



# HS2: ON TRACK

A report by the  
Department for Transport

March 2015



# Department for Transport

Department for Transport  
Great Minster House  
33 Horseferry Road  
London SW1P 4DR

Telephone: 0300 330 3000

General email enquiries: [FAX9643@dft.gsi.gov.uk](mailto:FAX9643@dft.gsi.gov.uk)

Website: [www.gov.uk/dft](http://www.gov.uk/dft)

Department for Transport has actively considered the needs of blind and partially sighted people in accessing this document. The text will be made available in full on the Department's website. The text may be freely downloaded and translated by individuals or organisations for conversion into other accessible formats. If you have other needs in this regard please contact the Department.

© Crown Copyright, 2015, except where otherwise stated.

You may re-use this information (not including logos or third-party material) free of charge in any format or medium, under the terms of the Open Government Licence v2.0. To view this licence, visit [www.nationalarchives.gov.uk/doc/open-government-licence/version/2](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/2) **OGL** or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or e-mail: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk). Where we have identified any third-party copyright information you will need to obtain permission from the copyright holders concerned.

Product code: CS220

# Contents

<b>1</b>	<b>HS2: On track</b>	<b>2</b>
	1.1 Introduction	2
<b>2</b>	<b>The case for HS2</b>	<b>4</b>
	2.1 Capacity, connectivity and growth	4
<b>3</b>	<b>Getting the route right</b>	<b>11</b>
	3.1 Phase One – London to the West Midlands	11
	3.2 Phase Two – the West Midlands to Leeds and Manchester	14
	3.3 Sir David Higgins’ recommendations on Phase Two	15
	3.4 Towards a Northern Powerhouse	16
<b>4</b>	<b>Looking after people along the route</b>	<b>18</b>
	4.1 Property	18
	4.2 Design	19
	4.3 Providing opportunities	21
<b>5</b>	<b>Getting Britain set for HS2</b>	<b>23</b>
	5.1 Growth Taskforce: cities, transport networks, people, business	23
	5.2 Cities	23
	5.3 Transport networks	24
	5.4 Skills	25
	5.5 Business	26
	5.6 Learning lessons	27
<b>6</b>	<b>Starting the build, without delay</b>	<b>28</b>
	6.1 Use of Paving Act 2013	28
	6.2 Getting the market ready	28
<b>7</b>	<b>Next steps</b>	<b>30</b>
	7.1 Phase One	30
	7.2 Phase Two	30

## List of figures

Figure 1: High Speed Two	1
Figure 2: Passenger growth between 2003-04 and 2013-14	5
Figure 3: London Euston peak hour departure capacity	6
Figure 4: Peak period fast lines departing London Euston	7
Figure 5: Journey times between major economic centres (full network)	8
Figure 6: Improvements in productivity for labour markets and business travel	9
Figure 7: Comparing HS2 timeline with other major schemes	11
Figure 8: Proposed Manchester Piccadilly station (with HS2)	14
Figure 9: Getting the route right	15
Figure 10: Proposed Leeds station (with HS2)	16
Figure 11: Next steps	30

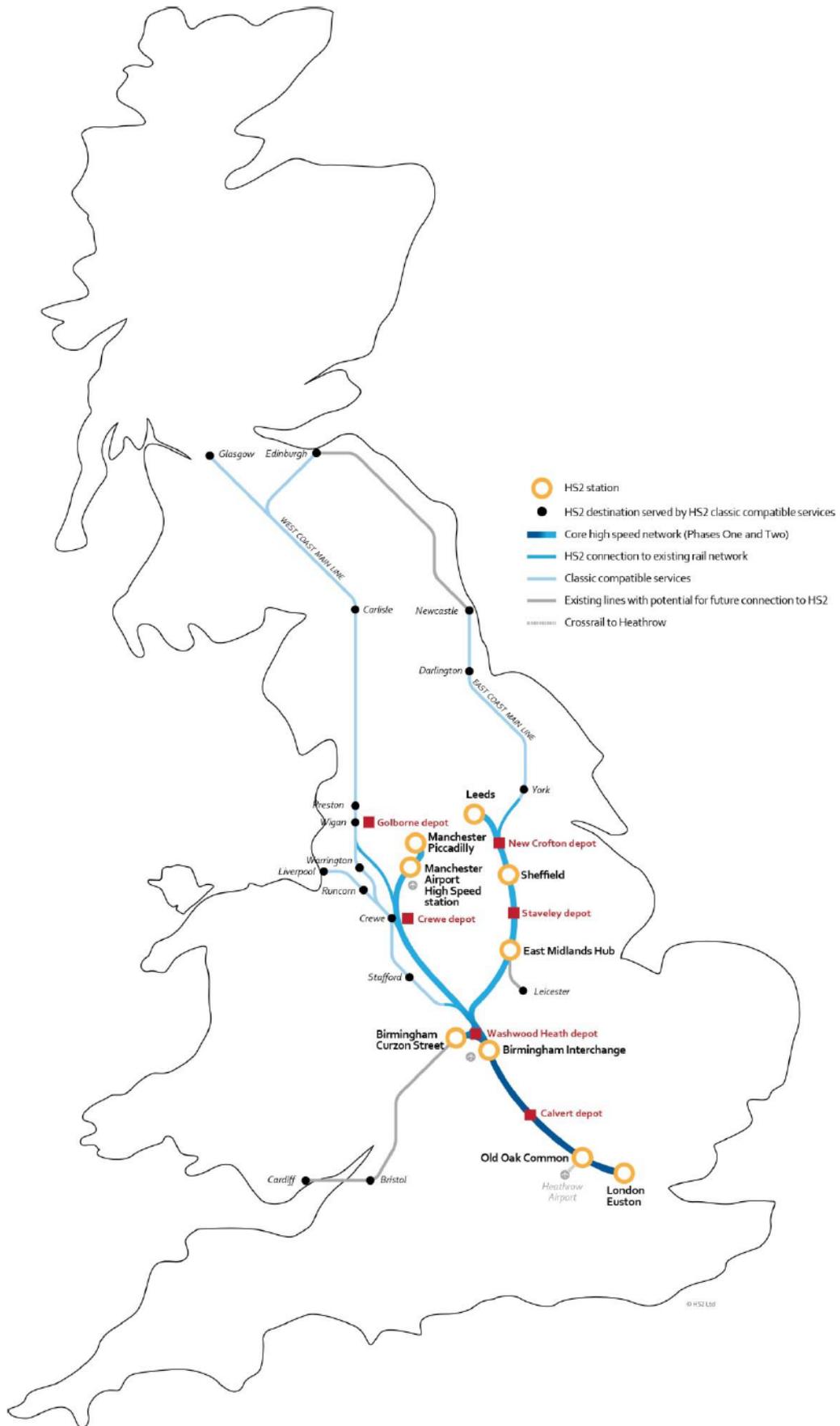


Figure 1: High Speed Two

# 1 HS2: On track

## 1.1 Introduction

- 1.1.1 Good quality transport is at the heart of a successful economy and our country's wellbeing. The HS2 project is part of a wider road and rail investment programme worth a total of £73 billion for the period 2015-2020. The rail investment responds to the doubling in demand for rail travel over the last 20 years. HS2 is a key part of that response which will deliver a step change in the number of trains and passenger capacity on our main north-south routes. It will provide a new spine for the railway network and enable significant improvements in intercity, commuter and freight services. This increased capacity, combined with reduced journey times between our major towns and cities, will stimulate economic growth with the balance of benefits in the Midlands and North rather than London. It is a vital part of our long-term economic plan.
- 1.1.2 High Speed Rail has come a long way since 2010. The full network, from London to Leeds and Manchester, will be over 350 miles long, connecting 8 of our 10 largest cities. It is a long term and complex project, involving large numbers of people and different interests, but we have made great strides in the last five years. This document sets out the significance of what has been achieved since 2010 and what we will deliver going forward.
- 1.1.3 In 2010 the HS2 route from London to the West Midlands was still in draft form. The Coalition Government developed this into detailed proposals with extensive rounds of consultation, engineering design, environmental assessment and, in November 2013, we introduced into Parliament a hybrid Bill to obtain the legal authority to construct Phase One. The level of public engagement and the pace at which the proposed route was transformed into a Bill was unprecedented. It was a significant achievement for all involved when the parties came together to vote for the Bill to pass its Second Reading in April 2014 with an overwhelming majority of 452 to 41. The Bill is now undergoing detailed scrutiny by a Select Committee chaired by Robert Syms MP as it passes through Parliament.
- 1.1.4 In 2010, extending HS2 to the North was merely a possibility, and proposals lacked detail; now we have a clear proposal and are working to refine the route. Sir David Higgins, as the High Speed Two Ltd (HS2 Ltd) Chairman, has interrogated the Phase Two proposals and made recommendations to the Government on maximising the benefits of HS2. And the Chancellor has announced that improved high speed rail connections – from east to west – should provide additional links between our great cities in the North and contribute to the Northern Powerhouse.
- 1.1.5 As the HS2 route has developed and become more certain, the Government has put in place property compensation schemes to ensure people are properly looked after if their homes or businesses are affected. We have gone over and above what is required by law to ensure that people are treated fairly.
- 1.1.6 Alongside the evolution of the economic case, which has shown the scale of benefits HS2 will bring, we have developed wider strategies to support growth and

regeneration. In March 2014 the Growth Taskforce chaired by Lord Deighton advised the Government on how to make the most of growth opportunities. The Government responded in July 2014 with a comprehensive call to action, uniting Departments and local areas in the common goal of maximising the jobs, housing and economic growth HS2 will enable. Furthermore, central Government united behind Growth Deals: bringing skills, housing, infrastructure and transport together into a single pot, and putting funding directly into the hands of local authorities and businesses to spend the way they know best. Some of this funding has gone towards helping Phase One HS2 places to develop their HS2 Growth Strategies. Government is not only committed to helping local areas produce the best HS2 Growth Strategies they can, we are also helping them set up local delivery bodies – such as the Urban Regeneration Company for Curzon Street – to implement these strategies. More broadly, we continue to contribute to local HS2 strategy and programme boards to advise and tackle constraints to delivering local HS2 visions.

