



House of Commons
Public Administration
and Constitutional Affairs
Committee

**Follow up to
PHSO Report of an
investigation into a
complaint about
HS2 Ltd**

Sixth Report of Session 2015–16



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*Report, together with formal minutes
relating to the report*

*Ordered by the House of Commons to be printed
21 March 2016*

The Public Administration and Constitutional Affairs Committee

The Public Administration and Constitutional Affairs Committee is appointed by the House of Commons to examine the reports of the Parliamentary Commissioner for Administration and the Health Service Commissioner for England, which are laid before this House, and matters in connection therewith; to consider matters relating to the quality and standards of administration provided by civil service departments, and other matters relating to the civil service; and to consider constitutional affairs.

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Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 146. These are available on the internet via www.parliament.uk.

Publication

Committee reports are published on the Committee's website at www.parliament.uk/pacac and in print by Order of the House.

Evidence relating to this report is published on the relevant [inquiry page](#) of the Committee's website.

Committee staff

The current staff of the Committee are: Dr Rebecca Davies (Clerk); Ms Rhiannon Hollis (Clerk); James Harrison (Second Clerk); Dr Adam Evans (Committee Specialist); Dr Henry Midgley; (Committee Specialist); Ms Penny McLean (Committee Specialist); Natalie Howard (Hansard Scholar); Ana Ferreira (Senior Committee Assistant); Iwona Hankin (Committee Assistant); and Mr Alex Paterson (Media Officer).

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Summary

In November 2015, the PHSO published its *Report of the results of an investigation into a complaint about High Speed 2 Ltd* (HS2 Ltd). The report dealt with a group of six families whose small community faced break-up under Government plans for the new high speed rail network. The report identified a series of failings in communication and engagement and in complaints handling which amounted to “maladministration” in the opinion of the Ombudsman.

In response to the Ombudsman’s report, HS2 Ltd has apologised and has since made a number of payments to those affected totalling £10,500. Some improvements have been made to how the organisation interacts with the public, and commitments were made, both by the Chief Executive of HS2 Ltd and by the Minister of State for Transport, to take a personal interest in the matter.

However, having received a large body of evidence that is highly critical of HS2 Ltd, we remain unconvinced that the necessary fundamental changes have taken place. The continuing existence of a culture of defensive communication and misinformation within a public body, responsible for the delivery of such a large and highly controversial project, is not acceptable. We urge those in senior positions to recognise that this is a matter of primary importance. Unless those responsible for delivering HS2 understand that first and foremost they serve the public, and take action to reflect this, then they will continue to be vulnerable to the criticism that they have disregard for members of the public who are impacted by this large-scale infrastructure project.

1 Introduction

1. It is a function of the Public Administration and Constitutional Affairs Committee (PACAC) to scrutinise the work of the Parliamentary and Health Service Ombudsman (PHSO), which makes final decisions on complaints that have not been resolved by UK government departments or public organisations.¹ The post of Parliamentary and Health Service Ombudsman is currently held by Dame Julie Mellor DBE, who was appointed in 2012.² She is supported in this role by casework and corporate staff at the PHSO.

2. PACAC undertakes scrutiny of the PHSO's work principally through examination of her reports. This report focuses on the PHSO's November 2015 *Report of the results of an investigation into a complaint about High Speed 2 Ltd* (HS2 Ltd), which dealt with a group of six families whose small community faced break-up under Government plans for the new high speed rail network.³ These families wanted to keep their small community intact; they engaged constructively with HS2 Ltd from the start of the process in spring 2012 and put forward proposals for how their case could be dealt with.

3. In laying her report before Parliament on 27 November 2013, Dame Julie Mellor said:

I want Parliament to hold HS2 Ltd to account to ensure it has learnt from this case. I also encourage other public organisations to take note of our findings and consider how they engage and consult with individuals, families and communities. We cannot undo what has happened to the families involved in this case, but I hope that the learning from it helps to prevent others going through a similarly distressing experience in future.⁴

Our report therefore sets out the wider implications and lessons to be learned from the PHSO's investigation into the handling of this specific complaint. In doing so, it highlights key failures on the part of HS2 Ltd, both in terms of complaint handling and in their public engagement and communication. These failures are indicative of an underlying culture of disregard for the public.

4. We are grateful to all those who provided evidence to us. In particular we would like to thank Robert Goodwill MP, Minister of State, Department for Transport (DfT); Simon Kirby, Chief Executive Officer, HS2 Ltd; Oliver Bayne, Director of Land and Property, HS2 Ltd; and Deborah Fazan, HS2 Residents' Commissioner, who gave oral evidence to the Committee on Tuesday 23 February 2016. In total 72 written submissions were received from individuals, MPs, campaign groups and local councils. This high number is indicative of the strength of feeling that HS2 generates, and indeed of the extent of the problems uncovered by the PHSO report.

1 The PHSO's responsibilities as Parliamentary Ombudsman are derived almost wholly from the Parliamentary Commissioner Act 1967 (since amended). Our scrutiny role in relation to the PHSO is set out in Standing Order No 146 of the House of Commons. This is the Committee's second report of the 2015 Parliament in relation to our scrutiny of the PHSO; the first was [Public Administration and Constitutional Affairs Committee, First Report of Session 2015-16, Follow-up to PHSO Report: Dying without dignity, October 2015](#). See footnote 46 for more information about the petitioning process.

2 [Parliamentary and Health Service Ombudsman](#).

3 [Report of the results of an investigation into a complaint about High Speed 2 Ltd \(HS2 Ltd\)](#).

