



BRIEFING PAPER

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High Speed 2 (HS2) Phase 1

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Summary

This paper provides general information on the proposed high-speed rail line between London and the North of England (HS2). It gives a brief overview of the scheme, its costs, compensation arrangements and the Act which gives statutory and planning authority for the construction of Phase 1 of the scheme between London and the West Midlands. Construction is planned to begin soon; contracts have been let. The Government is in the process of finding an operator for the first HS2 services on the route.

HS2 is a proposed infrastructure project to build a high-speed rail line from London to Manchester and Leeds, via Birmingham, to begin operation in 2026 and be completed in 2033. It was supported by the Labour Government after 2009 and has had the support of the Conservatives in government since May 2010.

HS2 is planned to be delivered in three phases:

- **Phase 1** from London Euston to Birmingham Curzon Street and Lichfield with intermediate stations in West London (at old Oak Common) and at Birmingham Airport;
- **Phase 2a** from the West Midlands to Crewe; and
- **Phase 2b** comprising an eastern leg from the West Midlands to Leeds New Lane with intermediate stations in the East Midlands and South Yorkshire; and a western leg from Crewe to Manchester with an intermediate station at Manchester Airport.

In total, the Government has estimated that the scheme will cost £55.7 billion in 2015 prices (including rolling stock).

Despite enjoying widespread support across all parties in Parliament the scheme remains controversial outside, with disagreements regarding the economic and environmental cases for the scheme. Many of those who will be directly affected by the construction of the route are concerned for the future. The scheme has passionate supporters and opponents who, for the past seven or eight years, have argued across a variety of fora, including Parliament, as to whether the scheme would deliver enough in the way of benefits to justify the price tag. These debates continue.

The Government is moving ahead with planning for the next phase of the scheme – construction and operation. This includes tendering for and awarding contracts, including the future ‘West Coast Partnership’ franchise, the winner of which will operate the first high speed services on the HS2 line from 2026.

This paper deals only with Phase 1 of the scheme. Information on Phases 2a and 2b can be found in a separate papers, [CBP 7082](#) and [CBP 8071](#), respectively.

General background information on the HS2 scheme can be found in [RP11/75](#).

Maps showing the Parliamentary constituencies through which HS2 runs can be found attached to the [landing page](#) for this paper.

Further briefings are available on the [Railways Topical Page](#) of the Parliament website.

1. What is HS2?

1.1 Policy background

HS2 is the Government's flagship transport infrastructure project to build a high-speed rail line from London to Manchester and Leeds, via Birmingham, the East Midlands, Sheffield and Crewe, to begin operation in 2026 and be completed by 2033. Thus far there have been two Acts of Parliament¹ and eight [Statutory Instruments](#) providing for the scheme, with a further Bill currently being considered by Parliament.

Supporters claim that the line is urgently needed to meet projected future demand; to tackle the capacity constraints on the West Coast Main Line; and to deliver wider economic and regional benefits. Opponents maintain that these claims are overstated; future demand and capacity requirements can be met via other, cheaper means; and that the ultimate costs of HS2 are far in excess of the official budget.

The scheme that became HS2 was floated separately by the three main parties in 2008-09. In January 2009 Geoff Hoon, then Transport Secretary in the Labour Government, set up HS2 Ltd. with the principal aim of advising the Secretary of State on the development of proposals for a new railway from London to the West Midlands and potentially beyond.² The scheme taken forwards from 2010 was based on the outcome of the work conducted for the Labour Government by HS2 Ltd. It was initially proposed by Labour in its March 2010 command paper and was taken up by the Conservative-led Coalition Government after it assumed office in May of the same year.³

In the May 2010 Coalition Agreement the new Government confirmed its decision to build the new line in two phases, due to "financial constraints".⁴ It was later confirmed that Phase 1 would take the line from London to the West Midlands by 2026 while Phase 2 would take the line from the West Midlands to the north of England by 2032-33.⁵ The route configuration for Phase 1 was published for consultation in February 2011, eliciting strong responses from those affected about the impact on the Chilterns and other areas of outstanding natural beauty and on the area around Euston Station in north London, particularly Camden. Over the subsequent six years the Government announced changes to the scheme to mitigate some of these concerns.

A significant change to Phase 1 was announced by the Government in March 2014 after the then Chairman of HS2 Ltd., Sir David Higgins, recommended that the proposed direct HS1-HS2 overland link in North London should be scrapped and that plans for Euston should be

More background information and discussion on the HS2 scheme can be found in HC Library briefing paper [RP11/75](#).

¹ [High Speed Rail \(Preparation\) Act 2013](#) and the [High Speed Rail \(London - West Midlands\) Act 2017](#)

² DfT, [The role and funding of High Speed Two Ltd.](#), 14 January 2009

³ DfT, [High Speed Rail](#), Cm 7827, March 2010; and: DfT press notice, "[Proposed high speed rail network North of Birmingham confirmed](#)", 4 October 2010

⁴ HM Government, [The Coalition: Our Programme for Government](#), May 2010

⁵ DfT, [High Speed Rail: Investing in Britain's Future – Consultation](#), February 2011, p16

reconsidered. The Government accepted both recommendations. A spur to Heathrow was officially rejected in 2015.⁶

Phase 2

It was not until January 2013 that a decision was taken as to the configuration of the route from Birmingham north to Manchester (via Crewe) and Leeds (via the East Midlands and Sheffield).⁷ The Government ran a consultation on Phase 2 between July 2013 and January 2014.⁸

In November 2015 the Government announced its intention to bring forward the route to Crewe (now called Phase 2a) before the remainder of the route to Manchester and Leeds (now called 2b).

In November 2016 the Government announced its preferred Phase 2b route from Crewe to Manchester and the West Midlands to Leeds.⁹ In July 2017 it issued consultations on the Crewe hub and the eastern leg rolling stock depot; announced decisions on route refinements for Phase 2b and published the Bill for Phase 2a.¹⁰

Going forward the timetable for HS2 is expected to be as follows:

- Begin construction of Phase 1 2018/19
- Contracts issued for Phase 1 rolling stock by the close of 2019
- Deposit a hybrid bill for Phase 2b by the end of 2020¹¹
- Open Phase 1 in 2026, Phase 2a in 2027, and the full HS2 scheme in 2033

For further information on Phase 2, see HC Library briefing papers [CBP 7082](#) and [CBP 8071](#).

Arguments for and against HS2 are based on competing ideas not only about what the country needs in terms of new or improved rail infrastructure, but about how (if needed at all) it should be delivered and what the benefits and costs are of the ideas put forward. The two sides fundamentally disagree with each other's interpretation of the 'facts and figures' about the scheme. A fuller statement of these arguments can be found in HC Library briefing papers [RP11/75](#) and [RP14/24](#).