- 1.1.7 In November 2007, the final phase of our first section of High Speed Railway opened, completing the 67 miles between St Pancras and the Channel Tunnel. It has changed the way Britain gets to the continent: quickly, sustainably and reliably. It has also transformed our view of what high speed rail-led development and regeneration can achieve: already HS1 has attracted over £10 billion private sector investment around station sites. Yet it is still quicker to travel from London to the continent than it is to travel from London to Manchester or from Birmingham to Leeds by rail<sup>1</sup>. HS2 will change this. At over five times the length of HS1, and with the space to carry many more people it will not only change the way that people travel in the UK, it will transform the economic geography of our country.

---

<sup>1</sup> London to Lille 1h22min (<http://www.eurostar.com/>), London Euston to Manchester Piccadilly 2hr08min and Birmingham New St to Leeds 1hr58mins (<http://www.nationalrail.co.uk/>)

## 2 The case for HS2

Britain's future prosperity depends on our ability to compete in the world, built on a strong and balanced economy. The Government's role is to help create the conditions for success, by providing the security, skills and infrastructure which support our economy. Transport plays a key role in this. In that context our objectives for HS2 are to:

- provide sufficient capacity to meet long term demand, and to improve resilience and reliability across the network; and
- improve connectivity by delivering better journey times and making travel easier.

### 2.1 Capacity, connectivity and growth

2.1.1 Our railways were designed and built by some of the greatest engineers this country has produced, but they are coming under increasing pressure. The population of Britain is predicted to grow by almost 10 million over the next 25 years<sup>2</sup> and ever more of us will be living in cities<sup>3</sup>. Demand for rail travel has doubled over the past 20 years from 740 million to 1.5 billion journeys per year<sup>4</sup>, outstripping our European neighbours. Our roads are also under strain, as traffic could grow by more than 45% by 2040<sup>5</sup>. Yet keeping this country moving is important for future economic growth.

---

<sup>2</sup> Office for National Statistics (2013), *National Population Projections*, 2012-based Statistical Bulletin,

[http://www.ons.gov.uk/ons/dcp171778\\_334975.pdf](http://www.ons.gov.uk/ons/dcp171778_334975.pdf)

<sup>3</sup> Foresight, Government Office for Science (2014), *The future of cities: what is the global agenda?*,

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/377470/future-cities-global-agenda.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/377470/future-cities-global-agenda.pdf), p.5

<sup>4</sup> Office of Rail Regulation, *Passenger Rail Usage*, <http://dataportal.orr.gov.uk/> [Accessed 17 February 2015]

<sup>5</sup> Department for Transport (2013), *Action for Roads: A network for the 21st century*, <https://www.gov.uk/government/publications/action-for-roads-a-network-for-the-21st-century>, p.17



Figure 2: Passenger growth between 2003-04 and 2013-14

2.1.2

The Government is already investing £57 billion in capital transport investment from 2015 to 2020 - including tripling the national roads budget<sup>6</sup> - in addition to HS2. In the short term, we are taking steps to address the capacity problems on the railway. For example, on the London Midland network we recently invested in 10 additional four-car trains, upgraded the existing fleet to be capable of 110mph running and lengthened peak trains from 8 to 12 carriages where possible. Our railways will see the biggest modernisation programme since the Victorian era. But ambitious as this programme is, it is not enough to meet the long-term challenges our transport system faces.

<sup>6</sup> HM Treasury, (2013), *Investing in Britain's future', The future of cities: what is the global agenda?*, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/377470/future-cities-global-agenda.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/377470/future-cities-global-agenda.pdf), p.5 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/209279/PU1524\\_IUK\\_new\\_template.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/209279/PU1524_IUK_new_template.pdf), p.6-8

2.1.3 The case for HS2 is clear. In October 2013 we published *The Strategic Case for HS2*, which re-stated, in considerably more detail than before, just why only HS2 can provide the step change in capacity and connectivity that we need along the north-south axis of the country.

2.1.4 The West Coast Main line is a key artery for the UK. It is the busiest mixed use rail line in Europe<sup>7</sup> providing intercity services and commuter services into London, Birmingham, Liverpool, Manchester, Edinburgh and Glasgow, and over 40% of rail freight uses it during part of its journey<sup>8</sup>. Yet despite a £9 billion upgrade completed less than a decade ago, parts of the line are effectively full in terms of trains, and many are full to overflowing at the busiest times of day. Options for adding any more capacity are becoming increasingly limited, and reliability suffers from the intensive use of the line. By contrast HS2 provides the potential to triple the number of seats leaving London Euston and, by taking intercity passengers off the existing railway line, will release badly needed capacity for commuter and freight services.

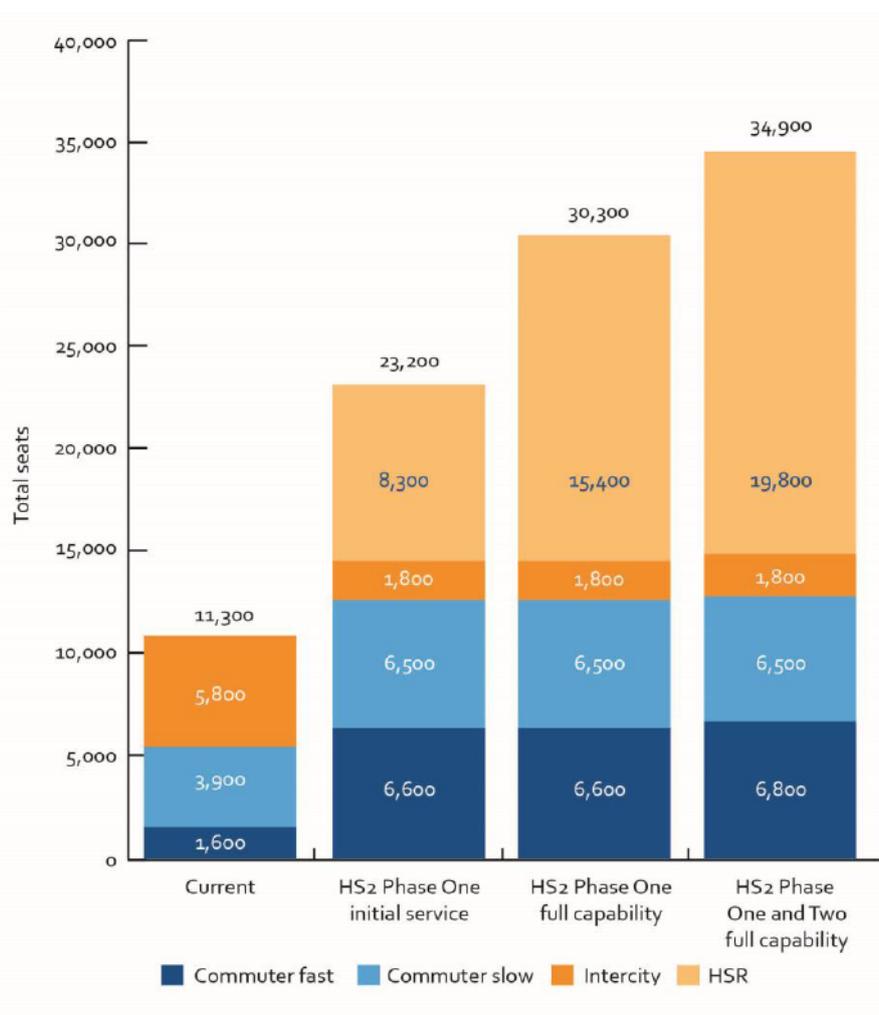


Figure 3: London Euston peak hour departure capacity<sup>9</sup>

<sup>7</sup> Network Rail (2013), *A better railway for a better Britain*, <http://www.networkrail.co.uk/publications/strategic-business-plan-for-cps/>, p.14

<sup>8</sup> West Coast Project Briefing Note – Network Rail Media Centre, 2008

<sup>9</sup> Department for Transport, HS2 Ltd and Steer Davies Gleave. The HS2 Phase One and Phase Two Full Capability scenarios assume that longer 400m trains operate on the existing network, which would require additional investment.

2.1.5

Providing more capacity is important, but it is not the only reason for building HS2. By slashing journey times between many of our major urban centres, HS2 can transform the economic geography of the UK. It will bring people closer together – transforming work opportunities and leisure activities. It will open up new markets for businesses helping them to thrive and will allow people to access a wider range of job opportunities. It is not just about travel to and from London – Birmingham will be at the heart of a new high speed rail network and journey times between the Midlands and the North will be transformed. As High Speed trains will be able to run onto the rest of the railway, places off the HS2 network will also benefit from better journey times from the first day Phase One opens.

