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GENERAL COMMITTEES

Public Bill Committee

HIGH SPEED RAIL (LONDON - WEST MIDLANDS) BILL

Fifth Sitting

Tuesday 8 March 2016

(Morning)

CONTENTS

New clauses considered.
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The Committee consisted of the following Members:

Chairs: † Mr Christopher Chope, Mr David Hanson

† Anderson, Mr David *(Blaydon)* (Lab)
† Ansell, Caroline *(Eastbourne)* (Con)
Brown, Alan *(Kilmarnock and Loudoun)* (SNP)
† Burns, Sir Simon *(Chelmsford)* (Con)
† Chalk, Alex *(Cheltenham)* (Con)
† Doyle-Price, Jackie *(Thurrock)* (Con)
† Glindon, Mary *(North Tyneside)* (Lab)
† Goodwill, Mr Robert *(Minister of State, Department for Transport)*
† Howlett, Ben *(Bath)* (Con)
† Huddleston, Nigel *(Mid Worcestershire)* (Con)
† Jenkyns, Andrea *(Morley and Outwood)* (Con)
† McDonald, Andy *(Middlesbrough)* (Lab)
† McGovern, Alison *(Wirral South)* (Lab)
† Mahmood, Shabana *(Birmingham, Ladywood)* (Lab)
† Nokes, Caroline *(Romsey and Southampton North)* (Con)
† Reynolds, Jonathan *(Stalybridge and Hyde)* (Lab/Co-op)
† Vickers, Martin *(Cleethorpes)* (Con)

Neil Caulfield, Joanna Welham, *Committee Clerks*

† attended the Committee

Public Bill Committee

Tuesday 8 March 2016

(Morning)

[Mr Christopher Chope *in the Chair*]

High-Speed Rail (London-West Midlands) Bill

New Clause 20

HS2 Design Panel

During the nominated undertaker's ongoing design work for Phase One purposes it must have regard to the recommendations of the HS2 Independent Design Panel, or to the recommendations of a successor body which may be designated by the Secretary of State from time to time."—*(Andy McDonald.)*

The Department for Transport established a HS2 Design Panel November 2015. This new clause would require the nominated undertaker to 'have regard' to Design Panel's recommendations during the design work for Phase One.

Brought up, and read the First time.

9.25 am

Andy McDonald (Middlesbrough) (Lab): I beg to move, That the clause be read a Second time.

It is a pleasure to appear in front of you this morning, Mr Chope. The Committee has been successful and efficient. We had many interesting discussions last week. We concluded our discussion of the amendments and we now come to the new clauses.

New clause 20 concerns the HS2 design panel. On 10 December 2015, HS2 took another step from the drawing board to reality with the appointment of a new independent design panel to support HS2 in realising its aim of applying the best design principles to all its work. The panel, chaired by Sadie Morgan, will be the project's independent adviser, helping it to deliver on its key design principles around people, place and time. A host of experts are engaged, including experts in urban design, landscape and equality, diversity and inclusion. I have seen that already in the session that I attended in Darlington, where there was clear engagement. That is woven into the fabric of HS2 and is to be welcomed.

Experts in digital and brand and product will work alongside internationally renowned architects, together with sustainability and engineering experts, to help guide HS2's development, so it all bodes well. Sadie Morgan, the chair, said that the aim of the panel was to

"mentor and inspire HS2 to design a transformational railway system which will exceed all of our expectations."

She also said:

"The British creative and engineering industry is already delivering outstanding examples of design excellence around the world. HS2 is a huge opportunity to bring that brilliance home."

Indeed, the Minister echoed those words and said that the panel

"is crucial to ensure HS2 achieves its full potential for everyone. This includes making sure that passengers get the experience they want from HS2 and that it is sympathetic to the landscape through which it is built."

He concluded by saying,

"We want HS2 to be a world class railway which maximises the benefits for the country. Having such a highly-skilled group of experts on board will help make travelling on it easy and pleasurable and ensure we have impressive stations to act as a catalyst for significant regeneration and economic growth."

The chief executive, Simon Kirby, said that he was

"delighted the...Panel has now been formed. It's a mark of HS2's significance that it's attracted such a wealth of talent to help us deliver this transformational piece of infrastructure for the nation. Forty five experts will form the independent design panel team, contributing to the project's development in areas where their specialist experience and opinion is required."

He went on to say:

"Cementing the principles of the Design Vision so early in HS2's development will help it to play a key role in rebalancing the economy through delivering the benefits that flow from investing in Britain's new high speed rail network."

It is that principle of cementing the design vision that our new clause seeks to address. Sadly, I can see no reference to the HS2 design panel in the Bill, so we have tabled the new clause to secure assurances from the Minister that the nominated undertaker will make best use of the considerable expertise of those on the independent design panel and have regard to the design panel's recommendations during the design work for phase 1. With that, I invite the Minister to take the opportunity to clarify the weight that the recommendations of the HS2 design panel will have with the nominated undertaker in the construction of High Speed 2.

9.30 am

The Minister of State, Department for Transport (Mr Robert Goodwill): It is a pleasure to serve under your chairmanship, Mr Chope; a very good morning to you.

The intention of the new clause, as the hon. Member for Middlesbrough has said, is to require the nominated undertaker to have regard to the design panel's recommendations during the design work for phase 1 of HS2. The design panel was established in November 2015. I hope I can give the hon. Gentleman the assurances he seeks, and that he will not feel it necessary to press the new clause to a vote.

We recognise that great design is essential for High Speed 2. We want it to make the country proud and show the world what great British design can do. For that reason, HS2 Ltd has created a design vision for the railway, and we have set up an independent design panel to provide advice on and a critique of the development of HS2, to help it achieve its design vision.

The remit of the panel is based on widely accepted industry best practice, as set out by the Design Council and other design bodies. HS2 Ltd, in designing the railway, is required by the Department's development agreement to incorporate the recommendations of the design panel, where this is practical. Binding assurances to this effect have been given to local authorities, including Birmingham City Council, the Greater London Authority, and others. The independent design panel is only just being established, but HS2 Ltd would be expected to follow any recommendations made by the successor of the design panel, and the development agreement would be amended accordingly.

I have to say we made some mistakes at the start of the scheme, when a number of cut-and-paste viaducts were used to indicate the line of route. Some communities were alarmed to see viaducts of that type, which had no design element incorporated in them; they looked like concrete boxes on legs. That is not the intention. We intend to have some iconic designs, and I think the design of the railway will be awesome in places; in

others it will be more sympathetic to the location. The design panel is integral to delivering that. Therefore, I believe that the Opposition's concerns have already been met, and that the new clause is not necessary.

Andy McDonald: I am extremely grateful to the Minister, who set out with great clarity the fact that there is a requirement to incorporate the recommendations, with a raft of binding assurances. I am content with that, and I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 21

PASSENGER SERVICES: PUBLIC SECTOR OPERATION

(1) Section 23 of the Railways Act 1993 (franchising of passenger services) does not apply to services operated on the whole or part of the high speed rail line so provided for in this Act.

(2) Passengers services on the whole or part of the high speed rail line so provided for in this Act shall be provided by a publicly owned railway company.

(3) In this section, "publicly owned railway company" has the meaning given to it in section 151(1) of the Railways Act 1993. *—(Andy McDonald.)*

This new clause would require passenger services operating on the whole or part of the high speed rail line to be provided by a publicly owned railway company.

Brought up, and read the First time.

Andy McDonald: I beg to move, That the clause be read a Second time.

In the new clause we address the thorny issue of public sector operation. There has been a great deal of consensus across the Committee thus far, with some notable exceptions; this, we respectfully acknowledge, is perhaps the most contentious issue between us.

If we consider the history of rail privatisation and its impact on the commuting public, it is not difficult to understand the overwhelming public support for bringing railway services back into public ownership. Quite simply, the privatisation of British Rail was a rushed, botched job, which had more to do with ideology than with any clear plan for the nations' railways, and it left us with a fragmented, inefficient and unsafe network at that time.

Sir Simon Burns (Chelmsford) (Con): If that is the case, why, during 13 years of Labour government, did the hon. Gentleman's party not do anything to change it?

Andy McDonald: To suggest that during 13 years of Labour government nothing was done is to misunderstand the position. A great deal of progress was made with renewals in the railway system, and that must be seen within the context of trying to pick up the pieces after the disaster that was Railtrack. I have already alluded to its appalling record. That left us with an unsafe railway. Much of the 13 years of Labour government was devoted to making it into the safest railway system in Europe. Many people in this room will remember having to reduce speeds down to almost walking pace, because of our concerns about the safety of the points systems and rails. We look back to Potters Bar and Ladbroke Grove, etc., and think of the disasters and loss of life.

To say that our experience of the privatisation of rail infrastructure is not a good one is a gross understatement. It is a huge fear on these Benches that the current proposals to break up Network Rail into eight route businesses may embrace the sorts of dangers that we sadly experienced in those years.

Sir Simon Burns: The hon. Gentleman talks about infrastructure, but he has avoided answering the specific question I asked him. If the running of the railways by private companies was so bad, why did not the previous Labour Governments of Blair and Brown renationalise them?

