health and welfare of many affected citizens and would be contrary to EU law.

The DES sound maps appear to have been altered (worse) from those previously discussed in Government and on which Parliament formed its decision.

I direct you to the work undertaken by the Ladbroke Action Group on the noise pollution of HS2 http://wcchs2.files.wordpress.com/2012/08/hs2_envher_report_compressed1final.pdf

4.7 I would urge the committee to request Raw and Mitigated sound Maps provided by a fully independent body separate to Arup or HS2 ltd.

4.8 Failure by HS2 ltd to provide accurate maps or to subsequently ensure mitigation in accord with the Maps should have legal consequence.

4.9 A feature of the DES is that whenever there is damage HS2 ltd state that the feature is of local, parish, county or metropolitan interest only. They miss the significance of an AONB as a whole and their 'division' aids their purpose.

5.0 In light of the State of Nature Report we now know that all areas are of National significance and the Chilterns AONB as an intact and well-preserved protected landmass near its Metropoleis London and Birmingham deserves careful stewardship and the swift removal by Parliament of the risk that HS2 poses to it.

Written evidence from BiblioFox Research (HSR 18)

1. BiblioFox Research is a research consultancy established in 2000. We specialise in document-based research and archival research and have recently been investigating the implications of the HS2 business case for existing intercity services on the West Coast, East Coast and Midland Main Lines.

2. SUMMARY

The HS2 business case and cost-benefit ratio are based on an assumption that substantial savings to Government can be made through cuts to intercity services on the existing rail network once HS2 opens, and that these saved funds will be used to meet part of the cost of operating HS2. In offsetting such ‘classic line savings’ against the projected cost of operating HS2, and applying a contingency to account for optimism bias, HS2 Ltd appears to have made an elementary arithmetical error in their spreadsheet, as they have added the optimism bias to the classic line savings instead of subtracting it. The effect of this is to grossly overstate the savings that will be achieved and thereby to understate the cost of operating HS2 by some £126 million per annum. Given such an error, we would question whether HS2 Ltd has the competence to manage the preparation of such a vast and expensive project as HS2 and to keep costs under control. The Bill as drafted does not require the Secretary of State to prepare a first report on expenditure until 31 March 2015 so, while most of the preparatory work for HS2 Phase 1 is being undertaken, Parliament will not be in a position to scrutinise HS2 Ltd’s expenditure. Furthermore, the detrimental effect that the downgrading of existing intercity rail services will have on the economies of a number of towns and cities in the Midlands and North does not seem to have been taken into account in the business case. We believe that the negative as well as positive economic impacts of HS2 should be fully identified and made public before further public money is committed to the preparation of the scheme.

3. Recent reports on HS2 have focused on the likely cost of building the new high-speed line and acquiring the rolling stock. The predicted cost of operating HS2 once it opens has not received as much attention. In its August 2012 business case spreadsheets, HS2 Ltd calculated that the London-West Midlands phase of HS2 will cost **£484 million** per year to operate (at 2011 prices) when it opens in 2026, and that the operating cost will rise to **£1.5 billion** per year when the ‘Y’ network is complete in 2033 (again, at 2011 prices).⁵¹

4. HS2 Ltd has assumed that **a substantial part of this cost can be met by diverting Government subsidy from existing rail services** on the West Coast, East Coast and Midland Main Lines to HS2 services. Built into their business case are cuts in subsidy to services on the existing lines of **£133 million** per year in 2026, rising to **£379 million** per year in 2033. In its spreadsheet, HS2 Ltd describes these as ‘classic line savings’.⁵²

5. The actual rail service changes that HS2 Ltd has modelled to obtain those savings can be identified from their *Updated economic case for HS2 (August 2012): Explanation of the service patterns*.⁵³ The changes comprise a reduction in the number of long-distance intercity services running on the existing lines and an increase in the number of commuter services, which together produce a net saving of £379 million per annum from 2033. In HS2 Ltd’s plan, from the year 2033 the West Coast intercity service between London and Manchester would be cut from three trains per hour to one, leaving intermediate stations with a poorer service than today. Stoke-on-Trent would receive half as many trains to London as today, Stockport’s service to London would be cut by two-thirds and Wilmslow left with no direct services to London at all. On the Midland Main Line, direct services from Nottingham and Sheffield’s city centre stations to London would be halved, as would Chesterfield’s and, on the East Coast Main Line, Wakefield would suffer the same fate. HS2 Ltd suggests that all ordinary intercity services from Liverpool to London (as opposed to HS2 ‘classic compatible’ services) could be **re-routed via Birmingham**, while passengers wishing to travel on traditional intercity services to London from Glasgow, the Lake District and Lancaster would see all of their trains **diverted via Manchester**. Both diversions would increase journey times for passengers by about an hour. Finally, **Aberdeen, Inverness and all stations north of Edinburgh lose all direct trains to London** in HS2 Ltd’s document.⁵⁴

6. HS2 Ltd’s reasoning for these service changes is that, with most passengers from cities served by HS2 switching to high-speed services, there simply will not be the passenger numbers to warrant the same number of ‘classic’ intercity services as today. Indeed, demand modelling analysis undertaken for HS2 Ltd suggests that

⁵¹ <http://www.hs2.org.uk/news-resources/publications/economic-documents> (August 2012 zipped appraisal spreadsheets for Phase 2—Day 1 & Y Costs.xls—Y Profile of Costs sheet)

⁵² Ibid.

⁵³ <https://www.gov.uk/government/publications/updated-economic-case-for-hs2-august-2012-explanation-of-the-service-patterns>

⁵⁴ <https://www.gov.uk/government/publications/updated-economic-case-for-hs2-august-2012-explanation-of-the-service-patterns>. All of these service reductions can be identified by comparing today’s service patterns on the West Coast, East Coast and Midland Main Lines with the service pattern set out by HS2 Ltd in their ‘Do Something’ scenario in Appendix A (‘Do Something’ being the scenario that HS2 goes ahead as planned).

intercity services on the southern part of the West Coast Main Line would be only 27% full on average once HS2 takes the majority of passengers travelling to and from Manchester, Leeds, Sheffield and Birmingham.⁵⁵

7. The cuts to intercity services that HS2 Ltd has built into the business case for HS2 would, of course, badly affect those towns receiving no HS2 services in place of axed classic line services.⁵⁶ In HS2 Ltd's plan, the line capacity that these cuts and diversions would free up would be used to provide more commuter services, largely into London from Milton Keynes, Peterborough and Bedford.⁵⁷

8. It does not appear that HS2 Ltd has assessed the negative economic impact that these service cuts would have on Stoke, Stockport and other affected towns before incorporating these service reductions into the HS2 business case and cost-benefit ratio. Moreover, there is a significant error in the way HS2 Ltd has calculated these savings. We first noticed this error in an earlier iteration of HS2 Ltd's costs spreadsheet. More importantly, the RAC Foundation publicly noted it in their review of the economic case for HS2, published in 2011.⁵⁸ Yet despite this published evidence, HS2 Ltd has done nothing to correct the error and it has persisted in all subsequent versions of the HS2 business case and cost-benefit ratio. The details of the erroneous calculation are given below.

9. After calculating the probable cost of running HS2 services (and before offsetting part of the cost with savings on the existing lines), HS2 Ltd has increased the headline cost of operating HS2 by 41% in their spreadsheet, to provide a contingency in case of cost increases (so-called 'optimism bias'). When dealing with the projected savings from cuts to existing services, HS2 Ltd subdivides these into savings on existing rolling stock leases (£123 million per year from 2033) and other savings, namely a reduction in spending on drivers, guards and electricity on the West Coast, East Coast and Midland Main Lines (£256 million per year from 2033).

10. When it comes to assigning a figure for optimism bias to these savings, HS2 Ltd has opted for an 18% contingency on lease savings, as it believes savings from cancelling leasing arrangements on some rolling stock on the existing lines can be reasonably reliably predicted, and 41% on the rest of the savings, as these are less predictable. However, HS2 Ltd has made a basic arithmetical error in applying these 41% and 18% contingencies to the savings: they have **added** the sum for contingency to the savings instead of subtracting it—thus producing an even larger savings figure than before the contingency (risk) element was added.

11. In other words, having worked out which rail services could be cut, and calculated that this would bring in savings of £379 million per year from 2033, HS2 Ltd has then said that, actually, £506 million per year will be saved and used to help pay for the running of HS2. **This is £126 million more, annually, than the proposed service cuts will deliver.**

12. Any risk associated with making savings by cutting some existing intercity services must be that the required savings cannot be fully delivered, not, absurdly, that more services will be cut than expected. If a contingency is to be applied to the savings, we believe it ought to have been subtracted from, not added to, the projected savings.

13. The business case and cost-benefit ratio for the whole HS2 project are based on this erroneous figure of £506.1 million of savings per annum, but such savings would be impossible without further deep cuts to existing rail services—far beyond those set out by HS2 Ltd.

14. HS2 Ltd's error appears to result from the fact that they have used the same spreadsheet formula to deal with a percentage of a negative number in the sheet (the classic line savings) as a percentage of a positive number, assigning a 41% optimism bias simply by multiplying the original number by 1.41 in both cases. But if a 41% risk factor is added to a saving, it should, we presume, be multiplied by 0.59 to reduce that saving—reflecting the fact that the risk is that the saving will not be fully made, not that it will be exceeded.

⁵⁵ *Demand and Appraisal Report: HS2 London-West Midlands. Report for HS2 Ltd by MVA Consultancy, in association with Mott MacDonald and Atkins* (April 2012). <http://www.hs2.org.uk/sites/default/files/inserts/Demand%20and%20Appraisal%20Report%20London-West%20Midlands.pdf>. The map in Figure 6.2 shows the forecast daily load factors on classic line long distance services in 2037—ie after the HS2 'Y' opens. Long-distance services on the southern section of the West Coast Main Line would be on average 27% full; those on the southern Midland Main Line would be 38% full on average and, on the East Coast Main Line, they would 35% full in the south and only 26% full on the approach to Leeds. Furthermore, these are high estimates, according to the legend beneath the diagram.

⁵⁶ The full list of places that, in HS2 Ltd's plan, would receive fewer or slower intercity services to London and no HS2 service in recompense is: **Aberdeen, Arbroath, Aviemore, Carlisle, Chesterfield, Coventry, Derby, Doncaster, Dundee, Falkirk, Grahamston, Gleneagles, Inverkeithing, Inverness, Kingussie, Kircaldy, Lancaster, Leicester, Leuchars, Montrose, Nottingham (city centre station), Oxenholme, Penrith, Perth, Pitlochry, Sheffield (city centre station), Sterling, Stockport, Stoke-on-Trent, Stonehaven, Wakefield, Wilmslow.**

⁵⁷ *Explanation of the service patterns*, pp. 7 and 9. <https://www.gov.uk/government/publications/updated-economic-case-for-hs2-august-2012-explanation-of-the-service-patterns>

⁵⁸ Chris Castles & David Parish: *Review of the Economic Case for HS2* (RAC Foundation, November 2011), p. vii. They wrote that "optimism bias has been incorrectly applied to the cost savings on the existing network after the opening of HS2, thus inflating this item of benefits attributed to HS2 by 41%".

Annex 1

15. The problem can be illustrated most clearly using HS2 Ltd's Profile of Costs sheet in the August 2012 spreadsheet Day 1 & Y costs.xls (Table 1).⁵⁹ Here, the total projected cost of HS2 over the 60-year appraisal period is represented in terms of present values, before and after optimism bias has been applied to operating costs and savings. Before optimism bias is added, the projected classic line savings are given as **£5.746 billion**. Once optimism bias is included, the required savings have been inflated to **£7.704 billion**.

TABLE 1

<i>Discounted Market Prices</i>	<i>Total (£2011, PV), No Optimism Bias</i>
Construction	£27,298
Track Renewals	£2,244
Rolling Stock Purchase	£6,875
Rolling Stock Maintenance	£6,969
Driver	£1,460
Conductor	£814
Track Maintenance	£1,911
Station OpEx	£420
Station Maintenance	£104
Traction	£6,498
VTAC	£384
Capacity Charge	£161
Electrification Asset Usage Charge	£31
Insurance	£38
Variable Overheads and Admin Costs	£601
Other On-Train Staff	£1,858
<i>Classic Line Savings</i>	
Total (exc. Driver, Diesel & Elec)	-£2,698
Driver	-£464
Electricity	-£656
Diesel	-£199
Lease Costs	-£1,728
<i>Total With OPEX Optimism Bias</i>	
Construction	£27,298
Track Renewals	£2,244
Rolling Stock Purchase	£6,875
Rolling Stock Maintenance	£9,826
Driver	£2,058
Conductor	£1,148
Track Maintenance	£2,694
Station OpEx	£592
Station Maintenance	£146
Classic Line Savings (Excl. Lease)	-£5,666
Classic Line Savings (Lease)	-£2,039
Traction	£9,163
VTAC	£541
Capacity Charge	£227
Electrification Asset Usage Charge	£44

⁵⁹ <http://www.hs2.org.uk/news-resources/publications/economic-documents> [August 2012 zipped appraisal sheets]

<i>Discounted Market Prices</i>	<i>Total (£2011, PV), No Optimism Bias</i>
Insurance	£53
Variable Overheads and Admin Costs	£848
Other On-Train Staff	£2,620

16. The impact that erroneously multiplying the various classic line savings figures by 1.18 and 1.41 respectively has on the amount of savings that it is claimed can be achieved annually is shown in Table 2.

TABLE 2

<i>Predicted annual savings from changes to existing services set out in HS2 Ltd's Service Patterns document</i>	<i>Optimism bias (contingency)</i>	<i>HS2 Ltd's spreadsheet calculation</i>	<i>Predicted annual savings including wrongly-applied optimism bias</i>
Savings on rolling stock leases: £123 million	18%	£123 million x 1.18	£145.14 million
Other savings (drivers, guards, electricity etc): £256 million	41%	£256 million x 1.41	£360.96 million
Total savings per year: £379 million			Total savings per year with optimism bias included: £506.1 million

July 2013

Written evidence from Tonge and Breedon HS2 Action Group (HSR 19)

I write as a representative of Tonge and Breedon in North West Leicestershire.

We are concerned about the impact the proposed HS2 route will have on our community and specifically the effect a 10m high viaduct running above our villages will cause. We were so concerned that we scrutinized the plans to try to find ways to mediate the noise and environmental damage.

We were surprised **that in N W Leicestershire the proposed HS2 route required a twin tunnel under East Midlands Airport which subsequently and following representations by commercial interests, the Secretary of State extended to pass under the adjacent planned Roxhill Strategic Rail Freight Terminal.**

With the help of a transport and planning expert, in March 2013 we identified **ways in which savings of approximately £½ billion could be made but the Secretary of State and HS2 Ltd appear totally disinterested.**

The alternative route, which saves £500m cost, it involves:

- No crossing over the A42.
- No additional motorway crossings.
- Considerably greater use of the existing M1 corridor.
- No impact on SSSIs.
- No adverse topographical implications.
- Reduced overall impact on villages in N W Leicestershire.

Having met the Secretary of State and HS2 Ltd we understand that our amendments 'were too late' to be included in the upcoming public consultation. This was surprising particularly because the savings are so large that they deserve the most serious and thorough consideration. Indeed, so enormous are these savings that we want to bring them to your attention also.

We appreciate that this posed a dilemma for HS2, if they ignore our amendment it stands accused of wasting public money, if they wait until after the Public Consultation, it will incur the significant additional costs demanded by a second consultation and will face delays and/or judicial proceedings.

This issue illustrates an area where the Bill can be strengthened.

Will the Scrutiny Committee ensure that the Paving Bill requires HS2 engineers to look properly at input and feedback from local communities and regional experts whose in-dept knowledge will help the Government ensure that HS2 Ltd delivers a quality project at minimal cost sensitive to the concerns of its neighbours?

 HS2 COMPENSATION

We are aware that Compensation is subject to scrutiny. It is unfair that those affected by noise and environmental damage and whose homes *are already blighted* cannot sell their property without losing significant sums- if they can sell at all. This is a particular issue in our community.

Will the Scrutiny Committee ensure that the Bill allows for *all property owners* affected by HS2 to be properly compensated, ideally by a property bond, and that this compensation is not restricted to those unhappy individuals whose homes and land will be subject to compulsory purchase by HS2? Indeed the £500m we have identified could help property owners in N W Leicestershire.