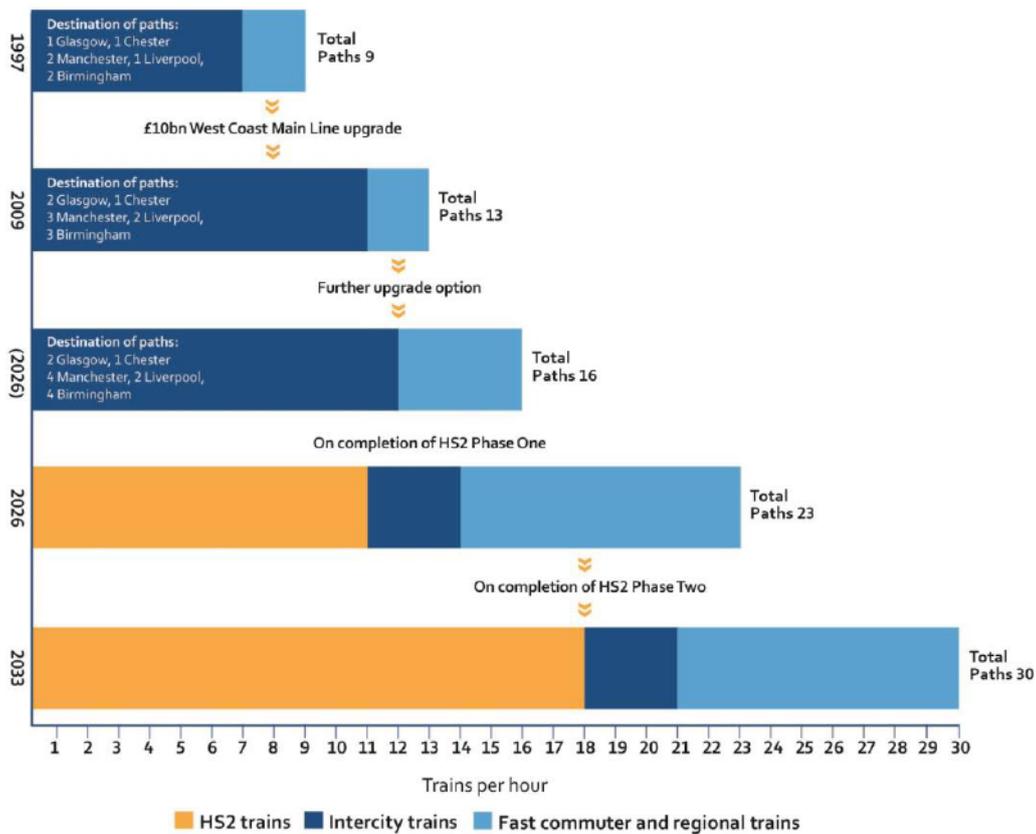


Figure 4: Peak period fast lines departing London Euston

## Journey times

■ Estimated journey time with HS2  
 ■ Existing fastest journey time

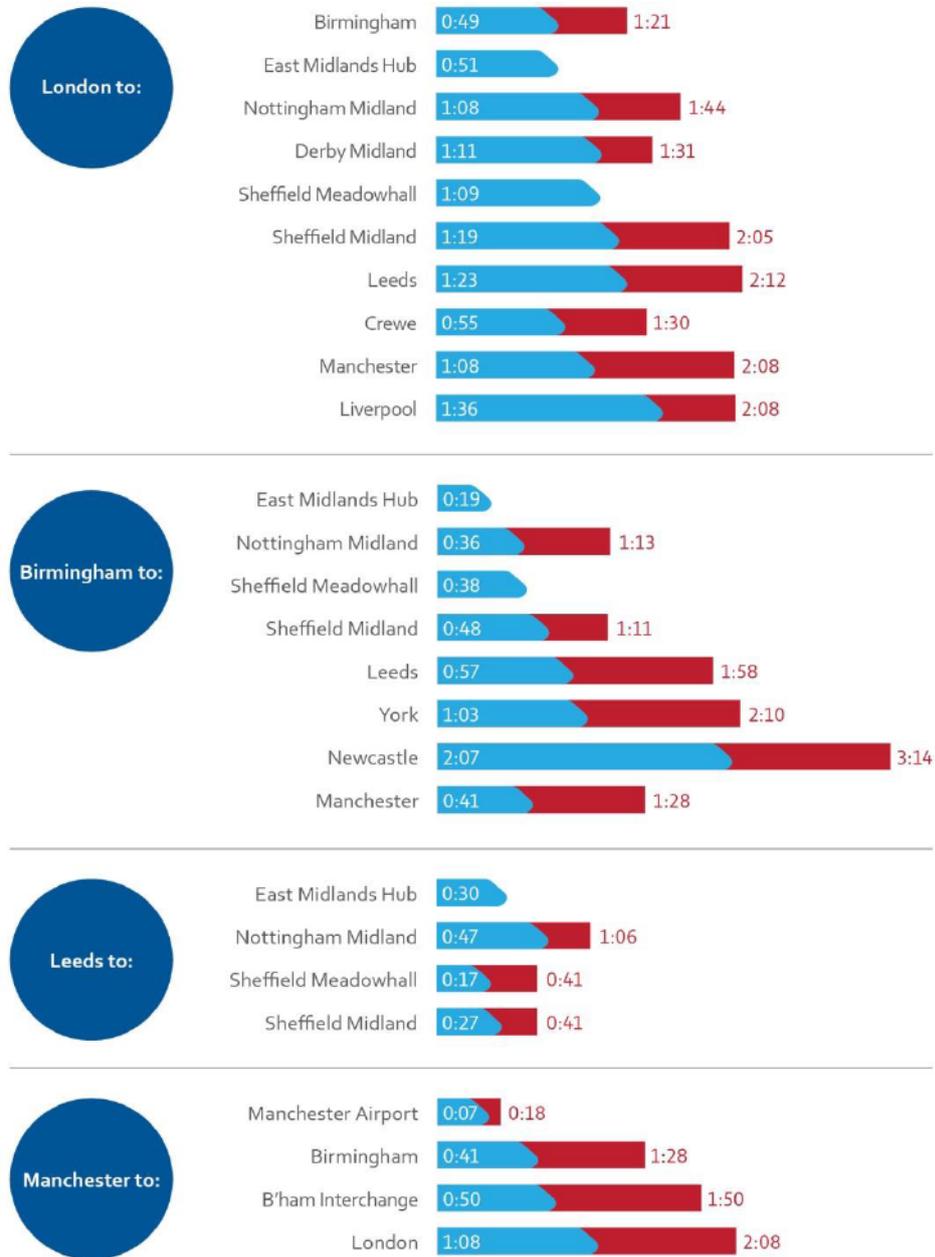


Figure 5: Journey times between major economic centres (full network)

2.1.6 HS2 will create nearly 25,000 construction jobs<sup>10</sup> and support up to 100,000 jobs around the stations<sup>11</sup>, of which over 70 per cent are expected to be outside London<sup>12</sup>. The Core Cities group suggest this figure could be as much as 400,000 jobs<sup>13</sup>. We are ambitious for our country and for its people. We are already working with a range of partners, centrally and locally, inside and outside government, to maximise the benefits HS2 brings and the opportunities it opens up. HS2 and a Northern Powerhouse can be as important to the future of the UK as the first railways were to 19<sup>th</sup> century Britain.

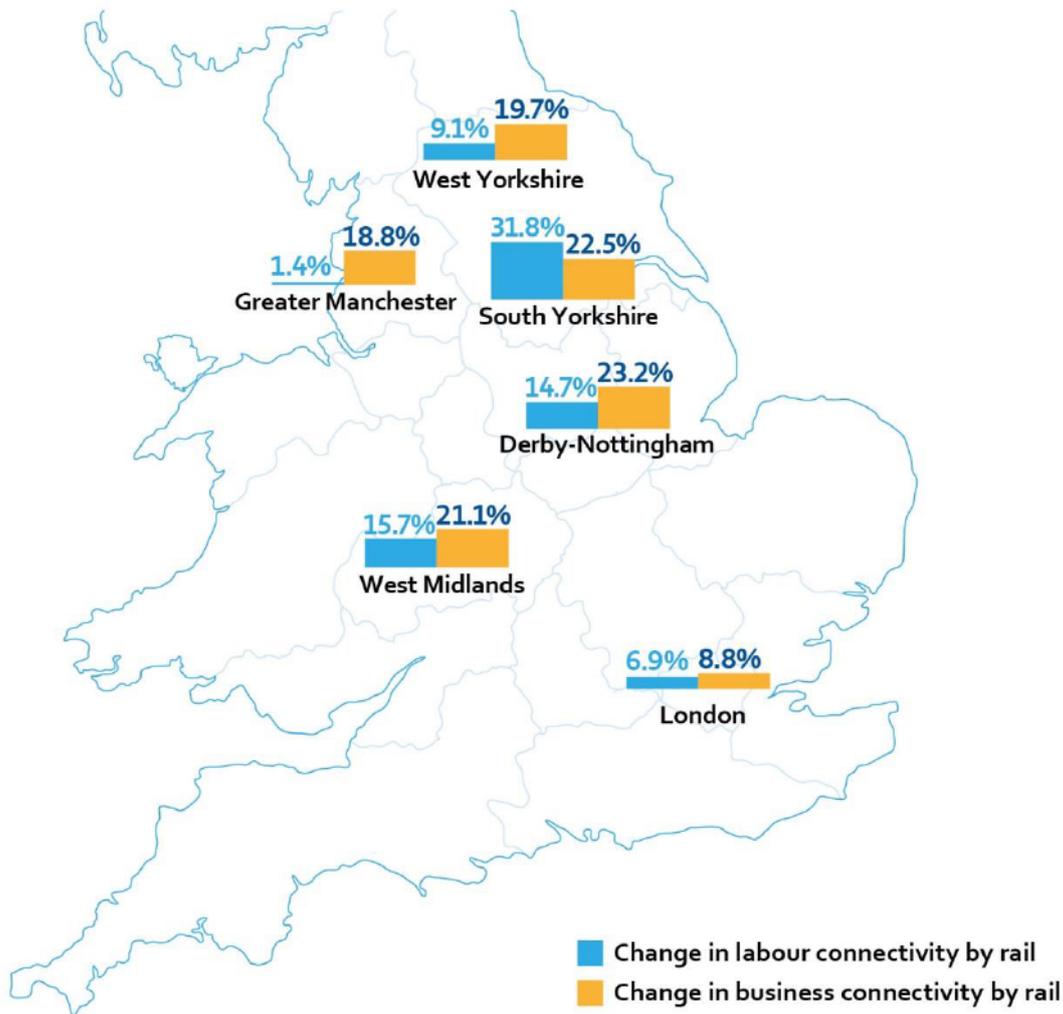


Figure 6: Improvements in productivity for labour markets and business travel

<sup>10</sup> HS2 Ltd (2013), *HS2 Environmental Statement volume 3: Route-wide effects*, page 170 <https://www.gov.uk/government/publications/hs2-phase-one-environmental-statement-volume-3-route-wide-effects>, p.170