1.2 Party views

Since the beginning of the project there has been a general consensus that without cross-party backing, the HS2 scheme would be difficult to get through Parliament and that the multi-year funding package and ongoing commitment in terms of resources would be hard to secure.

⁶ [High Speed 2 Railway Line: Written question – 225879](#), 9 March 2015

⁷ DfT, [High speed rail: investing in Britain's future – Phase Two: the route to Leeds, Manchester and Beyond](#), Cm 8508, January 2013; [detailed route maps](#) are available on the DfT archive website

⁸ DfT, [High Speed Rail: investing in Britain's future - Consultation on the route from the West Midlands to Manchester, Leeds and beyond](#), July 2013

⁹ DfT press notice, "[HS2 route to the East Midlands, Leeds and Manchester set out by the government](#)", 15 November 2016

¹⁰ All available at: DfT, [HS2: high speed rail](#) [accessed 3 August 2017]

¹¹ This was originally end of 2019 but a decision to delay for a year was announced in September 2018, see, e.g. "[HS2 legislation pushed back a year as doubts grow over £56bn project](#)", *The Times*, 3 September 2018

HS2 has been supported by the Conservatives, Labour and the Liberal Democrats since 2009, in government and opposition.¹² One should note, however, that the parties' proposals initially varied in terms of scope, route alignment and destinations.

In the 2010 Parliament there were MPs in the two main parties who disagreed with the scheme: 41 voted against the HS2 Phase 1 Bill in April 2014; most of these were Conservatives.¹³ In the 2015 Parliament 42 MPs voted against the Bill at Third Reading; again these were mostly Conservatives but also included Labour MPs and representatives of smaller parties.¹⁴ In the 2017 Parliament 12 MPs voted against the HS2 Phase 2a Bill at Second Reading.¹⁵

Support for HS2 remains the policy of the **Conservative** Government. There have been various press reports over the past couple of years indicating that the scheme may have some critics in the Cabinet, but this has not to date affected Party policy on the issue.¹⁶

After 2010 there was some uncertainty about **Labour's** position on HS2.¹⁷ This uncertainty persisted for a short while after Jeremy Corbyn became Leader of the Labour Party, and particularly with his appointment of John McDonnell as Shadow Chancellor – he voted against the Bill at Second Reading, for reasons related to his constituency in West London.¹⁸ However, the then Shadow Transport Secretary, Lilian Greenwood, said in her September 2015 speech to the Labour Conference: "let's invest in high speed rail – and let's make sure it can be run under public ownership, as a public service: an integrated national asset that the country can be proud of".¹⁹ At the 2017 General Election Labour stood on a manifesto to complete HS2 and extend it to Scotland.²⁰

The **Scottish National Party (SNP)** generally supports HS2 but is focused on its extension to and benefits for Scotland. The 2015 Spending Review confirmed that Scotland would receive Barnett

¹² DfT, *Britain's transport infrastructure: High Speed Two*, January 2009; Conservative Party, *Conservative rail review: getting the best for passengers*, February 2009; and: Liberal Democrats, *Fast track Britain: Building a transport system for the 21st century* (policy paper 85), June 2008

¹³ [HC Deb 28 April 2014, cc666-9](#)

¹⁴ [HC Deb 23 March 2016, cc1676-9](#)

¹⁵ [HC Deb 30 January 2018, Division 109](#)

¹⁶ e.g. "PM May will consider scrapping £56billion HS2 in Tory manifesto", *The Express*, 23 April 2017; "[Gove floats scrapping HS2 because he believes it to be a policy with a growing appeal](#)", *Conservative Home*, 2 July 2018; and "[PETER OBORNE: I fear a new cabinet war is looming - over £100 billion HS2 pipe dream](#)", *Daily Mail*, 25 August 2018

¹⁷ e.g. "[The Labour Party cannot – and will not – give the Government a blank cheque for HS2](#)", *LabourList*, 27 October 2013; "[Labour Party conference: Future of HS2 in doubt as Ed Balls warns of veto](#)", *The Independent*, 23 September 2013; BBC, [The Andrew Marr Show Interview: Ed Balls MP – transcript](#), 16 March 2014; [HC Deb 23 January 2015, c508](#); and "[Commuters north and south deserve rail fit for purpose](#)", *ASLEF Journal*, February 2015, p4

¹⁸ [HC Deb 28 April 2014, cc633-5](#)

¹⁹ [Lilian Greenwood, speech to Labour Conference](#), 29 September 2015; Ms Greenwood is now Chair of the all-party Transport Select Committee

²⁰ Labour Party, [For the Many Not the Few: The Labour Party Manifesto 2017](#), May 2017, p11

consequential for HS2.²¹ Following reports in March 2016 Transport Scotland, the DfT, HS2 and Network Rail began work on how to best leverage HS2 benefits for Scotland.²² The SNP manifesto for the 2017 General Election said that: “Connecting Scotland to HS2 must be a priority, with construction beginning in Scotland as well as England, and a high speed connection between Glasgow, Edinburgh and the north of England as part of any high-speed rail network”.²³

The **Liberal Democrats** supported HS2 in government between 2010 and 2015. The party’s manifesto for the 2017 General Election included a commitment to “proceed with HS2, HS3 and Crossrail 2, including development of a high-speed network stretching to Scotland”.²⁴

Plaid Cymru is generally opposed to HS2 unless benefits can be secured for Wales.²⁵ The party’s manifesto for the 2017 General Election stated that Wales’ “public transport system is not fit for purpose. All of this while England benefits from next-generation trains and high-speed rail links costing £56 billion” and pledged to “press for our fair share of UK infrastructure spend”.²⁶

The **Green Party** opposes HS2 on environmental grounds and what it believes will be a further skewing of the economy to London.²⁷ The party’s manifesto for the 2017 General Election pledged to: “Invest in regional rail links and electrification of existing rail lines, especially in the South West and North of England, rather than wasting money on HS2 and the national major roads programme”.²⁸

UKIP has long opposed HS2²⁹ and called for it to be scrapped in the party’s 2017 General Election manifesto.³⁰

1.3 Brexit

There is no reason why Brexit in and of itself should have a significant impact on HS2. There has been some debate in the past about how far the EU [Technical Standards of Interoperability \(TSIs\)](#) help or hinder HS2 construction (e.g. as regards platform heights).³¹ HS2 is also intended to

²¹ HMT, [Statement of funding policy: funding the Scottish Parliament, National Assembly for Wales and Northern Ireland Assembly](#), November 2015, Table C.16, p64

²² for further information, see: Transport Scotland, [High Speed Rail](#) [accessed 5 September 2018]