ECONOMIC REGENERATION

The impact of high-speed trains in France has been highly deleterious to wider communities. Will the Scrutiny Committee look at ways to minimise the damage potentially done to out-of-London businesses during construction and ways of preventing HS2 becoming a long commuter link to the Capital? The experience of French communities like Lille, Marseilles and Montpellier has demonstrated the impact of high-speed trains on business, which have relocated to Paris, resulting in significantly increased levels of unemployment in regional communities local to the line. These impacts have been so severe that the French Government has shelved planned extensions of high-speed rail.

July 2013

Written evidence from David Richards (HSR 20)

I am shocked by the revelations in Parliament last week during the debate on the HS2 Paving Bill, that once effective, the DfT and HS2 Ltd will have unlimited spending facility without further recourse to parliamentary sanction for up to 40 years.

This is wholly inappropriate, given the nature of the project.

HS2 has been shown to be a very expensive project which has a very poor return on investment, there is no demonstrable need for the new line and its construction and operation will be extremely environmentally damaging. The opportunity cost of the project is huge and really unacceptable.

To provide some background to my concerns:

1. At least 3 specialist committees have expressed concerns that the project is not viable and that the budget is too large, inappropriate expenditure and uncontrolled, viz. the National Audit Office, the Major Projects Authority and the Public Accounts Committee.

2. The original business case for HS2 was predicated on 44% of the projected return on investment being because people could not work on trains. This is patently wrong and has been recently acknowledged as such by the DfT at the recent PAC hearings. Once this spurious £21BN of return is stripped out of the plan, the BCR becomes less than 1.0. Other comparable projects—such as a road improvement, generally have BCRs of >5.

3. Once the BCR is brought back to reality, we need to look at the project's green credentials: The line is designed for ultra-high speed and this in turn will use 3x more energy than conventional rail travel—which by most International standards is already high speed at 125mph. It is also important to consider where the source of this substantial additional power requirement will be sourced from, at a time of concern over the sustainability of the country's generating capacity. Additionally and most importantly, the line, by its straight line design cuts through some 60 areas of important wildlife areas and a nationally important Area Of Outstanding Natural Beauty. Yet as .2. above is no longer relevant, the ultra-highspeed remit and therefore straightline route, is no longer relevant either.

4. Lack of capacity on existing lines (specifically the WCML) has been used as a reason to build a new line but in fact when the loading data for the WCML was finally released by the DfT, the maximum load at peak times is <60%, leaving 40% spare capacity. Thus removing another major argument in favour of building HS2.

5. It has been stated that HS2 will bring prosperity to the North of England and growth in our major Northern Cities. In fact this has shown not to be the case with 80% of jobs being projected to be created in London and that growth will be directed Southwards and not Northwards. This has also been shown to be the case in France, where the arrival of the TGV to Lille caused unemployment to rise and the provision of local rail services to fall precipitously. In fact in the whole of Europe there is NO evidence that the arrival of High Speed Rail in provincial areas has had any beneficial economic effect. The issue of improving prosperity and growth in many regions of the UK (not just those to where HS2 might go) is both important and URGENT. Even if HS2 were to provide growth, it would not do so until a minimum of 13 years from now. The regions need employment in 2013, school leavers this month will be hugely disappointed to be told that the only prospect for their future will come when they are nearly 30 or even 40 for the line north of Birmingham.

6. Alternatives which have a greater BCR and are MUCH cheaper and quicker to implement to include the proposal from 51M which aims to sequentially upgrade the WCML in a way which would be least disruptive

and would progressively eliminate the ‘pinch points’, thus further increasing capacity. This alternative to HS2, along with many others would be massively cheaper than HS2 and have a lower opportunity cost, leaving funds allocated to HS2 to be available for other projects, or more importantly being available to the exchequer to offset the need for further cuts to welfare, the Police, local government and so on.

In conclusion, the construction of HS2 has been shown by all serious attempts at scrutiny, to be a wholly unnecessary project and the massive funds allocated to it via this ‘Paving Bill’ are inappropriate and should be used for the many more essential projects elsewhere.

July 2013

Written evidence from David Dundas (HSR 21)

I am a Board Member of the local Business Enterprise Partnership and a Lichfield City Councillor for just over 10 years. A Governor of the acute hospital in Burton upon Trent since 2008, which manages 2 community hospitals. I have a small business in Lichfield supplying professional equipment. I have a degree in chemistry and biochemistry and I am a trained petroleum engineer.

It is my understanding from reports that I have seen on the EU website, that HS rail stations located on through routes in the centre of cities, bring a greater economic benefit to their area, than those located outside the city. This makes sense to me, as the centre of a city is likely to be the centre of the local transport hub.

Phase one of the present plan for HS2 will build a new station close to the centre of Birmingham, however the line will stop there. The line to the North will continue from Water Orton near Birmingham airport and then split to branch towards Nottingham and to Manchester. Whilst the Nottingham line will follow the route of the M42 motorway, minimising the impact on the local environment, the route to Manchester will cut through some 22 miles of Staffordshire countryside, which has provoked substantial local opposition.

It is my proposal that the HS2 line to the north towards Manchester, should be from the Birmingham HS2 station, in a deep tunnel of about 10 miles, to avoid conflict with the local rail network. The northern side of Birmingham is on rising ground, which would facilitate the deep tunnel, which in turn would offer the opportunity to build the HS2 station much closer to the present central station at New Street, or even to be built below it.

Although a tunnel is usually far more expensive than an overland line, when all the costs of construction, compensation and litigation arising from an overland line, are taken into account, it seems quite likely that the overland cost could be greater than the cost of a tunnel, without even adding the environmental cost. The cost differential should be properly assessed before a final decision is taken on the route to the north.

If the present plan to route the north west HS2 line through Staffordshire is maintained, when trains are running from London to Manchester and beyond, Birmingham will find itself at the end of a branch line. A tunnel would keep Birmingham on the main line to the North, which in turn will bring greater economic benefits to the region, whilst avoiding the environmental damage to a large part of the Staffordshire countryside.

July 2013

Written evidence from Andrew Cordiner (HSR 22)

This is a personal submission by myself on behalf of my family and the village of Hyde Heath as well as the country as a whole:-

The projected cost of HS2 including tax and rolling stock is now in excess of £50 Billion. We have already spent over £350 million on consultants. I am a Qualified Chartered Surveyor and have over 25 years experience on major project delivery including civil engineering projects from Rail Stations and Line development to Motorway Junction and arterial route design and development. My points to the scrutiny committee are as follows:-

1. Why was Route 3 of Phase 1 chosen by ministers against the advice of their route proving report provider and engineer Ove Arup?

2. Route 3 has significant geological, geotechnical and hydrological problems associated with it. The Route proving engineer highlighted these issues in the attached appendices to the route proving report using statements to describe the strata such as “vulnerable to shrinkage and swelling”, “material has low strength and high moisture content”, “contains groundwater and will be troublesome for earthworks slope stability”, “careful handling required”, “slope instability problems” etc etc. **Why has HS2 and the government chosen to develop a route that comes with such significant engineering complexities and hydrological dangers?**

3. I have written to Rt Hon Patrick McLoughlin MP (letter attached) to highlight these issues. I have also highlighted that there is a real risk of tunnel collapse with this route and there is precedence in this area with the Gerrards Cross tunnel collapse onto the mainline in 2005. The cause of the collapse was Hydrological in

nature with water overloading the structure—I have explained this in further detail on the attached letter. I have pointed out to Mr McLoughlin that he and his department are putting the public at risk proceeding with this route against the advice of their engineering advisers (I have written to the board of HS2 to make them aware of the same).

4. The response (see attached) from his department and HS2 was to highlight that they have ignored the advice of Ove Arup (one of the most respected Engineers in the world) because their work was “advisory” and HS2 are now moving to a “delivery focused organisation and is therefore required to obtain further expertise”. In effect, we have chosen to ignore the advice from respected Engineers and will be seeking a second opinion from other Engineers that will tell us that route 3 can be built and delivered safely. **In light of the recent cost increase in the project and in view of the route selected by ministers and the problems it presents, it is financially prudent and responsible to re-visit the route proving studies and determine whether the recent cost increase has been a direct result of route 3 selection and if so, should we be changing the route selected to offer a cheaper alternative?**

5. The response from the Minister and Department for Transport is insufficient and ignores the cost impact of this route. However, as indicated in my letter, the eventual solution that will be presented by Engineers to build route 3 and overcome the issues will be a very expensive, over designed solution that will create substantial over spend on budgets and carries with it many unknowns as a consequence of the geology. This will all be a direct consequence of the ministers choosing to ignore the advice of their engineer and this decision will mean a less safe more expensive route has been deliberately selected? **Hyde Heath village is less than 500m from the line. A 300 km per hour derailment or tunnel collapse created by earthworks slope instability or hydrology induced collapse presents a very real safety concern for major loss of life within the village as a consequence of this route. Should the Health and Safety Executive be asked to undertake a review of the decisions taken by ministers and HS2 to determine whether their actions have placed the general public at risk as a consequence of ignoring the advice of their appointed route proving engineer?**

6. Any delays in delivery of the project as a consequence of the route chosen will also extend the contracts of the board and members of HS2, they therefore have a vested interest in ensuring that a more complex and difficult route is chosen. **Should the remuneration package and contracts of the board of HS2 be reviewed with clawback provisions, bonus attenuation until evidence of on time delivery and meeting programme is established as well as performance related pay provisions?**

7. HS2 have removed Ove Arup from this section of the line and have ignored their advice on their safer alternate route through the Chilterns. **This raises 2 very important questions, firstly why was Ove Arup removed given their world wide reputation sits far higher in engineering circles than their replacements Parsons Brinckerhoff or Atkins and secondly, why have the Politicians and Civil Servants made the decision to ignore their engineering advice and proceed on regardless pursuing a route that is an evident danger to the public in terms of tunnel collapse in an area where there is recent precedent for such a safety risk?**

8. At the recent Public Accounts Committee, HS2 confirmed that the West Coast Mainline and East Coast Mainline would have reduced passenger services once HS2 commences. These passenger services will be replaced by freight services with the Rail Utilisation Strategy Report produced by network rail and the Rail Freight Lobby organisations stating that the capacity will mean every freight train can remove 60 HGV from our motorways. However, as many ecological groups have pointed out, the problem with this is the last mile delivery and this will mean 10 local delivery vans for every HGV or rather 600 extra local road movements which will lead to greater wear and tear/potholes on our local roads and moving the carbon and congestion from our motorways which can withstand it to our local roads which cannot. **Have HS2 factored in the economic loss of reduced passenger services for the communities they highlighted would be affected at the recent PAC? Have they or the government consulted with any of the communities that will be affected by reduced passenger services? Have HS2 factored the economic impact and costs that the new freight strategy will have on our local roads as a consequence of HS2 capacity release?**

9. The Rail lobby groups have publicly stated that the last mile problem can be mitigated in part by introducing Electric Delivery vehicles.

10. The UK have signed up to a European wide Rail freight strategy with a commitment to increase goods from the EU coming by Railfreight via the Channel Tunnel rather than HGV. The Channel Tunnel is owned by Eurotunnel and this would provide Eurotunnel with a monopoly on EU Railfreight. **Why is the government, via HS2, handing a Rail Freight monopoly to Eurotunnel?**

11. I should point out that according to wikipedia, Tim Yeo MP occupies a seat on the board of Eurotunnel, Eurotunnel own Railfreight GB and Tim Yeo is also a non executive Chairman of Eco-City vehicles who, according to their own website “Eco City Vehicles is in the process of expanding its product lines by distributing environmentally friendly vehicles through its existing channels to market, targeting local authorities, urban vehicle fleet owners (eg supermarket chains) and other business users” or in other words, the last mile. I raise no question from this, I am implying nothing from this other than stating facts as they have been presented to myself.

12. In the HS2 Engineering study, Ove Arup provided estimated cost and delivery structures for the routes. I noted from this section (P67 onwards) that HS2 is to be paid 8% for project management and 8% for design and consultancy. I believe these figures are incredibly inflated in the current market. A project manager would charge between 1% up to 3% for a major project and as regards the design and consultancy, if HS2 are to receive 8% for taking on the design then the contractor costs should fall. However, I note between Prelims, site supervision, testing, training and spares, the contractor is to be paid 22%. Any normal contracting entity would expect between 12 and 15% depending on design responsibility. **While I appreciate these estimated costs are out of date, I believe a thorough and substantial independent review of the cost structures, HS2 appointment and consultancy remuneration must be undertaken by an independent body?**

13. Turning to the question of how could this money be better spent in the local community. The rural communities such as Hyde Heath, already operate at a significant economic disadvantage to London and the urban conurbations of the UK. Here in the Chilterns, we have some of the most dangerous roads in the UK as a consequence of the many potholes. In the last 3 years, we personally have had to replace 4 (repeat 4) whole wheels due to pothole damage. The county council have embarked on a significant programme of road repair but with their under funded limited budget they are unable to achieve anything more than minor fixes and basic repair. Already the minor fixes undertaken last year have been destroyed by last winter and the work is required again. **Given that successive Economic Advisors have stated that HS2 will not deliver the projected benefits to Northern Communities as much as it will benefit London, should the government not consider suspending their program of expenditure weighted towards Urban London and instead spend HS2 money on direct investment into northern communities and some in the rural communities such as Hyde Heath and the Chilterns?**

14. Last summer the government imposed a hosepipe ban in the UK despite it being one of the wettest summers on record for the past few years. Water is a far greater issue in rural communities than Urban. This ban is a result of no attenuation of water/no new reservoir construction to capture the run off. **Should the HS2 money not be better spent on a programme to build more reservoirs and water attenuation and flood mitigation measures?**

15. We pay in the UK one of the highest gas prices in Europe and the world. This again is a consequence of no storage facilities. Germany have 17 days supply and far lower prices, we have 3 and are therefore hostage to the wholesale market for gas prices. Building more gas storage would reduce consumer prices. Furthermore, in the past 5 years, the cost of Liquid gas has fallen from \$12 a barrel to \$3 a barrel. We cannot take advantage of this price fall because we do not have sufficient facilities to import and store LNG. Rural areas by their design nature are several degrees colder than Urban areas and therefore energy costs are a far greater issue. **Should the HS2 money not be better spent on a programme to build more gas storage and networks for LNG to take advantage of the significant price fall rather than allowing large businesses to capitalise on the infrastructure and capacity shortfalls within these markets at the expense of the rural consumer?**

16. Emerging Solar technology as a consequence of rapid advances in silicon use within the industry together with better storage capacity means Solar electricity is expected to hit grid parity inside 5 years.