4 [Report of the results of an investigation into a complaint about High Speed 2 Ltd \(HS2 Ltd\)](#).

Overview of HS2

5. High Speed 2 (HS2) is a planned high-speed railway linking London to the Midlands and the North of England. It has been proposed that the line will be built in a “Y” configuration in two phases: Phase One between London and the West Midlands and Phase Two (the upper part of the “Y”) between the West Midlands and Leeds and Manchester. Construction work on Phase One is expected to commence in 2017, with Phase Two finally completing in 2033.

6. On 25 November 2013 the Government introduced the hybrid *High Speed Rail (London - West Midlands) Bill*, which made provision to secure the powers to construct and maintain Phase One of HS2. Planning consent for HS2 is being pursued by means of this hybrid bill process. This inserts an additional stage into normal bill procedure whereby those who are directly and specially affected by the works proposed in the bill can petition for changes to the bill (provided those changes do not go to the overall principle of building a railway), and for mitigation. Petitions are heard by a cross-party Select Committee of Members with no personal or constituency interest in the bill. In the case of the HS2 Phase One Bill, there were 2,586 petitions of which nearly 1600 were actually heard by the Committee (some petitioners settled or chose not to appear). The majority of sittings took place between September 2015 and February 2016. The Committee directed changes to the Bill including more tunnelling in Staffordshire, Warwickshire and the Chilterns, and mitigated construction arrangements particularly in Hillingdon and Camden. It also recommended several changes designed to increase the efficiency and availability of discretionary compensation, as well as improvements to hybrid bill procedure. Its final report was published on 22 February 2016.⁵

Compensation schemes

7. Residents who are likely to be directly affected by HS2 can apply for compensation, and the compensation schemes are administered by HS2 Ltd. Until January 2015, the Government’s ‘Exceptional Hardship’ Scheme (EHS) was the main compensation scheme for homeowners affected by HS2. Under the EHS, the Government agreed to buy houses from homeowners in areas close to the route for their market value before HS2 was announced. For HS2 Phase One, the EHS has now been replaced by the ‘Need to Sell’ scheme (NTS). The new scheme is similar, but intends to be more inclusive and less focused on urgency as a condition for applications.⁶ Over the past few years HS2 Ltd has also facilitated a series of forums and bilateral meetings in the areas affected by HS2, encouraging residents to contribute to solutions.

8. To date there have been 574 applications made under the EHS scheme, 152 cases (26%) have been successful, and 361 rejected (63%). 156 applications have been made under the NTS scheme, 72 (46%) of which have been accepted, and 45 (29%) of which have been rejected.⁷

5 Second Special Report from the Select Committee on the High Speed Rail (London-West Midlands), [High Speed Rail \(London-West Midlands\) Bill](#), HC 129.

6 [HS2 Phase One Need to Sell scheme: guidance and application form](#).

7 [Exceptional hardship scheme statistics](#), Figures accurate as of 29 February.

PHSO Report

Overview

9. On 27 November 2015, the PHSO laid her *Report of the results of an investigation into a complaint about High Speed 2 Ltd* before Parliament. The investigation specifically considered how HS2 Ltd had dealt with a group of six families in a rural hamlet of only 12 properties. The original proposal for the HS2 route severely affected the hamlet, meaning that some properties would be demolished and some would not. The families involved were keen to keep their community intact and formed a residents group, through which they “engaged constructively”⁸ with HS2 Ltd from the start of the process in April 2012 to its eventual conclusion in December 2014, making specific and reasonable proposals for how their case could be dealt with throughout.⁹

10. The families’ preferred option was for the whole community to be relocated together to a new site, but for this to happen they would have needed help from HS2 Ltd. The PHSO’s investigation found that HS2 Ltd failed to respond fully and promptly to this proposal, and that its repeated delay in providing feedback left the families in limbo for two years. HS2 Ltd consistently made promises to respond to the families’ proposal by particular dates, but repeatedly failed to follow through on these promises. The investigation found that the uncertainty faced by the families over the future of their small community was unnecessarily prolonged and that they experienced worry, distress and frustration. As a result, the home life, jobs, careers, and health of some of the residents involved were affected.¹⁰

11. The families complained to HS2 Ltd about how they had been treated but were not satisfied with how their complaints were handled. They then complained to the PHSO, not only seeking financial compensation but also to bring their treatment and the behaviour of HS2 Ltd to the attention of Parliament. There were two parts to the complaint, the first of which was upheld and the second of which was partly upheld.¹¹ The PHSO upheld the residents’ complaint about the way that HS2 Ltd dealt with them, as the failings identified were of sufficient frequency and significance to be judged as “maladministrative” and to have “detrimentally affected” their lives. The PHSO partly upheld a second complaint relating to HS2 Ltd regarding a complaint made by two of the residents, who were put under pressure to withdraw their complaint as a pre-condition of moving forward with their relocation plans. This was only partly upheld as HS2 Ltd subsequently removed this condition after further discussion.¹² The PHSO also decided not to consider the cost of the time spent by one of the residents on his complaint in business hours as this was to be submitted to HS2 Ltd as part of a separate claim under the *Compensation Code*.¹³

Conclusions and recommendations

12. The key issues of the PHSO report do not concern the policies behind HS2 or the route, but the administration of the compensation schemes managed by HS2 Ltd, and in

8 [Report of the results of an investigation into a complaint about High Speed 2 Ltd \(HS2 Ltd\).](#)

9 [Report of the results of an investigation into a complaint about High Speed 2 Ltd \(HS2 Ltd\).](#)

10 [Report of the results of an investigation into a complaint about High Speed 2 Ltd \(HS2 Ltd\).](#)

11 [Report of the results of an investigation into a complaint about High Speed 2 Ltd \(HS2 Ltd\).](#)

12 [Report of the results of an investigation into a complaint about High Speed 2 Ltd \(HS2 Ltd\).](#)

13 [Report of the results of an investigation into a complaint about High Speed 2 Ltd \(HS2 Ltd\).](#)

particular the standard of service to which citizens are entitled. The complainants in the PHSO's report were not opposed to HS2, but were actively engaged with HS2 Ltd because they wanted to secure the best outcome for their community.