Andy McDonald: I will come on to our responses to some of the poor performances and, indeed, failures of the franchised private system. If the right hon. Gentleman will bear with me, I will come to that in greater detail later in my brief contribution. He will know as well as anybody that the McNulty report stated that the fragmentation of our rail network has left us with an efficiency gap of between 30% and 40%, compared with other European networks. This means that money which should be used to address the cost of travel and to fund much-needed investment is needlessly wasted. We have been left with a ticketing system which is the most expensive and confusing ticketing structure in Europe. Commuters' fairs are up by a quarter since 2010, having risen five times faster than wage growth.

Our rail network needs significant investment. Private and foreign state-owned companies are subsidised by the UK taxpayer, while profiteering at the expense of commuters. Far from learning the lessons of the past, the Government seem destined to repeat them.

In illustrating the benefits of publicly-owned operators, one could hardly ask for a better example than the recent case of the East Coast. The previous Labour Government took the important step of bringing the East Coast back into public operation, after the private operator reneged on its obligations in 2009. I have heard it said that failure is somehow a judge of success, in that if franchises fall over and fail, it demonstrates the veracity and robust nature of the franchising system. I do not think that really strikes a chord with the travelling public, who see an unreliable service that does not meet their satisfaction.

East Coast proved itself under public ownership to be the most efficient of operators. It returned almost £1 billion to the taxpayer in premium payments as well as investing every penny of profit—some £50 million—back into the service. In addition, directly operated railways kept fares down, had record passenger satisfaction and engaged the workforce with unparalleled success.

Today is an opportunity for the Conservative party to deliver what the public are asking for by supporting new clause 21, which would require passenger services operating on the whole or part of the high-speed line to be provided by a publicly-owned railway. I hope that when High Speed 2 is open for general use it will be celebrated as a national achievement. I do not agree with the Government that a nation capable of completing such a fantastic rail infrastructure project is not competent enough to operate passenger services, but that the Dutch, German and French are more than capable of doing that for us. Such an attitude that we are not competent enough to do what many of our European counterparts take for granted is effectively talking down our abilities as a nation.

[Andy McDonald]

I am sure that we will return to that debate numerous times in this Parliament, but I hope that I was persuasive enough to make the Minister see the veracity of our argument and that he and his hon. Friends will vote with us and with the wishes of the public in support of the new clause.

Sir Simon Burns: I do not want to enter a sour note in what have been harmonious proceedings so far, but I fundamentally disagree with the hon. Gentleman's new clause. I am in good company, because the last two Labour Prime Minister's shared my view: neither Tony Blair nor Gordon Brown ever wanted to re-privatise the railways while in power and they did nothing to re-privatise the running of them. He failed to answer my interventions on that.

I always find it slightly odd that those who—sadly, like me—are old enough to remember British Rail see it as the halcyon days when everything was wonderful: the trains ran on time; they were terribly cheap, notwithstanding the taxpayer subsidy of fares; and investment in improving the network overflowed. In fact, every time a Government—whether Labour or Conservative—was hit with an economic crisis, one of the first budgets mangled was that for nationalised industries and investment in the railways. That is why both the previous Labour Government and this Conservative Government have had to invest so much money in improving the rail network's infrastructure: there was so little investment before privatisation.

The hon. Gentleman seems to think that it was a wonderful experience to ride the trains when they were publicly owned, but that was not the case. They were not more efficient and there was out-of-date rolling stock and collapsing infrastructure and, if we go back to 1963, a significant proportion of the network was closed down as a result of the Beeching report. I therefore really do not think that the answer is to turn the clock back to the bad old days as if they were some halcyon period that we should aspire to replicate today.

Alison McGovern (Wirral South) (Lab): I do not mean to detain the Committee for any longer than necessary. I was not going to speak a word on this subject—I could speak on trains for about three long hours—but, given that we are talking about the past and the right hon. Gentleman alluded to his seniority in this place—

Sir Simon Burns: In age.

Alison McGovern: You say potato. I trust he will confirm that during the long years of the 1980s and 1990s when our rail system was starved of investment, he lobbied the then Conservative Government at every opportunity to invest in it.

Sir Simon Burns: The dates the hon. Lady chose are slightly selective, because it was not just in the '80s and early '90s that there was a starving of investment. I at least have the decency to spread the blame to all parties, not just the Conservative party. Rail was starved of investment in the '70s. My first job was working in this place from 1975 to 1981, and four and a half of those years were under the Wilson and Callaghan Governments, when we ended up running to the International Monetary Fund because the country ran out of money—*[Interruption.]* The hon. Lady does not like the truth. The country had to go with a begging bowl to the IMF, and one of the major areas to suffer from public spending cuts was the railways.

9.45 am

I am not excusing previous Governments. There was under-investment in our railways—in the infrastructure and in the running of them—by both political parties. That is why I supported the privatisation in the early '90s, which has been more than justified by the significant investment in the rail network and its infrastructure since then. If no one thinks that that has happened, they should look at the current control period: in the five-year control period 5, £38.5 billion will be spent investing in and improving the infrastructure of the railways. If we are to going to be slightly political, under the control period proposals, it will be nice to see about 850 extra miles of electrification. In the 13 years of the Labour Government, when they were investing more in the railways, there were only 10 miles of extra electrification on our rail network.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): This will become a Second Reading debate on public ownership if we are not careful.

There is a great deal of heat in the debate, and not much light. I have no time for those who pretend that British Rail was somehow a high-performing publicly owned service. Clearly, there were huge problems, with political interference in the investment periods and all of that leading to the creation of short-term problems. One thing that I struggle with a great deal, however, when comparing rail with other privatised industries is that, as the right hon. Gentleman just said, investment in the railways still comes from the taxpayer and not the private sector, so the risk is not in the private sector, but in the public sector. We, as the people who use the railways and pay our taxes, are the ones who put in the investment. It is Government money, not private money, that will be invested in the control period, is it not?

Sir Simon Burns: The hon. Gentleman is partly right; some of the money is taxpayers' money, but a significant proportion of what funds the £38 billion over the next five years will be paid by the rail operators to rent the track. There is also the ability for private money to be borrowed for investment, so no, it is not exclusively—

Jonathan Reynolds *indicated dissent.*

Sir Simon Burns: The hon. Gentleman nods his head in a negative way, but he is wrong. The investment of £38 billion in CP5 is not 100% taxpayers' money. As I said, part of it is rent accrued from the rail operators, which pay to use the track.

Since privatisation, there has been a will and determination to invest, as well as the actual delivery of investment, to bring our railways up to scratch. The process is time-consuming, sadly, because of the problems arising from the earlier lack of investment. The other sad thing for rail users is that a lot of the investment that is badly needed to improve journey times and the reliability of the service is not seen immediately by them. New rolling stock is immediately seen by commuters

and travellers, obviously, and they benefit from it, but when we improve and upgrade the track or the overhead cables on that part of the railway that is being electrified, users do not see the outcome of the investment in the same way. However, such investment is still critical to improving the performance of our railways. I am confident that that will continue.

The hon. Member for Middlesbrough mentioned the east coast main line. I would be the first to accept that it was a well-run part of the network, but it was run under Directly Operated Railways because the last Labour Government rightly withdrew the franchise from the franchisee because there was dissatisfaction with the way it was operating the line. DOR is an emergency mechanism that was introduced in the legislation on privatising the railways because there is a legal requirement for the railways to provide a service all the time. To avoid a hiatus if there is a problem with the franchise, DOR will, for a fixed period of time only, step in to ensure continuity of service.

The hon. Gentleman kept talking about a state-run service. I suppose that DOR could, by definition, be called state-run, but it was not meant to run the line forever. Even the Labour Transport Secretary who took the action made it plain at the time that there was not going to be a never-ending provision of service by DOR.

Mr David Anderson (Blaydon) (Lab): I accept what the right hon. Gentleman says about the background, but DOR ran the line successfully. The Labour party recognises that and has learned from that experience. We now say that it is something that should be used in the future, which is why we opposed the refranchising last year.

Sir Simon Burns: I am sadly well aware of the Labour party's proposals for that provider to continue to provide the service. Frankly, I have every confidence that the conglomerate, which includes Virgin, that has taken it over will provide a first-class service. Based on passenger satisfaction, Virgin does so on the west coast main line. I am sure that the hon. Gentleman remembers the fiasco of the refranchising of the west coast main line in the summer and early autumn of 2012. The passengers—for want of a better expression, it was people power—were amazed that Virgin's franchise was not renewed. Ultimately, because of the problems that emerged, Virgin continued to run it, and I have every confidence that it will run a first-class service on the east coast main line.

Let me give the Committee an example of the way that franchisers can innovate to respond to the needs of local people. I am sure Committee members are aware—if they are not, the Minister will be more than aware—that there has never been a direct service between Scarborough and London in the lifetime of the railways. Why should Scarborough, where there is a demand for such a service, be so deprived? Virgin is responding to the marketplace and the wishes of customers, and from 2018 it will run a direct service from Scarborough to London. That is how franchisers can respond to changing circumstances and demands.

Similarly, Opposition Members will be aware that High Speed 1 is currently run by a private company. The hon. Member for Middlesbrough looks perplexed and is consulting his colleagues, but I chose my words very carefully: High Speed 1 is currently operated by a private operator. I see no reason why it should be returned to the public sector. I fundamentally do not believe that politicians and Governments are best equipped to run services and industries such as the railways. Our experience of their doing so was poor. Notwithstanding the problems and the need to improve our infrastructure, on balance, investment has been provided and work is being carried out to improve our rail services to make them into a first-class service in the private sector. I believe that that is where they should remain.