17. Hyde Heath is a rural village in the Chilterns. Peaceful and beautiful. There are many challenges and costs associated with living in such a peaceful neighbourhood and the rural area in general such as the fact many of us are forced to live off grid. **Why isn't the government spending HS2 money on rolling out Solar or any of these other ideas as a means to support the rural areas energy needs and diversifying away from centralised grid networks which favour urban conglomerations and where major institutions can profit from the capacity issues or off grid pitfalls of living in the rural area?**

18. Many of the rural villages such as Hyde Heath are still operating at antiquated broadband speeds of 1.5mb. The government is promising to address these issues but it will be many years, if ever, for Hyde Heath to have a basic service that London takes for granted. Britain's economic success in history was a direct result of invention and adoption of new technology before other countries and our advantage came from our competitors relying on old communication technology. We adopted ways to communicate faster, further and more efficiently. We mastered sailing ships to defeat the Spanish and open the new world. We built canals when the Spanish cardinals refused to and committed themselves to donkey and horseback. We built steam engines and railways to transport our goods when France was using horse and cart. We developed copper bottomed steamships and traded around the world when the Spanish empire was going bankrupt. We invested our wealth in invention and developed wireless and telegraphic transfer when other countries were using pigeons. We developed telephones and television and our latest and greatest invention is the internet. But instead of embracing the internet by investing the £50bn in broadband and the communication advantages it brings globally, we are instead embracing an old communication technology of railways because lobby groups with vested interests persuade the government to do so. The Cardinals of Spain persuaded Phillip to stick with donkeys informing their king that Englands canals will give them no advantage and if canals were meant to cross Spain, the Lord god would have put them there. **Why are we not using the £50 bn to fully embrace the communication advantages the Internet can offer us to trade globally vrs getting to Birmingham 30 mins quicker?**

19. In 2010 the United States commissioned the brightstar report. In this report they calculated the energy needs of the USA as a consequence of the impact of the internet. By far the biggest concern was the emergence of the Datacentre which stores all this information. Whoever controls these datacenters, controls significant

amounts of world trade, think facebook, amazon, apple etc. We have very few of the genuine supercentres in the UK because our energy and broadband is last century and not fit for purpose. These datacenters are now millions of sqft of computing space and it's estimated that the worlds Datacenters are using up to 2% of our energy generation. To put this into context, they found that on 1 day alone (new years day) the global community uploaded enough video and photo onto facebook to grab 1% of their entire data storage—just 1 day. Datacentres are predicted to quadruple their traffic and size in the next 10 years and the USA and other countries are gearing up for this. This entire community is transient, it can work anywhere on the globe and go anywhere with its money and investment if the conditions are right. The report estimated that the USA would have to build 2 nuclear power stations a year for the next 10 years just to meet the datacenters future energy needs. There is no escaping the fact that datacenters, broadband and the internet in general is a step change in the global trade war. While China and USA are embracing this concept at lightening quick pace, we are slowly rolling out broadband with little or no consideration for our true energy needs, the cost of these needs (high gas and electricity prices) and how we can make it cost less to allow us to be more competitive globally. HS2 is supposedly an engine for growth, but its impact will be felt regionally at best with a few jobs created and some marginal advantages in domestic economic improvements. However, in the 20 years it takes to roll it out we will have lost any advantage in a far great major trading environment that we in Britain invented and created. **In view of the marginal domestic economic benefits should we divert the HS2 spend away from this old technology and deploy it fully into a 21st Century energy, broadband, internet information and communication investment wrapping up all of the infrastructure necessary to make us the most competitive internet country on the globe ensuring millions of jobs for the future?**

20. A final point, when considering the costs of HS2 and any perceived benefits. There is no carbon saving and might be a disbenefit, the cost to travel on the line will be prohibitive for most other than business people, Hyde Heath and the Chilterns derive no benefit and our councils funding is cut to pay for it, it will hand Eurotunnel a freight monopoly, it will increase the amount of freight on our East and West Coast Mainlines which will in turn increase the wear and tear on these lines until they need replacing (heavy freight causes huge maintenance issues vrs lighter passenger services, the freight lobby are campaigning for the capacity but at the same time are refusing to pay an increase in their charge for using the lines even though their damage is greater, it will increase local road congestion, pollution and degradation and all the while there are cheaper alternatives to HS2 that deliver the same economic benefits at much lower cost. **If the freight lobby want more capacity, should they pay for it and not derive it and a monopoly from HS2?**

21. On the cost of £50 billion, regardless of whether this figure rises or not, the annual interest charge on this investment will be £1.5 bn a year @ 3%. £50 billion could buy you 2000 brand new/redeveloped secondary schools fit for modern education or 7500 new primary schools or 1000 modern fully fitted hospitals all fit for the 21st Century. Think of the economic step change in benefits that could be derived from new secondary schools or primary schools with children learning in modern fresh vibrant environments. In addition, the annual interest cost alone is enough to pay for 60 new secondary schools or 225 new primary schools or 30 new hospitals **EVERY YEAR**.....or we can have HS2? **Should we have an independent enquiry into whether the flawed economic justification provided by HS2 to date is substantial and robust enough to deliver on its economic promises relative to the economic benefits that could be derived from the above?**

July 2013

Written evidence from Penny Gaines (HSR 23)

INTRODUCTION:

1. This submission is from Penny Gaines, chair of Stop HS2, in a personal capacity. Penny was a co-founder of Stop HS2, which was set up in June 2010, after months of studying the HS2 documentation.

2. The HS2 command paper with the route for Phase 1, was issued in March 2010 by Andrew Adonis, shortly before the 2010 election. At the time, the Government-owned HS2 Ltd had been in existence for 14 months. Peter Mandelson has since told the Financial Times about the Cabinet's decision to go ahead with HS2:

- (a) "In 2010, when the then Labour government decided to back HS2, we did so based on the best estimates of what it would involve. But these were almost entirely speculative. The decision was also partly politically driven.... We were on the eve of a general election and keen to paint an upbeat view of the future. ... Probably the most glaring gap in our analysis were the alternative ways of spending the £30bn cost, appraised against the stated objectives of HS2.... All were based on the central assumption that if you could cut the travelling time between London, Birmingham, Manchester and Leeds, HS2 would transmit business and economic growth across the country, justifying the tens of billions of expenditure involved."

3. The Coalition's Programme for Government said that they would build a high speed rail network as "as part of our programme of measures to fulfil our joint ambitions for creating a low carbon economy". But following a letter from Stop HS2, in February 2011 Philip Hammond, the Secretary of State for Transport at the time, wrote to MPs agreeing with us (and the HS2 Ltd documentation) that HS2 was carbon-neutral.

4. When HS2 was announced in 2010, people were told that it would need a Hybrid Bill: it was not until 2013 that the idea of a Paving Bill was put forward. Many people think that the Paving Bill (now called the High Speed Rail (Preparation) Bill) is only needed because the project is running into financial difficulties without the extra funding: especially as many of the provisions for spending in the Bill were already included in the HS2 costings.

5. It is highly concerning that the Preparation Bill is being presented as if a decision has been made on HS2, when in court for the Judicial Reviews, Government lawyers argued that no decision had yet been made. There has been no Public Inquiry into HS2: Judge Ouseley at the Judicial Review made it clear he was not looking at whether HS2 should be built, saying “it is not my task in this judgment to reach a view one way or the other on the merits of HS2”.

6. In the ruling, Judge Ouseley specifically said that the decision was to be made by Parliament, in the Hybrid Bill.

- (a) “The Command Paper was, however, a statement of Government policy on high speed rail, and of the stages by which, subject to consultation and further work, the policy was to be put into effect, by laying a Bill before Parliament for its decision.”...”All that has been decided is the detail of the project which the promoter intends to place before another body for its decision: ie the detail to be in the hybrid Bill to be enacted or not by Parliament.”

7. It is therefore a huge concern that the Hybrid Bill stage may be rushed to get it through before the next election, just like the initial decision to announce Phase 1 was rushed to get it out before the last General Election.

8. The majority of people who want HS2 are in favour because they want more capacity on existing railways (more below). This is the latest in a series of the many shifting rationales for HS2 which has been put forward and then dropped. These rationales include the need for a low carbon economy (HS2 is not low carbon), the desire to copy the Victorians and the desire to replace what the Victorians built.

ISSUES WITH THE HIGH SPEED RAIL (PREPARATION) BILL

A Blank Cheque book

9. The Bill is effectively a blank cheque for expenditure on HS2. There is no financial cap in the Bill, and the explanatory notes say “it is not possible to give a definitive figure for expenditure that will result as a consequence of this Bill”.

- The Bill specifies that it includes expenditure
- 1(4) (a) on pre-construction activity (such as surveying and design),
- (b) in acquiring property, and
- (c) in providing compensation in respect of property likely to be affected.

10. These costs were all included in the original budget. However, by moving them to the uncosted paving Bill, it would appear to be a ‘back-door’ method of upping the HS2 budget further.

11. There are a number of elements which are not currently included in the HS2 budget, but which will add considerably to the eventual cost of HS2. These include the cost of the Heathrow link (or other London airport if a new hub airport is developed), the cost of linking HS2 to HS1 and local transport links from the HS2 stations into the surrounding area. The Paving Bill could be used to pay for these, adding billions of pounds of additional expenditure.

12. In addition, the original £33 billion cost for HS2 included “optimism bias” of £11.1bn.

Expenditure review

13. The first expenditure report will not be seen by Members of Parliament until after the next general election. Although annual expenditure reports are required by it, the Bill itself defines the end of the first financial year as 31st March 2015: Parliament will be dissolved within two weeks of this date.

14. Given that HS2 Ltd have already got their budget forecasts spectacularly wrong—such as the cost of work at Euston, which they originally estimated at £1.2 billion, but revised to over £2 billion—it is vital that the costs are closely scrutinised.

Carbon

15. The text of the Coalition’s Programme for Government to build HS2 says “We will establish a high speed rail network as part of our programme of measures to fulfil our joint ambitions for creating a low carbon economy.”

16. In contrast, HS2 will be at best carbon neutral in operation. HS2 Ltd themselves, in their 2013 draft Environmental Statement says “Whilst a high speed line may not necessarily be the lowest-carbon solution, it is considered to offer the optimum balance between carbon reduction and economic benefits.” (The economic

benefits derive mainly from time savings, which means that speed of the railway has been prioritised over all other considerations.)

17. In the carbon report which Greengauge21 produced for CPRE, they concluded that for HS2 would not reduce carbon emissions, unless the speed was lowered to 300kph: this option has already been rejected by HS2 Ltd. (Earlier documents from HS2 Ltd have already said that HS2 could lead to increases in carbon emissions.) For HS2 to result in a lower carbon economy, Greengauge 21 said it would need a package of other measures, all of which could be enacted without building HS2. These measures included regulating air traffic, decarbonisation of electricity generation and road pricing.

Capacity

18. Most of the pro-HS2 witnesses supported building a new railway, because they thought that it was necessary to increase capacity on the railways.

19. One argument used by proponents of high speed rail is that it would cost nearly as much to build a conventional speed railway as a specifically high speed railway. However the 2010 HS2 command paper said that a conventional speed line would give the same capacity benefit as a high speed line, for a lower cost.

20. However many of the environmental problems of HS2 come because it has been engineered for speed. For example, because of the design speed, HS2 tracks cannot avoid any of the 160 sensitive wildlife sites that Phase 1 will directly affect.

21. Further, even a small reduction in costs could be a huge sum. HS2 Ltd claim a new conventional speed line is marginally cheaper to build, but if it costs just 10% less to build a conventional speed line, this equates to spending nearly £5 billion less than the proposed HS2 line. As a percentage this might be quite a small amount of the HS2 budget, but in absolute terms it would be a huge saving to the taxpayer, as well as a significant reduction in environmental damage.

22. The National Trust recently said that HS2 plans are “are responding to engineering need, rather than landscape aesthetics”. While it is important on any project that the engineering is done well, a project of this scale must not ignore the needs of the people it affects and the landscape it passes through. As Fabricant said in a Parliamentary debate on HS2 and ancient woodland “We cannot credibly lecture other countries on deforestation while taking a cavalier approach to the loss of our own equivalent of the rain forest”. We cannot build infrastructure that is world class if we ignore the natural and human world.

ISSUES WITH HS2 LTD

23. During oral evidence session, it was striking how HS2 Ltd were willing to engage with people from areas who were getting stations who support HS2 but not with other people. This was not just a lack of engagement with the people being blighted, but also came up in evidence from the Campaign for Better Transport.

24. While it is convenient for politicians to blame the people blighted for being unhappy, the attitude of HS2 staff to communities who are blighted causes avoidable problems.

25. The most public of these was when HS2 Ltd issued a press statement about the decision to cancel the Euston rebuild.

26. As leader of Camden Council, Sarah Hayward gave evidence last week, “High Speed 2 came to us completely out of the blue, with no prior discussion, in February, with what it calls option 8, which was effectively to bolt a lean-to on to the current shed that is Euston station. We have got all of the demolition, but none of the redevelopment of the existing Network Rail station and no lowering of the tracks.”

27. Alison Munro (HS2 Ltd) gave evidence that the decision to reduce the scope of the work at Euston was because HS2 Ltd had underestimated the cost of the work at Euston by nearly £1 billion and underestimated the time required to rebuild Euston by two years. The downgraded plans at Euston still cost more than the original rebuild. (HS2 Ltd fact sheets issued for the 2011 consultations said that the rebuild of Euston would take 7–8 years.)

28. However the press release from HS2 Ltd painted a very different picture about the decision to change the plans for Euston. It said “This option, developed partly in response to concerns from the community about the potential disruption caused by redevelopment that would have taken more than a decade, would obviate the need to rebuild all the existing platforms.”

29. Local communities feel like they are being turned into scape-goats for a decision that did not come from them, but was due to major errors by HS2 Ltd. People affected by HS2 are not just angry that they are being lied to by HS2 Ltd, but are angry because HS2 Ltd is also lying about them.

30. Another example of the cavalier attitude to HS2 Ltd towards the people blighted came after the consultation. It was revealed, in two separate occasions, that responses to the HS2 consultation had been ‘lost’ and not analysed properly. In total over 1000 responses were completely or partially ignored. The responses that HS2 lost include three of the groups which brought the judicial reviews, as well as the personal response of the Stop HS2 campaign manager.

31. I gave other examples of this attitude in a letter I wrote to Justine Greening in July 2012, in which I said

32. “We were prepared to give you a fair chance. We want the community forums to result in the best possible plans for the local residents, even if we disagree with the perceived need for HS2. We are willing to talk, but this means that HS2 Ltd staff must give us the information we need and listen to what we say.

33. However, this causal disregard of the communities affected by HS2 has been endemic from the moment HS2 was announced. HS2 Ltd squandered the chance for local issues to be identified last year, as the closed questions in the 2011 consultation did not ask people to identify local issues or ways of mitigating them.

34. Further anger and resentment is building up because HS2 Ltd are unwilling or unable to treat residents with respect.”

35. Anger is also being fuelled by the secrecy from HS2 Ltd and the Department for Transport. Freedom of Information requests are routinely denied, especially where the information damages the case for HS2. For example an FOI on passenger loadings on the West Coast Main Line was refused for about a year, before it was eventually revealed that long distance passenger numbers at peak times from Euston were 52%.

36. The whole attitude of HS2 Ltd has made people question whether senior managers at HS2 Ltd actually believe in the railway they are proposing.

Inadequate review of the alternatives

37. Although HS2 Ltd set up challenge panels “to provide independent expert scrutiny” on the HS2 plans most of the members were enthusiasts for railways.

38. The transport Select Committee report into High Speed Rail Nov 2011 said

39. “Of the three groups, currently comprising 22 people (all men), only the Analytical Challenge Panel contains any evident critic of high-speed rail. The Strategic Challenge Panel comprises eight transport and local government experts who are almost all publicly supportive of high-speed rail, including the Director of Yes to HS2, the Director of Greengauge 21 and the Chairman of Network Rail.”

40. One of the reasons why there are a third of the passengers on HS1 than were originally forecast is because the forecasts did not allow for the growth in low cost airlines. It would seem sensible for the Department for Transport to assess the HS2 case against possible alternatives that could affect the demand for its services. As seen above, Peter Mandelson says this still has not happened.

41. However, HS2 Ltd and the Department for Transport have ignored the effect that different types of digital communications technology will have on the demand for travel.

42. Three years after we first mentioned it, the Department for Transport are coming round to the possibility that mobile technology (eg laptops and smart phones being used by passengers) will have an effect on the business case, because time savings no longer translate into a direct economic benefit.

43. However the Department for Transport and HS2 Ltd persistently ignore the effect that videoconferencing and similar technologies will have on demand for travel. Ten years ago, special equipment and a dedicated room were needed for videoconferencing. In contrast the latest TVs can log into ‘Skype’ when they are switched on. Today’s teenagers have grown up with the internet, and by the time HS2 opens in over a decade, they will be as used to making video-calls from their tablet computer with the familiarity that today’s workers use a mobile phone. This will have an effect on the overall demand for travel (long distance car journeys are already falling), because employees and companies will see less need to have face-to-face meetings in the same physical location.

PROBLEMS WITH HS2

Disruption

44. When looking at rail alternatives to HS2, such as the 51M alternative, enthusiasts for HS2 often focus on the possibility of disruption to rail users, but ignore the disruption that construction of HS2 will cause outside the rail system.

45. It seems perverse that proponents think it is unfair for rail users to have to put up with the disruption from improvements to the existing rail system, (even though they will benefit after the improvements) but dismiss the disruption that will be caused to non-rail users during the construction of HS2. This will not just be felt by individuals who live close to the tracks: for example local communities away from the tracks will suffer from construction traffic through their areas. The disruption from the construction of HS2 will be widely felt, and by people who do not expect to get any gain from HS2 Ltd. On a large scale, the M6, the M42 and the M1 will all need to be altered for HS2.