13. The PHSO found that “overall HS2 Ltd’s actions fell below the reasonable standards we would expect, so much so that they constituted maladministration.”¹⁴ The “Findings” section of the report outlines in detail the ways in which HS2 Ltd’s handling of the situation fell short of expectations at various stages and how it could have responded more appropriately. These include: communicating with residents in a way that was not open and accountable and was not customer-focused; failing to respond in good time to residents’ proposals, despite repeatedly saying that it would; and failing to provide residents with information and assistance that could reasonably have been given.¹⁵

14. The Ombudsman’s report makes a number of recommendations about the steps that HS2 Ltd should take to put matters right and to improve its service. These include:

Within four weeks of the report (by end December 2015)

- Apologise to complainants for a number of failings specified in the report;
- Make compensation payments to specified residents amounting to £10,500;
- Consider whether further compensation is due to a particular resident in relation to business costs;
- Appoint an independent person to review HS2 Ltd’s current processes around engagement, communication and complaint handling, taking explicit account of the experience of residents and findings in this case.

Within three months of the report (by end February 2016)

- Publish the outcome of the independent review, including recommendations for action.

Within six months of the report (by end May 2016)

- Publish the outcome of the implementation of its recommendations.¹⁶

Responses to the PHSO Report

HS2

15. In evidence to us, HS2 Ltd claimed that it had taken the PHSO’s report very seriously, acknowledging that it had fallen short of both its own, and the public’s, expectations. Since the report’s publication in November 2015, HS2 Ltd has made the apologies and compensation payments recommended by the Ombudsman. However, it is yet to respond to the recommendation that following the consideration of one of the residents’ claim for business costs under the compensation code, HS2 Ltd should, within four weeks of the conclusion of that process, consider whether the maladministration identified by

¹⁴ [Report of the results of an investigation into a complaint about High Speed 2 Ltd \(HS2 Ltd\).](#)

¹⁵ [Report of the results of an investigation into a complaint about High Speed 2 Ltd \(HS2 Ltd\).](#)

¹⁶ [Report of the results of an investigation into a complaint about High Speed 2 Ltd \(HS2 Ltd\).](#)

the PHSO had any additional impact that was not considered by their claims process, and inform the resident of the outcome of this consideration.¹⁷ HS2 Ltd has appointed Ian Bynoe, former Independent Police Complaints Commissioner, to carry out the recommended independent review of HS2 Ltd’s communication and engagement and complaints handling processes. This review was due to report by the end of February 2016, but has been delayed by several weeks. HS2 Ltd is committed to implementing its recommendations.¹⁸

16. Simon Kirby, CEO of HS2 Ltd, told us that the organisation had fundamentally changed since the period which the PHSO’s report covered, and that the organisation had learnt from “projects like the Olympics and Crossrail”. He said:

I would also like to apologise to the Committee for the report... The report does reflect the organisation between 2012 and 2014 and, as recognised in the report as well, a number of steps have been taken since then. I would not want to sit here, though, and say, “we cannot improve further.” We are a learning organisation and we do want to achieve higher standards but I think you need to put it in that context of the overall report.¹⁹

17. This view was echoed by the DfT, which stated that:

While the case investigated by the Ombudsman was clearly a failure by HS2 Ltd, the Department is confident that the company has now put in place arrangements that would prevent this or another serious failing in communication from happening again.²⁰

18. Deborah Fazan, the HS2 Residents’ Commissioner, was appointed in January 2015 to independently oversee and monitor communication standards, and to report to both the Chairman and Board of HS2 Ltd on the company’s performance in relation to its commitments in the Residents’ Charter. She noted that the PHSO’s report was “extremely thorough” and had “raised a number of issues which HS2 Ltd either has, or is in the process of addressing.” She also told us that she had “seen a clear commitment by HS2 Ltd to improve since [her] appointment”.²¹ Elaborating on this in her oral evidence, she told the Committee that “the complaints that I have seen, seem to me to have been dealt with very professionally”,²² although she added that she would like to see some of the recommendations that she had made “go forward much more quickly”,²³ citing the introduction of a consolidated complaints log as one example of where more could be done.²⁴ Overall, the Residents’ Commissioner thought that Board and the company deserved “probably about a six” out of ten for its handling of public engagement to date, and expressed some frustration at the cumbersome internal processes within HS2 Ltd.²⁵

17 [Report of the results of an investigation into a complaint about High Speed 2 Ltd \(HS2 Ltd\)](#).

18 [HS20049](#) (HS2 Ltd).

19 [Q85 Oral evidence 23 February 2016](#).

20 [HS20032](#) (Department for Transport).

21 [HS20044](#) (Deborah Fazan).

22 [Q66 Oral evidence 23 February 2016](#).