It would be a mistake if High Speed 2 were to be shackled before the first train had run on the tracks by being run, in effect, by the Government as a nationalised industry. If there is a Division on this contentious issue, I urge my colleagues to reject this opportunistic new clause. It is very much in keeping with the new politics of the Corbynista regime which, as in many other areas, is totally divorced from the best interests of the British people.

Mr Anderson: It is a great pleasure to be here, Mr Chope. I hope to see you at the weekend in the Orkney islands, with any luck. I would like to clarify a few points raised by the right hon. Member for Chelmsford. For the record, he praised Virgin's role on west coast. Virgin is the brand name of the east coast main line at the moment, but Virgin has only 10% of the franchise. The other 90% is owned by Stagecoach, which they are trying to keep a very closely held secret because of Stagecoach's horrendous record when it comes to transport in this country.

The right hon. Gentleman said that British Rail in various guises had failed. Nobody doubts that. No one on the Opposition Benches is saying that it was a success, but what has to be understood is that of the 46 years that it was in public ownership, 32 of those years were under a Tory Government. One of the main reasons why the trains were never improved was that we as a nation inherited very poor quality stock and a poor system of stations, and the truth is that Governments chose to dip in and dip out of supporting the railways, as the right hon. Gentleman rightly said. He is right that they were not run very well. However, I would argue that whatever the successes or failures of the past 20 years of privatisation have been, people have learned lessons. The east coast main line is an example of how people took some of the good of what they had learned from privatisation and put it into service on the east coast, which became the best service in the whole of Britain.

The right hon. Gentleman misquoted when he said that neither Blair nor Brown supported reprivatisation. What he meant was that they did not support renationalisation, and that is actually correct. They were opposed to going backwards, quite apart from the fact that they thought it would be a diversion of money that could be spent elsewhere on putting right a lot of things that failed under 18 years of Tory government. They chose not to do it, and they did not want to do it. The truth about Railtrack is that the Government were forced to do it, and I will tell the Committee why. On 19 September 1997 the Southall rail crash took place. A friend of mine was in that crash. He was given the last rites twice, but thankfully he survived. On 5 October 1999 the Paddington rail crash occurred. Another friend of mine was involved and, sadly, he was one of 31 people

[Mr Anderson]

who died. On 17 September 2000 the Hatfield rail crash took place, and on 10 May 2002 the Potters Bar rail crash occurred. A common theme through all of them was the failure of Railtrack to maintain the tracks properly.

I work with people who worked with me in the coal mines in the '70 and '80s. They went on to be contractors and subcontractors repairing rails. They told me some nightmare stories of the work they were involved in. We used to have railways underground. I was a mechanic looking after trains underground, so I have some experience of how to look after railways properly. Some of the things they were telling me were nightmares. There used to be a standard in this country that every length of rail had to be changed once every 40 years, regardless of its condition. That was the maximum length of time a rail could be left in place. One thing which happened almost immediately after privatisation was that that was changed to rails being replaced once every 80 years. That was the mental attitude of the people to whom we gave away our railway system, and who we allowed to run our trains. Is it any wonder that things went wrong? Railtrack had to be brought back into public ownership to protect the travelling public from the shortcomings that were clearly occurring.

The east coast franchise went first to GNER, which ran it for some time. It was a reasonable service, but its parent company, Sea Containers, was going belly-up. Overnight, GNER pulled out of the franchise. Who had to come in? The Government had to step in. As the right hon. Gentleman said, it was right and proper to pick up the pieces and keep it running. They kept it running and it was franchised out again to National Express, but the National Express experience was appalling. They ran the trains the same way as they ran the buses. The hygiene, punctuality—every part went backwards, and again the public sector had to walk in. When National Express walked away—they were not thrown out; they walked away because they were failing—Directly Operated Railways became the most successful train line in the country.

10 am

As I said at the opening, it is clear that some of the lessons learned through privatisation were put in place as they applied to the day-to-day running of the trains. We have now gone back, despite the success that was delivering money to the taxpayers of this country. Despite the opposition from the public, who use the east coast line every day, it has gone back under a franchise, and time will tell whether it is successful. I will not say whether that will happen, but I will say that I use that train every week. I use trains to come to work every day. The performance on the east coast line is appalling compared with railways in this part of the world. It might be only 15 minutes late, but it is 15 minutes late every day of the week. It is not unusual to see people rammed in like cattle on a service that is clearly failing them.

I am clear that we have a chance here to take control. That is what the public want. Whenever they are asked, they say they want it to go to a publicly owned railway. People do not want to go back to the days of mouldy cheese sandwiches and trains that rattle; they want a quality railway service, and we can have that if we apply the lessons we have learned and commit ourselves as a nation, whoever is Secretary of State for Transport, to maintain the level of support that the railways need and deserve.

Jonathan Reynolds: I did not intend to speak, but as the debate is so interesting I cannot resist the chance to say a few things. In my experience, this debate always reflects pre-existing ideological positions and, frankly, does not often tend to delve into the intricacies of what is best for running a railway. That can be seen in all parts of the House of Commons whenever this debate comes up.

For Government Members there are some difficult facts about our present system that need to be addressed. The existing railway in the UK could not strictly be described as a privatised system. It is a hybrid system; the way that it was initially privatised secured that. A true privatised system would perhaps have been to bring back the Big Four railway companies and have them compete against each other, but that is not what we have at the moment.

There has to be acknowledgment that the system depends on public subsidy. A railway system for a country such as ours would always need a large amount of subsidy. The way that we do that now is to give the subsidy to Network Rail for the infrastructure. When we talk about the francishees paying premiums to the taxpayer, it is because we set the access charges according to the subsidy that we give. It is still a system that requires a net contribution from the taxpayer.

We also have to reflect on the fact that the existing hybrid system is as it is because the initial privatisation simply could not cope with the liabilities. Railtrack simply could not deliver on what was promised, even in the initial honeymoon period. There has to be a reflection that East Coast did work extremely well, even if it was initially intended for a limited period. In effect, many of our railway operations are publicly owned; they are just publicly owned by foreign Governments. Their subsidiary companies operate our system. In addition, our ticketing system is bizarre and complex, and much more expensive than in comparable European countries.

The Opposition and those who traditionally push a nationalised position have to reflect that British Rail was a poor service. We cannot look back to any golden era; I have never pretended that that existed. Equally, when we talk about East Coast we have to reflect that that operated within an overall system of incentives and penalties; that is the privatised operations system that we have.

Fundamentally, we have to recognise that franchises are contracts. Contracts can be good; they can be bad. Some of our initial franchise agreements on the railway were frankly abysmal in the system they operated. Others that have been let more recently have been more effective.

I will vote for the new clause for two reasons: integration and flexibility. Railway systems around the world tend to be more successful with a higher degree of integration between infrastructure and operations. Our existing system causes real problems, and many of the problems for passengers come from that lack of integration.

As the right hon. Member for Chelmsford said, flexibility is the key issue. He mentioned the additional operations from Scarborough being run by Virgin. Although that is welcome, flexibility is the crucial problem with the franchise system. Northern has had huge demand in

terms of passenger numbers—it has happened in my constituency. The economy has fundamentally changed and there is huge demand for rail services—in many ways it is a golden era for the railway. However, the franchise agreement could not respond to that demand. It was let on the assumption of zero growth, and I would not have complaints about the people and the process for doing that. Yet we have all the problems of a bureaucratic, nationalised system and none of the attractions of a market system, which would respond to a price signal from the market. That is why we have problems of overcrowding, poor services and inability to meet demand.

There are many examples of successful, publicly-owned railways around the world. I recently got back from Hong Kong, which is not renowned as a socialist utopia—it is a dynamic, capitalist part of the world economy, with a publicly-owned railway. We can always look to examples from that country; indeed, we need to look around the world for best practice in running a railway. I am comfortable with the new clause, because we need to look at how best we can integrate our railway, to deliver the best deal for passengers. It should be permissive: we always need to leave the door open for a more integrated system, even if we have our existing hybrid system at the moment, which—based on the length of those franchise agreements—will be with us for a considerable time. This conversation needs to be focused more on the best way to run a railway and less on pre-existing ideological positions.

Mr Goodwill: The intention of the proposed new clause is to require passenger services operating on whole or part of the high speed line to be provided by a publicly-owned railway company, essentially nationalising HS2 train services. I regularly travel on the east coast main line—indeed, the hon. Member for Middlesbrough and I travelled on the same train on Monday morning, on the Grand Central service, which was set up by buccaneering free market innovator Tom Clift, who is sadly no longer with us, and his team. That successful open-access operator has been taken over by Deutsche Bahn. It regularly tops the league in passenger satisfaction and punctuality. Most of the staff come from Sunderland and they are a model of the customer service that we expect on our railways.

The proposed clause would restrict the operating structure of HS2 at this early stage—essentially seeking to nationalise the HS2 rail service, which is against the broader principles of how successful rail services in the UK are currently operating. My right hon. Friend the Member for Chelmsford has done my job for me in making the case to reject this new clause.