²³ SNP, [Stronger for Scotland](#), May 2017, p20

²⁴ Liberal Democrats, [Change Britain’s Future: Liberal Democrat Manifesto 2017](#), May 2017, p62

²⁵ e.g. [NDM5505](#), 14 May 2014, Rhun ap Iorwerth AM; Plaid Cymru press notice, [“Devolved administrations should unite on HS2”](#), 11 June 2015; and [“Further push to get Wales bigger share of HS2 cash”](#), *BBC News*, 10 December 2015

²⁶ Plaid Cymru, [Action Plan 2017](#), May 2017, p19

²⁷ [“Voters want “big changes” - and only the Greens can deliver, says party leader Natalie Bennett”](#), *Birmingham Post*, 14 August 2014; and [“High speed rail could be so much better”](#), *Guardian blog*, 4 March 2011

²⁸ Green Party, [The Green Party for a Confident and Caring Britain](#), May 2017, p23

²⁹ See, e.g. [“Nigel Farage: ‘Skint’ Britain cannot afford HS2”](#), *The Daily Telegraph*, 25 January 2014

³⁰ UKIP, [Britain Together: UKIP 2017 Manifesto](#), May 2017, p50

³¹ [HL Deb 10 November 2015, HL 3171](#) and [this FOI response from late 2016](#)

be built to accommodate EU 'GC gauge'.³² The Government's Brexit White Paper, published in July 2018, does not state specifically what the UK's plans are for the TSIs and other aspects of EU rail legislation post-Brexit. But it does state:

... the UK will have the flexibility to shape its own domestic railway legislation to meet the needs of its passengers and freight shippers, and reflect the unique characteristics of the rail network within the UK.³³

This may indicate an intention to begin disapplying the TSIs, but this is as yet unclear.

The Government had hoped to secure some EU funding for the project. In 2015 the Government secured €39.2 million for ground investigation works for Phase 1 (London to the West Midlands), to be delivered between 2015 and 2019.³⁴ The funding comes from the Connecting Europe Facility (CEF). To put it simply, the CEF is the funding instrument for EU transport infrastructure policy, basically supporting the [Trans-European Transport Network \(TEN-T\)](#). HS2 has been included in the TEN-T programme since early planning stages. The EU has made it clear that the UK will no longer be eligible for CEF once it leaves and is planning to legislate to this effect.

The €39.2 million represents half of the cost of ground investigation works along Phase 1. Roughly, at the current exchange rate, the EU contribution is worth about £35.5 million – a tiny proportion of the estimated £27.2 billion cost of Phase 1.

Further funding would now be unlikely. However, this would only ever have represented a small percentage of overall costs – EU contributions to previous high-speed rail projects via the TEN-T stream have equated to between four and six per cent of the overall cost.³⁵

1.4 HS2 Ltd.

As indicated above, in 2009 the Labour Government set up HS2 Ltd. to advise the Secretary of State on the development of its HS2 proposals.

HS2 Ltd. describes itself as "the company responsible for developing and promoting the UK's new high speed rail network". It is an executive non-departmental public body, sponsored by the Department for Transport and funded by grant-in-aid from the Government. It has almost 1,500 employees who are mostly based in Birmingham.³⁶

HS2 Ltd.'s annual reports and accounts and annual expenditure reports are available on their [website](#).

³² Section 6 of the [Review of the Technical Specification for High Speed Rail in the UK](#), published in January 2012, explains the decision; see also [HC Deb 1 February 2013, c1011W](#) and [HL Deb 28 October 2015, c4](#)

³³ HMG, [The future relationship between the United Kingdom and the European Union](#), Cm 9593, July 2018, para 136

³⁴ [HC WPO 31957](#), 24 March 2016

³⁵ DfT, [HS2: Outline Business Case - Section 4: Financial Case](#), March 2014, para 78

³⁶ HS2 Ltd., [About us](#) [accessed 6 September 2018]

Non-departmental public bodies

A non-departmental public body (NDPB) is a “body which has a role in the processes of national government, but is not a government department or part of one, and which accordingly operates to a greater or lesser extent at arm’s length from ministers”.

NDPBs have different roles, including those that advise ministers and others which carry out executive or regulatory functions, and they work within a strategic framework set by ministers.³⁷

DfT and HS2 Ltd. have signed a Development Agreement and a Framework Document:

- The 2017 HS2 **Development Agreement** governs the relationship between the Secretary of State for Transport and HS2 Ltd. for the delivery of the HS2 project. It sets out HS2 Ltd.’s role in developing, building and operating the new railway and the DfT’s role as sponsor and funder;³⁸ and
- The 2018 **Framework Document** deals with matters relating to HS2 Ltd., the Secretary of State for Transport’s role as shareholder of the company, the company’s relationship with the department, and accountabilities and governance.³⁹

HS2 Ltd.’s Chairman is Sir Terry Morgan, the former Chairman of Crossrail Ltd. and Chairman of Ricardo plc. Its current chief executive is Mark Thurston.⁴⁰

There have been a series of issues related to various aspects of HS2’s operations, which have been reported in the press and discussed in Parliament. The most high-profile are:

- **HS2 Ltd. remuneration:** Following reports in 2015 and 2016 about the levels of executive remuneration at HS2 Ltd.,⁴¹ in August 2018 *The Times* ran an investigation piece on the back of an FOI request looking in more depth at the issue. It found that about a quarter of HS2 Ltd.’s staff received remuneration in excess of £100,000 in 2017/18 (including pension contributions). HS2 Ltd.’s chief executive Mark Thurston, who joined the company in March 2017, received total remuneration in 2017/18 of £601,979.⁴²
- **HS2 Ltd. redundancy payments:** The issue of HS2 Ltd. making unauthorised redundancy payments to staff emerged in Summer 2017 with the qualification by the Comptroller and Auditor General of HS2 Ltd.’s accounts.⁴³ The Public Accounts Committee

³⁷ Cabinet Office, *Public bodies transformation programme*, 27 April 2016

³⁸ *Development Agreement between the Secretary of State for Transport and HS2 Ltd relating to the High Speed Two project*, 17 July 2017

³⁹ *Framework document between the Secretary of State for Transport and High Speed 2 Limited*, 23 May 2018

⁴⁰ HS2 Ltd., *Our governance* [accessed 6 September 2018]

⁴¹ e.g. “46 HS2 staff earn more than the prime minister’s £150,000 salary”, *Financial Times*, 24 November 2015; and *High Speed 2 Railway Line: Written question – 46394*, 10 October 2016

⁴² “Chris Grayling under fire for letting HS2 pay soar”, *The Times*, 8 August 2018