23 [Q78 Oral evidence 23 February 2016](#).

24 [Q61 Oral evidence 23 February 2016](#).

25 [Q68 Oral evidence 23 February 2016](#).

Wider responses

19. Despite the positive statements made by HS2 Ltd, DfT and the HS2 Residents' Commissioner, much of the evidence we received was highly critical of HS2 Ltd, and suggested that there were still serious problems with the way in which the organisation communicates with residents and handles complaints.

20. HS2 Action Alliance (HS2AA), an umbrella group which “focuses on whether HS2 is in the national interest, rather than the route specific issues” told us that whilst it agreed with the conclusions of the PHSO’s report, “the recommendations, however, lacked teeth in that they contained no means to ensure corrective action is taken and the compensation sums were not large enough to act as either a deterrent to HS2 Ltd or sufficient to compensate the affected individuals.”²⁶ Stop HS2 welcomed the report, but did not believe its recommendations to be sufficient to avoid the repetition of these failings in the future; instead they called for “urgent action” to set up an independent body to oversee HS2 Ltd and its subcontractors and to handle complaints, a call echoed by HS2AA.²⁷ Stop HS2 also disagreed with the positive assessments of the Residents’ Commissioner, although HS2AA did concur with her view that HS2 had made some “limited progress” in implementing her recommendations.²⁸

21. HS2AA claimed that “HS2 Ltd is not a trusted or respected organisation.”²⁹ Stop HS2 argued strongly that there is a fundamental cultural problem within HS2 Ltd, in that:

Whilst they have quite rightly assessed that people living along the route do not want HS2, the over-riding attitude of the organisation has meant this has resulted in them not being willing to adequately communicate accurate information to those most affected by the project ... as promoters of the project ... HS2 [Ltd] have an inherent conflict of interests when it comes to providing residents with timely and accurate information on issues such as: construction timescales.³⁰

22. The view that fundamental problems persist was echoed by Camden Council, who called for “a cultural shift within HS2 Ltd, to ensure that the whole organisation recognises and practises the importance of engagement and communicating with all those affected.”³¹ A number of MPs whose constituencies have been affected by HS2 also made similar points. For example, Nick Hurd, MP for Ruislip, Northwood and Pinner, noted that whilst many of his constituents were always going to oppose HS2, “HS2 [Ltd] have handled the consultation poorly, and that has made matters worse. Plans have constantly changed. There have been major gaps in information and inadequate transparency. There have been inconsistent messages and assertions.”³² The Rt Hon. John Bercow, Speaker of the House of Commons and MP for Buckingham, expressed the view that:

26 [HS20057](#) (HS2 Action Alliance).

27 [HS20052](#) (Stop HS2).

28 [HS20052](#) (Stop HS2); [HS20057](#) (HS2 Action Alliance).

29 [HS20057](#) (HS2 Action Alliance).

30 [HS20052](#) (Stop HS2).

31 [HS20038](#) (London Borough of Camden).

32 [HS20009](#) (Nick Hurd MP).

High Speed 2 Limited, as the Promoter, has - in my opinion at least - shown little or no regard for those adversely affected by the project, whether it be through the application of the Government's discretionary compensation schemes or in its communication with residents.³³

23. The PHSO's report exposed fundamental cultural problems with the way that HS2 Ltd communicates with affected residents, and the way that it handles complaints subsequently made by those residents. We welcome the steps taken by HS2 Ltd since the period covered by that report, and the apparent willingness shown by the Chief Executive to take HS2 Ltd's responsibilities to the public seriously. However, there is still much work to be done. Fine words must be backed up by strong and decisive action. Until HS2 Ltd treats its duty to the public as a matter of primary importance, the perception, at least, will persist that HS2 Ltd has disregard for the public.

24. The rest of this report therefore outlines what further action is required to deliver a much needed paradigm shift in culture and attitudes, in order to improve how HS2 Ltd communicates and engages with residents, and how it deals with their complaints.

33 [HS20070](#) (Rt Hon John Bercow MP).

2 Engagement and communication

PHSO findings

25. The PHSO investigation found significant problems in the way HS2 Ltd communicated with residents, and said that this had made a stressful situation worse, causing inconvenience and frustration. HS2 Ltd fell short of the public's expectations in a number of ways:

- Communicating with residents in a way that was not open and accountable and was not customer focused;
- Failing to respond in good time to residents' proposals, despite repeatedly saying that it would; and
- Failing to provide residents with information and assistance that it could reasonably have given.³⁴

26. Evidence received by the Committee has further strongly criticised HS2 Ltd's public engagement. Stop HS2 described HS2 Ltd's record on transparency and communication with residents as "completely woeful", and HS2AA described the record on these points as "poor". Stop HS2 thought that if the opportunity to complain to the PHSO had been more widely known then there could have been "dozens" of similar complaints.³⁵

27. Much of the evidence received suggested that residents were not always kept informed by HS2 Ltd, with the worst instance of this concerning a group of residents in an area where no action group had formed, who only found out their homes were under threat of demolition after the consultation concerning the proposed demolition of their homes had been completed.³⁶ Craig Tracey, MP for North Warwickshire, told us that "too frequently HS2 [Ltd] are not proactive in working with [local] communities and only provide information when prompted to do so."³⁷ A number of witnesses characterised the forums held in the 26 Community Forum Areas (CFAs) during the Phase One consultation process as unhelpful, claiming that residents often could not contribute to the agenda, the staff who attended were not qualified to answer questions from residents, the minutes were delayed, and the action points identified were not followed up.³⁸ Those attending the forums were not equipped to answer detailed questions but rather were public relations experts who turned the events into "one-way communication exercises."³⁹

28. We do not believe that HS2 Ltd took its duty to openly and transparently communicate and engage with the public sufficiently seriously. Instead it turned what should have been consultation events into public relations exercises, and the information that was made available to the public was either too generic to be of use, or was inconsistent. In future, members of the public dealing with HS2 Ltd should never have to go through what those whose homes and communities have been affected by Phase One have experienced.