Jobs

46. HS2 Ltd estimate that 20% of jobs in businesses directly affected by HS2 will be lost. These are jobs that exist now, but that building HS2 will destroy.

47. This does not include the opportunity cost of jobs that could be created if HS2 did not go ahead. For example Liam Byrne, MP (Birmingham, Hodge Hill) told a debate in Parliament on 25th January “In the past year or so, two major businesses, both seeking something in the order of 1 million square feet, wanted to invest in the site, but ultimately they turned away to go elsewhere because of the uncertainty that HS2 has cast over the [Washwood Heath] site.”

CONCLUSION

48. There are numerous problems with HS2, with HS2 Ltd, and with the Preparation Bill. HS2 should be scrapped immediately, so that the country can start looking at the real transport needs we face.

July 2013

Written evidence from London Borough of Newham (HSR 24)

EXECUTIVE SUMMARY

The London Borough of Newham fully supports the Government’s plans for a High Speed network and a commitment to include a link to High Speed 1 (HS1) in the network’s first phase. We see this rail link as potentially serving a dual domestic and international purpose, linking key economic hubs in the UK with those on the continent. However, the proposed HS1-HS2 link will limit the potential to maximise the growth and regeneration benefits that high speed rail could bring to the UK due to its insufficient capacity. This submission makes the economic and strategic case for improving the link to facilitate the next phase of the UK’s high speed network connecting all regions serving the two networks together and providing access to key European destinations for trade, commerce, leisure and tourism. Currently a valuable opportunity to spread investment across the UK, an inherent objective of the network, and strengthen the business case for the entire network through resultant economic growth is being overlooked.

INTRODUCTION TO THE LONDON BOROUGH OF NEWHAM

Situated in London’s historic East End, Newham is home to some 310,000 people and was the host borough for the 2012 Olympics and Paralympic games. Newham is also home to Stratford International station which is situated closer to the City of London and Canary Wharf than King’s Cross St. Pancras. The Stratford station hub is now used by over 100 million passengers a year.

KEY POINTS

1. The proposed HS1-HS2 link, even with some improvements suggested in the recent consultation by HS2 Ltd, is a shared single track link between the existing Channel Tunnel Rail Link and Freight and passenger lines—allowing up to only 3 trains an hour. This link will limit the potential to maximise the growth and regeneration benefits that high speed rail could bring to the UK due to its insufficient capacity.

2. The single track link is not adequate to address the demand which is anticipated. It will immediately pit the use of a small number of train paths for international services against further development of a wide range of domestic services to UK wide destinations and inhibit any growth in international traffic. As it stands, the proposed link restricts direct access for both the Midlands and Northern cities to East London and the wider catchment including Kent and Essex (16% of the UK’s population) and vice versa.

3. The Government and HS2 have not strategically addressed the issue of how the link can be fully utilised to enable additional services; in fact the proposed refined design limits any future growth of either international or domestic services—also potentially missing an opportunity to alleviate the pressure on the terminus. As a result the revised link proposal will add significant costs to the project, while worsening the business case for the network, by not enabling any extra services.

4. A link with much enhanced capacity such as a dedicated twin track link (a feasibility study of which was prematurely stopped) would enable a whole new array of inter-regional, intra-regional and international rail services from the Midlands, North West and Yorkshire to seamlessly link with East London, Kent and Essex. The recent report “*Travel market demand and the HS1—HS2 link*” by Greengauge 21, found there is a substantial market for domestic high speed services over the link. It comprises travel demand between the city regions in the Midlands and the North served by HS2 and the strong growth area of East London, served by Stratford International, as well as South East London, Kent and Essex. As an indication of scale this amounts to as much as 45% of the equivalent market from the HS2 catchment to and from central London. Demand is forecast to be highest where East London and Docklands are served (from Stratford), on both inter-urban long distance services to the West Midlands and the North West, but also on regional services to North West London, Milton Keynes and Heathrow. Transfers from other travel modes would also bring wider benefits not just to the link but the wider network, strengthening the overall business case for HS2. The MVA evidence suggests that

there is perhaps demand for a 7 train per hour service (in each direction) which is unlikely to be accommodated on a single track arrangement allowing up to 3 trains per hour, required for international services.

5. The Government's current assessment is that the proposed link provides sufficient capacity to meet the projected demand. However, departmental analysis by the Department for Transport (DfT) has only considered the demand for international services from Birmingham that are likely to operate on the single track link. This work, including the September 2010 Atkins report does not look into the impact of further high speed trains from the North West and Yorkshire (2nd phase of the network). More importantly, it fails to consider the potential for high speed domestic services in both directions, linking the Thames gateway corridor of East London, Kent and Essex with the Midlands and the North respectively via the route. As such, no forecast of the resultant growth from these additional services has been identified.

6. It is imperative that the HS2 network incorporates a link to HS1 of sufficient capacity from the outset to capitalise on the value of the investment. It is short-sighted to not include a link of sufficient, resilient capacity to accommodate the growth of further services. The proposed solution is likely to create bottlenecks and congestion that cannot be resolved without incurring even greater costs.

7. Despite HS1 and HS2 being designed, built and operated as dual-purpose passenger railways (international and domestic) the link between the networks, the tangible manifestation of the second phase in the development of the UK's high speed rail network, is only planning for international use and therefore no forecast of the resultant growth from additional domestic services has been identified. This is not only a clear omission in the evidence base for the link but misses an opportunity to contribute to the business case for the whole network.

8. It is also important to note the demand for London orbital rail travel. The potential of provision matched in the east, through an enhanced complementary role for Stratford, with the west of London (Old Oak Common) to provide additional capacity and alleviate congestion in the Central Activity Zone cannot be ignored. A greater capacity link would enable Stratford International to play a supportive role in serving additional growth relieving some of the pressure placed on Euston.

9. Utilising the existing infrastructure at Stratford—now the 6th busiest rail hub in the UK, more than Euston or Paddington stations—would enable additional new passengers from inter-regional traffic therefore improving train viability. The infrastructure is already in place and the handling capacity and passenger use over the last few years has exceeded all projections. Due to its business location, enviable capacity, unrivalled connectivity and nearly £1bn of public investment to make it fit for its purpose as a high speed stop, Stratford International Station could immediately fulfil the role of the London stop for international services originating in the regions and be utilised as a national and International transport hub for the Thames Gateway.

10. Were there to be a new hub airport to the east of London or if capacity at airports such as Stansted, Southend, London City and Manston are to be maximised, the demand for High Speed rail and therefore the link will become even more important in the movement of passengers.

11. The current realities of the economy in East London, increasing visitor numbers and the pace of change is significant. The level of confidence expressed by local, continental and other global investors is a demonstration of the current level of interest in East London. This current trend is likely to continue at an exponential rate over the next twenty years based on current investment patterns, public sector investment and the continued importance of London as a global hub and destination. The patterns of growth in the East London sub-region in terms of job numbers, population growth and visitor numbers are also too statistically significant to ignore. The economic resurgence of East London and the Thames Gateway corridor to East Anglia and Kent is highlighted by recent updates in jobs growth as well as population. Within a five kilometre radius of Stratford there is around £19 Billion of investment planned, the population will grow to over 2 million and there will be around a further 90,000 new homes.

12. In short the centre of gravity in London is moving East and over the next 25 years London's growth will be concentrated in this area, whilst the regions to the east and south east are amongst the fastest growing areas of the country and are currently poorly served by the link proposals. The current link proposals risk reducing or stalling opportunities to increase trade between the regional economies and at worst stalling the development of East London and the South East by maintaining too much focus on connectivity with the London Central Activity Zone and failing to underpin further place-making throughout the 20,000sq km catchment of the South East. Current proposals also limit the potential for economic interaction between northern UK regions, east London and Europe, which will contribute to the business case for the network.

13. In concluding, it is imperative the Government look at other alternative options for the link including a dual track segregated link given existing and forecast demand projections. This investment is for a high speed railway intended to last into the next century and it is important it is built from the outset with sustainable facilities for its long term operation. The proposed link is not adequate to address the demand which is anticipated and will prevent the development of a wide range of services across rail mode types to operate on the network serving UK wide destinations and will inhibit any growth in international traffic.

14. As with any project of this scale designed to encourage growth rather than just improve capacity and journey times, the Government will want to continue to update all aspects of the business case and ensure investment decisions are informed by the latest evidence, data and understanding of the project.

July 2013

Written evidence from Cllr Ray Puddifoot (Leader of Hillingdon Council) (HSR 25)

Thank you for the opportunity to provide comments on the High Speed Rail (Preparation) Bill.

We firmly believe that this Bill should not be progressed and our reasons for this are as follows:

- (i) Too much money has already been spent on a scheme that has no sound economic, social or environmental justification. A transport project requiring such massive expenditure (£50 billion including rolling stock) deserves to have proper justification. This concurs with the findings of the recent National Audit Commission report into HS2, which we strongly support.
- (ii) A number of good alternatives to HS2, such as the Optimised Alternative put forward by 51m and the M1 route have not been properly assessed. These are considered to offer far better value for money and do not impose such adverse environmental and social costs.
- (iii) HS2 should form part of an integrated national transport strategy. The proposal to link HS2 to Heathrow is premature given that the future of Heathrow is unknown.
- (iv) The impacts on Hillingdon and other communities in London and elsewhere are devastating; proper assessments have not been undertaken; and appropriate mitigation measures have not been included as part of the proposals.

We have set out further details on each of the four areas of concern mentioned above.

1. IRRATIONAL EXPENDITURE

We believe that too much money has already been spent on a project that has not been robustly proven to have an economic, social or environmental justification and we firmly believe this would be equivalent to throwing good money after bad. We believe that the Government is moving too quickly to promote a scheme it does not yet know enough about. The Preparation Bill is effectively seeking further validation of the merits of the project even though there is no evidence based justification.

With the recent announcement of an additional £10 billion to the costs, we are concerned about the escalating costs of the HS2 project. We have been led to understand that £6 billion of this is due to the inclusion of additional tunnelling through London although how this equates to the original announcement of a tunnel costing £40–50 million more than the original surface cost demonstrates the lack of transparency in the costs and how they have been reviewed.

Furthermore, we are concerned about how the contingency funds have been calculated. Normally as projects advance and more is known about the impacts, the less scope there is for uncertainty. This reduces the requirements for contingencies. However in contrast, HS2 Ltd has undertaken considerable amounts of work advancing HS2 yet contingencies for Phase 1 alone have risen by a further £2 billion. It is worth noting that the contingencies do not include route alterations such as tunnelling.

We are unable to support the rationale of authorising further spending through the Preparation Bill without more certainty on what is being promoted. The simple reality is that HS2 Ltd has a 30% contingency plan built into Phase 1. We would question why after 4 years of development, there is still so much uncertainty in the project that HS2 Ltd require nearly a third of budget for unforeseen events. This hugely inappropriate situation is worsened by the fact that the unforeseen changes to the routes such as the Ealing tunnel, are not even covered by contingencies.

2. LACK OF APPROPRIATE ASSESSMENT OF ALTERNATIVES

We would question whether a Preparation Bill is needed to further develop the current HS2 proposals when there is so much uncertainty about whether it is the right option or even the right route. The Scrutiny Committee needs to be aware that a number of good alternatives to HS2, such as the Optimised Alternative put forward by 51m and the M1 route have not been properly assessed. These are considered to offer far better value for money and do not impose such adverse environmental and social costs. Recent court proceedings in the Court of Appeal have highlighted that the level of assessments of alternative schemes is currently unacceptable. Whilst we await the outcome of the Court of Appeal Judgement, what was promised in court by the Department of Transport is that the final Environmental Statement presented to Parliament will now include a full assessment of alternatives to HS2. It is totally unsatisfactory that this is being undertaken at such a late point in the progression of the scheme. We highlight two alternatives below which, if properly assessed, could have changed a) the principle of promoting a high speed rail scheme and b) the actual route.

(a) 51m Optimised Alternative

This option of an alternative package of rail infrastructure upgrades and effective demand management measures to absorb peak time overcrowding could deliver more capacity than is needed at a much lower cost and can be implemented in a faster timescale. This has been unfairly and inadequately assessed. Given the large increases in costs of the HS2, options such as this should be properly re-assessed;

(b) M1 high speed rail route

The M1 high speed rail route would have avoided the areas through Hillingdon and the AONB in Buckinghamshire but unfortunately it was rejected in the original Decisions and Next Steps document. The reasons for its rejection included the requirement for extensive tunnelling to avoid unacceptable impacts on communities which made it £2.2 billion more expensive than the preferred route costing £18.7 billion. The London portion of the route now includes significant tunnelling to avoid impacts on communities and the costs of Phase 1 have risen to £21.4 billion, as announced by Patrick McLoughlin. The M1 route would therefore appear to cost nearly £3 billion less, and because it follows an existing transport corridor it would have less environmental and social impacts. This recent increase in costs should trigger a review of all the original options.

3. HS2 SHOULD FORM PART OF AN INTEGRATED NATIONAL TRANSPORT STRATEGY.

One of our key concerns throughout this process has been the lack of any integration of HS2 with the national transport strategy, and in particular aviation policy. The proposal to link HS2 to Heathrow is premature given that the future of Heathrow is unknown.

The HS2 route has been predicated on the need to provide a link to Heathrow Airport as the UK hub airport. However, in 2011 the Government launched the Airports Commission to look at all options for progressing UK aviation policy, including options such as a new hub airport other than Heathrow. The recommendations from the Commission are expected in summer 2015. As has been seen this week with the publication of the Mayor of London's proposals, if such an option is taken forward it may require the closure of Heathrow airport. It is ill-judged and premature to pave the way for a route with junctions to Heathrow prior to a decision on the future of UK aviation. We therefore believe that a Preparation Bill should not be progressed whilst there is so much uncertainty about the future of Heathrow Airport.

4. UNACCEPTABLE IMPACTS ON HILLINGDON AND OTHER COMMUNITIES ELSEWHERE

HS2 Ltd have not properly assessed the devastating environmental impacts of HS2 and appropriate mitigation measures have not been included as part of the proposals.

The publication of the draft Environmental Statement has been the first public disclosure of a number of issues including the operation of HS2 and its impacts during construction. This has caused further concern about the HS2 project as a whole and the construction of the actual route, which will bring the area of west London in Hillingdon to a standstill for a duration of more than seven years. We would like to bring to your attention key elements from these concerns to show why this HS2 process should be halted and re-assessed, rather than escalated to authorise any further spending as the Preparation Bill would enable. These are set out in the attached Appendix.

The draft Environmental Statement contains the first public disclosure of the actual passenger usage of trains, yet the information is poor and inconsistent. The draft Environmental Statement has set out some information using completely different methodologies across the various stations, which shows that HS2 usage will not be at a level most would consider commensurate with a £21.4billion train line. The Council would urge the Committee to seek further assurances of the usage at a detailed level before HS2 Ltd continue to plough public money into the scheme.

The draft Environmental Statement lacks factual evidence on fairly straight forward matters, such as assessing how many jobs would be lost through the construction of HS2. There are inconsistencies and inaccuracies throughout the Statement and therefore the council rightly questions what information has been used in determining business cost ratios, and just how comprehensive the assessments by HS2 Ltd have been so far.

The draft Environmental Statement shows that so far HS2 had been purely advanced on its capital cost benefits alone. No consideration has ever been given to the environmental damage and costs, which alone should prompt further consideration of the alternatives.

As an example of how such costs have been inadequately accounted for we have summarised below our concerns from a Hillingdon perspective. This is no doubt replicated along the route now the construction impacts are slightly clearer.

The draft Environmental Statement gives slightly more information on where construction sites will be and where the accompanying construction routes are proposed. Even from the limited information available in the draft Environmental Statement documentation, it is apparent that the consequence of not tunnelling further under the Colne Valley will cause considerable hardship in the short term and it will cause long lasting damage which could be avoided if the proposed 3,840 m long viaduct were to be replaced by 5,780m of additional tunnelling. The result in Hillingdon without this additional tunnelling is that the tunnel portal will be just

2,210m away from the proposed viaduct and the area in between will become a massive construction site within a densely populated area with no easy access to the A40 or motorway network. As a council we are requesting that HS2 Ltd take the opportunity to extend the tunnel from London through to the western side of the Colne Valley.