<sup>11</sup> Temple ERM, (2013), *Sustainability Statement*, [http://assets.hs2.org.uk/sites/default/files/consultation\\_library/pdf/PC205\\_Vol\\_1\\_Sustainability\\_Statement\\_180713.pdf](http://assets.hs2.org.uk/sites/default/files/consultation_library/pdf/PC205_Vol_1_Sustainability_Statement_180713.pdf), p.121

<sup>12</sup> *HS2 Environmental Statement Volume 3*

<sup>13</sup> Volterra and Arup (2011), *Final report to the Core Cities Group: Understanding the transport infrastructure requirements to deliver growth in England's Core Cities*, <http://www.corecities.com/sites/default/files/images/publications/Transport%20infrastructure%20requirements%20report%20final.pdf>, p.4

- 2.1.7 Only a new railway line can fully meet the objectives of the HS2 programme. We have looked at significant upgrades to the existing network, and in places we are already delivering them. A patch-and-mend approach will only take us so far. Upgrading the existing network would not provide anywhere near the additional capacity of HS2, would be disproportionately disruptive in comparison to a new line, and would also not provide us with the same scale of benefits as HS2<sup>14</sup>.
- 2.1.8 Passenger Focus' recent research<sup>15</sup> sets out what current rail users want: punctuality; reliability; cleanliness; and speed. HS2 will provide this, and more, with trains and stations fit for the 21<sup>st</sup> century.
- 2.1.9 Alongside the Government's Strategic Case, HS2 Ltd produced *The Economic Case for HS2*<sup>16</sup>. This is among the most comprehensive transport appraisals produced by Government, using world-class appraisal techniques and breaking new ground in transport analysis. It demonstrated that HS2 will deliver over £2 of benefits for every £1 invested. Furthermore, we tested the case thoroughly and found that even under a range of negative scenarios HS2 will still deliver positive value for money.

---

<sup>14</sup> *The Strategic Case for HS2* (2013) [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/260525/strategic-case.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/260525/strategic-case.pdf), chapter 6

<sup>15</sup> Passenger Focus (2014), *National Rail Passenger Survey: Autumn 2014 Main Report*, p.54

<sup>16</sup> HS2 Ltd (2013), *The Economic Case for HS2* [http://assets.hs2.org.uk/sites/default/files/inserts/S%26A%201\\_Economic%20case\\_o.pdf](http://assets.hs2.org.uk/sites/default/files/inserts/S%26A%201_Economic%20case_o.pdf)

### 3 Getting the route right

The people and places HS2 will bring together are crucial to its success. As Sir David Higgins has stated in his recent report<sup>17</sup>, the infrastructure needs to stand the test of time. It should draw together the great cities of the country, enabling businesses, commuters, families, and friends to benefit from more jobs, more growth and better connections.

It is vital, therefore, that the Government makes the right decisions on the route and stations, so that they do stand the test of time and that we get best value for money for the taxpayer.

HS2 Ltd has examined a number of routes in developing the proposals. We are confident that the proposed HS2 network offers the right mix of connectivity, journey time savings and route alignment to deliver a world class railway.

#### 3.1 Phase One – London to the West Midlands

3.1.1 We have progressed the route from London to the West Midlands from the initial draft route in March 2010 through further design, assessment, consultation, revision and refinement to become the carefully considered design that it is today. We have made much faster progress than other recent major UK infrastructure projects, all the while aiming to ensure that the people and communities involved have the opportunity to engage and contribute to enhancing the project.

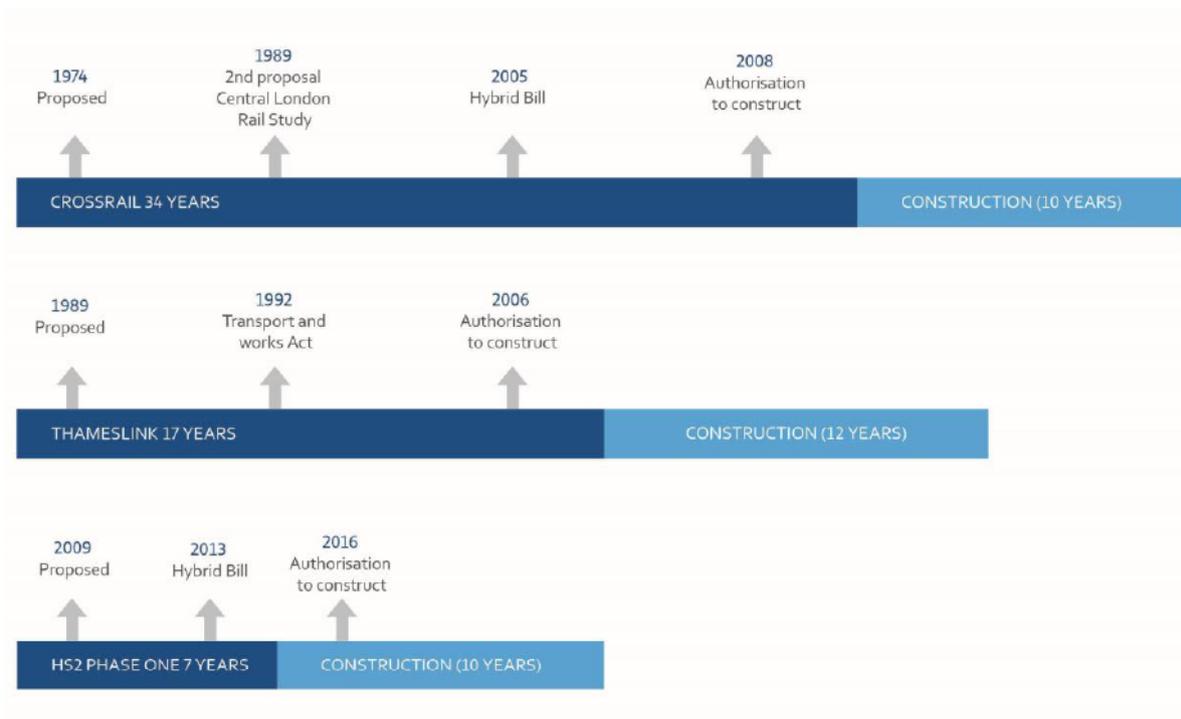


Figure 7: Comparing HS2 timeline with other major schemes

<sup>17</sup> David Higgins (2014), *HS2 Plus*, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/374695/HS2\\_Plus\\_-\\_A\\_report\\_by\\_David\\_Higgins.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/374695/HS2_Plus_-_A_report_by_David_Higgins.pdf)

- 3.1.2 HS2 is not simply an engineering project to be developed in isolation. If HS2 is to meet the needs of the country, then those designing it must consult those who will be using it and those who will be affected by it. And real changes to the route and mitigation measures have been introduced in response to this dialogue.
- 3.1.3 We have undertaken unprecedented levels of consultation. The first was a five month consultation in early 2011 on the route for Phase One and the strategy for the Y-shaped HS2 network. Over 55,000 people responded in what was the largest engagement exercise of its kind across central Government. Since then, HS2 Ltd representatives have been engaging with communities all along the line of route, from Euston to Handsacre, attending over 140 formal meetings in all, in addition to many more individual discussions. In May 2013 the Government consulted on further refinements to the route. We went over and above what the law requires when HS2 Ltd published and consulted on a 5,000 page draft Environmental Statement, providing information and asking for feedback on the impact of the proposed Phase One route.
- 3.1.4 We believe extensive engagement with individuals, community groups, local authorities, businesses and others is the best way to draw up plans for a project of this scale. People have offered their views on how to make HS2 better. We engaged, we listened and we adjusted our plans. 70% of the Phase One surface route will now include noise mitigation measures. These are the adjustments we have made to the route:
- moved the route further from Middleton, resulting in fewer demolitions and reduced noise impacts;
  - improved the mitigation on Balsall Common by moving the line further away from the community and lowering the height of the viaduct;
  - used a shallower cutting and longer green tunnel at Burton Green to mitigate impacts and reduce spoil generation, whilst still shielding the visual impact of the trains from the community;
  - avoided Kenilworth Golf Club, lowering the line further into cutting through the National Agricultural Centre, and introduced a narrower, retained cutting through South Cubbington Wood;
  - introduced a longer bored tunnel at Long Itchington Wood, which will significantly reduce land take, noise, and landscape and visual impacts;
  - introduced a longer green tunnel past Chipping Warden and Aston le Walls, and curved the route to move it away from a cluster of important heritage sites around Edgcote.
  - lowered the alignment, avoided the need for a viaduct and introduced a green tunnel past Greatworth, and a short green tunnel at Turweston;
  - moved the route further away from Twyford, allowing for landscaped earthworks to reduce noise and visual impacts;

- lowered the route past Aylesbury and Stoke Mandeville, reducing local impacts and the need for larger works to local roads and the Chiltern Line;
- introduced a longer green tunnel to reduce impacts around Wendover, and extend the green tunnel at South Heath;
- introduced a longer, continuous tunnel from Little Missenden to the M25 through the Chilterns Area of Outstanding Natural Beauty to reduce the need for deep cutting and to avoid an aquifer;
- removed all surface impacts (apart from an intervention shaft) with a 2.75 mile bored tunnel along the Northolt Corridor;
- introduced a bored tunnel along the Northolt Corridor meaning that the route is in tunnel from Old Oak Common to West Ruislip; and
- provided a bored tunnel at Bromford, near Birmingham, to avoid disruption to local infrastructure and the resultant environmental and social effects.

3.1.5 The Government is now going through its most detailed and focussed scrutiny yet on the line of the Phase One route. Almost 2,000 petitioners from across the country have the opportunity to present their case to Parliament. We have already made several changes to the design of the railway in response to Bill petitions, including lowering the railway where it crosses the A38 at Lichfield and a bypass for Chipping Warden, and this will continue until we have the best route for the country. HS2 will be a railway for the whole country and this is why we are keen to reach agreement with as many petitioners as possible, which we have already successfully done with key stakeholders such as Birmingham City Council, Solihull Metropolitan Borough Council and Staffordshire County Council.