³⁴ [Report of the results of an investigation into a complaint about High Speed 2 Ltd \(HS2 Ltd\)](#).

³⁵ [HS20052](#) (Stop HS2); [HS20057](#) (HS2 Action Alliance).

³⁶ [HS20052](#) (Stop HS2).

³⁷ [HS20050](#) (Craig Tracey MP).

³⁸ E.g. [HS20057](#) (HS2AA); [HS20052](#) (Stop HS2); [HS20050](#) (Craig Tracey MP); [HS20009](#) (Nick Hurd MP).

³⁹ [HS20009](#) (Nick Hurd MP).

What HS2 is doing to improve community engagement

29. In written evidence to the Committee, HS2 Ltd set out what steps it has taken to address the findings of the PHSO's report:

- A refocused approach to community engagement was launched in 2015. 12 focus groups were carried out in June 2015 in six locations along the line of route among three different demographic groups.
- The HS2 Ltd community engagement team engaged with over 3,700 people at 21 information events along the line of route between March and December 2015.
- HS2 Ltd is currently running a further nine events along the Phase One route between 13 February and 27 April.
- HS2 Ltd published a newsletter for local communities in the autumn of 2015, with 13 regional versions. Further updates will be published during 2016.⁴⁰

30. In her evidence, Deborah Fazan, the Residents' Commissioner noted that HS2 Ltd had been working to improve its engagement and communications since 2014 and that this had been part of the reason for introducing the Residents' Charter and the role of the Residents' Commissioner. She said that she was working with HS2 Ltd to "enable community engagement to be at the forefront once detailed planning commences" and that she was involved in the drafting of new communications to ensure they were in plain English. She also noted that it was difficult for those outside the HS2 hybrid bill petitioning process⁴¹ to resolve queries:

... [As] stated in my recently published third report, I am disappointed that, as it stands, there is still no platform for anyone who is not part of the Phase One petitioning process to have easy access to HS2 Ltd to resolve queries, other than through the telephone service of the HS2 Ltd Helpdesk.⁴²

31. Deborah Fazan reassured the Committee: "I think the board genuinely care about the residents"⁴³ and defended her own effectiveness and independence from HS2 Ltd. Simon Kirby, Chief Executive of HS2 Ltd, acknowledged the Residents' Commissioner's concerns, cited earlier in this report, about the slow and cumbersome pace of HS2 Ltd in dealing with the public. He said:

Am I surprised that the Residents' Commissioner says we are not going fast enough at the moment? Given the fact that we are a growing organisation, the project itself is transitioning from a concept through to delivery, we are

40 [HS20049](#) (HS2 Ltd).

41 Members of the public who are directly and specially affected by the works proposed in the High Speed Rail (London-West Midlands) Bill can petition for changes to the bill (provided those changes do not go to the overall principle of building a railway), and for mitigation. The Committee also received evidence from campaign groups suggesting that even the formal Parliamentary petitioning process had not led HS2 Ltd to take the concerns of the public more seriously. Stop HS2 accused HS2 Ltd (as promoters of the Bill) of having provided "flawed and inaccurate" responses (Written evidence, Stop HS2). HS2AA said that HS2 Ltd had, in some areas, such as the Chilterns, attempted to deter residents from presenting petitions and had been overzealous in challenging petitioners' *locus standii* (i.e. their status as individuals, groups of individuals, or organisations directly and specially affected by the Bill, who therefore had the right to petition the Committee). [HS20057](#) (HS2AA). See paragraph 6 for more information about the hybrid bill process.

42 [HS20044](#) (Deborah Fazan).

43 Q46 [Oral evidence 23 February 2016](#).

a learning organisation. I think the independent challenge that we could do things quicker is absolutely right and we aspire to do things quicker. Since the report we have recruited the four senior stakeholder roles and, as a number of members may be aware, we have adverts in local newspapers at the moment now seeking another seven roles.⁴⁴

While he conceded that “there are always things we can do to improve our communications processes”⁴⁵, he also argued that “the main criticism is around pace and we are driving as fast as we can to get the right people into the right roles.”⁴⁶ This included recruiting individuals who had worked on “projects like the Olympics and Crossrail, who are bringing a different dimension in terms of how we communicate with communities.”⁴⁷

32. The DfT noted its confidence that HS2 Ltd had “now put in place arrangements that would prevent ... [a] serious failing in communication from happening again,” but that it will “expect HS2 Ltd to show clearly and precisely how they will address the issues” identified by this report and the report of the PHSO.⁴⁸

33. We welcome the actions taken since the publication of the Residents’ Charter in January 2015 and note that HS2 Ltd believes that it has addressed the most pressing concerns. The recruitment of 11 stakeholder communication roles is a positive development. However, we reject the claim that the main focus of the ongoing criticism is about the pace of change alone. The depth and extent of criticism expressed in the vast majority of the evidence that we received highlights the need for a fundamental shift in how HS2 Ltd communicates and engages with the public. We have seen no evidence to suggest that this step change has taken place. The publication of Ian Bynoe’s independent review will provide a further opportunity for HS2 Ltd to ask itself some difficult questions and we both hope and expect that the Chief Executive will make good on his commitment to accept its recommendations. The DfT must take its strategic oversight role seriously, and not uncritically accept HS2 Ltd’s proposals.