⁴³ NAO press notice, “*Report of the Comptroller and Auditor General on the 2016-17 Accounts of High Speed Two (HS2) Limited*”, 19 July 2017; the full Report is available on the [NAO website](#)

subsequently produced a critical Report into the Accounts.⁴⁴ The Government's response, published in a Treasury Minute of March 2018, stated that it agreed with all of the Committee's recommendations and that new governance and training was in place to prevent a recurrence.⁴⁵ Dame Cheryl Gillan established with a WPQ in January 2018 that the overpayments would have to be absorbed by HS2's existing budget.⁴⁶

- **HS2 Ltd. overspends:** In June 2018 *The Sunday Times* reported that Doug Thornton, a whistleblower who worked for HS2 Ltd. as head of property, had claimed that HS2 Ltd. staff had been pressured to "falsify figures, mislead parliament and cover up "petrifying" overspends" with regards to the budget for buying land and buildings.⁴⁷ This reportedly prompted the Transport Minister, Nusrat Ghani, to write to Mark Thurston to ask if he had "full confidence in the robustness of the numbers" provided by HS2 for its spending on land and property and to make clear that "no MP, select committee or DfT minister has been misled" over costs.⁴⁸
- **CH2M and HS2 Ltd.:** As stated above, HS2 Ltd.'s current chief executive is Mark Thurston, who succeeded interim Chief Executive Roy Hill in March 2017.⁴⁹ Both Mr Thurston and Mr Hill worked for the US engineering company [CH2M](#), which raised questions about conflicts of interest given the company's involvement in the HS2 project.⁵⁰ CH2M has also received millions of pounds from the taxpayer in its capacity as development and engineering delivery partner for HS2.⁵¹ When CH2M withdrew from an HS2 contract in March 2017 this provoked further concerns.⁵² In April 2017 the Transport Select Committee questioned the Secretary of State, Chris Grayling, and the then Chairman of HS2, Sir David Higgins, about the relationship between HS2 Ltd. and CH2M.⁵³

⁴⁴ PAC, [High Speed 2 Annual Report and Accounts](#) (Tenth Report of Session 2017–19), HC 454, 15 December 2017

⁴⁵ HMT, [Treasury Minutes: Government response to the Committee of Public Accounts on the Fourth to the Eleventh reports from Session 2017-19](#), Cm 9575, March 2018, pp26-28; a [letter](#) from the Permanent Secretary at DfT, Bernadette Kelly, stated that, having taken legal advice, there was no evidence of fraud or misfeasance in office on the part of then Chief Executive, Simon Kirby

⁴⁶ [High Speed Two: Redundancy Pay: Written question – 123162](#), 24 January 2018

⁴⁷ "HS2 'covered up petrifying overspends'", *The Sunday Times*, 17 June 2018

⁴⁸ "HS2 chief called to account over 'robustness' of budget", *Financial Times*, 20 June 2018; this letter does not appear to be in the public domain. An [FOI request](#) has been made to HS2 Ltd. for the letter and for Mr Thurston's response, due for answer by 25 September

⁴⁹ HS2 Ltd. press notice, "[HS2 announces new CEO](#)", 26 January 2017

⁵⁰ [CH2M Hill: Written question – 63303](#), 9 February 2017

⁵¹ *ibid.*

⁵² "[HS2 scraps contract over conflict of interest claims](#)", *Financial Times*, 29 March 2017

⁵³ Transport Select Committee, [Oral evidence: HS2 - CH2M contract](#), HC 1140, 19 April 2017; it also published associated [written evidence](#)

2. Costs

2.1 Spending to date (financial year end 2018)

On 16 March 2018 the Minister stated that spending to 2016/17 on HS2 (since 2009) was £2.3 billion.⁵⁴

The June 2018 HS2 Business Plan stated that spend in 2017/18 was about £1.8 billion.⁵⁵

Assuming no overlap between the two figures (which it is not possible to assume with certainty) this would equate to total spend to date of about £4.1 billion.

The same Business Plan shows anticipated future spending of £12 billion out to 2020/21:

- £3.06 billion in 2018/19;
- £4.2 billion in 2019/20; and
- £4.82 billion in 2020/21.⁵⁶

In the 2013 Queen's Speech the Government announced a 'paving bill' to authorise further spending on preparation for the HS2 project. The Bill was given Royal Assent on 21 November 2013 and became the [High Speed Rail \(Preparation\) Act 2013](#). It came into force on the same day.⁵⁷ Consequently, every year the Secretary of State for Transport has to lay before Parliament a report detailing HS2-related expenditure by HS2 Ltd. and the DfT. They tend to be laid before Parliament every October.

Because construction has yet to begin, most HS2 spending to date has been on compensating property owners. Other spending includes consultancy and legal fees.⁵⁸

2.2 Infrastructure

At the time of the 2010 election both the Conservatives and Labour were estimating that a scheme from London to the North of England via the West Midlands (in whatever configuration) would cost £20 billion (of which £15.7 billion would come from the taxpayer) and £30 billion respectively.⁵⁹ By January 2012, with the broad route of the proposed scheme in place, the estimate had increased to £32.6 billion.⁶⁰ In June

⁵⁴ [High Speed 2 Railway Line: Written question – 131760](#), 16 March 2018

⁵⁵ HS2 Ltd., [Corporate Plan 2018 – 2021](#), 19 June 2018, p46

⁵⁶ *Ibid.*, pp46-7 [nominal prices]

⁵⁷ For further information see HC Library briefing paper [CBP 6624](#)

⁵⁸ See, e.g. [HC Deb 1 February 2013, c1007W](#); and: [HC DEP 2013-0221](#); [HC Deb 10 March 2014, cc61-3W](#); [High Speed Two: Legal Costs: Written question – 44231](#), 7 September 2016; and [CH2M Hill: Written question – 63303](#), 9 February 2017

⁵⁹ *op. cit.*, [Conservative rail review: getting the best for passengers](#), p11; and: [High Speed Rail](#), p141

⁶⁰ DfT, [Economic Case for HS2: Updated appraisal of transport user benefits and wider economic benefits – A report to Government by HS2 Ltd](#), January 2012, pp33-34

2013 the Coalition Government announced a significant increase in the overall projected cost of HS2 to £42.6 billion.⁶¹

In November 2015 the Government updated the HS2 cost figures to 2015 prices, putting the total cost of the project, including rolling stock, at £55.7 billion (£50.1 billion in 2011 prices). The Government said that this did not represent a budget increase, but an adjustment for inflation.⁶²

In June 2016 the National Audit Office (NAO) published a report on HS2's progress and preparations. On expenditure, it said that Phase 1 was forecast to cost £27.384 billion, exceeding available funding by £204 million. It also concluded that there was less contingency to deliver Phase 1 and that then-current cost forecasts assumed that planned efficiencies totalling £1.47 billion would be realised".⁶³ It provided the following cost breakdown:⁶⁴

Phase 1 cost estimates and available funding

	2015 spending review (£m)	June 2016 (£m)
Point estimate	21,652	22,272
Planned phase 1 efficiency savings	1,495	1,470
Phase 1 post efficiency point estimate	20,157	20,802
Estimated contingency requirement	7,023	6,582
Anticipated final cost¹	27,180	27,384
Available funding	27,180	27,180
Difference between anticipated final cost and available funding	0	204²

Notes

- 1 Anticipated final cost is the point estimate cost plus estimated contingency requirement calculated at a level of 95% certainty that costs will not exceed the anticipated final cost.
- 2 £204 million is the difference between available contingency in June 2016 of £6,378 million and estimated contingency requirement of £6,582 million.