3.1.6 We have already listened and responded to the residents of Camden on the issue of the HS1-HS2 link. The link required too many compromises in terms of impacts on freight, passengers and the community in Camden. The link was unable to secure a consensus, so the Government took decisive action, withdrawing safeguarding. We will also remove this from the hybrid Bill at the right point in the parliamentary process. We are looking at other options for ways to improve connections to the continent.

3.1.7 We have also listened to the community around Euston Station in Camden. The redevelopment of Euston can be the catalyst for major local regeneration, jobs and growth. But this should not come at a price for those who live in the area – the disruption needs to be proportionate. We will continue to engage with the community as plans develop.

3.1.8 It has taken time to get the Phase One route right, and no doubt there will be further changes yet to come as we go through the petitioning process. But it is the Government's role to listen, to reflect, and to make considered and fair decisions that balance the best interests of the country.

## 3.2 Phase Two – the West Midlands to Leeds and Manchester

3.2.1 The second phase of HS2 has a big role to play in enhancing the future prosperity of the country. HS2 will be at the heart of future transport networks. Decisions about the route, stations, depots and how HS2 is integrated with local transport systems are hugely important. This requires careful consideration. Phase Two joins the West Midlands to Manchester and Leeds, and brings further benefits to the North West and North East, the East Midlands, Yorkshire and Scotland. It offers additional and much needed connectivity between Midland and Northern centres, released capacity and connections onto the East Coast Mainline and further up the West Coast Mainline to allow the North and Scotland to be better served. 'Classic Compatible' trains will provide seamless journeys for places further afield and allow them to benefit from the high speed route.



Station Taxi Rank Parking Bus Stop Car Drop Off/ Pick Up Concourse Local Services

Figure 8: Proposed Manchester Piccadilly station (with HS2)

3.2.2 The route for Phase Two is at a much earlier stage of development than Phase One. Following the January 2012 decision on a Y-shaped network, one year of engineering design and business case analysis work led to a draft route which is 50% longer than Phase One. The Government then began a period of informal engagement with those in Phase Two areas based on this initial preferred route. The Government refined its

plans following this engagement, taking on board suggestions for improvements including those that mattered to major employers in the East Midlands and Sheffield in particular, and published a refined proposed route for consultation in July 2013. That consultation closed in January 2014 with over 10,000 responses. We will set out how we will take Phase Two forward later in 2015.

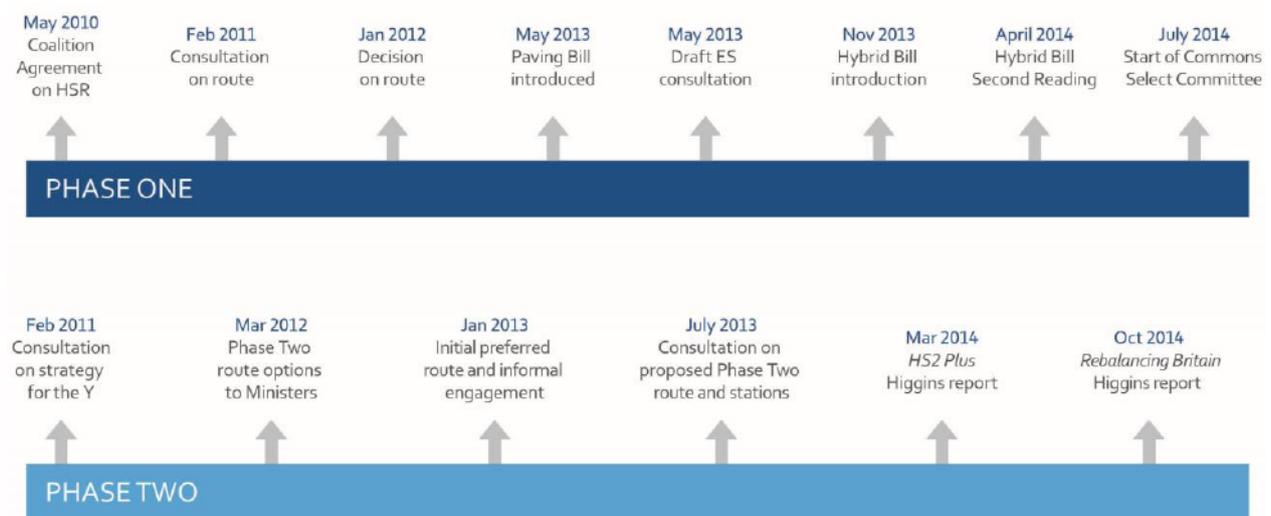


Figure 9: Getting the route right

### 3.3 Sir David Higgins' recommendations on Phase Two

- 3.3.1 The Government asked Sir David Higgins to undertake a review on maximising the benefits of HS2 and managing costs. To date, Sir David has published two reports: one in March 2014<sup>18</sup> on HS2 as a whole and another in October 2014<sup>19</sup> on Phase Two. As Sir David noted, it is important that we take stock at key points in such a vast project and ensure that we are clear about the direction in which we are heading. Sir David agrees that the Government's strategy for HS2 is right.
- 3.3.2 Sir David proposed that we accelerate delivery of the section to Crewe. Crewe already has six existing railway lines radiating outwards from it. Linking HS2 into these could allow high-speed access to towns and cities across the North West.
- 3.3.3 Sir David also made a number of recommendations on the modifications to the route, and HS2 Ltd has been commissioned to do more work on the route and stations for Phase Two. This includes further work on Leeds Station, South Yorkshire and East Midlands' hubs, the approach to Manchester, the Golborne link, the link to the East Coast Mainline and proposals for a hub station at Crewe. We will also continue to look at options for benefitting those places not directly on the proposed line of route.

<sup>18</sup> David Higgins (2014), *HS2 Plus* <https://www.gov.uk/government/publications/hs2-plus-a-report-by-david-higgins>

<sup>19</sup> David Higgins (2014), *Rebalancing Britain* <https://www.gov.uk/government/publications/rebalancing-britain-from-hs2-towards-a-national-transport-strategy>



Figure 10: Proposed Leeds station (with HS2)

### 3.4 Towards a Northern Powerhouse

- 3.4.1 The Phase Two consultation triggered a national conversation about how HS2 can best benefit the North. And since the consultation closed this conversation has continued and evolved into a wider discussion on transport, economic growth and the North-South divide. We know that HS2 will connect the peoples of different towns and cities of the North with dramatically reduced journey times, not just to and from London, but between northern communities as well. Building on investment being made through electrification projects and the Northern Hub, worth around £1 billion a year, HS2 could halve the east-west journey time between Birmingham and Nottingham city centres; Leeds, Sheffield and East Midlands could be separated by journeys of only 20 minutes; and Birmingham and Manchester city centres will be approximately 40 minutes apart.
- 3.4.2 Despite this, there is an opportunity to do more. That is why Sir David reported on how Phase Two could be the driver for a Northern Powerhouse of joined up city regions. He recognised that excellent east-west connectivity between the great cities of the North is as crucial as excellent north-south connectivity. Much of the rail and strategic road network is based on journeys that go to and from London, and this means that infrastructure that goes east-west between our Northern cities has been left behind, so the journeys between the Northern cities are currently not always quick or easy. Sir David’s report started to explore improvements to the rail journeys between Manchester and Leeds, and recognised that this work needed to include Liverpool, Sheffield, Hull and Newcastle.

- 3.4.3 In response, work on HS3 – a high speed rail link to join up Northern City Regions – was formally given the go-ahead by the Government. We also recognised the need to ensure that HS2 Phase Two, HS3 and other modes of transport work together to boost the Northern Economy and support the creation of a Northern Powerhouse. That is why the comprehensive Northern Transport Strategy is being jointly developed between Government and Transport for the North (TfN), with an interim report published in March 2015. Transport for the North was created in response to Sir David’s recommendation for more formal co-operation on northern transport issues. It is made up of the city regions of Liverpool, Manchester, Sheffield, Leeds, Hull and Newcastle, and will allow the North to speak with one voice on the transport priorities for the region as a whole.
- 3.4.4 The joint strategy will identify a series of transport priorities, which will help to drive growth and rebalance the economy. Bringing the cities of the North closer together, whilst respecting their unique identities, will allow them to create a single economic area. That way, companies and people can benefit from access to a bigger market and a bigger labour pool. More business to business interactions result from such proximity, ideas and innovation flow more intensely and people have more job opportunities. All of which boost economic growth.

## 4 Looking after people along the route

The Government's decisions on HS2 have been made with careful consideration of the impacts on the lives of people that live and work on or near the line of route, or in the case of Phase Two, near the proposed line of route. The design of the railway for Phase One incorporates noise, visual and other environmental mitigation wherever possible and will be built to work sensitively within the landscape. Of the 143 miles of the railway for Phase One, at least 79 miles is currently proposed to be in cutting or tunnel. We are also working to minimise the number of properties we need to demolish for Phase One.

### 4.1 Property

- 4.1.1 However we know that some people and property will be significantly affected by the railway. When they are, the Government wants to ensure they are treated fairly, with dignity and in a timely manner. We have recognised that HS2 is an exceptional scheme that justifies an exceptional support package. Therefore, the Phase One property package is more generous than for other large infrastructure schemes.
- 4.1.2 On Phase One, we have set up a variety of property schemes to ensure people are looked after. As with any major infrastructure project, people are entitled to statutory compensation if their property is required for construction. We have tailor-made our Express Purchase Scheme to streamline the process and give certainty to homeowners within the land we have safeguarded – which goes further than legislation requires. The Express Purchase Scheme gives those within the safeguarded area the same financial package they would have received with statutory blight, which is the full value of their property, as if HS2 was not there, plus 10% as a 'home loss payment' (capped at £49,000) and reasonable moving costs.
- 4.1.3 Along the whole of the Phase One route and not dependant on the proximity of the line all property owners can apply to the 'Need to Sell' scheme. Anyone who has marketed their property but has been unable to sell it due to the potential effects of HS2 can apply to the scheme. A compelling reason to sell will need to be provided, such as ill health, retirement plans or moving for a new job. This list is not exhaustive and each case will be considered on its own merits by an independent panel. The panel will consider cases where a compelling reason to sell can be evidenced now or within the next three years to enable those affected to better plan for their future. These properties can be purchased at the full market value as if HS2 was not there.
- 4.1.4 Where Phase One runs above ground in rural areas, owner-occupiers living up to 120m from the centre of the railway line have the choice of the Voluntary Purchase Scheme or a Cash Offer for those who wish to remain in their homes and communities. The Voluntary Purchase Scheme guarantees full market value as if HS2 was not there, whilst the Cash Offer is 10% of the same value of their property (subject to a minimum payment of £30,000 and a maximum of £100,000).
- 4.1.5 The Homeowner Payment Scheme is for owner-occupiers of rural properties near the line of route. The aim is to ensure that people who live near the line of route receive an early share in the benefits of HS2.