Community Forums

34. During the route development and consultation phase, the Phase One route was divided into 26 Community Forum areas for HS2 Ltd to work with stakeholders and communities to foster a better understanding of the project. The 26 forums met at least six times prior to the deposit of the Phase One Bill in November 2013. However, they have been heavily criticised in evidence given to the Committee by a number of individuals, MPs and campaign groups. A common complaint, expressed by Councillor Isobel Darby, writing on behalf of Buckinghamshire local authorities, was that whilst these forums were held “supposedly to inform and engage - the impressions was that once all their ‘boxes’ were ticked - the HS2 team members would withdraw, and fast.”⁴⁹ Stop HS2 told us that the events “were found to be exceptionally disappointing, as many questions could not be answered and information was out of date or incorrect. Additionally, participants

44 Q87 [Oral evidence 23 February 2016](#).

45 Q88 [Oral evidence 23 February 2016](#).

46 Q89 [Oral evidence 23 February 2016](#).

47 Q85 [Oral evidence 23 February 2016](#).

48 [HS20032](#) (Department for Transport).

49 [HS20041](#) (Cllr Isobel Darby).

found that they got different answers to the same questions from different HS2 Ltd staff.”⁵⁰ John Bercow’s evidence also identified inconsistency in the advice and guidance given by different HS2 Ltd staff as a major weakness.⁵¹

35. Responding to the criticism of how it had handled the community forums, HS2 Ltd argued that:

Whilst the forums met our obligations, they left many with a negative view of HS2 Ltd. This was because we held them at two monthly intervals, when there was not a great deal of new information to share and so were unable to meet the expectations of attendees. This approach to engaging with the public was often reactive and the forums created for people to voice their views and concerns were dominated by those focused on objecting to the project in principle rather than on how its local impacts might be mitigated.⁵²

36. This view was echoed by the Residents’ Commissioner:

The reintroduction of Community Forums in the format they were in 2013 is not generally sought. I am advised that this is primarily because they had a tendency to be monopolised by a small group of individuals within a community and were not truly representative. In addition the majority of residents have individual concerns, which may be personal and not appropriate for a group forum.⁵³

37. The Residents’ Commissioner’s evidence also suggests a number of other ways in which HS2 Ltd could improve its communication and engagement further. These include providing more information in written format, a general forum to help affected residents to keep up to date; a mobile unit staffed by HS2 Ltd professionals which could visit affected areas; and “a broader feedback exercise, similar to that undertaken by Crossrail, seeking the views of residents on how they wish to be communicated with. This could also be used to set up a specific mailing list to ensure that residents could be updated on the areas of the project which interested them and in a format which they felt to be appropriate.” She also identified a “defensive” style of communication as a problem, and noted that HS2 Ltd struggled to balance keeping residents informed with avoiding raising unrealistic expectations, for example when residents are told about several possible plans when decisions have yet to be taken.⁵⁴

38. Whilst we do not seek a return to the Phase One community forums, we are concerned that HS2 Ltd has failed to identify what we believe to be the root cause of the forums’ failings: namely that the process was treated as a one way ‘box-ticking’ exercise by HS2 Ltd, with no genuine two-way engagement. Whilst we are broadly supportive of any engagement activity which offers the public a genuine opportunity to discuss and contribute to the process, unless there is a change in approach from ‘transmit’ to ‘receive’ on HS2 Ltd’s part, then these new proposals will also fail. In particular we urge HS2 Ltd to address its “defensive” style of communication and to embrace openness and transparency.

50 [HS20052](#) (Stop HS2).

51 [HS20070](#) (Rt Hon John Bercow MP).

52 [HS20049](#) (HS2 Ltd).

53 [HS20044](#) (Deborah Fazan).

54 [HS20044](#) (Deborah Fazan).

3 Complaint handling

PHSO findings

39. The PHSO report identified shortcomings in HS2 Ltd’s complaint handling, particularly its insistence that a complaint must be withdrawn before the relocation process could continue. The PHSO found that this was not a customer-focused approach and hindered the process of learning and improvement.

40. Stop HS2 say that many resident groups had been unaware of the possibility of complaining to the PHSO, and that “if it had been widely known that going to the PHSO was an option, there could easily have been dozens of such cases presented to the Ombudsman.” They also argued that the only way to restore trust in HS2 Ltd was to “impose a fully empowered independent watchdog, both during the construction of Phase One and the ongoing planning and subsequent construction of Phase Two.”⁵⁵ Stop HS2 also called for more transparency, including the publication of all complaints and the introduction of a fully searchable website.⁵⁶

Improvements in complaint handling

41. HS2 Ltd also set out in its written evidence to the Committee what improvements it has made to its complaints handling process. These include:

- The “significant improvement” of its complaints handling function, including the introduction of an external investigation stage in the summer of 2014. Complaints not resolved through the internal stages of the HS2 Ltd complaints procedure are now reviewed by an Independent Complaints Assessor.
- The appointment of a Public Response Manager in July 2015 to oversee and manage the full complaints procedure.
- A new system of allocating a named Case Officer following an application to any of the HS2 property schemes providing a point of contact for residents for queries related to their application.
- HS2 Ltd is currently recruiting an independent Construction Commissioner to arbitrate in cases that cannot be dealt with through the normal complaints procedure. This role will ensure any grievances related to construction impacts can be investigated impartially and independently of HS2 Ltd and the DfT.
- HS2 Ltd plan to introduce a small claims scheme, modelled on those operated for the construction of the Crossrail and the Channel Tunnel Rail Link in order to provide “a positive and clear mechanism to the public for settling minor construction related residential, business or agricultural claims, using a speedy process and without the need for a formal Tribunal hearing”.⁵⁷

55 [HS20052](#) (Stop HS2).