With regard to the commercial operation of phase 1 of HS2, it is imperative that we keep our options open. With the line not due to open until 2026, decisions on the commercial model to operate HS2 are some time away. Whatever those decisions might be, they will be made to seek the best value. This is about delivering the best service at the best price for the passenger and the taxpayer, not pandering to outdated 1970s socialist dogma. The rail franchising system is designed to deliver benefits for passengers and taxpayers, which are realised through competition. Since privatisation the rail industry has been transformed, with passenger journeys more than doubling over the past 20 years, from 750 million to around 1.6 billion. We believe that this remains the right approach overall in delivering the best value for the country and tax and fare payers.

The model that is being delivered in the UK is being emulated around Europe: for example, National Express is operating two franchises in Germany. As we have heard, the east coast main line is extending new services to Middlesbrough and Sunderland, and we have heard this week that a direct service to Scarborough is being considered. If one needed an image that encapsulates what is wrong with British Rail, it would be the pacer train, which was built by British Rail under a nationalised British Leyland. It was an infinitely unpopular train, and when this Government came to power we gave a pledge to phase it out.

Jonathan Reynolds: The Minister and I have had this exchange about the pacer train before. Has the longevity of the pacer train not been due in part to the fact that they are very cheap to run? Under the franchised model, it has been very hard to get rid of them, unless there has been an explicit overruling of the market system by Ministers. The private operations—the market—cannot get rid of the pacer trains; it has to be a political decision.

Mr Goodwill: The pacer train was the offspring of the position that a state-run railway can often find itself in, faced with other demands on public sector finances, not least the health service. Built on the cheap, with single-axle units without bogies and the correct suspension, the pacer trains were never going to be fit for purpose and were very unpopular. I am delighted that the Government are going to phase them out.

Jonathan Reynolds: Surely the Minister recognises that he, or certainly his Secretary of State, has had explicitly to overrule the civil service—by ministerial direction—to get rid of the pacer trains. There has had to be an explicit political decision, because the market alone would not have got rid of it.

Mr Goodwill: Another factor in our ability to phase out the pacer is the fact that with new rolling stock coming in in so many areas, we have other rolling stock cascading down to replace the pacers. This is a direct result of the investment in the rolling stock. On the east coast main line we look forward very much to the IEP trains built by Hitachi in the north-east, which, I think, will be a phenomenal improvement to that service and free up rolling stock for some of the new services that will be provided on the non-electrified part of the network.

Section 24 of the Railways Act 1993 states that the appropriate designating authority—in the case of HS2, the Secretary of State—may by order grant exemption from designation of a service to require a franchise under section 23(1) of that Act. Therefore, if so decided, the HS2 service will not require a franchise. However, as I have already stressed, the commercial model to operate the HS2 infrastructure and train service are yet to be determined. To speculate, it may well involve some sort of transitional phase in the early years.

With the ability to exempt a service from the franchise requirement set out in the Railways Act 1993, I do not believe it is necessary to include the proposed new clause in the Bill. With that explanation, I hope the hon. Member will withdraw his proposed new clause, although I am not too optimistic that he will.

Andy McDonald: The Minister's judgment is, as ever, accurate. We have had a thorough debate and the issue shows clear dividing lines between both sides of the Committee. I am grateful to my hon. Friend the Member for Blaydon for reminding us of some of the horrors that were experienced under the management of our infrastructure under the guise of Railtrack.

May I pick up on a couple of points? On British Rail, I hear what the Minister said, but I respectfully suggest that we are talking about an era when there was little faith or investment going into our railway system. We do a huge disservice to the British Rail engineers who kept that service going, effectively on a shoestring. We do them an injustice by not recognising the work that they did.

Virgin and the new services have been mentioned as an illustration of innovation and new services that can be brought into play. I note what the Minister says, but on that detail, because of the way that matters are currently structured and the potential for development of open access services, there is significant pressure and a countervailing argument. This suggests that Virgin/Stagecoach—my hon. Friend the Member for Blaydon is quite right that it is principally a Stagecoach company—will not fulfil the promises that it made in the franchise specification to introduce new services to places such as Scarborough and Middlesbrough. While it is not strictly within the ambit of our discussion, perhaps Mr Chope might take the opportunity to speak with the regulator to ensure that nothing will happen that will undermine or betray those promises.

The Minister talked about the innovation of the IEPs being introduced under the current structure, including those that can be produced by Hitachi in Newton Aycliffe. I think we are all waiting with bated breath, because Hitachi is there for one very good reason: it has access to the single market. However, that is perhaps an argument for another day.

10.15 am

This is a straightforward political choice; we respectfully acknowledge that. I caution against describing as outdated the desire of the British public to see their own railway services and railway infrastructure run by the state. They look to other countries. The Minister alluded to the breaking out of the franchise system across the European Union, but I think he would have to concede that the structures in Germany, France or Spain look starkly different from the one that obtains in the UK at the present time. He may be right that there is some development, but as we speak, we are very much an outlier in terms of the proportion of private franchise operations running our rail services.

Mr Goodwill: I suggest that rather than being an outlier, we are leading the way.

Andy McDonald: That is an ingenious way of interpreting stark distinctions between the United Kingdom and, for example, Germany. Deutsche Bahn provides the majority of infrastructure services in Germany, and it is coming into the UK for the rich pickings and to take our taxpayers' investment back to Germany's railway system.

I politely caution the Minister against describing our amendment as representative of an outdated "1970s socialist dogma". If that was right, there would be some cause for concern, because this idea is extremely popular with the general public. Surveys done in recent times have suggested there is concern about the fact that taxpayers' money is being used to fund state-owned companies such as Deutsche Bahn, Nederlandse Spoorwegen and Keolis. If the Minister wishes to ignore that, that is a matter for him. We have had a good debate, but this is such an important new clause for HS2 that we wish to press it to a vote.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 6, Noes 10.

Division No. 6]

AYES

Anderson, Mr David	McGovern, Alison
Glindon, Mary	Mahmood, Shabana
McDonald, Andy	Reynolds, Jonathan

NOES

Ansell, Caroline	Howlett, Ben
Burns, rh Sir Simon	Huddleston, Nigel
Chalk, Alex	Jenkyns, Andrea
Doyle-Price, Jackie	Nokes, Caroline
Goodwill, Mr Robert	Vickers, Martin

Question accordingly negatived.

New Clause 22

CONSTRUCTION COMMISSIONER

(1) There shall be a Construction Commissioner to consider any complaints about HS2 construction including any that have not already been the subject of discussions with the nominated undertaker.

(2) The Construction Commissioner shall administer a scheme for the administration of small claims relating to the effects of HS2 construction.

(3) Notwithstanding subsection (2), the Construction Commissioner shall have authority to consider and adjudicate on all complaints regarding HS2, without limitation including as to the amount of any claim for compensation or monetary relief, but subject to subsection (5).

(4) The Construction Commissioner shall have express power to consider claims for compensation for property losses including damage caused by underground settlement.

(5) The Construction Commissioner shall not have power to consider complaints regarding the approval as a matter of principle of the construction of high speed rail lines.

(6) The Construction Commissioner shall be independently appointed by a process of open competition overseen by a panel of local authorities and other parties with a legitimate interest in the good administration of HS2 construction. The panel shall also monitor the operation and performance of the Construction Commissioner's office.

(7) The Construction Commissioner shall be appointed within three months of Royal Assent.

(8) The Construction Commissioner shall report annually to Parliament in a report to be laid before both Houses of Parliament which shall include an assessment of the smallclaims scheme. The report shall include an assessment by the appointment panel of the Construction Commissioner's efficiency and efficacy in complaints handling.

(9) The Construction Commissioner may be dissolved by the Secretary of State no earlier than three months after the completion of construction works authorised by this Act, and not before the Construction Commissioner has published a final report on the administration of HS2 construction and the operation of the small claims scheme.—*(Andy McDonald.)*

This new clause would allow the Construction Commissioner to consider complaints without limitation as to the amount of any claim for compensation. It would also require the Construction Commissioner to be appointed by a process of open competition.

Brought up, and read the First time.

Andy McDonald: I beg to move, That the clause be read a Second time.

From nationalisation and re-privatisation to perhaps something a little less contentious. The new clause concerns the role of the construction commissioner. I will not read into the record its nine subsections, but it would allow the commissioner to consider complaints without being limited to the amount of claims for compensation. It would also require the commissioner to be appointed by a process of open competition.

In January, HS2 Ltd announced that it was looking to recruit a construction commissioner to investigate any issues that arise during construction of the much-needed new infrastructure project that cannot be resolved through its corporate complaints procedure. In December 2015, it published an information paper that outlined proposals for the commissioner, which stated:

"The Secretary of State will ensure that a Construction Commissioner is appointed by the time construction begins. If people have a complaint during construction that cannot be resolved through the nominated undertaker's complaints process, they will have the option of referring their complaint to the Construction Commissioner."

That is a welcome move. I note that during the construction of Crossrail—the Elizabeth line—a construction complaints commissioner performed an equivalent function. There is, however, no reference to the role of the HS2 construction commissioner in the Bill, so I want to press the Minister on what the commissioner's role will include and exclude with reference to what the information paper states is expected.

The commissioner's role is not to include the consideration of claims over £10,000. On 26 February 2016, in answer to written question 28079, the Minister said:

"This figure is provisional, based on other infrastructure projects, and will be subject to review by the steering group."

I invite him to explain whether the limit should be set at £10,000. Does he think that might constrain the commissioner's effectiveness in investigating issues that arise during construction?