CONCLUSION

To reiterate our concerns, we believe that the level of expenditure of HS2 Ltd to date is totally unacceptable. This is compounded by the fact that there is still an inadequate justification of the merits of the proposed scheme. The information presented to date is inadequate, based on undisclosed evidence and lacks a comprehensive understanding of the social, environmental and economic impacts.

Before any further money is spent, HS2 Ltd should present a sound case for HS2. We are concerned that so much public money is spent on a range of project related outcomes, from purchasing land to undertaking bat surveys without really interrogating the crucial elements of the project to see if it is the most suitable.

HS2 Ltd cannot be allowed to continue to spend huge sums of money without any focus. In the first instance, HS2 Ltd must get to grips with the business cost ratio and make a robust assessment of the economic, environmental and social impacts of all reasonable alternatives.

We therefore urge the Committee to fully reconsider the merits of this Bill whilst there are still huge uncertainties about the justification for the project. If there is a decision to move to the next Readings, we strongly urge the Committee to consider setting objective outcomes prior to any release of funding.

Once again we thank you for the opportunity to contribute our views and hope that these will be taken into account.

July 2013

APPENDIX: Inadequate draft Environmental Statement (dES)

The publication of the above has been the first public disclosure of a number of issues including the operation of HS2 and the impacts of construction. This has caused further concern in regard to the HS2 project as a whole and the construction of the actual route which will bring the area of west London in Hillingdon to a standstill for a duration of seven plus years. The council would like to bring to your attention key elements from these concerns as further example of why this HS2 process should be halted and re-assessed, certainly not escalated to authorise any further spending as the Preparation Bill would enable.

Passenger Usage

The dES Volume 1 (3.3.5) states there would be 11 trains per hour in one direction during the peak hour which is taken as being 8–9am and 5–6pm. Trains could be 200m (single units) or 400m (double units) depending on demand. The Camden Community forum volume is the only place where the dES set out the types of trains running at peak hours:

On opening, Phase One would run up to 14 trains per hour (tph). HS2 trains would be up to 400 metres (m) long with 1,100 seats during peak hours.

To understand passenger dispersal from these 11 trains, which is important to assess the cumulative environmental effects on specific location, readers would have to turn to the service specification set out in the Decisions and Next Steps accompanying reports. The information is not contained in the dES.

The service specification being used to explain the operation of HS2 shows just 3 trains per hour serving Birmingham (4 at peak times) from London. There would be the same amount of trains moving in the opposite direction. The 4 peak time trains (8 in both directions) could carry up to 1,100 passengers each. This means there is a potential for 8,800 people to move to and from Birmingham.

The Curzon Community Forum Volume 26 states:

12.7.3 ...The Proposed Scheme will result in approximately 2,800 passengers using Curzon Street station in the morning peak hour and approximately 3,200 passengers using Curzon Street station in the evening peak hour in 2026. These numbers increase to approximately 7,000 passengers using Curzon Street station in the morning peak hour and approximately 8,000 passengers using Curzon Street station in the evening peak hour in 2041 (HS2 Phase Two) through increased train frequency and additional national rail destinations. It is expected that over half of the travellers on the Proposed Scheme at Curzon Street station would have an onward rail journey.

Birmingham Interchange Community Forum Volume 24 states:

12.6.3 With the introduction of the Proposed Scheme in 2026, there would be approximately 1,550 rail passengers boarding, alighting and interchanging at Birmingham Interchange station in the morning peak hour and around 1,750 rail passengers boarding, alighting and interchanging at Birmingham Interchange station evening peak hours. These passengers are forecast to generate around 950 two way vehicle trips in the morning peak hour and 950 two way vehicle trips in the evening peak hour.

In the second extract, the figure refers to ‘morning peak hours’ implying the passenger dispersal is taken against the whole three hours in morning (7–10am as set out in the Camden assessment). This results in just 516 passengers for the morning peak hour 8–9am.

What this shows is a problematic correlation between the capacity on the trains and those who will actually use it. A potential of 8800 passengers equates to actual passenger numbers of just 3316 in the morning peak hour combined across the two Birmingham stations. It could be that initially the trains will only run as single units, in which case there would be just 4400 passenger capacity. Either way, the picture is bleak; the trains are over half empty or the £21.4billion pound phase 1 will only have the smaller capacity one carriage trains in the peak hour.

The situation does not improve come the second phase. The numbers using both stations increases to 14,000 in the morning peak. However, there will be 32 train movements across the two Birmingham stations. This equates to a minimum capacity of 17600, but this would require no double unit trains to be used.

No information is provided as to how many off peak users there will be, or how many will be on the 7 trains leaving London to go north.

This assessment is the first public disclosure of the actual usage of trains. Whilst there are a number of demand forecast reports and business case analysis, none of them present the information in a simple manner. The dES has to set out some of the information, and although using completely different methodologies across the various stations, it does show that HS2 usage will not be at a level most would consider commensurate with a £21.4billion train line.

What this shows is that HS2 Ltd has not yet proven the merits of the scheme at non-strategic or theoretical level. In practice, the scheme presented in the dES does not meet the extensive rhetoric. The Council would urge the committee to seek further assurances of the usage at a detailed level before HS2 Ltd continue to plough public money into the scheme.

Lack of factual evidence

The dES further demonstrates the lack of quality with the assessment of HS2 undertaken so far. It contains details on jobs but there are significant discrepancies across the documents. For example Report 27 on the Site Wide Effects of HS2 states:

So in total approximately 2,190 jobs could be lost route-wide from businesses affected during the construction phase, which would be a moderate adverse effect and therefore considered to be significant.

However, Report 1 which considers impacts solely around Camden states:

It is estimated that the Proposed Scheme would result in the displacement or possible loss of a total of 2,570 jobs within this area.

Report 26 refers solely to the West Midlands area, and states:

Across all the employment areas reviewed, an estimated 2,850 jobs will either be displaced or possibly lost in the wider West Midlands region.

There are 25 other individual reports each setting out a number of jobs lost or displaced. Across London and the West Midlands nearly 7000 jobs are estimated to be displaced or lost. This does not account for the route between London the West Midlands. There is a substantial difference from the site wide total, to the individual totals.

The Council would be right to question what information has been used in business cost ratios, and just how comprehensive the assessments by HS2 Ltd have been so far.

No costing of the environmental damage

Another area of concern relates to the lack of costing regarding the environmental effects of HS2. The dES sets out a range of impacts, but admits a lot more work is required before accurate assessments can be undertaken.

So far, HS2 had been purely advanced on its capital cost benefits alone. No consideration has ever been given to the environmental costs, which alone should prompt further consideration of the alternatives.

Written evidence from Stop HS2 (HSR 26)

SUMMARY

1. This evidence seeks to deconstruct the arguments being used to support the proposals to build HS2 and is submitted on behalf of Stop HS2, a national organisation working with over 100 local communities, local authorities and charitable organisations. At Committee, Rail Minister Simon Burns has confirmed that this Bill is only concerned with releasing more funds to develop this out of control project, and specifically is not about solving any of the current problems with the project. This perfectly sums up the prevailing attitude surrounding

HS2 from Government and the rush to push forward with HS2, no matter how widespread the criticism is and how evident the problems are. Stop HS2 is opposed to the HS2 proposals and the passage of this ‘Blank Cheque’ Bill, which seems to have appeared for no reasons other than to endorse financial irresponsibility and political expediency.

HISTORY

2. The problem with HS2 is that it is a solution looking for a problem. The decision to proceed with HS2 (notwithstanding the fact that the DfT argued in the High Court at Judicial Review in December 2012 that ‘no decisions have been made, HS2 is not a plan or a programme, it is simply a policy’) was made in isolation, simply because it was decided that the UK ‘needed’ to invest in High Speed Rail. The most plausible reason for HS2 progressing thus far was given by HS2 Ltd chief engineer, Andrew McNaughton at a meeting in August 2010: *“There is a political will to build high speed rail in this country. If the French can do it, why can’t we?”*

3. The Eddington Transport Study, produced for the DfT, warned of this approach in 2006, stating: *“It is critical that the government enforces a strong, strategic approach to option generation, so that it can avoid momentum building up behind particular solutions and the UK can avoid costly mistakes which will not be the most effective way of delivering on its strategic priorities.”*

4. *“The risk is that transport policy can become the pursuit of icons. Almost invariably such projects—‘grands projets’—develop real momentum, driven by strong lobbying. The momentum can make such projects difficult—and unpopular—to stop, even when the benefit/cost equation does not stack up, or the environmental and landscape impacts are unacceptable.”*

5. *“The approach taken to the development of some very high-speed rail line options has been the opposite of the approach advocated in this study. That is, the challenge to be tackled has not been fully understood before a solution has been generated. Alternative options do not, therefore, appear to have been fully explored so it is not clear what the highest return solution to a problem would be; nor indeed is the challenge clear.”*

6. Because HS2 is not a product of evidence-based policy making, over the last three years a series of justifications for building HS2 have been attempted. None of these gambits have stood up to any scrutiny, as evidence and arguments used to support HS2 have all been contrived after the decision to proceed was made.

7. The first argument used to justify HS2 was the reduction in journey times between major cities. Whilst the journey times predicted under HS2 are no longer the vogue argument to use by supporters of the project, it is clear that speed was key initially, as it made the business case ‘work’ based on false assumptions, detailed below. Throughout the last three years a series of new justifications have been used to try and promote HS2, with supporters often saying: *“It’s never been about speed, it’s always been about X”*. This is because there was never a good reason for proposing HS2 in the first place, so new arguments have had to have been introduced each time the previous argument has been completely discredited. None of the arguments have fitted, because they were bolted on after the act. The progression through these attempted justifications is outlined in this document.

ENVIRONMENTAL ‘CREDENTIALS’

8. The only mention of HS2 in the Coalition agreement is a high speed rail network should be developed to contribute to a ‘low carbon economy’. At that time, HS2 Ltd were claiming that high speed trains produce half the carbon per passenger of conventional railways, an estimate they arrived at by using the French network, which is mostly nuclear powered as the benchmark for high speed rail. Using this baseline, HS2 Ltd claimed during their 2011 consultation road shows that high speed rail was the least carbon-intensive form of motorised travel. Now, HS2 Ltd claim the network would be ‘broadly carbon neutral’, however as carbon output is worked out per passenger mile, this depends on what we believe are grossly inflated passenger forecasts, and it completely ignores the carbon impacts associated with constructing HS2. When the carbon impacts of construction are taken into consideration (assuming passenger predictions are correct), HS2 would produce 60% more carbon than conventional rail and 35% more carbon than driving. With only 3% of predicted passengers expected to transfer from air travel (which assumes a significant increase in domestic air travel before HS2 is completed), meaning 97% of passengers are expected to transfer from less polluting alternatives, including a significant proportion who are predicted not to travel *at all* until HS2 is built.

9. Network Rail is already the largest consumer of electricity in the UK. The HLOS electrification plans mean their consumption will increase before HS2 is built, by which time the UK is already forecast to face an energy crisis. Where the electricity for HS2 is supposed to come from is a completely unanswered question. The HS2 business case assumes energy prices will never inflate from 2011 prices.

10. No-one is able to officially answer why that when HS2 was first announced in March 2010, the operating speed was set at 250mph. While operating speeds are now set to be 225mph, the design remains at 250mph, with it claimed this means the line will be ‘futureproofed’. This is not high speed rail, but ultra-high speed rail. Besides the resultant increase in projected carbon emissions and energy requirements, this also severely reduces routing options. This is why HS2 is so devastating to communities and the natural environment, because it cannot bend like a normal high speed railway to avoid such sites. HS2 threatens 350 unique habitats,

50 irreplaceable ancient woods, 30 river corridors, 24 Sites of Special Scientific Interest, a national nature reserve, 10 county wildlife trust reserves and hundreds of other important areas.

11. The development of HS1, which sees the maximum speed of Eurostar trains at 186mph allowing more sensitive routing options and a much smaller land-take than HS2, saw the establishment of the 'Kent Principles'. These principles were meant to be used as a template for future infrastructure programmes, but have been completely ignored in the design and specification of HS2.

A 'STRONG BUSINESS CASE'

12. The main argument for HS2 as cited by former Secretary of State for Transport, Philip Hammond was that there was a 'strong business case' for building it. This argument has now been so discredited that it is no longer used by anyone. When Mr Hammond took office in March 2010 the BCR for Phase 1 was 2.4, with Phases 1 and 2 together enjoying a BCR of 4. In September 2011, Mr Hammond told the Transport Select Committee that if the BCR for a project fell below 1.5, he would put it under 'serious scrutiny', however he was no longer in post by April 2012 when, after a series of reviews and the discovery of errors, the BCRs had fallen to 1.2 and 1.4. In a move which is typical of the way the figures have been fiddled to support the case for HS2, the BCRs were reviewed again and brought back up to 1.4 and 1.9, mainly by devaluing the value placed on the countryside to be destroyed from over £4bn, to under £1bn.

13. There have been a multitude of instances where HS2 Ltd have quite deliberately used out of date models or false assumptions in an attempt to inflate the business case for HS2. The most well known of these is of course the fallacy that all time on trains is wasted, and that therefore a cash value to the economy can be put on any time saved on a journey, when the reality is that many people find that without other distractions, they are more productive on trains than in the office.

14. Another issue which has inflated the business case was the decision by HS2 Ltd to use version 4.1 of the Passenger Demand Forecast Handbook, which had already been superseded by version 5 when first used. This serves to inflate the predicted passenger numbers for HS2, as does the concept that HS2 will not be a premium service, despite the fact the concept of pricing based on journey time is clearly apparent throughout the existing rail network.

15. The most obvious indicator that no faith can be put in the forecasted HS2 business case is the assertion that it will make a profit. This would make HS2 an outstanding exception in UK passenger rail, especially given the facts that HS2 would have higher running and maintenance costs than other rail networks, and that it is supposedly not going to be subject to premium ticket pricing. The reality was explained clearly by the Sustainable Development Commission just before they were abolished in the cuts: "*Building HS2 will mean putting in a massive ongoing subsidy into something which only benefits the richest in society.*"

16. Many of these issues have been raised by both the National Audit Office and the Public Accounts Committee, but their concerns as yet seem to have been ignored and dismissed. If these fundamental errors are addressed when the long awaited reassessment of the business case takes place in August this year, it is quite possible that HS2 will get a BCR below 1, a point at which Mr Hammond told the Transport Select Committee that projects would no longer be undertaken.

'TRANSFORMING AND REBALANCING THE ECONOMY'

17. Although many politicians have claimed that HS2 will have a 'transformative effect' on the UK economy, the evidence shows that it would not be transformative in the way which is being billed. While the headline is that HS2 would rebalance the economy and help heal the North-South divide, the evidence shows that HS2 would more likely exasperate not only regional divisions, but divisions within regions.

18. HS2 is likely to do little other than suck more economic activity to London. High Speed Rail in other countries has had this effect, which is likely to exasperated in the UK, given the overriding primacy of London. It is clear that this fact has not been lost on general public, as in the latest YouGov poll, which saw 46% opposed to HS2 against 34% for the project, and the only region where supporters of the project outnumbered opponents is London.

19. The recent addition of the argument that we '*Need to connect to the cities of the north*' smacks of desperation from proponents of HS2. This somehow suggests that the cities of the UK are not already connected, and the proposed HS2 service pattern does not focus on connecting them with shorter journey times to each other, but to London. For example, there is no plan to connect Sheffield with either of the Leeds or Nottingham stations in the proposed service pattern. The city centre stations in Birmingham and Manchester are proposed to give direct links to nowhere besides London.

20. The other significant issue is the lack of rail connectivity HS2 provides. Besides Manchester Piccadilly, outside of London the HS2 proposals are for new stations, but how exactly they connect to the existing rail network has yet to be explained or costed. The benefits of having high speed rail services are immediately lost if passengers cannot easily transfer onto ongoing journeys.