56 [HS20052](#) (Stop HS2).

57 [HS20049](#) (HS2 Ltd).

42. The Residents' Commissioner suggested that further improvements could and should be made by introducing a central register of all complaints made to HS2 Ltd to ensure a co-ordinated response, and by making complaint handling training mandatory for all customer facing staff.⁵⁸ However, she also told us that she believed "that considerable care and professionalism goes into dealing with every complaint."⁵⁹ This is at odds with evidence we received. For example, Andrea Leadsom MP found that HS2 Ltd head office staff refused to transfer calls to relevant offices, demanding a paper trail instead, and acting as "doorkeepers", an experience that she said other MPs' offices had echoed.⁶⁰ Given that we have seen a catalogue of complaints and a clear lack of trust in the evidence we have received,⁶¹ we share the concerns of those who questioned whether the Residents' Commissioner was in a position to comment accurately on how HS2 Ltd dealt with complaints. and whether she is able to see the whole picture.⁶²

43. Simon Kirby, Chief Executive of HS2 Ltd, explained the improvements made to the complaints handling process, including that his own role is now as the second line of that process, when he is "personally engaged".⁶³ Robert Goodwill, Minister of State at the DfT, also emphasised his own personal involvement in the complaints process, inviting MPs to "buttonhole" him when their constituents were unhappy at their treatment.⁶⁴

44. We welcome the improvements made by HS2 Ltd to its complaints handling process since the publication of the PHSO report. Steps such as the introduction of named Case Officers and the appointment of a Public Response Manager should result in a better service for members of the public. We also applaud the personal commitments given by the Chief Executive and by the Minister to play an active role in complaints handling. However, this is not a substitute for the institutionalising of genuine experiential learning nor for the introduction of mandatory complaints handling training for all customer-facing staff.

45. We cannot over-state the importance for HS2 Ltd of developing a strong customer focus on the needs of those whose homes and communities are seriously affected by what remains a highly controversial project. There is scope for the Residents' Commissioner to have greater oversight of the complaints handling process given the salient importance of this to public perceptions of how HS2 Ltd communicates with the public at large. We expect HS2 Ltd to prioritise its response to Mr Bynoe's forthcoming recommendations on communication and engagement and on complaint handling. This is a matter of primary importance for HS2 Ltd and must be treated as such.

58 [HS20044](#) (Deborah Fazan).

59 [HS20044](#) (Deborah Fazan).

60 [HS20054](#) (Andrea Leadsom MP).

61 Q52 [Oral evidence 23 February 2016](#).

62 E.g. [HS20057](#) (HS2AA); [HS20052](#) (Stop HS2).

63 Q138 [Oral evidence 23 February 2016](#).

64 Q108 [Oral evidence 23 February 2016](#).

Conclusions and recommendations

Introduction

1. The PHSO's report exposed fundamental cultural problems with the way that HS2 Ltd communicates with affected residents, and the way that it handles complaints subsequently made by those residents. We welcome the steps taken by HS2 Ltd since the period covered by that report, and the apparent willingness shown by the Chief Executive to take HS2 Ltd's responsibilities to the public seriously. However, there is still much work to be done. Fine words must be backed up by strong and decisive action. Until HS2 Ltd treats its duty to the public as a matter of primary importance, the perception, at least, will persist that HS2 Ltd has disregard for the public. (Paragraph 23)
2. The rest of this report therefore outlines what further action is required to deliver a much needed paradigm shift in culture and attitudes, in order to improve how HS2 Ltd communicates and engages with residents, and how it deals with their complaints. (Paragraph 24)

Engagement and communication

3. We do not believe that HS2 Ltd took its duty to openly and transparently communicate and engage with the public sufficiently seriously. Instead it turned what should have been consultation events into public relations exercises, and the information that was made available to the public was either too generic to be of use, or was inconsistent. In future, members of the public dealing with HS2 Ltd should never have to go through what those whose homes and communities have been affected by Phase One have experienced. (Paragraph 28)
4. We welcome the actions taken since the publication of the Residents' Charter in January 2015 and note that HS2 Ltd believes that it has addressed the most pressing concerns. The recruitment of 11 stakeholder communication roles is a positive development. However, we reject the claim that the main focus of the ongoing criticism is about the pace of change alone. The depth and extent of criticism expressed in the vast majority of the evidence that we received highlights the need for a fundamental shift in how HS2 Ltd communicates and engages with the public. We have seen no evidence to suggest that this step change has taken place. The publication of Ian Bynoe's independent review will provide a further opportunity for HS2 Ltd to ask itself some difficult questions and we both hope and expect that the Chief Executive will make good on his commitment to accept its recommendations. The DfT must take its strategic oversight role seriously, and not uncritically accept HS2 Ltd's proposals. (Paragraph 33)
5. Whilst we do not seek a return to the Phase One community forums, we are concerned that HS2 Ltd has failed to identify what we believe to be the root cause of the forums' failings: namely that the process was treated as a one way 'box-ticking' exercise by HS2 Ltd, with no genuine two-way engagement. Whilst we are broadly supportive of any engagement activity which offers the public a genuine opportunity to discuss and contribute to the process, unless there is a change in approach from