The information paper also stated that the commissioner's role will not be to consider

"matters considered by Parliament in approving the project".

I fear that that may be unnecessarily restrictive and could be exploited to prevent the commissioner from carrying out his or her role effectively. The Bill has a long and complicated legislative history, so I am concerned that a liberal interpretation of that would allow the commissioner to consider hardly any complaints, as almost every issue will have been considered at one time or another by Parliament in approving the project.

It is important that the commissioner is not unnecessarily restricted in his or her role, so I invite the Minister to clarify the commissioner's role in relation to matters considered by Parliament in approving the project. If the commissioner is not to consider "matters considered by Parliament" or claims "over £10,000", there would not appear to be a lot for them to get their teeth into. I want to probe those issues and try to secure clarification and reassurance. I look forward to what the Minister has to say.

Mr Goodwill: I will say at the outset that I share the hon. Gentleman's wish for an effective construction commissioner, and I reassure him that after an open advertisement for candidates HS2 is in the process of appointing one. His or her role will be similar to the one set out in the new clause, but with some exceptions.

The appointment will address the points covered in subsections (1) and (2) of the new clause. The matters covered in subsection (3) will be limited to small claims, as it is more appropriate for larger claims to be dealt with through existing legal processes, such as the lands chamber of the upper tribunal.

Matters set out in subsection (4) will be dealt with in the appointment, except where a settlement deed has been offered, as this provides a direct contractual route for claims. The appointment will align with subsection (5). Under subsection (6), the appointment will be made with the involvement of an independent body—the chief executive of the Civil Engineering Contractors Association; and the contract of appointment will stress the complete independence of the commissioner. With regard to subsection (7), the appointment process is under way, and HS2 Ltd expects to interview candidates this week, I believe.

Under subsection (8), the construction commissioner will provide an annual report and other reports as required on the activities of the construction commissioner's office and its statement of accounts to the independent body, which will be made up of a variety of project stakeholders. It may be that thereafter the independent body will make the documents publicly available. Finally, under subsection (9), the appointment will continue to the end of construction, and it is anticipated that a full final report will be prepared.

I have not received representations about either increasing or reducing the £10,000 limit, but I would be keen to consider anything that provided a chance to look at the matter again. I suspect that the commissioner might be the best person to review that and make recommendations. I believe that the points that the hon. Gentleman made have been addressed and are superfluous. I hope that he will withdraw the new clause.

Andy McDonald: I am extremely grateful to the Minister for that thorough analysis of the new clause. He referred to every subsection and it would be churlish of me not to acknowledge that those points have been addressed in full measure. I am reassured to know that there is a residual ability to progress larger claims by alternative means. I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 23

Designing Euston as a single integrated Station

(1) The new high speed platforms to the west of the existing Euston Station must be designed as part of a plan for a single fully integrated Euston station which provides platforms for HS2, mainline and Crossrail 2 services.

(2) Full integration means, but is not limited to—

(a) east-west and north-south permeability, with at grade accessible routes across and around the station for pedestrians and cyclists accessing the local areas,

(b) integration into the existing local transport network, and

(c) the potential for over-site development across the whole Euston station site and tracks.

(3) In developing the design for Euston Station, the Nominated Undertaker must consult with—

(a) the local community and local businesses,

(b) the London Borough of Camden,

(c) passenger groups,

(d) the rail industry,

(e) Transport for London and the Greater London Assembly, and

(f) any other party which the Nominated Undertaker deems appropriate.—*(Andy McDonald.)*

This new clause requires the design for Euston Station to be approached in a holistic fashion, ensuring that plans for the HS2 platforms do not limit future integration with and redevelopment of the existing mainline station at Euston, nor with plans for a Crossrail 2 station in the area, or the potential for over-site development. It would require the Nominated Undertaker to consult widely on the design of Euston Station.

Brought up, and read the First time.

Andy McDonald: I beg to move, That the clause be read a Second time.

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

New clause 24—*Euston Station design: having regard to plan, guidance and undertakings etc.*—

(1) The Nominated Undertaker must design HS2 Euston Station having regard to the Euston Area Plan and any other relevant Opportunity Area Frameworks and Guidance, and any other commitments or undertakings given by the Secretary of State to the London Borough of Camden, the Greater London Authority or Transport for London.

This amendment would ensure that designs for Euston Station are in keeping with assurances received by interested parties from HS2 Ltd, secured via the petitioning process. The design must be in keeping with relevant plans and guidance already published.

New clause 25—*Integrated development of Euston Station*—

(1) The Nominated Undertaker must design HS2 Euston Station in such a way that its design—

(a) facilitates the acceleration of the redevelopment of Euston Mainline Station,

(b) does not preclude future integration with a rebuilt Euston Mainline Station,

(c) does not preclude future integration with the Crossrail 2 proposals at Euston, and

(d) maximises the opportunity for mixed use over-site development, especially the maximisation of new affordable housing and the creation of open space.

This amendment would ensure that any development at Euston Station does not preclude the future redevelopment of and integration with the existing mainline station, nor integration with a future Crossrail 2 station at Euston, or maximising the potential for over-site development at Euston.

Andy McDonald: This group of new clauses deals specifically with Euston. Many of us have had the opportunity not only to visit Euston but to look at innumerable plans and photographs showing just how significant the development will be for the people of Camden. The thrust of the new clauses is to try to deal with some of the many and varied concerns that people have about the opportunities presented by the integration of the station building with HS2 and other elements.

New clause 23 would require an holistic design approach to ensure that HS2 platforms would not limit future integration with, and redevelopment of, the existing main line, plans for a Crossrail 2 station, or potential over site development. The nominated undertaker would be obliged to consult widely on design. New clause 24 would simply ensure that the station designs were in keeping with assurances received from HS2 Ltd by interested parties, secured via the petitioning process. It would accordingly require the design to be in keeping with already published plans and guidance.

10.30 am

New clause 25 demands that any development at Euston station must not preclude any future developments or integration. Euston is a nationally significant economic opportunity, and an immense one for regeneration. HS2 can, without doubt, be the catalyst for delivering a new central London district, providing thousands of new homes and jobs. A fully integrated station could generate a development value of about £3 billion in itself, plus an additional £1.1 billion in gross value added per annum, and return approximately £1.3 billion to the Exchequer up to 2060. Euston therefore has the potential to become an international development exemplar. It can deliver high-quality, comprehensive and transformational development that integrates with the community and delivers considerable benefits to that community. That shared objective is sought by many of our amendments.

Camden Council, in close consultation with the Greater London Authority, Transport for London and Network Rail, settled on a "Growth Strategy for Euston: HS2 Gateway to Central London". The document sets out the shared ambitions for HS2 and the new Euston to

"deliver regeneration across the wider Euston area providing major benefits at both a local and national scale."

The strategy states:

"To unlock the major growth and regeneration potential at Euston commitment and funding is required—

obviously—

"This Growth Strategy sets out the case for this significant opportunity and how it can be achieved…All the partners embrace the ambition for Euston and are committed to realising this once in a century opportunity."

It adds, happily:

"The strategy is endorsed by the Camden Business Board."

The strategy document notes, however, that funding has been committed only for the railway infrastructure and the station associated with HS2, and for little else. No funding or commitments are in place for the Network Rail part of the station. As a result, the people of Camden are looking forward—or dreading—many years of disruption, which could be considerably shortened if the ambitions for the mainline station and the preparations for Crossrail 2 were factored in at this stage.

Despite the assurances given by HS2 as recently as 23 February 2016, in a letter from Roger Hargreaves, the director of hybrid Bill delivery at HS2, to Mike Cooke, the chief executive of Camden, the separation of the HS2 scheme from the redevelopment proposals for the existing station continues to pose a number of significant risks to future planning for the area and its ability to realise growth and regeneration. To build in

delay and years of disruption is unfair on the community that has to suffer the disruption and inhibits the full capitalisation of the potential regenerative impact.

Only a little more than two years ago, in the *Evening Standard*, the Chancellor signalled plans for a full-scale rebuilding of Euston station to create a brand-new shopping centre, offices and apartments. He gave that interview on returning from a trip to Hong Kong and said unequivocally that the 46-year-old station should be replaced completely for the arrival of High Speed 2:

"I'm thinking that maybe we should go for a really big re-development of Euston…There is a really big opportunity for jobs and for housing in the area. Let's face it—Euston is not one of the prettiest of the London stations. It was last redeveloped in the middle part of the last century."

I would like to test the Minister on the extent to which those bold ambitions hold true.

Camden Council leader Sarah Hayward derided the plan to simply extend the station to incorporate HS2 as

"a shed being bolted onto an existing lean to".

Indeed, the London Mayor said it is

"a missed opportunity for regeneration and jobs."

Clearly the Chancellor had something considerably different in mind from the somewhat piecemeal development before us.

The number of platforms at Euston will increase initially from the current 18 to 19—13 conventional and six high-speed platforms—for the purpose of HS2 phase 1. Although phase 2 is outwith the scope of the Bill, we are talking about developing Euston not simply for phase 1 but in anticipation of phase 2 and Crossrail 2. Euston will have 24 platforms in phase 2—13 conventional and 11 high-speed platforms. Petitioners described additional provision 3, which was introduced in September 2015 and is now part of the Bill and the scheme, as

"a potentially missed opportunity for holistic regeneration of the station and the area."