Source: National Audit Office analysis of Department for Transport information

This cost estimate is different to the funding envelope provided by the Government in response to a December 2016 parliamentary question, when it said that the current funding for Phase 1 (with contingency) was £24.3 billion.⁶⁵

We are expecting to see a Full Business Case for Phase 1 to be published in 2019. In July 2018 the Transport Minister, Baroness Sugg, explained what this will be:

The Full Business Case for HS2 Phase One to be published in 2019 will be based upon the latest available total cost estimate for the Phase One scheme. This cost estimate will be informed by supplier feedback where contracts have been awarded and will reflect expenditure to date and projected income and maintenance costs.

⁶¹ [HC Deb 26 June 2013, c343](#)

⁶² [High Speed 2 Railway Line: Written question - HL3816](#), 4 December 2015

⁶³ NAO, [Progress with preparations for High Speed 2](#), HC 235, 28 June 2016, pp19-21

⁶⁴ *ibid.*, p20, fig. 6

⁶⁵ [High Speed 2 Railway Line: Written question - HL4189](#), 21 December 2016

Where contracts have not yet been awarded (e.g. railway systems, rolling stock) HS2 Ltd estimates will be used.

The Department's business case appraisal regime means that the Full Business Case will be a robust and comprehensive assessment of the Phase One scheme in terms of its value for money, achievability, deliverability, strategic value and affordability. In respect to affordability we are determined that the Phase One scheme will be delivered within the funding envelope of £27.18bn (including rolling stock and in 2015 prices).⁶⁶

This follows a number of reports over recent years indicating that the final cost of HS2 may be much higher than currently projected by HS2 Ltd. and the Government. One of those most frequently cited on this is infrastructure consultant Michael Byng, who created the method used by Network Rail to cost its projects. He has estimated that the costs of HS2 are likely to be almost double the existing figure. The Government does not agree with this assessment.⁶⁷ In addition, there were reports in July 2018 of a 'secret' report by Paul Mansell, one of a number of reviewers used by the Infrastructure Projects Authority (IPA – see below), which stated that HS2 was "highly likely" to go as much as 60% over budget and cost "more than £80bn".⁶⁸

There was a debate on these various claims in the House of Lords on 24 July on a starred question by Lord Berkeley. The minister, Baroness Sugg, said that HS2 "does not recognise or agree with either the analysis or the figure it contains".⁶⁹

2.3 Trains

In January 2017 the Government announced its plans to begin tendering for the 60-strong train fleet which would operate on Phase 1 of the HS2 route. **The estimated cost of the contract would be £2.75 billion.**⁷⁰

The funding envelope for the rolling stock to serve the whole HS2 route, in 2015 prices with contingency, is £7 billion.⁷¹ This reflects the 'central estimate' cost in 2011 prices of £6.93 billion (revised down from the previous estimate of £7.5 billion largely due to changes in risk assumptions). The lower figure was used in the October 2013 revised economic case, though the Department stated that "it is also appropriate to retain the higher figure as a long-term fiscal provision, providing a higher level of certainty".⁷²

There will be two types of rolling stock: captive (used on HS2 only) and classic compatible (able to run off the HSR track onto the conventional

⁶⁶ [High Speed 2 Railway Line: Written question - HL8961](#), 10 July 2018

⁶⁷ "[Labour peer suggests HS2 costs double what public is told](#)", *Transport Network*, 19 March 2018

⁶⁸ "[HS2 budget 'will balloon to £80bn', says secret report](#)", *The Times*, 22 July 2018

⁶⁹ [HL Deb 24 July 2018, cc1593-5](#)

⁷⁰ DfT press notice, "[Search underway for company to build HS2 trains in £2.75 billion government rail investment](#)", 20 January 2017

⁷¹ [High Speed 2 Railway Line: Written question - HL4189](#), 21 December 2016

⁷² *op. cit.*, [The Economic Case for HS2](#), pp74-5; and [HS2: Outline Business Case - Section 4: Financial Case](#), paras 19-20

railway). The revised costs refer only to 200 metre units (trains); the 260 metre units, which were previously envisaged to run on the full Y network once Phase 2 was open, were discarded in 2012.⁷³ In 2014 the Government said that the estimated cost:

... is likely to exceed current private sector financing market capacity. The largest individual Rolling Stock Company (RoSCo) financings have been less than £1bn, and the largest since 2008 has been around £300m. The £2.4bn IEP [InterCity Express Programme] financing was delivered through a structured Public Private Partnership (PPP) arrangement but included around £1bn [from the] Japanese Export Credit Agency. However, there may be potential to establish a government funded rolling stock company which could seek co-investors in due course.⁷⁴

Further information can be found in section 5.3, below.

2.4 Value for money

As the anticipated costs of HS2 increased, the Benefit-Cost Ratio (BCR) fell. However, further projected cost savings and changes to appraisal methodology increased the BCR.⁷⁵

Estimate to:	February 2011 ⁷⁶	October 2013 ⁷⁷	November 2016 ⁷⁸	July 2017 ⁷⁹
<i>BCR</i>				
Phase 1	1.6	1.4	n/c	n/c
(with WEIs)	(2.0)	(1.7)		
Phase 2	-	-	2.5	-
(with WEIs)			(3.1)	
Phase 2a	-	-	-	1.6
(with WEIs)				(1.9)
Phase 2b	-	-	-	2.1
(with WEIs)				(2.6)
Full Y network	2.2	1.8	2.1	1.9
(with WEIs)	(2.6)	(2.2)	(2.7)	(2.3)

⁷³ HS2 Ltd. for the DfT, *HS2 cost and risk model report*, March 2012, pp15-17; and: *ibid.*, para 16