21. It is bizarre that from the points of view of both environmental sustainability and future economic growth, that the proposal from Government is to encourage more travel. The sustainable option which would

develop the regions would be to do more to allow people to have jobs where they actually live, opposed to asking more people to travel further for work. HS2 also ignores the effect IT will have on working practices in the future, cutting the need for travel as the workplace is increasingly populated by a workforce which has grown up with developed IT solutions. As technology continues to develop, the financial imperatives of business to reduce travel with further impact the economy. The best current example of this is HS2 consultants ARUP, who three years ago instructed employees not to travel for meetings, but use video conferencing instead. It is myopic to invest so much in providing a 19th Century solution to develop a 21st Century economy.

GETTING ABOARD THE 'HIGH SPEED RAIL REVOLUTION'

22. The Prime Minister has stated on several occasions that the UK "*Needs to get on board the high speed rail revolution*". However, while Mr Cameron claims that HSR has been a success in across the globe, the reality is one of massive debt, cutbacks and project cancellation. The common theme interconnecting these project disasters are grossly inflated passenger forecasts, and overly optimistic business cases which were used to justify construction.

23. It is highly likely that the construction and maintenance of HS2 will mean funds are not available for the existing network. Recently (before the recent fatal crash), the president of SNCF declared a 'state of emergency' on conventional railways in France, due to decades of under-investment during which funding has gone almost exclusively to the TGV. This coincided with an announcement from the French Government to cancel all TGV projects not already under construction.

24. Another fallacy, commonly cited by politicians and proponents of HS2 is that the UK is lagging behind countries due to the assertion that we only have 67 miles of high speed rail. This is utterly incorrect. The international definition of what high speed rail consists of is 124mph for upgraded lines. These service speeds have been timetabled in the UK since the 1970s, and were first achieved (surpassed) 75 years ago. The speed of UK railways, coupled with the size of the country means journey times between the capital and the next five biggest mainland cities are lower in the UK than Spain, France, Germany and Italy. We do not need to catch up with the rest of the world, they are still catching up with us.

25. Another selling point of HS2, which when stated by proponents demonstrates complete ignorance of what is actually being proposed, is the idea that people will be able to catch trains in the Midlands and North which will go to continental Europe via a link to HS1. There is absolutely no provision for this in the service pattern proposed by HS2 Ltd. Proposed service patterns show the 18 train per hour capacity will be taken up exclusively by domestic trains. It should also be noted that the proposal to run 18 trains per hour is currently impossible, as it depends on technology not yet invented.

HS2 WILL 'FREE UP CAPACITY'

26. The idea that HS2 will 'free up capacity' on existing lines is the largest contradiction in the case for HS2. For cities which are not on the HS2 core network and existing stations in city centres which will get regional stations, which currently benefit from being intermediate stops on services to and from London, the phrase 'free up capacity' can be simply interchanged with 'losing the trains you already have'. The HS2 Ltd economic document is exceptionally clear: the business case for HS2 requires a £7.7bn cut to existing rail services. This will clearly lead to a reduction in connectivity.

'THE WEST COAST MAIN LINE WILL SOON BE FULL'

27. Recently, the argument for HS2 has shifted to capacity. This is most likely for the reason that it will have some credence with rail passengers, as almost everyone who has been on a train will have been on a busy train, and that without the misguided assertion that HS2 is needed for capacity reasons, there really would be no argument for building it left. The reality is that Euston is, with the exception of the HS1 platforms at St Pancras, the quietest inter-city terminus in London. 2011 figures show that in peak hours Virgin Trains departing Euston had a loading of 52%, a 2% drop from the previous year. In the eyes of the DfT, the glass is neither half full nor half empty, but 'near capacity'.

28. The latest figures from the Office of Rail Regulation show for the first quarter of this year, long distance passenger numbers suffered an annual drop of 2.6%. This has been completely ignored by the Transport Secretary Patrick McLoughlin who is still willing to say that rail use has been growing for 15 years. This is akin to denying an economy is in recession, because it wasn't last year.

29. The entire concept that the West Coast Mainline will run out of capacity is based on the DfT using version 4.1 of the PDFH, which was supposedly replaced by version 5 almost four years ago in August 2009. The reason for changing models was that v. 4.1 significantly over-estimated future growth in long-distance travel, but it is still being used to justify HS2.

30. Additionally, the capacity of the West Coast Mainline is being kept artificially low by the current operators. According to Network Rail's New Lines Study Capacity Analysis: "*The entire WCML timetable structure is effectively dictated by the 20-minute even interval service pattern between London Euston and each of Birmingham New Street and Manchester Piccadilly. This pattern is inherently incompatible with maximum utilisation on key route sections including London Euston and Milton Keynes Central where the*

RotP planning headway is 3 minutes. With at one or more repeating 20 minute even interval services in each hour the theoretical quantum is reduced by 2tph. There is, therefore, effectively a cap below 100% by virtue of this passenger presentation and marketing led timetable structure to maximise revenue.” The fact that spare capacity exists on the WCML was confirmed by the First Group franchise bid.

31. Despite the fact that capacity is being kept artificially low by private train operators to maximise profits, it has been said that a new line would be the only way to deliver the required capacity. This assessment did not fully compare HS2 against alternatives or indeed fully assess some of the rail developments already committed to, such as HLOS or the potential for creating a new path from Milton Keynes and/or Bletchley to London via East-West Rail and the Great Central Line into Marylebone.

32. The weakest argument for HS2 has been reiterated by every Transport Secretary since 2010. *“We decided we needed a new line, and if we are building a new line, it might as well be high-speed.”* By saying a new line ‘might as well be [ultra] high speed’ for no discernible reason, the proposers of HS2 are effectively saying:

- (a) It might as well take the most environmentally damaging route.
- (b) It might as well not interconnect with the rest of the rail network.
- (c) It might as well not carry freight (though this was said when HS1 was proposed, but it is now carrying freight).
- (d) It might as well not have intermediate stations which serve the communities it goes through.
- (e) It might as well have higher maintenance and running costs than a traditional railway.
- (f) It might as well not have stations which are properly integrated with existing destinations.
- (g) It might as well have the highest energy input and carbon output possible.
- (h) It might as well only be of benefit to long-distance passengers, who are generally speaking, the richest in society.

July 2013

Written evidence from Digbeth Residents’ Association, Birmingham (HSR 27)

1. INTRODUCTION

1.1 Digbeth Residents’ Association represents the interests of those who live, study and work in this distinct district of Birmingham city centre, and who will be affected by the construction phase and operation of the new Curzon Street Terminal and approach.

1.2 Whilst we are broadly in favour of the HS2 project, we would like the following concern to be recognised and appropriate mitigation included in any future proposals.

2. SUMMARY

2.1 As the Bill focuses on the financial aspects of the project, we believe that there is insufficient recognition of the need for compensation for the loss of community assets during the construction phase.

2.2 Section 1.4(c) refers to *‘providing compensation in respect of property likely to be affected’*. We would like an undertaking that even where this is viewed as temporary loss of amenity or utility, that compensation will be made to the local community if the loss represents the use of all or part of an established park. The loss of utility during the construction phase should be compensated for by means of the creation of similar park areas of equal value and utility to that which has been lost.

3. EVIDENCE

3.1 The Draft Environmental Statement (DES) issued by HS2 clearly indicates the intention to locate their main site office, storage area and service road for the Birmingham Curzon Street Terminal on a substantial part of Eastside City Park. This park was only opened to the public in March 2013, at a cost of £11.75 million. In addition, nearby Park Street Gardens will be lost permanently.

3.2 Eastside City Park is Birmingham’s first new park in 130 years. It is an exemplar of high quality public realm, recently having won a Royal Institute of British Architects (RIBA) national award and currently shortlisted for the Stirling Prize for Architecture. However, about 20% of the park will disappear for a period of between 6 and 7 years during the construction phase. This includes the loss of a plaza, fountains, lawned areas and pergolas.

3.3 HS2 acknowledges the situation in section 5.5.15 of the HS2 Phase 1 DES Consultation, but suggests that because the loss is temporary, no compensation is due. To deprive a community of a valuable asset for between 6 and 7 years warrants some form of specific compensation.

4. PROPOSAL

4.1 Following consultation with local residents, that assurances be given that appropriate redress will be available for the loss of the community asset—either permanent or temporary—and that this compensation reflects both the value of the asset and the duration of the loss during the construction phase.

Appendices

- (i) An aerial image of the affected area may be viewed on the RIBA Awards website:
<http://www.architecture.com/Awards/RIBAAwards/Winners2013/WestMidlands/EastsideCityPark/EastsideCityPark1.aspx>
- (ii) Further details regarding the loss of Park Street Gardens and impact of the HS2 construction phase on Eastside City Park may be found on our Digbeth is Good website:
<http://digbeth.org/2013/07/radio-digbeth/>

July 2013

Supplementary evidence from Dr Paul Hoad (HSR 28)

1. INTRODUCTION

1.1. This paper has been written by Dr Paul Hoad who has 16 years' experience in Transport Modelling and Planning. Dr Hoad has worked on a wide range of transport projects, in the UK, East Asia and the Gulf, including the economic and financial assessment of transport schemes. This experience has included “hands on” computer modelling of schemes, the management of planning projects and the critical review of other consultants' work

1.2. This evidence is provided to supplement an earlier submission by the author. However, this current evidence does not relate to the previous evidence but instead is aimed at providing additional information based upon recent calculations by the author (using information provided by HS2 Ltd) regarding the general viability of the proposed HS2 scheme.

2. FARE SENSITIVITY

2.1. The HS2 scheme as currently promoted by HS2 Ltd business case assumes that fares on the new railway will be equal to the fares charged on the competing “classic rail” network, so that there would be no “Premium Fares” on HS2. There has been criticism in the public domain that this is in fact an unrealistic assumption. This concern is echoed in the minutes of the HS2 Ltd Analytical Challenge Panel, for example item 2.6 of the Minutes for the meeting of 17th August 2010⁶⁰ states:

“HS2's current assumptions on rail fares were probably too simplistic. There was a significant discussion over the role and impacts of both premium fares and competition. This is an area for more work, although realistically it may not be achievable prior to a consultation (which was acknowledged to present a risk to HS2).”

2.2. The issue of Premium Fares is important as the justification for HS2 is not simply based upon the financial return from revenue on HS2 paying off the construction costs. Instead the overall economic return for HS2 is based upon the benefits which derive from three different sources:

- Additional Revenue;
- Journey Time Savings; and
- Wider Economic Impacts (job creation etc.).

2.3. Of these three elements, the revenue is actually the smallest component. As most passengers on HS2 will be simply transferring from the classic rail service, the amount of additional revenue will therefore be limited. On the other hand, given that the passengers transferring from classic rail are benefitting from a time saving, it would not be unexpected for these passengers to be charged a higher price for the service provided.

2.4. Despite this issue being flagged by the Analytical Challenge Panel three years ago, the HS2 project is still moving ahead with this simplistic approach, and no assessment of the viability of the scheme with Premium Fares has been carried out.

2.5. Fortunately however, the study has provided sufficient information for the economic impact of Premium Fares to be estimated. The report “High Speed 2 Support, Model Development report: A Report for HS2”, dated February 2010, provides the results of testing that was carried out to look into the impact of Premium Fares on patronage (only). This was provided in the form of a number of tables setting out the effect on patronage for key movements (eg London-Birmingham, London-Manchester) of increasing the fare level on HS2 (by 10%, 20% and 30%). Separate tables were provided for Business and Leisure passengers. (NB Business and Leisure passengers make up about 99% of long distance rail passengers considered in the model.) The data from these tables is shown in Annex 1 (though in a slightly different format.)

⁶⁰ <http://www.hs2.org.uk/sites/default/files/inserts/Analytical%20Challenge%20Panel%20170810.pdf>

2.6. From these tables it has therefore been possible to calculate an overall decrease (in percentage terms) in patronage for the HS2 system, which are given below. (For example, a 30% increase in fares on HS2 would lead to 26% less business travellers and 35% less leisure travellers with 33% less travellers overall due to the much larger number of leisure travellers.) As can be seen the model results show that the patronage on HS2 would be significantly affected by the introduction of Premium Fares.

	<i>Premium Uplift</i>			
	<i>0%</i>	<i>+10%</i>	<i>+20%</i>	<i>+30%</i>
Business	0%	-4%	-21%	-26%
Leisure	0%	-11%	-21%	-35%
Combined	0%	-9%	-21%	-33%

2.7. It is possible to take these values further. The benefits of HS2 are calculated in a spreadsheet which brings together the different elements (costs and benefits) to give the overall Benefit to Cost Ratio (BCR). The factors calculated above can be used to adjust the benefits calculated for the published business case to give an estimate of the overall impact. For example, with a 30% increase in fare giving a 26% decrease in business passengers, then the Transport User Benefits of Business travellers can be assumed to have been reduced by the same amount (ie 26% decrease). Similarly the Wider Economic Impacts can be adjusted pro rata with the combined Leisure/Business patronage decrease.

2.8. A summary of the resultant calculations is given below, showing the Benefit Cost Ratio for both Phase 1 and the full “Y Network”, as well as with or without the Wider Economic Impacts. (The full quantified Costs and Benefits are given in Annex 2.)

		<i>HS2 Business Case</i>	<i>Premium Fares</i>		
			<i>+10%</i>	<i>+20%</i>	<i>+30%</i>
London—	No WEIs	1.36	1.18	0.89	0.74
Birmingham	With WEIs	1.72	1.44	1.13	0.88
Full Y Network	No WEIs	1.87	1.58	1.16	0.95
	With WEIs	2.47	2.03	1.54	1.18

2.9. As can be seen the viability of the project is very sensitive to the fare level. Increasing the fare reduces the patronage, thereby reducing the number of people gaining a time saving. Similarly with a higher fare there is improved connectivity is reduced thereby reducing the potential for creating jobs. Finally the total revenue drops with increased fare, the reduced numbers more than outweighing the extra value per passenger.

2.10. It is therefore clear from these figures that the issue of Premium Fares should be at the forefront of the analysis of HS2. Should HS2 ultimately be built, strict control would need to be kept of the fares charged, rather than left to commercial forces.

3. DISCOUNT RATE

3.1. In any financial or economic assessment covering more than one single year, it is important to take into account that the value of money in one year is different to that in another year, even if inflation is accounted for. For example, a pound today is worth more than a pound (adjusted for inflation) in five years’ time. This reflects for example the opportunity of investing the money now to get returns by the later date.

3.2. This issue is taken into account by use of the Discount Rate. This is the percentage value by which the value of money in one year is reduced to convert it into the value of the previous year (or increased to convert it to the value for the following year). The discount rate used for HS2 is 3.5% up to 2041, then 3% after 2041. So £1 in 2013 would be equivalent to £1.035 in 2014. Alternatively £1 in 2014 is equivalent to £0.966 in 2013.

3.3. The discount rate will have an important impact on the viability of transport projects because generally there are large costs early on (which are relatively unaffected by the discount effect) whereas the benefits are spread across 60 years which are more and more discounted as time goes on..

3.4. The discount rate used for transport schemes has not always been at this value. It has not been possible to find a record of historic discount rates, but I can recall using rates of 6% or even 8% in my career. The drop to 3.5% was brought in towards the start of last decade, during the period when the then Labour government was proposing major investments in public transport. The use of a reduced discount rate, together with extending the assessment period from 30 years to 60, generally gave an increased rate of return for government projects.

3.5. Around the time the discount rate was reduced, the UK economy was buoyant and the prospects were good for continued growth. Now however we are in definitely different financial circumstances where investment capital is short and economic growth is sluggish. It therefore seems reasonable to question whether the discount rate should continue as it is at present.

3.6. It is relatively easy to test the impact on the transport benefits from HS2 by varying the discount rate. The discount rate does not affect any of the modelling but is simply a factor applied in the final spreadsheet that draws model outputs together to calculate the overall costs and benefits. It has therefore been possible to carry out a test to see the effect of uplifting the discount rate by a given number of percentage points, and its impact on the final Benefit Cost Ratio.

3.7. The resultant BCR values are shown below:

		<i>HS2 Business Case</i>	<i>Discount Rate Uplift</i>			
			<i>+0.5%</i>	<i>+1.0%</i>	<i>+1.5%</i>	<i>+2.0%</i>
London— Birmingham	No WEIs	1.36	0.98	0.75	0.59	0.47
	With WEIs	1.72	1.29	1.02	0.84	0.72
Full Y Network	No WEIs	1.87	1.27	0.92	0.71	0.57
	With WEIs	2.47	1.76	1.36	1.11	0.94

3.8. As can be seen, increasing the discount rate even by a half of a percentage point has a major detrimental effect on the viability of HS2. The BCR values, which are relatively low to begin with, move rapidly below the break even value of 1, as the discount rate is increased slightly.