‘transmit’ to ‘receive’ on HS2 Ltd’s part, then these new proposals will also fail. In particular we urge HS2 Ltd to address its “defensive” style of communication and to embrace openness and transparency. (Paragraph 38)

Complaint handling

6. We welcome the improvements made by HS2 Ltd to its complaints handling process since the publication of the PHSO report. Steps such as the introduction of named Case Officers and the appointment of a Public Response Manager should result in a better service for members of the public. We also applaud the personal commitments given by the Chief Executive and by the Minister to play an active role in complaints handling. However, this is not a substitute for the institutionalising of genuine experiential learning nor for the introduction of mandatory complaints handling training for all customer-facing staff. (Paragraph 44)
7. We cannot over-state the importance for HS2 Ltd of developing a strong customer focus on the needs of those whose homes and communities are seriously affected by what remains a highly controversial project. There is scope for the Residents’ Commissioner to have greater oversight of the complaints handling process given the salient importance of this to public perceptions of how HS2 Ltd communicates with the public at large. We expect HS2 Ltd to prioritise its response to Mr Bynoe’s forthcoming recommendations on communication and engagement and on complaint handling. This is a matter of primary importance for HS2 Ltd and must be treated as such. (Paragraph 45)

Formal Minutes

Monday 21 March 2016

Members present:

Bernard Jenkin, in the Chair

Ronnie Cowan

Mr David Jones

Mr Paul Flynn

Draft Report (*Follow up to PHSO Report of an investigation into a complaint about HS2 Ltd*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 45 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Sixth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Tuesday 22 March at 10.30am.]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Tuesday 23 February 2016

Question number

Deborah Fazan, HS2 Residents' Commissioner

[Q1-80](#)

Mr Robert Goodwill MP, Minister of State, Department for Transport, **Simon Kirby**, Chief Executive Officer, HS2 Ltd and **Oliver Bayne**, Director of Land and Property, HS2 Ltd

[Q81-163](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry web page](#) of the Committee's website. INQ numbers are generated by the evidence processing system and so may not be complete.

- 1 Andrew Cordiner ([HS20001](#))
- 2 Ann Cockerton ([HS20019](#))
- 3 Camden Civic Society ([HS20051](#))
- 4 Camden Cutting Group ([HS20060](#))
- 5 Carol Gantner (nee Hunter) ([HS20015](#))
- 6 Charndon Parish Council ([HS20040](#))
- 7 Chiltern District Council ([HS20041](#))
- 8 Craig Tracey MP ([HS20050](#))
- 9 Department for Transport ([HS20032](#))
- 10 Gloucester Avenue Association ([HS20005](#))
- 11 Hampton in Arden HS2 Action Group ([HS20042](#))
- 12 Harefield Tenants and Residents Association ([HS20035](#))
- 13 Helen Bryan ([HS20053](#))
- 14 High Speed Two Limited ([HS20049](#))
- 15 HS2 Euston Action Group ([HS20066](#))
- 16 HS2AA ([HS20057](#))
- 17 Jeremy Wright QC MP ([HS20071](#))
- 18 John Bercow MP ([HS20070](#))
- 19 Katherine Sykes ([HS20064](#))
- 20 Kingsbury & District Stop HS2 Action Group ([HS20056](#))
- 21 Lea Marston Parish Council ([HS20028](#))
- 22 London Borough of Camden ([HS20038](#))
- 23 Martyn Swain ([HS20047](#))
- 24 Mr Jonathan Loescher ([HS20029](#))
- 25 Mrs Andrea Leadsom MP ([HS20054](#))
- 26 Mrs Deborah Fazan ([HS20044](#))
- 27 Mrs Pauline Paucker ([HS20008](#))
- 28 Ms Karen Newbold ([HS20017](#))
- 29 Ms Primavera Boman-Behram ([HS20004](#))
- 30 Nick Hurd MP ([HS20009](#))
- 31 Oxford Line-Side Residents ([HS20023](#))
- 32 Park Village East Heritage Group ([HS20043](#))
- 33 Regents Park Estate Residents Group ([HS20039](#))
- 34 Stop HS2 ([HS20052](#))
- 35 London Borough of Hillingdon ([HS20045](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the Committee's website at www.parliament.uk/pacac.

Session 2015–16

First Report	Follow-up to PHSO Report: Dying without dignity	HC 432
Second Report	Appointment of the UK's delegation to the Parliamentary Assembly of the Council of Europe	HC 658
Third Report	The 2015 charity fundraising controversy: lessons for trustees, the Charity Commission, and regulators	HC 431
Fourth Report	The collapse of Kids Company: lessons for charity trustees, professional firms, the Charity Commission, and Whitehall	HC 433
Fifth Report	The Future of the Union, part one: English Votes for English laws	HC 523
First Special Report	Developing Civil Service Skills: a unified approach: Government Response to the Public Administration Select Committee's Fourth Report of Session 2014–15	HC 526
Second Special Report	Lessons for Civil Service impartiality for the Scottish independence referendum: Government Response to the Public Administration Select Committee's Fifth Report of Session 2014–15	HC 725
Third Special Report	Follow-up to PHSO Report: Dying without dignity: Government response to the Committee's First Report of Session 2015–16	HC 770