⁷⁴ *op. cit.*, *HS2: Outline Business Case - Section 4: Financial Case*, para 95

⁷⁵ BCR is essentially the net monetised benefit divided by the net cost to Government

⁷⁶ HS2 Ltd., *Economic case for HS2: The Y network and London-West Midlands*, February 2011, p12&p43

⁷⁷ *op. cit.*, *The Economic Case for HS2*, p85; and DfT, *High Speed Two: East and West: The next steps to Crewe and beyond*, Cm 9157, 30 November 2015, para 2.50, p46

⁷⁸ DfT, *High Speed Two Phase 2b: Strategic Outline Business Case - Economic Case*, 15 November 2016, p15

⁷⁹ DfT, *High Speed Two: Phase Two Economic Case*, 17 July 2017, pp13, 16 & 26

According to the Government's guidance on value for money assessments:

- a BCR of 1.4 (Phase 1 without WEIs) would represent 'low' value for money;
- 1.9 (Full Y network without WEIs) would represent 'medium' vfm; and
- 2.6 (Phase 2b with WEIs) would represent 'high' vfm.⁸⁰

The Government's October 2013 HS2 strategy paper gave the following reasons as to why the BCR had decreased:

The changes to the benefit-cost ratio compared to August 2012 are driven by the following factors. Upward influences on the benefit-cost ratio are associated with improvements in services through use of released capacity, including to towns such as Preston, York and Milton Keynes, and better evidence on travel patterns which mean we are now forecasting more business travellers on key routes served by HS2. These are offset by downward pressures on the benefit-cost ratio from factors such as increases in costs and the reduction in the value of business travel time savings.⁸¹

In effect, the factors that buoyed up the BCR were improvements in services through use of released capacity, and more business travellers using key routes served by HS2.⁸²

The updated November 2016 financial case for Phase 2b said that the reason the BCR had increased from previous estimates was due to a number of updates to improve the modelling and appraisal framework.⁸³ The July 2017 economic case said that changes to the BCR since the November forecast had come about due to a wide range of issues such as model updates, assumptions about conventional rail, changes to the Phase 2b route alignment and changes to appraisal.⁸⁴

In September 2013 the Government published a report by KPMG, which estimated that investment in HS2 could potentially generate £15 billion a year in productivity gains for the British economy in 2037 (2013 prices). This would represent an increase of around 0.8 per cent in the total level of GDP in 2037.⁸⁵ The methodology of the report was subsequently criticised and a later FOI request by the BBC resulted in the publication of the names of those areas that KPMG calculated would lose out from HS2.⁸⁶

⁸⁰ DfT, [Value for Money Assessments](#) [archived 11 August 2016]

⁸¹ op. cit., [The Strategic Case for HS2](#), para 5.4.16 [page 105]; supplemental documents on the economic and financial cases were published in March 2014, see: DfT, [HS2: strategic case supporting information](#), 6 March 2014

⁸² Mott MacDonald and MVA for HS2 Ltd, [The economic case for HS2: Summary of key changes to the Economic Case since August 2012](#), October 2013

⁸³ op cit., [High Speed Two Phase 2b: Strategic Outline Business Case - Economic Case](#), p5, for more detail see chapter 3

⁸⁴ op cit., [High Speed Two: Phase Two Economic Case](#), pp9-10

⁸⁵ KPMG for HS2 Ltd., [HS2 Regional Economic Impacts](#), Ref: HS2/074, September 2013, p13

⁸⁶ for criticism, see: Robert Peston: "[What KPMG ignored when arguing for HS2](#)", *BBC News*, 11 September 2013; and: Prof. Henry Overman: "[The Regional Economic Impacts of HS2](#)", *LSE SERC blog*, 13 September 2013; and for the FOI outcome, see:

Another issue which often comes up in discussions of HS2's costs and whether it is value for money, is the 'opportunity cost', i.e. what else the money could be spent on.

In 2016 a group of transport academics and planners published a paper summarising the alternative studies that had been carried out, looking at how to achieve the stated benefits of HS2 for less money, dispersing works across the country.⁸⁷ There are others who argue that in light of long term under investment in public transport in the North and recently cancelled or downgraded transport schemes in the region, that the case for the North needing HS2 is not proven and that the money would be better spent on swifter and more extensive transport upgrades across the region.⁸⁸ Supporters of HS2 argue that the Government is planning to invest in rail and roads across the North, so it is not a case of having to lose one to fund the other.⁸⁹

Others argue that HS2 funding could be used to support housing or the NHS. Most recently *The Times'* Economics Editor, Philip Aldrick pointed to the 'symmetry' of a 3% increase in NHS spending for five or perhaps ten years costing about £4.7 billion more a year and the fact that from 2019, the Government "has set aside almost precisely the same amount for HS2, £4.8 billion annually".⁹⁰

2.5 HS2 growth strategies

As well as bringing benefits to transport users, the government believes that high speed rail will bring benefits to the wider economy (Wider Economic Impacts or WEIs – see the bracketed figures in the table in section 2.4, above). Such benefits are to be achieved through: improved linkages between businesses (agglomeration impacts);⁹¹ benefits to consumers of higher output (imperfect competition);⁹² and to a much lesser extent, benefits to commuters (labour market impacts).⁹³ Most of

["HS2 'losers' revealed as report shows potential impact"](#), *BBC News*, 19 October 2013

⁸⁷ May, Tyler et al., *HS2 and the railway network : the case for a review*, May 2016

⁸⁸ e.g. ["Andrew Vine: Scrap the waste of money that is HS2 and fix the North's rail services"](#), *Yorkshire Post*, 28 August 2018

⁸⁹ See, e.g. DfT press notice, ["Northern transport investment to help create thousands of jobs"](#), 25 June 2018

⁹⁰ ["We can stop NHS going off the rails, but who would dare make the call?"](#), *The Times*, 26 May 2018

⁹¹ the government believe that HS2 will bring agglomeration impacts by shortening the journey time between cities, effectively bringing firms and markets closer together. This should enable firms to derive benefits from being closer together such as: enhanced knowledge sharing; staff specialisation; and enhanced competition between suppliers. The benefits to such firms support the wider economy of the area.

⁹² where firms are located in markets of imperfect competition they retain some control over the price they charge. In such markets the value placed on additional production (the price) exceeds production costs. If better transport means that firms increase production, both the firm and consumer will be better off.

⁹³ transport improvements can lower the cost and time associated with travelling to work. This can increase a person's willingness to work in a similar way to an increase in wage might. In addition to this some benefit is captured in the moving of jobs to more productive areas.

the HS2 WEIs come from an enlarged labour market and greater commuting capacity.