3.9. It should be noted that the values for the Wider Economic Impacts should also be subject to adjustments due to changes in the discount rate. However at the present time it has not been possible for the author to understand how such an adjustment can be made. The above BCR values for the “With WEIs” cases therefore should be seen as being an overestimation of the return.

4. SUMMARY

4.1. This paper has looked at two aspects that would affect the viability of the HS2 scheme, using data available from HS2 Ltd publications.

4.2. Having looked at the impact of Premium Fares, it is evident that increasing the fare level on HS2 higher than the competing “classic rail” would reduce the overall economic benefits and as a result would have a significant impact on the viability of the scheme.

4.3. Any revision to the current business plan should therefore be carried out only after a full economic assessment has been undertaken on the impact. Allowing fares to rise in accordance with market forces or in order to convert part of the benefit into money should therefore be avoided.

4.4. Having looked at the sensitivity of the scheme to the value of the discount rate assumed, it is clear that the calculated overall benefits are very sensitive to the discount value used, and that with only a modest rise in value (and still remaining below historic value) the HS2 scheme would become unviable.

4.5. Given the current economic climate where the government is particularly concerned about borrowing costs it would be appropriate for the government to review the current discount rate. Whilst the review of the discount rate would affect wider government spending not just HS2, it is important that a debate is had on the matter so that the full significance of such an ostensibly simple value is not overlooked.

July 2013

Annex 1:

HS2 LTD PUBLIC TRANSPORT PATRONAGE—PREMIUM FARE SENSITIVITY TESTS

Business Travellers: London-Birmingham

	<i>HS2 Business Case</i>		<i>HS2 with Premium Fares</i>		
	<i>No HS2</i>	<i>Case</i>	<i>+10%</i>	<i>+10%</i>	<i>+10%</i>
Classic Rail	785	0	0	1	9
Air	0	0	0	0	0
Highway	469	397	412	424	440
HS Rail	0	981	935	898	849
Total	1254	1378	1347	1323	1298

Business Travellers: London-Glasgow

	<i>HS2 Business Case</i>		<i>HS2 with Premium Fares</i>		
	<i>No HS2</i>	<i>Case</i>	<i>+10%</i>	<i>+10%</i>	<i>+10%</i>
Classic Rail	114	0	0	0	0
Air	776	571	589	664	679
Highway	2	2	2	2	2
HS Rail	0	411	384	272	249
Total	892	984	975	938	930

Business Travellers: London-Liverpool

	<i>HS2 Business Case</i>		<i>HS2 with Premium Fares</i>		
	<i>No HS2</i>	<i>Case</i>	<i>+10%</i>	<i>+10%</i>	<i>+10%</i>
Classic Rail	306	0	0	0	0
Air	41	15	16	25	27
Highway	0	0	0	0	0
HS Rail	0	467	454	383	371
Total	347	482	470	408	398

Business Travellers: London-Manchester

	<i>HS2 Business Case</i>		<i>HS2 with Premium Fares</i>		
	<i>No HS2</i>	<i>Case</i>	<i>+10%</i>	<i>+10%</i>	<i>+10%</i>
Classic Rail	804	0	0	0	4
Air	489	254	271	379	401
Highway	298	204	211	258	265
HS Rail	0	1479	1416	1075	1015
Total	1591	1937	1898	1712	1685

Source: Table 8.6, "High Speed 2 Support, Model Development report: A Report for HS2", February 2010

NB The data has been reformatted for clarity.

HS2 LTD PUBLIC TRANSPORT PATRONAGE—PREMIUM FARE SENSITIVITY TESTS

Leisure Travellers: London-Birmingham

	<i>HS2 Business Case</i>		<i>HS2 with Premium Fares</i>		
	<i>No HS2</i>	<i>Case</i>	<i>+10%</i>	<i>+10%</i>	<i>+10%</i>
Classic Rail	2546	0	47	403	889
Air	0	0	0	0	0
Highway	193	158	174	183	193
HS Rail	0	2887	2681	2230	1662
Total	2739	3045	2902	2816	2744

Leisure Travellers: London-Glasgow

	<i>HS2 Business Case</i>		<i>HS2 with Premium Fares</i>		
	<i>No HS2</i>	<i>Case</i>	<i>+10%</i>	<i>+10%</i>	<i>+10%</i>
Classic Rail	372	0	1	17	60
Air	418	125	178	200	223
Highway	3	2	2	3	3
HS Rail	0	899	772	709	621
Total	793	1026	953	929	907

Leisure Travellers: London-Liverpool

	<i>No HS2</i>	<i>HS2 Business Case</i>	<i>HS2 with Premium Fares</i>		
			<i>+10%</i>	<i>+10%</i>	<i>+10%</i>
Classic Rail	949	0	2	39	127
Air	6	2	3	4	4
Highway	11	13	14	15	3
HS Rail	0	1256	1116	1040	916
Total	966	1271	1135	1098	1050

Leisure Travellers: London-Manchester

	<i>No HS2</i>	<i>HS2 Business Case</i>	<i>HS2 with Premium Fares</i>		
			<i>+10%</i>	<i>+10%</i>	<i>+10%</i>
Classic Rail	2379	0	12	162	461
Air	155	56	93	108	124
Highway	73	48	59	63	66
HS Rail	0	3148	2752	2492	2093
Total	2607	3252	2916	2825	2744

Source: Table 8.7, “High Speed 2 Support, Model Development report: A Report for HS2”, February 2010

NB The data has been reformatted for clarity.

Annex 2:

QUANTIFIED COSTS AND BENEFITS OF HS2 AND RESULTING BCR FOR HS2—PREMIUM FARE SENSITIVITY

HS2 PHASE 1 (LONDON-BIRMINGHAM): QUANTIFIED COSTS AND BENEFITS OF HS2 AND RESULTING BCR

	<i>Business Case</i>	<i>Premium Fares</i>		
		<i>+10%</i>	<i>+20%</i>	<i>+30%</i>
Transport User Benefits (Business)	12,566	12,005	9,893	9,351
Transport User Benefits (Other)	7,198	6,434	5,687	4,651
Other quantifiable benefits (excl. Carbon)	593	541	468	400
Loss to Government of Indirect Taxes	-1,587	-1,447	-1,253	-1,071
Net Transport Benefits (PVB)	18,770	17,533	14,796	13,332
Wider Economic Impacts	4,849	4,849	4,849	4,849
Net Benefits including WEIs	23,619	21,533	18,642	15,932
Capital Costs	18,763	18,763	18,763	18,763
Operating Costs	8,180	8,180	8,180	8,180
Total Costs	26,942	26,942	26,942	26,942
Revenues	13,189	12,025	10,410	8,897
Net Costs to Government (PVC)	13,753	14,918	16,532	18,046
BCR without WEIs (ratio)	1.36	1.18	0.89	0.74
BCR with WEIs (ratio)	1.72	1.44	1.13	0.88

Values in £millions, 2011 Market prices, discounted to 2011.

HS2 PHASE 2 (LONDON-NORTH): QUANTIFIED COSTS AND BENEFITS OF HS2 AND RESULTING BCR

	<i>Business Case</i>	<i>Premium Fares</i>		
		<i>+10%</i>	<i>+20%</i>	<i>+30%</i>
Transport User Benefits (Business)	34,292	32,761	26,998	25,519
Transport User Benefits (Other)	16,742	14,966	13,228	10,818
Other quantifiable benefits (excl. Carbon)	1,046	954	826	706
Loss to Government of Indirect Taxes	-3,831	-3,493	-3,024	-2,584
Net Transport Benefits (PVB)	48,250	45,188	38,028	34,458
Wider Economic Impacts	15,377	15,377	15,377	15,377
Net Benefits including WEIs	63,627	58,008	50,221	42,918
Capital Costs	36,417	36,417	36,417	36,417
Operating Costs	22,256	22,256	22,256	22,256
Total Costs	58,672	58,672	58,672	58,672
Revenues	32,938	30,029	25,998	22,218
Net Costs to Government (PVC)	25,734	28,643	32,674	36,455
BCR without WEIs (ratio)	1.87	1.58	1.16	0.95
BCR with WEIs (ratio)	2.47	2.03	1.54	1.18

Values in £millions, 2011 Market prices, discounted to 2011.

Written evidence from Michael Edwards (The Bartlett School, UCL)

DEAR COLLEAGUES

High Speed Rail (Preparation) Bill

I have worked at UCL within a few metres of Euston for 45 years, been active in local community organisations including the King's Cross Railway Lands Group and London-wide activity via Just Space. These comments are not made on behalf of any of these organisations but draw on my experience in both and on the policies of both.

The evidence in the ES and other documents, and in the associated public debates, points strongly to the following as the desirable way forward. Best option first:

BEST

1. HS2 cannot sensibly be evaluated in isolation from a wider national transport strategy (including airport strategy) and should thus be rejected completely at this stage. The Committee should thus recommend that work be stopped.

FAILING THAT

2. HS2 London-B'ham Cost Benefit Analysis/Business Plan (BCA) shows it is a bad investment, so should be rejected. There are many better ways of spending the money. The 'alternative' considered so far is not in fact comparable as the New Economics Foundation has amply demonstrated. Furthermore backwash effects draining life out of northern regions are likely to overwhelm spread effects benefitting the relative prosperity of northern regions (as considered for example by Prof John Tomaney). If the line were to be built it should at least start at the northern end, not the London end.

FAILING THAT

3. Old Oak Common is the best place to terminate the LDN-terminating trains. Extension to Euston adds hugely to engineering, displacement, community and environmental costs, while adding benefits only for a small minority of users. Focus on Euston tends to over-concentrate London, while OOC makes London more polycentric which is a stated (but un-realised) aim of London Planning Policy. The Committee should at least insist that the London termination options be more fully evaluated and with a better integration with TfL and GLA plans.

FAILING THAT

4. If HS trains are to terminate at Euston then there must be a full evaluation of the ‘double-deck-down’ alternative design prepared by local expert residents and not yet treated seriously by HS2 Ltd. This would operate within the existing station footprint, thus reducing disruption, and permit Camden council to realise most of its permeability objectives across the site. It would also permit much more compact and less-polluting interchange with buses and taxis.

AND IRRESPECTIVE OF WHICH EUSTON STATION DESIGN IS SELECTED

5. Provision for mitigation of adverse impacts is not yet adequately promised. In particular (a) residents of all tenure groups displaced (or whose homes are made uninhabitable during works) must be compensated by actual delivery of equivalent properties at equivalent costs within the locality (if that is where they wish to be) and without inroads into the existing or currently planned housing programme of Camden and social housing providers; (b) businesses to be affected must be similarly treated so that they are no worse off during or after the works than they would be with current conditions continuing.

6. So called “regeneration benefits” do not exist and should be dis-regarded. The building stock and open spaces of the locality are in tolerably good condition, house thriving economic activities and thriving residential communities. The station itself is worn out and obsolete and could benefit from re-building and the provision of better services for users. The only other benefits which could be construed as “regeneration benefits” would be additional accommodation in the air space above the station but such benefits are not dependent on HS2 and have long been planned for.

7. A particular concern relates to air quality. Pollution already exceed maximum permitted levels in many parts of the area. Thus a guiding principle of any design should be to bring about substantial REDUCTIONS in vehicle traffic, especially buses and taxis and (during any construction) lorries. There is no sign that this has been thought about and every sign at consultation meetings that the engineers haven’t yet thought about the issue.

July 2013

Supplementary written evidence from Camden London Borough Council (HSR 30)

BACKGROUND

Councillor Sarah Hayward gave evidence to the Public Bill Committee on the High Speed Rail (Preparation Bill) on the 9th July 2013. During the session Ms Hayward was asked by Mrs Caroline Spelman how many business properties are affected by HS2, to which Ms Hayward responded that she thought the figure was 2,500 but did not have the actual figures to hand. She confirmed the Council would provide the Committee with that information. This supplemental memorandum provides the information requested.

INFORMATION REQUESTED

HS2 Limited has indicated in its draft Environmental Statement that approximately 2,570 jobs in the Euston area will be lost; 150 jobs lost in the Camden Town/Link Area and 50 jobs lost in the Primrose Hill to Kilburn area arising from demolition works related to HS2. However the Council fears that these figures represent an under-estimation as they come from direct land requirements. The draft Environmental Statement fails to account for broader potential impacts on businesses in the wider area which could lead to further job losses.

Further, HS2 indicated that a total of approximately 180 businesses in the London Borough of Camden could be affected by safeguarding, although again, the Council considers that this figure could be significantly higher. A high level of uncertainty remains over the severe impacts of construction in commercial areas such as Euston, Camden Town and others. The span of these impacts on businesses is considered to be significantly wider than the safeguarding area and in these commercial areas many hundreds of businesses are likely to be detrimentally impacted to some degree.

CLARIFICATION

The Council wishes to take this opportunity to stress that it is not just Euston Station and Camden Town that will be adversely impacted by the HS2 development, although they will be the most significant areas affected. The blight to Camden is borough-wide, for example the Rowley Way Estate will also be severely affected as will the Adelaide Road and Camley Street areas of the borough, to name but a few.

The Council’s concern is that there are significant impacts created by HS2 that will cause harm extending beyond the Euston and Camden Town areas, negatively affecting not just businesses but also housing, schools and school places, tourism, communities, creating a damaging influence on the borough as a whole and onto other parts of London.

The extent of this harm is so widespread that the Council cannot emphasise enough the concern that it has if the HS2 proposal were to proceed in its current form.

July 2013

Written evidence by the South Yorkshire Passenger Transport Executive (SYPTe) on behalf of the Sheffield City Region Local Enterprise Partnership (SCR) (HSR 31)

The Sheffield City Region Local Enterprise Partnership supports the Government's plans to construct a national high speed rail network. Rail connectivity is essential for our advanced manufacturing and growing service sector economies. The significantly reduced journey times that high speed rail will provide between the Sheffield City Region and London, as well as to other regional cities, will help support economic growth and regeneration in our City Region. If planned well, these direct benefits will lead to additional wider benefits to the City Region economy through the attraction of new businesses and the strengthening of connections between business and their supply and labour markets.

The City Region supports any initiatives to implement high speed rail as rapidly as possible and welcomes the Preparation Bill as an important step in enabling expenditure on the project. Starting work on the introduction of high speed rail in the Sheffield City Region at the same time as Phase 1 construction, would demonstrate commitment to delivery for stakeholders, businesses and future investors

We want to ensure that the scope of the Bill includes the necessary planning and works required on the 'classic' rail network and tram systems, as well as the local highway network to ensure that high speed rail becomes part of an integrated transport system.

High speed rail will release capacity on the 'classic' rail network, increasing potential economic benefits by allowing the development of services which will connect the wider Sheffield City Region with the proposed high speed rail stations. In addition to providing long distance capacity, improving inter-regional services north of Birmingham will open up markets which previously felt too distant. We believe that there is scope for more flexibility for the approach to high speed rail on the eastern arm, to maximise the use of the line's capacity by serving a wider range of urban centres and would like to see this considered by Government. For example, splitting trains to serve multiple destinations and using sections of the eastern leg for inter-regional services.

Given the importance of high speed rail to the Sheffield City Region's future economy, it is essential that the Government is able to provide HS2 Ltd with the resources it needs to develop and implement the project efficiently and expeditiously.

We also recognise that some business and residential properties will be adversely affected by the proposed high speed line and it is right that there should be compensation which is paid in a timely way and reflects the true value of affected properties. Insofar as possible, blight should be avoided. For these reasons, Sheffield City Region strongly supports the High Speed Rail Preparation Bill.