- 4.1.6 The scheme will be implemented only once the HS2 hybrid Bill, which is currently in Parliament, becomes law. We expect this to be towards the end of 2016, but will contact people living in eligible areas when the scheme is available.
- 4.1.7 A further 'Rent Back' scheme offers people more flexibility. It allows people to remain in their homes after it has been bought by the Government, giving them more time to consider their options and find a new home that is right for them. To date, nine properties have been rented back to former owners.
- 4.1.8 The Exceptional Hardship Scheme is available for property owners along Phase Two of the HS2 route. This scheme is not reliant on the proximity to the line of route and any property owner can apply. However they will need to show an exceptional circumstance such as ill health or a change in finances meaning that they need to move before the longer term discretionary schemes are announced. These properties can be purchased at the full market value as if HS2 did not exist.
- 4.1.9 When working with residents and communities, openness and transparency have to be at the heart of everything we do. To ensure that happens, HS2 Ltd has established an HS2 Residents' Charter; that will help make sure that residents affected by the railway are treated in a fair, clear, competent and reasonable manner.
- 4.1.10 To oversee the standards set out in the charter, HS2 Ltd appointed Deborah Fazan as the independent Residents' Commissioner in January 2015. The Commissioner reports to the HS2 Ltd Chairman and will produce a quarterly progress report for the HS2 Ltd Board. The report will address how HS2 Ltd deals with communities and individuals who are affected by property issues. The Commissioner oversees communication standards in regard to both statutory and discretionary property measures. She has a role in monitoring performance against the commitments in the Charter and will publish a quarterly report online.

## 4.2 Design

- 4.2.1 As well as embodying world-class safety standards, HS2 Ltd has designed the railway to preserve carefully rights-of-way, maintain footpaths and ensure that roads are able to function as well as, if not better than, before. The Phase One route includes bridges and underpasses to ensure local connectivity is preserved, including 73 carrying roads, 45 carrying footpaths and 20 carrying bridleways, subject to any changes as the Bill goes through Parliament.
- 4.2.2 For those that will live alongside the railway, whether in an urban or rural setting, the design of the railway and associated infrastructure (viaducts, tunnels etc.) will be important to their quality of life. We are establishing a Design Panel to provide independent challenge to the project and to help ensure the right design decisions are made. The panel will advise on the design of stations, bridges, viaducts and other associated infrastructure as well as on user experience and landscaping. At a local level, we would also like to engage with the local community on design of HS2 structures or buildings in their area.
- 4.2.3 HS2 will be one of the largest construction projects in Europe and our aim is to design and construct Phase One of HS2 in such a way that we reduce the effects of

construction on communities and the environment as far as is reasonably practicable. *The Draft Code of Construction Practice (CoCP)*<sup>20</sup> is part of the environmental and sustainability commitments that the Government will enter into through the hybrid Bill process.

4.2.4 These commitments are known as Environmental Minimum Requirements (EMRs) and consist of a suite of framework documents which will:

- define the ways in which the nominated undertaker will engage with people affected by the Proposed Scheme; and
- explain how measures designed to protect communities and the environment will be put in place alongside detailed design development and construction.

4.2.5 As part of the EMRs, the CoCP will evolve and is subject to refinement, amendment and expansion. This is because elements of design, assessment and parliamentary processes may develop during the passage of the Bill. An updated version of the CoCP will be produced when the Bill achieves Royal Assent.

4.2.6 The CoCP sets out a series of measures and standards that HS2 Ltd and the contractors appointed to deliver the Proposed Scheme will be required to meet for the duration of the construction of Phase One. It will also ensure that potential impacts on people and the natural environment are kept to a practicable minimum.

4.2.7 The CoCP builds on direct experience from other major infrastructure schemes such as HS1, Crossrail and the London 2012 Olympics, which all followed a similar approach.

4.2.8 Environmental assessment has also been integral to the development of the HS2 scheme. The project is seeking to achieve no net loss in biodiversity. This means that from a biodiversity point of view it would be as though hundreds of miles of railway was not there. So the HS2 design includes detailed measures to not only reduce environmental impacts but also to mitigate them through replacement habitats, taking opportunities to reconnect habitats to create “wildlife corridors” and designing structures to allow species to cross the railway safely. This is on top of our existing commitment to plant 4 million trees along the route of HS2, trees that we would like to see grown in British nurseries providing HS2 jobs in the wider economy from the very beginning of construction.

4.2.9 HS2 is part of our long term economic plan for Britain. The benefits it generates will outweigh the costs, far into the future. However, as with any major infrastructure project, we must keep careful control of the cost. HS2 Ltd routinely reviews the costs and provides updated forecasts on the cost and the time it takes to build the high speed rail lines. This draws on international experience, to find ways to bring down the cost of HS2. HS2 Ltd also works with suppliers to increase value for money by identifying efficient construction techniques. Overall, we must ensure that HS2 is affordable and continues to deliver an excellent return for the UK taxpayer.

---

<sup>20</sup> HS2 Ltd (2013), *Draft Code of Construction Practice*, <https://www.gov.uk/government/publications/hs2-phase-one-environmental-statement-volume-5-draft-code-of-construction-practice>

## 4.3 Providing opportunities

- 4.3.1 HS2 will not only impact those living close to the line of route. It will also provide huge opportunities for people living close to the railway and the stations. It will drive regeneration and growth. It will be the biggest construction project in Europe, directly generating jobs for communities across a wide range of disciplines. While HS2 is being built it will generate nearly 25,000 construction jobs<sup>21</sup>.
- 4.3.2 This is a huge opportunity for British firms and the UK workforce. HS2 Ltd is working with them to better prepare them to successfully compete for these opportunities.
- 4.3.3 HS2 Phase One will lead to contracts worth over £7 billion for design and other professional services and construction of tunnels and surface route; £2.9 billion for stations and £1.7 billion for railway systems. There will also be contracts worth around £7.5 billion for rolling stock for Phase One and Phase Two.<sup>22</sup> These contracts can be won by British companies employing UK-based workers. The expertise that they can build will put British companies in the best possible position to win business overseas.
- 4.3.4 However, the jobs generated by investment in the railway represent a fraction of the jobs that HS2 will help to enable. As noted in the Strategic Case for HS2, published in 2013, the scope for jobs in the wider economy is significantly greater. Indeed, the Greater London Authority has developed plans to deliver jobs around Old Oak Common which will regenerate a light industrial site and deliver up to 55,000 jobs and 24,000 new homes<sup>23</sup>. This supports claims by the Core Cities Group – representing eight of the largest city economies outside London – that HS2 could support up to 400,000 jobs in the wider economy<sup>24</sup>.
- 4.3.5 We are determined to help those living and working close to the HS2 Phase One route to make the most of the railway. In October 2014, the Government announced the Community and Environment Fund (CEF) and the Business and Local Economy Fund (BLEF). A total of £30 million has been made available for these Funds which aim to offset the impacts of HS2 Phase One on local communities and businesses. These Funds are in addition to the comprehensive package of support already set out in the Environmental Statement and the hybrid Bill. Bids will be invited from community groups, charities, non-governmental organisations, local authorities and business support organisations. This money will ensure that residents and communities feel the positive change that HS2 can bring to their local areas and allow the economic benefits of HS2 to be spread more widely. The first grants will be awarded following Royal Assent of the Phase One hybrid Bill.

<sup>21</sup> HS2 Ltd (2013), *HS2 Environmental Statement volume 3: Route-wide effects*, <https://www.gov.uk/government/collections/hs2-phase-one-environmental-statement-documents>, p.170

<sup>22</sup> HS2 Ltd (2014), *HS2 supplier guide*, <https://www.gov.uk/government/publications/hs2-supplier-guide>

<sup>23</sup> Mayor of London (2014), *Further alterations to the London Plan*, <https://www.london.gov.uk/priorities/planning/london-plan/draft-further-alterations-to-the-london-plan>, p.296

<sup>24</sup> Volterra and Arup (2011), *Final report to the Core Cities Group: Understanding the transport infrastructure requirements to deliver growth in England's Core Cities*, <http://www.corecities.com/sites/default/files/images/publications/Transport%20infrastructure%20requirements%20report%20final.pdf>, p.4



Visualisation of Birmingham Curzon Street station. © HS2 Ltd

## 5 Getting Britain set for HS2

The growth potential HS2 offers in terms of regeneration and development provides a once-in-a-lifetime opportunity<sup>25</sup>. Transport-led economic growth has a long and proven history. There are the impressive examples of transport-led regeneration at Kings Cross-St Pancras, Manchester Piccadilly, and Newcastle-Upon-Tyne, all of which have become hubs attracting inward investment and creating jobs. HS2 will change the economic geography of this country. To ensure we turn the opportunity into a reality relies on two things: HS2 Ltd delivering a world-class railway and local areas (plus their partners, particularly in the private sector) embedding HS2 at the heart of the local growth agenda. In recognition that the Government will need to support local areas to deliver their visions for HS2-led growth and regeneration, we are committed to leading Government Departments towards helping to implement locally produced HS2 growth strategies.