One of the concerns about the WEIs is that they cannot be achieved by building HS2 alone and that they depend on further spending in local areas, not accounted for in the HS2 budget. The Chair of the National Infrastructure Commission, Sir John Armitt, seemed to support this argument. An August 2018 article in the *Sunday Telegraph* by Sir John set out his view that an extra £43 billion should be spent to “make the most of the HS2 project” and that this spending was needed to prevent “inadequate public transport links” beyond the new line.⁹⁴

The June 2016 report by the NAO (see section 2.2, above) highlighted the fact that the £55.7 billion funding package does not cover funding for all the activity needed to deliver the promised growth and regeneration benefits:

The funding covers the cost of building the railway and buying new trains and maintenance depots in order to deliver the capacity and connectivity benefits assessed in the economic case for High Speed 2. Local authorities, in partnership with others such as Local Enterprise Partnerships, are responsible for driving regeneration and local growth benefits, and there is a risk that these wider benefits will not materialise if funding cannot be secured.⁹⁵

The Public Accounts Committee highlighted this issue in its September 2016 follow-up report and recommended that the Government “seek assurances from the relevant local authorities that they have plans in place to identify sources of funding and financing, to secure the local regeneration and growth benefits [of HS2]”.⁹⁶ In its response to the Committee, published in December 2016, the Government said that this work was ongoing as part of local authorities’ HS2 growth strategies and that it expected to see these in place by March 2018.⁹⁷

In November 2017 the Government published a new HS2 policy paper, *HS2: Getting the best out of Britain*, which set out the regional strengths of highly skilled manufacturing clusters, universities and research centres, and cutting-edge technology entrepreneurs. It warned that more needed to be done to draw them together and “realise their full potential to the economy”.⁹⁸

Greater Manchester, the East and West Midlands and Leeds have published their HS2 growth strategies.⁹⁹ Only one of these strategies

⁹⁴ Reported in: “[‘We should spend billions more to make most of HS2’](#)”, *The Times*, 6 August 2018

⁹⁵ Op cit., [Progress with preparations for High Speed 2](#), p8, see also pp39-40

⁹⁶ Op cit., [Progress with preparations for High Speed 2](#), p6, recc. 5

⁹⁷ HMT, [Treasury Minutes: Government responses to the Committee of Public Accounts on the Thirty Ninth report from Session 2015-16; the Fourteenth to the Twenty First reports from Session 2016-17; and progress on Government Cash Management](#), Cm 9389, December 2016, pp6-7

⁹⁸ DfT, [HS2: Getting the best out of Britain](#), 30 November 2017, p3

⁹⁹ TfGM press notice, “[High-speed rail provides launch pad for growth in Greater Manchester and the North](#)”, 16 March 2018; DfT press notice, “[Thousands of jobs and almost £4 billion for economy detailed in HS2 Strategy](#)”, 3 October 2017;

contains costings: the West Midlands strategy estimates the total cost of its local growth plans for HS2 at £3.3 billion.¹⁰⁰

2.6 Comment

The cost of HS2 has been one of the key bones of contention between supporters and opponents of the scheme.¹⁰¹

One of the reasons it has taken on such importance is that the cost will largely fall on the taxpayer. Governments have consistently argued that 'some' funding could come from the private sector and from the EU: "... further contributions will be sought from certain businesses and developers directly benefitting from the project".¹⁰² However, the Coalition Government acknowledged that "third party contributions could only ever deliver a small percentage of the core costs for HS2".¹⁰³

That said, once the line is operational it is likely that the Government of the day will seek to recoup some of the construction costs by letting out a contract to operate the line. Such a contract is currently in place on HS1.¹⁰⁴ While the Department has "not decided at this stage" whether to let a similar concession for HS2,¹⁰⁵ "there is likely to be significant market capacity for an HS2 concession". The value of such a concession:

... will be determined largely by the level and certainty of access charge revenues, but the potential scale may be such that the delivery of finance may be best sought by letting two or even three separate concessions. An operating concession would mean government would still need to meet the up front capital costs of the project, and would also bear post construction defect risk. However, risk transfer could be structured to focus on those elements where the private sector can enhance efficiency (e.g. operating costs).¹⁰⁶

More generally, successive Governments have maintained that HS2 is a good investment for the country, that it would stimulate growth (particularly in the regions) and have an overall positive impact on jobs and business.¹⁰⁷ Those opposed to HS2 disagree. They assert that it will not deliver jobs and growth; it is not value for money; it is not needed for capacity; and it blights homes.¹⁰⁸

WMCA, [Midlands HS2 Growth Strategy](#), July 2015; and WYCA, [Leeds City Region HS2 Growth Strategy](#), January 2018

¹⁰⁰ Ibid., [Midlands HS2 Growth Strategy](#), p27

¹⁰¹ There have been a number of Parliamentary debates on the costs of HS2, see for example Second Reading of Christopher Chope's [HS2 Funding Referendum Bill on 23 January 2015](#)

¹⁰² [Bill 132 2013-14 - EN](#), para 505

¹⁰³ op. cit., [HS2: Outline Business Case - Section 4: Financial Case](#), para 62

¹⁰⁴ for details see section 3 of HC Library briefing paper [SN267](#)

¹⁰⁵ op. cit., [The Strategic Case for HS2](#), para 105, p37

¹⁰⁶ op. cit., [HS2: Outline Business Case - Section 4: Financial Case](#), para 94

¹⁰⁷ e.g. op. cit., [High speed rail: investing in Britain's future – Phase Two: the route to Leeds, Manchester and Beyond](#), p5

¹⁰⁸ e.g. HS2AA press notice, "[HS2AA responds to announcement of route for phase two of HS2](#)", 28 January 2013

There have been a number of Parliamentary reports looking at the costs and benefits of HS2 since the firm plans for Phase 1 were published in 2011.

The Commons **Treasury Select Committee**: published a report in October 2013 on the 2013 Spending Round and stated that the Treasury should not allow HS2 to proceed “until it is sure the cost-benefit analysis for HS2 has been updated to address fully the concerns raised by the National Audit Office” (see below); that the Treasury should publicly quantify the benefits for HS2 “not captured by the existing economic appraisal”; and that prior to any decision by the Treasury to proceed with HS2, it “should publish its own comprehensive economic case supporting its decision”.¹⁰⁹ The Government responded to the report in December 2013, pointing to the recently published Strategic Case and updated Economic Case for HS2 as a response to the Committee’s concerns.¹¹⁰ The then Chairman of the Committee, Andrew (now Lord) Tyrie, wrote to the Transport Secretary on subsequent occasions, continuing to flag up concerns with the economic case.¹¹¹ The current chair, Nicky Morgan, does not [appear](#) to have written on this issue.