A word about over site development is warranted. I have satisfied myself that over site development is not about forgetting or overlooking bits of the plan—as in "something of an oversight"—but about the potential for structural development above the station. There are magnificent examples and further plans for development above several railway stations, which can be immensely attractive and have considerable potential. Over site development is central to the vision for Euston and critical to providing capacity for the scale of change sought. Over site development enabling works, including a structural deck, will be needed. We understand that that represents a funding challenge, as investment for such structural works will be required up front in the early stages of development. Returns might not be realised for a decade or more, due to the delivery timeframes involved.

I referred earlier to the letter from Mr Hargreaves to Mr Cooke, which contained assurances about the impact of HS2 phase 1 on Euston and the wider Camden area. There is undoubtedly a desire, as expressed by the promoter, to deliver the Euston vision and work collaboratively, as evidenced by the growth strategy to which I referred earlier. The assurances document, as I call it, is the most current and up-to-date commentary that I am aware of relating to my new clauses. It might assist the Committee if we examine how those assurances pertain to the concerns that the three new clauses attempt to address.

On the aim of designing Euston as a single, integrated station, I am pleased to note that the Government have confirmed that the enabling works for over site development at the HS2 station are fully funded. That is most welcome, but it simply addresses the enabling works, not the works themselves. As we proceed, I invite the Minister to indicate the extent to which the Government are willing to give commitments over and above the enabling works. In doing so, will he better describe the full extent of the enabling works and how they will facilitate the comprehensive and integrated development that the majority of interested parties wish to come to fruition?

The assurances reaffirm the fact that the scheme will support local, economic, environmental and regeneration plans and integrate with other local initiatives. That approach is central to developing the design for HS2 Euston station. There is clearly a commitment to engage fully not only with Camden but with Transport for London and the Greater London Authority. I acknowledge that the Secretary of State will require the nominated undertaker to participate in the Euston strategic board, and that any further governance arrangements will include the integration of HS2 Euston with other committed or proposed projects. I note that that commitment is time-limited to the completion of HS2 works. Necessarily that does not include, as currently configured, the upgrade of the conventional rail station and its facilities, which Camden wish to see merely as part of a single integrated railway station, to say nothing of Crossrail 2.

In short, the desire is go about business, preferably with all three rail elements accommodated in the development, insofar as that can be achieved given the putative status of Crossrail 2 plans. That assurance document, as I call it, demonstrates a real commitment by the respective parties to engage and co-operate, but I am concerned that the promoter is willing only to fulfil the assurance that Camden Borough Council seeks, strictly on the basis

"that the London Borough of Camden will not be pursuing opposition to the Bill on issues of the design and implementation of HS2 Euston Station and comprehensive redevelopment".

Unless the Minister has some compelling explanation for that conditionality and why it is expressed in that way, I cannot think why such a heavy-handed approach should be necessary. I invite the Minister to disassociate himself from such intimidating—and apparently bullying—language and assure Camden that its continued involvement and collaborative working with other partners and agencies will not be prejudiced should it raise, or continue to raise, concerns and objections to planned designs and implementation, and that, specifically, its participation is not predicated on its acquiescence with such designs and plans for implementation. It is a strange way to collaborate and co-operate by saying, "You can be part of this and will have your say, as long as you do not say anything that we disagree with. If you do, you lose your place at the table." Perhaps the Minister would address that.

With that significant issue resolved by the Minister, as it must be if the parties are to work together, it is pleasing that the promoter will set up the ESSRB—the Euston station strategic redevelopment board: the acronyms in the Bill grow longer, to reflect the length of the

platforms. Its terms of reference deal with the integration, not only of HS2 at Euston station but the rebuild of the main line station, with the caveat of "as and when" such rebuild may be funded and authorised, and supporting the timely consideration to reflect the London Borough of Camden's ambitions to limit disruption; the Crossrail 2 proposal at Euston; and over site development and related development opportunities above the Euston station and tracks in line with the Euston area plan.

There is a great deal more to the anticipated terms and reference of the Euston station strategic redevelopment board, but there is a huge "but". Addressing the main line station and Crossrail 2 issues within the terms of reference might be fine as far as those ambitions go, but perhaps the Minister could say more about how far those terms of reference might meaningfully extend to achieving a fully integrated station. Can he guarantee that the design of HS2 Euston will be entirely consistent with achieving total integration with the rebuilt mainline station and Crossrail 2 in due course?

The assurances document admittedly goes a long way to ensuring those objectives are met, but will the Minister confirm that Camden Borough Council will be permitted to express its concerns without receiving a red card, so to speak, as the assurances document suggests? Such assurance would be welcome. If the Minister is able to do that, I expect us to make progress on new clause 25.

New clause 24 speaks to the concern that any designs for Euston station should be in keeping with assurances received by interested parties from HS2 Ltd via the petitioning process. Compliance in that regard would obviate the likelihood of any opposition from Camden and, in the absence of such opposition, would hopefully keep it on the field of play as a collaborative partner.

10.45 am

The design must be in keeping with relevant plans and guidance already published. For example, the Euston area plan states in its design strategy, among other things, that the relevant objectives are about "securing excellent design", making the best use of space, creating new streets above the station and tracks and "promoting sustainable travel". Point A of strategic principle EAP2, which concerns design, specifically states:

"Development and change will create an integrated, well connected and vibrant place of the highest urban design quality, which builds on existing character and provides an attractive and legible environment for local people, workers and visitors."

Point B states:

"Any proposals should fully address the following key urban design principles: improving connectivity by enhancing existing and providing new east-west and north-south links, reinstating the historic Euston area street pattern and improving wayfinding; transforming the public realm through improvements to streets and the buildings that front them; providing active frontages along key streets to enliven streetscapes and make them attractive and safe routes; creating a network of new and improved open spaces and squares;"—

we will return to that in due course—

"ensuring that development is of the highest architectural quality and designed to be accessible to all; responds to the viewing corridors, scale and character of existing buildings, and context; protecting and enhancing heritage assets and their settings that are sensitive to change; and ensuring world class station design and a comprehensive approach to above station development."

Finally, point C states:

"While the strategic viewing corridors will limit development heights in the Euston area there may be some opportunities for taller buildings subject to design, heritage and policy considerations."

Will the objectives and principles set out in the Euston area plan be enshrined?

Thereafter, the register of undertakings will record undertakings given by the Secretary of State. New clause 24 would simply serve to reinforce those undertakings, assurances and commitments with the force of law. If the Minister can assure me that all the commitments contained within the Euston area plan and elsewhere, as described in the new clause, will have the force of law without appearing on the face of the Bill, or if he can assure me of their observance by the nominated undertaker, I may be persuaded not to push the new clause to a vote. I await his response with great interest.

Mr Goodwill: Euston is a tremendous opportunity with regard to HS2 and the other developments that will be taking place in the area. It is an opportunity that we should grab with both hands, to maximise its potential. I hope that Camden is signed up to that ambition too.

Local authorities up and down the line are in the process of moving from a "Stop HS2" stance to one of asking, "How can we maximise the benefit for our community?" I think that communities would have expected their local authorities and their councillors to take that initial line, but to then start to engage more fully at the necessary stage. Indeed, I have met with the leader of Camden Council, and she is someone with whom I can do business. We have seen the transformational effect that station development has had at King's Cross, and I would like to see that echoed in what we do at Euston.

With regard to the specific wording that the hon. Gentleman referred to, I can reassure him that this is not designed to be a gagging order. This wording is an appropriate condition that is included in agreements where petition issues have been met, and aims to make sure that the same issues are not raised in the Lords at hybrid Committee stage. It should be remembered that as a planning authority Camden can object during the detailed design stage of the process.

Regarding new clause 23, I can assure the hon. Gentleman that we have always been cognisant of the need to integrate the new station with the existing transport networks in the area, and to augment them where necessary. On that basis, this clause is unnecessary, as our current proposals for the design of the HS2 Euston station are already designed to dovetail with various potential design concepts for the redevelopment of the conventional side of Euston station by Network Rail, at what we call the B2 stage of the station redevelopment. In particular, our current design, as already set out in the Bill, will enable future east-west permeability across the whole station, and enhancements to the foundations to support future oversite development on the new station.

The hon. Gentleman said that this was a funding challenge, but of course that funding will unlock tremendous development opportunities over the site. The design makes the necessary provision for future passenger connectivity to Crossrail 2, the latter being a strategy that has been developed in close collaboration with London Underground. Incidentally, of course the development at Euston will also result in a massive

improvement to the facilities available for London Underground passengers, ensuring better passenger flows and a subway connection from Euston Square station, which currently involves crossing streets.

Furthermore, the design for Euston as set out in the Bill is already set to provide not only the new station for HS2 but sufficient additional capacity for interchange with London Underground and other transport networks, in order to serve HS2 growth as well as growth in underlying demand in the longer term. Indeed, when the first phase of HS2 is open, we anticipate around 30% of passengers alighting at Old Oak Common, as that will be a better station by which to access some of the London destinations and Heathrow airport. That will take some of the pressure off Euston. There may well be a good opportunity for some more development to be carried out by Network Rail while it makes use of the lack of pressure on that station, which is already one of the busiest in the country. It is the Government's intention that Network Rail would, in this context, develop its own proposals to ensure a joined-up vision across the whole station and support the objectives for the surrounding area.