1. PREPARATORY EXPENDITURE

(1) *The Secretary of State may, with the approval of the Treasury, incur expenditure in preparation for a high speed railway transport network.*

Commitment should be made to provide a full list of activities which will incur expenditure in preparation for the High Speed Rail network. Recent analysis on behalf of SYPTe and Metro⁶¹ has recommended that full economic benefits can only be realised should the Government invest time and resource into the following comprehensive set of objectives;

<i>Objective</i>	<i>Means of delivery</i>
Maximise high-speed and existing rail connections	Making sure that getting from existing stations to HS2 stations can be done as quickly and seamlessly as possible.
Maximise station access and enhance attractiveness of City Regions in advance of HS2	Review local transport plans and make the case for Government support to improve the provision of local transport from across the City Regions to the stations. Review the station proposals to make sure that new and existing businesses can grow and flourish with improved transport links.
Maximising the use of HS2	Consider further how the HS2 line can be integrated with our existing railways to make sure it can be used to maximum benefit. This could see improved regional services and more investment in the existing railways.

⁶¹ the economic case for high speed 2: Leeds and Sheffield city regions WSP - July 2013

<i>Objective</i>	<i>Means of delivery</i>
Maximising access to stations from across the region	Develop plans to improve road access (motorway infrastructure, car parks, and coach links) to the High Speed Rail stations and make the case for Government support to provide the best possible links from across both City Regions.
Assess the local impacts of HS2	Study the likely local economic effects of HS2 so that plans can be put together to make sure any new development will complement HS2 and boost the local economy.

Understanding and realising the economic benefits described in the Governments economic case can only be achieved by providing the funding mechanisms to Local Authorities which will assist the delivery of economic growth plans.

As with other significant national projects, past and present, the HS2 infrastructure will benefit the country for future generations. At the present time Sheffield City Region are concerned that the preferred station location may not deliver the maximum economic benefits. Further work is required to demonstrate that the benefits of the preferred location are at least comparable with recognised alternatives and the preparatory expenditure should include funding for this.

(2) *The network referred to in subsection (1) is a network which*

- (a) *Involves the construction of railway lines connecting at least London, Birmingham, the East Midlands, Sheffield, Leeds, and Manchester, and*
- (b) *Connects with the existing railway transport network.*

Providing physical connections should not be the only objective the Government seek to achieve early on. We would support and welcome Government providing reassurance to areas which are not directly served by HS2 with a ‘classic’ rail service pattern which is no worse than they receive now, when HS2 is operational. This will create certainty for those areas, that important transport connections and services will be in place to facilitate and support their growth plans.

A study recently undertaken on behalf of SYPTe and Metro⁶² has indicated that there are alternative classic rail service patterns to that shown in the HS2 Economic Case, that provide additional economic benefits of between **£300m and £800m** (2010 present value). This study provides alternative options based upon conservative and optimistic scenarios of classic line expenditure pre HS2 and is meant as a comparison to the Governments economic case to demonstrate that more can be achieved. We believe as a result of this work, Government should invest in substantive work to assist integration of the existing rail network with HS2.

(3) *The expenditure which may be incurred under subsection (1) includes expenditure on—*

- (a) *Preparation for the construction of any railway line and any other infrastructure proposed to be included at any time in the network referred to in subsection (1), and*
- (b) *Preparation for the provision of services as part of that network.*

Although we welcome the provisions set out here, we feel it is somewhat restrictive as currently proposed; only allowing for direct spending on the development of the high speed railway. Our research has demonstrated that the full benefits of HS2 will only be achieved through ensuring appropriate connectivity to the HS2 stations and we feel that the Bill as written precludes advance spend on connectivity packages or similar.

In particular, there are a number of areas where we believe advance spending will be beneficial, or necessary, to successfully achieve the full realisation of benefits. These areas are:

- Plan for strategic transport schemes which could benefit city regions in the short to medium term and deliver connectivity with HS2 once operational. Part of this funding could be sourced from business contributions when new developments are planned.
- Provide a single funding stream for Local Authorities to develop HS2 connectivity packages and bid for on a competitive basis.
- Assist and fund Local Authorities and City Regions to master plan their regions in preparation for HS2.

(4) *The expenditure mentioned in subsection (3) includes expenditure incurred*

- (a) *on pre-construction activity (such as surveying and design),*
- (b) *in acquiring property, and*
- (c) *in providing compensation in respect of property likely to be affected.*

⁶² post HS2 timetables options study – SDG July 2013

A thorough examination of property costs, both domestic and commercial, is required to be undertaken in each region. Home and business owners must be able to relocate to a property that makes the individual no worse off than they were before the intervention of HS2.

The fundamental principle underlying compensation provision is that claimants will receive compensation neither greater nor less than their loss. This is particularly important in the Sheffield City Region, as some locations where the proposed route will cause blight, suffer from higher levels of deprivation and lower levels of income than the national average.

The local business communities want more reassurance that HS2 will serve their region with as much certainty as possible. We would like to see HS2 Ltd and the Government begins to do more active work on phase 2, with land assembly and construction around the potential northern stations. Safeguarding the land as soon as possible will allow businesses to start their contingency processes, otherwise there is a concern that it could affect the businesses plans for investment and potentially lead to a loss of long term orders.

July 2013

Written evidence from Chris Damant (HSR 32)

DRAFT ENVIRONMENTAL STATEMENT

Ecological Comments (1st Draft)

The current Draft Environmental Statement (May 2013) is unsupported by any substantive ecological survey data that would normally be expected under EU and UK legislation and published guidance and therefore renders the current statement as no more than a token gesture, consequently under valuing the potential direct and cumulative impacts of the scheme on the environment including protected sites, habitats and species.

With specific regard to the sections of the proposed scheme covered by Bernwood Forest (CFA12 Waddesdon and Quainton & CFA13 Calvert, Steeple Claydon, Twyford and Chetwode).

The proposed scheme, in the absence of detailed design information fails to recognise the serious engineering constraints in this area, whether simple geology or hydrology, through to designated sites (heritage and ecology), existing landuse use including the Calvert tip site, Calvert Jubilee lake, roads, public rights of way and railway line, through to pre existing proposals for an incinerator plant (approved), East West rail link and Aylesbury extension. These constraints, compounded by the inflexibility of the proposed HS2 line to vary its alignment both horizontally and vertically, mean that in the absence of detailed surveys the true impacts of the scheme cannot be fully or adequately assessed. This remains particularly significant with regard to the Governments responsibility for the strict interpretation of the Conservation (Habitats and Species) Regulations 2010 (as amended) including derogation tests (overriding public interest, no satisfactory alternative and favourable conservation status), together with the requirements for Strategic Environmental Assessment.

The draft EIA fails to address cumulative impacts of the HS2 project and other proposed developments in the area which will have significant potential for increased impacts through additional severance, fragmentation and overall lighting, noise and disturbance impacts.

The impact assessment equally fails to qualify the time scales of the assessment in terms of temporary impacts for which compensation may take considerable time to be allowed to develop. The creation of new broadleaved woodland cannot adequately replace ancient semi-natural woodland or be expected to deliver for a considerable (not temporary) period of time the characteristics of "old growth woodland" that key species such as Bechstein's bat or key invertebrate species rely upon.

Mitigation and compensation

The proposals for bat mitigation and compensation remain weak and unjustified when considered against current published research. This combined with the wider impacts on biodiversity and the landscape of Bernwood Forest need to be more fully addressed and set out with clear and unambiguous statements of what will be delivered, how, and by when including provision for long term management.

The reliance on a limited number of green bridges and underpasses, focused on the existing access/crossings network is at best opportunist and without reliable evidence to indicate the appropriateness to mitigate for impacts. The proposed green bridges remain conservative in size and scale to the potential impact, without detailed design appear to function as both access and wildlife corridors which further reduces their mitigation purpose. No consideration appears to be given to the overall impacts (land take) resulting from the provision of green bridges including potential impacts on existing ancient woodland sites including SSSI's and species.

The reliance on barriers to direct the movement of bats and other wildlife (?) remains speculative and without detailed design proposals including long term maintenance (in perpetuity) is insufficiently robust to address the potentially significant impacts of mortality caused by impacts or disruption through air turbulence.

The scale of the proposed new planting within the area is also insufficient in size and scale to mitigate for the impacts of severance and fragmentation between habitats for all wildlife in an area that is not only notable for

bats, but includes significant invertebrate, amphibian, reptile, mammal and avian interest. The proposals also fail to address the impacts of the scheme on the SSSI network in the area which will further sever important links between the network of ancient semi-natural woodlands, disused and very low use railways lines and semi-natural grasslands. Significantly this will impact on notable important network of sites for species in the area including nationally important populations of bats including Bechstein's and invertebrates including black hairstreak, leading to the high risk of genetic isolation of populations.

The proposed planting scheme also partially duplicates the proposed incinerator scheme already subject to approved planning consent suggesting that either insufficient research has been carried out or that planting is being double accounted.

The attention on woodlands and bats equally underplays the other significant habitat and species losses in the area for which there is little substantive evidence due to inadequate survey data.

Monitoring of the impacts of the scheme is unstated. No indication of what habitats or species will be monitored or thresholds for measuring effectiveness are provided. Given the potential impacts on UK and EU designated sites and species for which there is an ongoing obligation/commitment to maintain the Favourable Conservation Status this not acceptable. Where impacts are shown to have a negative impact or result in the significant ability of EU species to survive and breed it must be anticipated that further mitigation or removal of these impacts maybe anticipated under EU regulations.

HS2 Ltd stated in June 2011 "we would certainly make sure we avoid any negative impact on the Bechstein's bat", further that they will "carry out a full Environmental Impact Assessment, alongside detailed design work". The current draft statement and shallow design specifications neither represent a full EIA or detailed design work, with little evidence of how any negative impacts on Bechstein's bat will be avoided.

The draft EIA remains premature and incomplete and fails to meet the standard expected under UK and EU law, setting a poor example for the Government. It therefore remains open to legal challenge.

July 2013

Written evidence from Network Rail (HSR 33)

THE CAPACITY CHALLENGE

1. The railways don't just move people and freight, they also generate and spread prosperity. They can create jobs, connect economic centres and open up new markets to support low-carbon growth.

2. We have seen unprecedented growth over the last decade (2002–2012) and the number of passenger journeys has grown by 50% to 1.46bn. By 2020 a further 400 million passenger journeys will be made and freight will also grow by 30%.

3. Critical parts of the network now run at close to 100% capacity. As more and more people have chosen to travel by rail, trains have become more crowded and we have built longer platforms to accommodate longer trains. Once these longer trains are full we have squeezed more trains onto an already crowded network—we carry one million more trains now than ten years ago.⁶³ There will come a point when there is simply no space to run more trains and we are rapidly approaching that point on the busiest parts of the network.

4. The more trains run on the network, the greater the knock-on impact when things go wrong. Something as simple as a blown fuse bears comparison with a breakdown on a motorway—you can fix the problem quickly, but there are tailbacks for the rest of the morning. The more congested the network, the harder it is to recover from delays and the greater the impact on punctuality.

5. When more trains run on the network it also causes more wear and tear on the track and other infrastructure. This requires us to close lines to carry out maintenance meaning disruption for passengers.

6. We are investing around £5bn a year in renewing and upgrading the railway, continuing the biggest capacity improvement programme since the Victorian era. By 2019 we will have provided 170,000 extra commuter seats at peak times and space for up to 700 more trains a day across the North of England.

7. Carrying out this work will mean the railway gets better, however, in the long term demand will still outstrip even this extra capacity, and lines like the West Coast Main Line will be full.

WEST COAST MAIN LINE

8. The West Coast Main Line connects our biggest cities, carries a quarter of all rail freight and is the busiest mixed-traffic railway in Europe.

9. There are 12 different operators. Fast and stopping passenger trains mix with each other and with heavy freight trains. Different trains stop at different stations, at different frequencies and other lines join it at regular

⁶³ Network Rail, 'A better railway for a better Britain', 2013

intervals. Train paths are as precious as airport take-off or landing slots and its terminus, London Euston, handles more passengers every day than Gatwick airport.⁶⁴

10. The rail industry continues to invest in capacity to meet growth. We have delivered a major upgrade at Bletchley to allow 12-car trains to operate, train operators have lengthened many services, and proposed work at Stafford will untangle bottlenecks and separate passenger from freight trains. But in the longer term, demand will still outstrip supply.

11. Shorter-distance commuters already experience overcrowding. Most trains between Northampton and London Euston are carrying more passengers than there are seats when they arrive in the capital⁶⁵, and a third of the most overcrowded trains in the country depart from Euston in the evening.⁶⁶

12. By the mid-2020s, the both the trains and the line will be full. The effects will be felt by people at the southern end first, with many commuters unable to board their trains at the busiest times, before similar problems then start to affect longer-distance passengers.

13. Whilst the lack of capacity is most acute at the southern end, demand for long-distance services is also growing at about 5% per annum.⁶⁷ Looking forward, our 2013 Long Distance Market Study anticipates growth over the next ten years of between 17 and 24% on London to Birmingham journeys, 31 to 46% on London to Manchester and 25 to 34% for Birmingham to Manchester.⁶⁸

PROPOSED ALTERNATIVES TO HS2

14. In 2009 Network Rail published the ‘New Lines Study’ which looked at the solution to the capacity problem on the West Coast Main Line. Then, in 2011 we reviewed two specific proposals for the Department for Transport in a study called ‘Review of Strategic Alternatives to High Speed Two’. In each report our conclusions were the same: a new line is the only viable option to meet the long-term growth in demand from passengers and freight.

15. In the 2011 study, Network Rail reviewed the proposal by 51M and also one by Atkins called ‘Rail Package 2’ to assess if they could meet future demand on the West Coast Main Line. As part of this report we included the 2011 load factors into Euston during the busiest peak hour:

- Outer suburban (London Midland trains serving Leighton Buzzard and stations to the north) 129%
- Inner suburban (London Midland trains serving stations mainly to the south of Leighton Buzzard) 83%
- Long distance (Virgin Trains serving primarily business travellers rather than commuters) 80%

16. Since that report was published, the load factors for inner suburban and long distance services are likely to have dropped slightly due to train lengthening. However, our assessment of the proposed alternatives showed that they still did not provide enough capacity to meet long-term demand. Even if all the upgrades within the 51M proposal could be delivered, we estimate that the evening peak hour load factor on suburban services would still be, on average, 96% in 2026 increasing to 122% in 2035.

BENEFITS OF RELEASED CAPACITY

17. As well as transforming long-distance journeys, the completion of Phase 1 to Birmingham will see the majority of long distance services move on to the high speed line, freeing up space on the existing line to meet passenger and freight growth.

18. Our report on how this freed-up additional capacity might be best used found that significant improvements could be provided for commuters at the southern end of the line, such as faster, more frequent trains, more direct services and a reasonable chance of a seat.⁶⁹ Places likely to benefit from that released capacity include Milton Keynes, Northampton, Berkhamsted, Hemel Hempstead, and Leighton Buzzard.

19. In addition, the completion of Phase 1 will create space for freight growth and improve local services in the West Midlands, such as a better timetable for local stations between Coventry and Birmingham and a far greater chance of a seat.

20. Though the West Coast Main Line will be the first of our north-south routes to feel the acute effects of increasing demand on the network, similar effects will be felt in future on the East Coast Main Line and Midland Main Line.

21. Phase 2 of HS2 to Leeds and Manchester will not only provide additional capacity, it will also deliver a step-change in Britain’s connectivity, bringing our biggest economic centres closer together and creating opportunities to improve existing services.

⁶⁴ CAA statistics, 2011; ORR statistics, 2011

⁶⁵ [Submission to the APPG for High Speed Rail’s enquiry into rail capacity](#), Network Rail, 2012

⁶⁶ [Department for Transport news release on overcrowding](#), December 2012.

⁶⁷ National Rail Trends, Office of Rail Regulation, 2010-2011

⁶⁸ Long Distance Market Study (Draft for Consultation, Network Rail, July 2013

⁶⁹ Future Priorities for the West Coast Main Line, Network Rail and Passenger Focus, January 2012

22. Network Rail is looking at how to make best use of the capacity and connectivity opportunities HS2 could provide, and this work will run alongside our long term planning process which looks at how the railway should develop to help meet key national aspirations: economic growth, reduction in carbon emissions and a better quality of life for individuals and communities.

ADDITIONAL RESOURCES

23. Submission to the APPG for High Speed Rail's enquiry into rail capacity, Network Rail, 2012
24. Department for Transport news release on overcrowding, December 2012.
25. West Coast Main Line Route Utilisation Strategy, Network Rail, July 2011
26. New Lines Study, Network Rail, 2009
27. Review of the Strategic Alternatives to High Speed Two, November 2011

July 2013