### 5.1 Growth Taskforce: cities, transport networks, people, business

5.1.1 The opportunities HS2 can bring were described by Lord Deighton's HS2 Growth Taskforce. The Taskforce brought together leading figures from business, academia, central and local Government and public sector organisations. Travelling the country the Taskforce asked "how do we maximise the benefits from HS2?". In their final report, *HS2: Get Ready*<sup>26</sup> (published in March 2014), they outlined a series of recommendations central and local government, businesses and skills providers could undertake straight away to "get Britain HS2 ready". The Taskforce also warned that a 'business as usual' approach would not be enough to harness the transformational potential of HS2 or its benefits for the wider economy. That is why the Government's July 2014 response to the Taskforce<sup>27</sup> broke from the norm and presented a collective commitment by local government, central Government Departments, and HS2 Ltd to delivering the Taskforce's recommendations.

### 5.2 Cities

5.2.1 The *Response to the HS2 Growth Taskforce* contained a commitment by each local authority to lead their cities and partners to get ready for HS2. This included producing a detailed HS2 Growth Strategy to identify how local resources, developer contributions, and private investment can be used to regenerate and deliver key infrastructure and connectivity to unlock the wider benefits of HS2. This also included putting in place programme boards to oversee the production of these strategies, and setting up local delivery bodies to oversee strategy implementation. Work has already begun. For example, the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP), which represents both Birmingham Curzon Street and the

<sup>25</sup> Atkins (2014), *Maximising the Growth and Regeneration Benefits of HS2 – Final Report*,

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/294663/maximising-benefits-of-hs2.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/294663/maximising-benefits-of-hs2.pdf)

<sup>26</sup> HS2 Growth Taskforce (2014), *HS2: get ready*, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/294851/h2-get-ready.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/294851/h2-get-ready.pdf)

<sup>27</sup> Department for Transport (2014), *HS2 Growth Taskforce: a response from government*, <https://www.gov.uk/government/publications/h2-growth-taskforce-a-response-from-government>

Interchange at Solihull stations, has already set up its programme board and is on-track to deliver its HS2 Growth Strategy by April 2015.

- 5.2.2 Birmingham and Solihull have both created extensive plans to maximise jobs and growth in the 140 hectares around both Curzon and Interchange<sup>28</sup>. The Curzon Street draft masterplan<sup>29</sup> projects 14,000 net jobs can be provided as a result of regeneration and development of the station area. This is projected to deliver over a £1 billion per year of extra GVA. Solihull's prospectus for a Garden City<sup>30</sup> sets out that on top of the existing jobs the new zone to the East of the M42 will provide the capacity for up to 9,300 jobs and at least 2,000 homes.
- 5.2.3 *Camden Council's Euston Area Plan*<sup>31</sup> projects 180,000- 280,000 sq m of new employment and economic floor space can be developed, plus the opportunity for around 20,000 sq m of retail floor space around the station. Plans for Old Oak Common outlined in the Mayor of London's London Plan sees the opportunity to regenerate 155 hectares of industrial and railway land to deliver up to 55,000 jobs and up to 24,000 new homes<sup>32</sup>; and a Mayoral Development Corporation is on track to be established from 1 April 2015 to implement these plans and bring forward development. Local areas are bringing to life the positive economic benefits that HS2 will have, turning connectivity and opportunity into space for jobs and homes. The faces of our great cities will be changed forever, and for the better.
- 5.2.4 To further support cities in the vital task of implementing their HS2 visions, Ministers have asked HS2 Ltd and London and Continental Railways to work together to ensure stations are designed to maximise growth and regeneration opportunities, attract businesses, and draw on the expertise and resources of agencies like Homes and Communities.

## 5.3 Transport networks

- 5.3.1 To benefit transport users, reduce travel times and make for easier and more comfortable journeys, other transport infrastructure needs to be planned properly. The Government wants station cities to start doing this now, looking ahead to future travel needs, to create a plan for local transport and access to future funding streams.
- 5.3.2 The rail network is developed and maintained by Network Rail. Clearly local areas need to be involved in planning for future rail services to get the best from their local plans and the Department for Transport (DfT) and Network Rail are keen to engage the public and local communities in planning future rail services. In addition to the consultation on the Phase Two route, there will be various opportunities to engage in the future, including Network Rail's Route Studies, involving local authorities, and Transport for the North (local authorities and LEP representatives).

---

<sup>28</sup> Greater Birmingham and Solihull Local Enterprise Partnership

<sup>29</sup> Birmingham City Council (2014), *Birmingham Curzon HS2 Draft Masterplan*, <http://www.birmingham.gov.uk/birminghamcurzonhs2>

<sup>30</sup> Solihull MBC (2014), *The Interchange: Prospectus for a 'Garden City' approach*, [http://www.solihull.gov.uk/Portals/0/Planning/LAP/UKC\\_Garden\\_City\\_Prospectus\\_2014.pdf](http://www.solihull.gov.uk/Portals/0/Planning/LAP/UKC_Garden_City_Prospectus_2014.pdf)

<sup>31</sup> Camden Council (2015), *Euston Area Plan*, <http://www.eustonareaplan.info/documents/>

<sup>32</sup> Mayor of London (2014), *Further alterations to the London Plan*, <https://www.london.gov.uk/priorities/planning/london-plan/draft-further-alterations-to-the-london-plan>, p.296

- 5.3.3 Government is also backing locally owned plans to invest in transport into and out of future HS2 hubs. For example, in July 2014 we agreed an investment package for the GBSLEP worth up to £357 million for local transport, some of which will go towards transport schemes which anticipate the arrival of HS2. This investment will support the delivery of new connections in the regeneration area of Digbeth and the wider city centre.
- 5.3.4 While final decisions on Phase Two stations have not yet been taken, the Government welcomes the progress already being made by northern cities to develop local plans and ensure HS2 stations will be integrated into the cities and their full growth potential realised. Places like Manchester and Leeds are planning ahead to ensure they are ready for HS2 – they have set out long-term investment plans to prepare local transport networks. Manchester is working to promote the integrated development of Manchester Piccadilly as part of both the Northern Hub scheme and HS2 project, to create a multi-modal hub station.

## 5.4 Skills

- 5.4.1 We are determined to ensure that people in the UK can benefit from the jobs and skills opportunities that HS2 brings. We want to align the skills and apprenticeship agenda so a generation or more of Britain's workers can construct and maintain world-class infrastructure, rolling stock and other railway supplies. Britain has the potential to lead the world in engineering expertise once more. We have a strong track record from the Olympics, Thameslink and Crossrail, Europe's largest infrastructure project. The Tunnelling Academy is Crossrail's legacy to the UK's construction industry, providing qualifications and standards in underground construction for years to come. But HS2 is bigger again.
- 5.4.2 We want people in the UK to have the opportunity to rise to the challenge, to develop their skills and to access the jobs and careers that will be created. In September 2014 Birmingham and Doncaster were chosen as the twin sites for the new national college for high speed rail<sup>33</sup>. The aim of the college is to ensure we have in place a highly skilled workforce to deliver high speed rail. It will make links to skills providers across the country to inspire the next generation of rail engineers and build our skills base in advanced engineering. The Government and HS2 Ltd have also joined forces to raise the profile of rail and engineering careers amongst young people by working with schools and technical colleges to develop specific pathways and encouraging employers to inspire young people in their career choices. HS2 Ltd has announced its ambition to create over 2,000 apprenticeship opportunities - more than the Olympics and Crossrail combined.
- 5.4.3 Only 8 per cent of Britain's engineering workforce is female, the lowest rate in Europe<sup>34</sup>. HS2 Ltd has started a number of initiatives to attract people from diverse

<sup>33</sup> Department for Transport (30 September 2014), <https://www.gov.uk/government/news/new-high-speed-rail-college-to-be-in-birmingham-and-doncaster>

<sup>34</sup> BIS (2013), *Professor John Perkins' Review of Engineering Skills*, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/254885/bis-13-1269-professor-john-perkins-review-of-engineering-skills.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/254885/bis-13-1269-professor-john-perkins-review-of-engineering-skills.pdf)

backgrounds, especially women and under-represented groups, into rail and advanced engineering.

- 5.4.4 The HS2 Ltd Construction HQ will be sited in Birmingham, housing up to 1,500 HS2 Ltd employees and planned to open in 2015. Some of these will be relocations from London but the majority will be brand new highly skilled jobs for the city. This includes engineers and designers responsible for detailed construction plans for the track, stations and signalling as well as the staff needed to support their work.

## 5.5 Business

- 5.5.1 Building and maintaining HS2 presents a unique opportunity for business, with billions of pounds worth of contracts available to be won. HS2 Ltd, the Government and local areas are working with the supply chain to ensure UK-based businesses are in the best place to compete. This involves extensive industry engagement by HS2 Ltd and encouragement of collaborative working. Local areas are considering how best to provide advice and support for businesses who want to bid for HS2 contracts. More detail on preparing the market for construction is set out in chapter 6.
- 5.5.2 The Rail Supply Group is an existing body which unites Government and the rail supply chain to maximise the economic potential of the UK rail sector. A key part of its work programme will be to ensure UK-based suppliers are well placed to compete for HS2 contracts. This group builds on successes of similar bodies in the automotive, defence and aerospace industries.
- 5.5.3 Securing the appropriate workers, skills, goods and services is vital to the successful delivery of HS2. Beyond this, HS2 aims to maximise the economic and social benefits of the investment associated with the creation of a new high speed rail network. Ensuring that job opportunities are made available and that, wherever practicable, the UK has the required skills base is an important part of HS2 Ltd's approach to construction.
- 5.5.4 We are committed to using the development of HS2 to maximise the creation of new apprenticeships, as well as enabling existing apprentices employed in the supply chain the unique opportunity to experience working on the proposed scheme. Across the supply chain, apprentices will be employed in a wide range of trades and professions from construction to accountancy, quantity surveying to business administration. In 2013, HS2 Ltd teamed up with the Evening Standard's Ladder for London campaign and City Gateway, a social enterprise charity to recruit the first four apprentices who are now working in the public enquiries, land and property and IT departments.
- 5.5.5 HS2 Ltd will ensure that maximising skills and employment opportunities is integral to the procurement processes and is applied to its entire supply chain. Where appropriate HS2 Ltd will require specific contractual commitments from the supply chain to support the delivery of its skills and employment ambitions. For example, skills and employment is one part of a balanced scorecard approach to measuring value in HS2 Ltd's procurements. HS2 Ltd will include appropriate measures to deliver skills and employment in each of the major contracts and assess the bidders on their ability to deliver these measures.