As for subsection (3) of the proposed new clause, we have provided assurances to the London borough of Camden and Transport for London about working with both these parties, along with Network Rail and the GLA, under the auspices of bodies including the Euston station strategic redevelopment board and the Euston integrated programme board. This will comprehensively address the hon. Gentleman's objective here.

New clause 24 is unnecessary as the Bill already establishes a special planning regime for the approval of certain details, including the design and external appearance of stations in accordance with schedule 17. The London borough of Camden will be the determining authority for these approvals, and the Euston area plan will be material to its determination in so far as it is material to the matter for approval and the grounds specified in the Bill. Any oversite development above and around the station and tracks will be determined outside of Bill processes, under normal planning processes for which the London borough of Camden will be the determining authority.

The Euston area plan provides the local planning policy framework for deciding submissions for approval of relevant details in accordance with the planning regime established under schedule 17, for approval of over-site development and any other development outside the Bill powers. I should also note that we have of course been working closely with Transport for London to ensure that the approach to transport planning for London is joined up, and specifically that planning for passenger journeys from origin to destination is co-ordinated.

Many of the points I mentioned in my response to new clause 23 from the hon. Gentleman opposite are similarly relevant to new clause 25. Our current plans for the design of the HS2 Euston station already facilitate a variety of potential designs for the conventional station, allowing for the potential for connectivity with Crossrail 2, and providing for over-site development. Network Rail is committed to preparing a planning brief appropriate to the conventional side of Euston station, and is working closely with us and Transport for London to prepare proposals for the conventional station which have been co-ordinated with the new high-speed station. We support the wider vision for the Euston area. Those proposals will be promoted, funded and implemented through Network Rail's normal control period infrastructure investment programme.

I believe that all the hon. Gentleman's points have been addressed, so I hope that he will not press proposed new clauses 23 to 25.

Andy McDonald: I am grateful to the Minister for his response. I will certainly not press new clause 24, given that he kindly set out that the authority will be Camden, which is greatly reassuring. Similarly, I will not press new clause 25, because the Minister has satisfied me in that respect.

My only concern is about new clause 23. Although he has gone a considerable way towards satisfying me on the issues raised in that clause, he did say that the intention was —I do not know what the words were—to encourage Network Rail to come forward with a plan for the mainline station. I do not wish to be churlish in any way, but that qualification seemed to dilute somewhat the import and intent of new clause 23. It is not something that has been secured, so for that reason, I wish to press new clause 23 to a Division. I am content, however, not to press new clauses 24 and 25.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 5, Noes 10.

Division No. 7]

AYES

Anderson, Mr David	Mahmood, Shabana
Glindon, Mary	
McDonald, Andy	Reynolds, Jonathan

NOES

Ansell, Caroline	Howlett, Ben
Burns, rh Sir Simon	Huddleston, Nigel
Chalk, Alex	Jenkyns, Andrea
Doyle-Price, Jackie	Nokes, Caroline
Goodwill, Mr Robert	Vickers, Martin

Question accordingly negatived.

New Clause 26

MAXIMISING BRINGING IN AND REMOVAL OF EXCAVATED AND CONSTRUCTION MATERIAL BY RAIL

(1) Throughout the construction of Phase One of High Speed 2, the Nominated Undertaker must seek to maximise the volume of excavated and construction material from the construction of Euston Station and approaches to be brought in and removed by rail.

(2) In discharging the duty under subsection (1), the Nominated Undertaker must have regard to the wider environmental impacts to the local community and on passenger services.—*(Andy McDonald.)*

This new clause requires the Nominated Undertaker to put in place a plan to deliver the maximum proportion of excavated and construction material by rail. The clause seeks to protect the Euston area from the impacts of dangerous and polluting heavy goods vehicles.

Brought up, and read the First time.

Andy McDonald: I beg to move, That the clause be read a Second time.

[Andy McDonald]

This new clause's clear objective is to put a provision in the Bill to address the very considerable concerns of Euston's residents, so that everything that can be done is done to minimise the inevitable and significant disruption caused by heavy goods vehicles taking excavated and waste materials away from the site and bringing in construction materials. When I talk about excavation, I fully recognise that all the materials that will be extracted and excavated in respect of the tunnelling will be taken away by rail. However, it is the excavations outwith the tunnelling that concern me and which this new clause deals with.

We are talking about the development of a railway at and around the site of an existing mainline railway. That being so, transporting excavating materials and bringing construction materials by rail makes eminent sense and will go some considerable way towards mitigating the impact of construction on the community.

11 am

I refer again to the assurance document that accompanied the letter to Mike Cooke, the chief executive of the London Borough of Camden, from Roger Hargreaves, the director of hybrid Bill delivery. HS2 Ltd has clearly applied its mind to the matters I seek to address in the new clause, but while the assurance document speaks to those matters, I would like to hear from the Minister about what force of law is attached to those assurances. If none, I hope that he will consent to including these reasonable provisions in the Bill.

The environmental statement that accompanies the scheme was predicated on the basis of moving all excavated material by road, which, as the document describes, is the worst-case scenario for the purposes of an environmental assessment. We therefore start from a bad place. It seems that a great deal of the reduction from that unenviably high watermark of road movement will be left to the tendering process. Nevertheless, the promoter has offered an assurance that the Secretary of State will require the nominated undertaker to maximise, in so far as is reasonably practicable and within the existing Bill powers, the volume of excavated and construction materials from the construction of Euston station and approaches brought in and removed by rail, while balancing the wider environmental impacts on the local community and passenger services.

There is an awful lot in that, such as the qualification of "reasonable practicability". Last week we had a long discussion about my proposal to introduce the concept that the Secretary of State should behave "reasonably" so that his or her powers would be constrained in any flights of fancy or maverick behaviours. I was assured that everything that the Government did was reasonable, and sadly the vote was lost. Here we have the word "reasonable" again, but this time it seeks to diminish or detract from an undertaking by introducing the caveat that it will apply only if reasonably practicable. That could leave a somewhat bitter taste and, while it may be understood why that qualification is necessary, such a get-out clause does little to allay the concerns of Camden residents that everything will be done that can be done.

There is a requirement on the nominated undertaker to engage with others to settle a plan for transporting excavations and bringing in materials, but the assurances do not set out any quantifiable measures on what proportions of materials will be transported by rail and what will be transported by road, and during which hours. There are measures that describe how waste and materials should be managed, but as far as I can see there are no specific numbers or targets against which success or adherence can be measured. The Minister may correct me on that in his response.

On page 14, paragraph 6.1.2 of the assurance document says:

> "The Secretary of State will require that the Nominated Undertaker during construction works, will ensure, insofar as is reasonably practicable that the impacts from construction traffic on the local community in the London Borough of Camden (including all local residents and businesses and their customers, visitors to the area, and users of the surrounding transport network) are mitigated by its contractors where reasonably practicable."

However, all the contractor has to say is that it was necessary and unavoidable. The assurance in that document will not deliver one iota of additional and much-needed peace to Euston residents. I acknowledge that it is difficult to be totally prescriptive about quantities, but perhaps best industrial practices could inform the nominated undertaker in managing these issues. Can the Minister comment?

I know that the rumbling of HGVs is a big issue for Camden residents, and I am most interested in what the Minister has to say. Given that the new clause is at one with the assurances given by HS2, if those assurances are to be worth any comfort to Euston residents, it is entirely consistent that such provision appear on the face of the Bill. I have framed the new clause in a way that reflects the reality of construction and in no way interferes with the operation of passenger services, so I trust it can be favourably received. I look forward to hearing from the Minister.

Mr Goodwill: I fully recognise and agree with the sentiment behind the new clause. It is for that precise reason that my officials have already agreed a binding assurance with the London Borough of Camden that we will maximise, as far as reasonably practical and within existing Bill powers, the volume of excavated and construction material from the construction of Euston station and approaches to be brought in and removed by rail, while balancing the wider environmental impact to the local community and passenger services. For that reason, the new clause is unnecessary.

In order to determine the level of material that could be removed by rail, further work is required with rail partners, the London Borough of Camden and Transport for London. To that end, we have further agreed to develop a plan together with the London Borough of Camden, the Greater London Authority and Transport for London for the bringing in and removal of excavated and construction materials to and from Euston station by rail. The plan will include the consideration of options that will require separate planning permissions that may be granted by the London Borough of Camden or the Greater London Authority.

I can be more helpful than the hon. Gentleman possibly anticipated on excavated materials that will need to be transported. I have some figures which relate to Euston and Camden and the central London and metropolitan area. We anticipate that the excavated material will be transported by three means: by rail, public highway haul or site haul, which means utilising

the line of route to transport goods, whether by conveyor belt, by dumper trucks that do not go on the public highways, or by the rail which will be placed on the line for its operation.

In terms of the central London and metropolitan area, site haul will be 56%, or 16.9 million tonnes; rail haul will be 31%, or 9.46 million tonnes; and public highway haul will be 13% or 4 million tonnes. As the hon. Gentleman can see, that has dramatically reduced the amount of material that will impact on people as they drive their cars or ride their cycles or are pedestrians in the London area. The figures for the total of the phase 1 route will be 70% by site haul, 24% by public highway haul and only 6% by rail haul given the network. I confirm that, unfortunately, there is no opportunity to use river or canal. I think the figures will soon be published in response to a parliamentary question, posed by Lord Berkeley, and become a matter of public information. I hope the hon. Gentleman is reassured that, where possible, we are doing what we can.