## 5.6 Learning lessons

- 5.6.1 The Government has made learning lessons from other major projects a priority. We have established tripartite working arrangements between Network Rail, HS2 Ltd and the Department for Transport to make sure we work effectively across organisations. Our governance processes include a focus on analysis and value for money to guide decision making. We have recognised the need to focus on realising benefits from an early stage. The Government is working with HS2 Ltd to develop joint benefit management capabilities so that the many benefits of HS2 will be fully realised and reported, and we are already planning for how we can evaluate the scheme effectively.

## 6 Starting the build, without delay

The introduction of the Phase One hybrid Bill into Parliament was a huge milestone. As the Bill passes each Parliamentary stage our momentum grows. We are on track to gain Royal Assent in 2016 and have spades in the ground by 2017. We have seized the current momentum to achieve early progress in some key preparatory areas.

### 6.1 Use of Paving Act 2013

6.1.1 *The High Speed Rail (Preparation) Act 2013* (also referred to as “the Paving Act”) allows us to start preparatory work on some areas of work to deliver the railway. The Act enables expenditure on key preparatory work including detailed design, ground investigations, diverting or relocating utilities, discretionary property compensation and ecological surveys so that we are in the best possible position upon Royal Assent of the hybrid Bill to start building HS2. By preparing now, we can help to manage costs, wherever possible bringing them down, and de-risk elements of construction, ensuring best value for money for the British taxpayer. Expenditure incurred under the Paving Act must meet standard Government criteria including value for money and affordability tests and must be separately approved by the Treasury. We have outlined some of the activities that we have delivered under the Paving Act 2013 below.

6.1.2 HS2 Ltd has already started procuring contracts worth up to £61 million for the ground investigation work which is needed prior to the start of Phase One construction. The work allows HS2 Ltd to better understand the ground conditions well in advance of construction. This will cut down on risk and allow building work to start on time in 2017. Some contracts have been awarded with survey work along the route at critical points commencing in March and April 2015.

6.1.3 We have used the power to make compensation payments to support the relocation of UKMail. This is an important employer in the Midlands and unlocking £20 million of investment in their plant and re-siting them early has protected jobs and provided security. We have also recently purchased flats in Camden to provide replacement social housing for Council tenants who will lose their homes on the Regent’s Park Estate.

### 6.2 Getting the market ready

6.2.1 The Government wants businesses to be as prepared as possible for HS2, to deliver the railway on time and to the highest possible standard. The scale of the task is such that the market is already being prepared, with Supply Chain Conferences hosted by HS2 Ltd in November 2013 and October 2014 and a continuing programme of interaction with the construction and rolling stock markets.

6.2.2 We want the HS2 supply chain to extend to businesses right across the UK. Steel for the rails could be manufactured in Wales or Teesside. Parts of stations could be pre-fabricated in other parts of the country, as are the canopies for platforms for the Thameslink programme. And we want all sizes of business to prosper. There may be opportunities for smaller businesses to supply to, or partner with, larger companies

and events held by HS2 Ltd are facilitating networking and collaboration. 'Meet the Contractor Days' will enable larger companies to identify their forward supply chain needs. HS2 Ltd will share this information with various trade and business networks to match-make suppliers and facilitate one-to-one meetings.

- 6.2.3 The two supply chain conferences hosted by HS2 Ltd brought together 1,000 companies which could form part of the HS2 supply chain. Over 50% of attendees come from businesses with less than 250 people, showing that small and medium-sized enterprises (SMEs) see the potential benefits of HS2. HS2 Ltd aims to promote innovative networking techniques and a creative environment to inspire suppliers to work together to develop unique solutions and to help position themselves to win future HS2 contracts. A pipeline of procurement activity and a supplier guide were also developed for the supply chain conferences.
- 6.2.4 To guide the procurement process, providing information and clarifying expectations for contractors, as well as allowing best use of public money, HS2 Ltd is developing a procurement strategy for Phase One. To get the market thinking about opportunities, and to inform the strategy, HS2 Ltd has undertaken a national market engagement exercise in a variety of formats. These have had a huge response from the market: over 1,000 suppliers are now registered on the HS2 e-Sourcing portal (Bravo Solution); over 400 suppliers responded to the Market Engagement Survey, 220 of which are SMEs; over 150 suppliers have met with HS2 Ltd; and over 440 individuals attended Regional Engagement seminars led by LEPs, representing over 300 suppliers in seven events held across the country. HS2 Ltd are undertaking 'Market Soundings' to ensure procurement plans are the best they can be and generate maximum appetite in the market place.
- 6.2.5 HS2 Ltd has a full programme ahead for market engagement, as the railway moves into more detailed planning and delivery phases. Exchange of information is key: 'Industry Days' designed to inform the construction and manufacturing industries will enable potential suppliers to hear directly about HS2's requirements; and 'Regional Roadshows' with Local Enterprise Networks, British Chambers of Commerce and the national enterprise agencies will enable HS2 Ltd to provide updates on the programme. This will allow local businesses to respond to the wealth of emerging supply chain opportunities at the right time.
- 6.2.6 HS2 Ltd hosted a Rolling Stock Seminar in May 2014 to discuss the rolling stock and depots procurement with rolling stock manufacturers, as part of its ongoing early market engagement. Findings from a Market Sounding questionnaire and draft outline train technical requirement to be issued for comment to rolling stock manufacturers in spring 2015 will inform the next stages of technical development and commercial strategy for the rolling stock and depots procurement and further engagement with rolling stock manufacturers.

## 7 Next steps

As far as we have come since 2010, there is plenty left to do. But we are well set to continue our progress to date, challenging ourselves at every turn and continually striving to improve. Not only are we committed to opening Phase One on time and on budget in 2026, but we are also carefully considering Sir David Higgins’ recommendations to bring benefits to the North sooner.

HS2 Ltd is continuing to assess options for Phase Two of HS2 in light of consultation responses and recommendations from Sir David Higgins to maximise the benefits of HS2 and the Government expects to announce a way forward for Phase Two later this year.

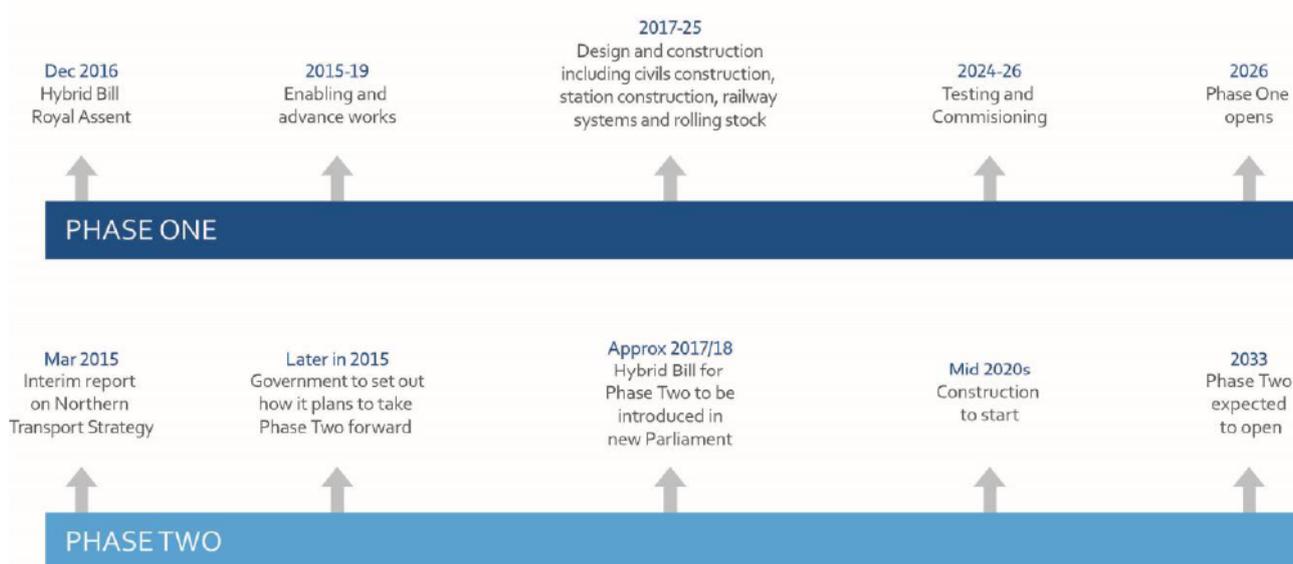


Figure 11: Next steps

### 7.1 Phase One

7.1.1 For Phase One we will continue to work hard with Parliament to help ensure the smooth passage of the Bill through the Select Committee stages and beyond. In parallel we will continue to work with the wide range of stakeholders along the route, addressing their concerns where possible. We remain on course to achieve Royal Assent by late 2016.

7.1.2 During the passage of the Bill, we are planning and preparing for the construction period and some early works contracts have been awarded under the Paving Act with survey work commencing in early 2015. These will be minor works that mean we are well placed to begin construction as soon as we can after Royal Assent. We expect to begin major construction in 2017. We expect construction to take around eight years, which, with testing and commissioning, puts us well on course to open Phase One in 2026.

### 7.2 Phase Two

7.2.1 For Phase Two, Sir David Higgins is exactly right when he says the Government should look at whether we can bring benefits to the North sooner. He is also right that we should consider Phase Two in the context of a wider transport strategy for the North,

the first report of which is due to be published in March 2015. HS2 Ltd is continuing to analyse all options for Phase Two of HS2 in light of consultation responses and the recommendations of Sir David Higgins and we expect to announce a way forward for Phase Two later this year.

- 7.2.2 The HS2 project is challenging. The work is challenging. The timeframes are challenging. But as we have shown over the last five years, we are up for the challenge.