It is still early days for construction materials coming on to site. We have not yet awarded contracts and are not sure from where some of the materials will be sourced. However, we will be doing everything we can to maximise the amount of materials that can come in by rail, as this will limit the impact on people living in Camden. That will be a priority on the whole line to Birmingham.

All the hon. Gentleman's points have been addressed, and I hope the proposed new clause will be withdrawn.

Andy McDonald: I am grateful to the Minister, but he has not gone as far as I expected. First, he is basically saying, "the assurances and our intent entirely fit with the import of the new clause." I cannot for the life of me see why the new clause simply cannot be embraced. Among other things, the new clause would send a positive message to the people of Camden that the Government take the issue extremely seriously. The new clause would not only set out in great detail the Government's intent, as contained in the assurance document, but would do so in the Bill.

Mr Goodwill: We have been here before on the assurances that have been given. I make it clear that, as with all assurances, the Secretary of State is accountable to Parliament. If someone believes that an assurance has been breached, the recourse is through Parliament.

Andy McDonald: That does not negate the simple and principled point that the issue should appear slap bang on the face of the Bill. The Minister knows that disruption and pollution, which we will discuss, are significant issues for the people of Camden. Although he has given us a helpful breakdown of the figures and the methodologies for removing excavated materials from the site, he says that it is early days for the construction element. There can be no specifications for the likely figures for construction materials. That being so, it leaves a glaring gap in our knowledge of what is likely to happen. I can readily accept that the intention is to reduce road use, but this new clause would put that beyond doubt. With respect to him, the new clause is entirely consistent with the Government's position. I am trying to be helpful by perhaps gaining some credit for the Government with the people of Camden, not only that their legitimate concerns are being rightly recognised, but that the Government are prepared to go so far as to place that assurance and guarantee slap bang where it belongs—on the face of the Bill.

Unless the Minister has been converted and will simply accept the new clause, I ask that it be put to a vote.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 5, Noes 10.

Division No. 8]

AYES

Anderson, Mr David	Mahmood, Shabana
Glindon, Mary	
McDonald, Andy	Reynolds, Jonathan

NOES

Ansell, Caroline	Howlett, Ben
Burns, rh Sir Simon	Huddleston, Nigel
Chalk, Alex	Jenkyns, Andrea
Doyle-Price, Jackie	Nokes, Caroline
Goodwill, Mr Robert	Vickers, Martin

Question accordingly negatived.

New Clause 27

ENGAGEMENT WITH COMMUNITIES LIVING AND WORKING ALONG THE ROUTE

The Nominated Undertaker must have regard to commitments and undertakings given to the London Borough of Camden and any other relevant party to engage and consult with the communities who live and work along the line of route.—*(Andy McDonald.)*

This new clause would require the Nominated Undertaker to engage meaningfully with communities living and working along the London-West Midlands route.

Brought up, and read the First time.

11.15 am

Andy McDonald: I beg to move, That the clause be read a Second time.

There is only so much disappointment that an individual can take. I thought that I had been pretty persuasive. Nevertheless, can I have a go with another one? I trust that this will be relatively straightforward—I live in hope.

The new clause calls on the nominated undertaker to conduct meaningful engagement with communities living and working along the London-west midlands route. It is self-explanatory. It simply requires the nominated undertaker to have regard to commitments and undertakings given to the London Borough of Camden and any other relevant party to engage and consult with the communities along the route.

There are two points to make. First, there has been comprehensive and in-depth engagement with communities thus far, through the good offices of the excellent Select Committee and that exhaustive process of listening to the petitions and requests for amendments, ameliorations and compensations. The new clause would require the nominated undertaker to engage consistently and continuously with such communities once the work was under way. The hope is that that would provide continuous reassurance to those communities that even though

[Andy McDonald]

HS2 has passed through all its necessary legislative processes, their concerns still rank with the promoter, the nominated undertaker and, indeed, the Secretary of State, and that there will be mechanisms for those communities to engage continuously with the promoter and others, so that any concerns that arise in the course of the construction or any opportunities that arise that require further attention are indeed given that attention and those concerns or opportunities will not be ignored or lost.

Secondly, with regard to the commitments and undertakings given to the London Borough of Camden and others, the new clause would go a long way towards embedding those undertakings and commitments in the programme for the entire duration of construction and operation, and would mean that there was a statutory confirmation that those commitments and undertakings have the force of law and must be properly regarded and observed.

I trust that this new clause is not considered contentious and can be agreed. I invite the Minister to confirm that he is agreeable to such a reasonable new clause, which is entirely consistent with his own comments to date and with the assurances given by the promoter.

Mr Goodwill: The hon. Gentleman says that there is only so much disappointment that he can take. I hope, in that regard, that he has started to prepare himself for the 2020 general election.

The new clause would introduce a requirement for something that the promoter is already obliged to do. As part of the development of the scheme and the Select Committee process, we have provided Camden with assurances on engagement with communities. Those assurances will be binding on the nominated undertaker. As with all assurances, the Secretary is State is accountable to Parliament should they not be delivered on. We recognise that communication and engagement are critical elements of delivering the construction works, and that high-quality engagement is essential to the nominated undertaker's relationship with communities and stakeholders.

As the new clause recognises, we have given many commitments and undertakings to local authorities to consult the communities who live and work along the line of the HS2 phase 1 route. For example, an assurance has been agreed with the London Borough of Camden that requires the nominated undertaker to engage with the London borough on the development of a community engagement framework aimed at ensuring that all sections of the community, including businesses and individuals, are made aware of developments in relation to the construction programme and local impacts. Indeed, we both attended an event in Camden at which the new facility was launched. That not only provided an opportunity for local people to find out more about the development and the impact that it may have on their lives at various stages of the construction; there was also free hot-desking available for local businesses that might need to use those facilities, and I was very pleased, when we were there, to see so many local people availing themselves of the facilities.

With that in mind, I do not believe that the new clause needs to be included in the Bill. It would duplicate existing obligations, for which we are already accountable to Parliament. I hope, therefore, that the hon. Gentleman can withdraw the new clause and, possibly, avoid further disappointment.

Andy McDonald: I am grateful to the Minister for that very interesting response. I assure him that the only thing that keeps me going is the knowledge that we will be successful in 2020. Perhaps I might be sitting where he is—who knows? Having said that, I hear what he says. He addressed my concerns most admirably, and I agree that, given that explanation and those assurances, it is not necessary for me to take this new clause further. I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 28

REPORT OF THE CUMULATIVE IMPACTS OF HS2 WORKS

(1) The Nominated Undertaker shall prepare a report on the cumulative impacts of the works on each community forum area along the line of route.

(2) The report shall outline the key concerns from community groups and if and how these concerns have been addressed.

(3) The report shall be laid before both Houses of Parliament no later than three months after the day on which this Act comes into force.—*(Andy McDonald.)*

This new clause requires the Nominated Undertaker to report on the likely cumulative impact of HS2 construction works on each community area along the route. This report is to reflect the concerns of the communities affected and outline the ways in which the Nominated Undertaker plans to address these.

Brought up, and read the First time.

Andy McDonald: I beg to move, That the clause be read a Second time.

This new clause seeks to address the concerns of communities affected by the HS2 construction works. There have been considerable concerns about the habitability of some of the properties close to the proposed HS2 works in which people are living. We have visited the sites and seen maps that show—certainly in Camden—properties that will not be demolished and will be extraordinarily close to the line of development.

One of the main areas of concern is the individual impact, which HS2 Ltd identified in its environmental statement. However, the cumulative effect of the various impacts on homes and habitability was not accounted for. HS2 Ltd's methodology was to assess each impact individually. It proposed mitigation only if the impact is considered to be a significant hazard. HS2 Ltd assessed noise and visual impacts in the environmental statement, yet it looked at the combined impact only where more than one limit is breached.

Although HS2 Ltd's approach is in line with current law, given the significant impact and duration of the scheme and the combined effect of the works, the Opposition believe that HS2 Ltd should go beyond the current statutory minimum to look at how the cumulative impact of the works affects the habitability of properties. There is currently no assessment of the cumulative effect where individual impacts are below the set limits, and there is also no assessment of the knock-on impacts that mitigation measures have.

Camden Borough Council provided an example. A home is close to the construction works. Its residents rely on opening its windows to ventilate it and enjoy the

natural light. HS2 Ltd completes a noise assessment that concludes that the home is just below the limit required for noise insulation. Although the residents of the flat will hear the works, they do not qualify for extra window glazing as the noise levels they experience do not meet HS2 Ltd's criteria. Once work starts, the residents keep their windows shut and their curtains closed to mask the noise, dust and unsightliness of the construction works. However, the lack of air and light to the property increases damp and mould and leads to overheating. The result is that the habitability of the property is affected and the residents' living standards are reduced.

The concern is that there has not been an appropriate assessment of the cumulative impact of the works. Even if no individual limit has been breached, it is clear that the cumulative impact of the works might be significant, yet at present there is no sufficient mechanism through which the cumulative impact is assessed, which is an issue of concern to those who will be affected by the works authorised by the Bill.

11.25 am

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

Adjourned till this day at Two o'clock.