In addition to the report described in sections 2.2 & 2.5, above, the **Public Accounts Committee**: published two reports in May 2013 and January 2015 on the back of reports by the National Audit Office (NAO). The 2013 report on preparations for HS2 estimated that there was a £3.3 billion funding gap over four years (2017-18 to 2020-21) which the Government had yet to decide how to fill. It criticised the Department for Transport for making decisions “based on fragile numbers, out-of-date data and assumptions which do not reflect real life” and having a large contingency that appeared “to be compensating for weak cost information”.¹¹² The 2015 report on major rail infrastructure programmes set out the Committee’s concern that ‘generous contingency funds’ could be used to hide cost overruns, and sought the Government’s assurance that this would not happen.¹¹³

The Lords **Economic Affairs Committee**: published a report in March 2015 posing a series of questions to the Government, and querying the cost-benefit analysis, particularly the values of non-work travel time savings that contribute significantly to the anticipated net benefits of

¹⁰⁹ Treasury Committee, [Spending Round 2013](#) (third report of session 2013-14), HC 575, September 2013, para 67

¹¹⁰ [Spending Round 2013: Government Response to the Committee's Third Report of Session 2013-14](#) (Third Special Report of session 2013-14), HC 932, December 2013, p11

¹¹¹ [Letter from Committee Chair to Transport Secretary](#), 14 September 2016 and [Letter to Chris Grayling MP, Secretary of State for Transport on the economic case for HS2](#), 4 January 2017

¹¹² PAC, [High Speed 2: A review of early programme preparation](#) (twenty-second report of session 2013-14), HC 478, 9 September 2013, p5 (based on NAO, [High Speed 2: A review of early programme preparation](#) (session 2013-14), HC 124, 16 May 2013)

¹¹³ PAC, [Lessons from major rail infrastructure programmes](#) (twenty-eighth report of session 2014-15), HC 709, 12 January 2015, p5 (based on NAO, [Lessons from major rail infrastructure programmes](#) (session 2014-15), HC 267, 29 October 2014)

the scheme.¹¹⁴ The Government responded to the report in July 2015, generally dismissing the Committee's concerns and asserting that "the case for HS2 is clear and robust" and "our appraisal techniques are world class".¹¹⁵ There followed an exchange of letters between the Committee and the Government on what the Chairman considered to be unanswered questions in the report.¹¹⁶

The Government's **Infrastructure and Projects Authority (IPA)** publishes annual reports with accompanying portfolio data, detailing the rating it has given to a number of transport projects.¹¹⁷ HS2 has had an 'amber/red' rating, denoting that "successful delivery of the project is in doubt, with major risks or issues apparent in a number of key areas" and that "urgent action is needed to ensure these are addressed, and whether resolution is feasible" since 2013.¹¹⁸

¹¹⁴ Lords EAC, *The Economics of High Speed 2* (first report of session 2014-15), HL Paper 134, 25 March 2015

¹¹⁵ *House of Lords Economic Affairs Committee: The Economics of HS2 Government Response*, July 2015, p4 & p27

¹¹⁶ see: *Economics of HS2: correspondence with Ministers* [accessed 14 February 2017]

¹¹⁷ formerly the Major Projects Authority (MPA), which was combined with Infrastructure UK on 1 January 2016 to form the IPA, see: IPA, *About us* [accessed 6 September 2018]

¹¹⁸ Cabinet Office, *The Major Projects Authority Annual Report*, 24 May 2013, chapter 2; all the data is available on the [IPA website](#) [accessed 6 September 2018]

3. Compensation

There is a guide to the available compensation schemes on the [Gov.uk website](#),¹¹⁹ with information on eligibility and how to apply. In summary they are as follows:

- In a safeguarded area: [Express Purchase Scheme](#) and [Need to Sell Scheme](#)
- In a rural support zone: [Cash Offer or Voluntary Purchase Scheme](#) and [Need to Sell Scheme](#)
- In a homeowner payment zone: [Homeowner Payment Scheme](#) (Phase 1 only) and [Need to Sell Scheme](#)
- Outside the zones: [Need to Sell Scheme](#)
- Rent Back: It is possible to [apply to rent and continue living in the property](#) if it is sold to the government under one of these schemes.

3.1 Overview

Petitioners to the HS2 Phase 1 Bill Committees and Members of Parliament have been concerned about the adequacy of the proposed compensation arrangements for those affected by the HS2 line since they were first announced in 2012. Those concerns continue: the compensation settlement for Phase 1 is the model for Phase 2.¹²⁰

In April 2014 the Government deposited a list of all 118 properties purchased to date under the Exceptional Hardship Scheme (EHS). There were 13 properties purchased for more than £1 million.¹²¹ The Government subsequently stated that as at 1 June 2014 it had received 544 applications to acquire properties under the Exceptional Hardship Scheme for Phase 1, of which 346 had been rejected and 146 had been accepted; 24 applications were pending a decision and 28 applications were withdrawn by the applicant.¹²²

The EHS closed in January 2015. In November 2015 the DfT stated that its long-term acceptance rate was 30%. In contrast, the Need to Sell (NTS) scheme had an acceptance rate to the end of October 2015 of 61%. Of 116 applications (representing 107 unique cases), 45 had been accepted, 13 were withdrawn by the applicants and 29 were pending a decision.¹²³ On 2 February 2017 the Minister, Andrew Jones, said that there had been EHS applications from 610 properties (848 total applications, of which 238 were reapplications); of these 250 had been

¹¹⁹ DfT, [Claim compensation if your property is affected by HS2](#) [accessed 6 September 2018]

¹²⁰ plaintiffs were successful in a legal case challenging the first consultation on the compensation scheme; the Government decided not to appeal and reran the consultation in line with the judge's finding, see: DfT, [HS2 judicial review the challenges explained](#), 15 March 2013, and DfT press notice, "[High court rejects legal challenges to HS2 in landmark victory for the government](#)", 15 March 2013

¹²¹ [HC Deb 9 April 2014, c232W](#) and [HC DEP 2014-0606](#)

¹²² [HL Deb 7 July 2014, c9WA](#)

¹²³ DfT, [Report on the performance of the Need to Sell scheme – early trends](#), November 2015, p6

accepted. The EHS is now closed for applications, though there are ongoing cases to be concluded.¹²⁴

It emerged earlier in 2018 that HS2 has to date spent £1.6 billion of its £2.8 billion Phase 1 property budget on only 30 per cent of the property required. HS2 Ltd. has also faced criticism for late payments.¹²⁵

3.2 Consultations, 2012-15

In October 2012 the Government published two consultation documents on its plans to provide assistance and compensation for homeowners and occupiers on the Phase 1 route. This consisted of separate measures for those living in the 'safeguarded area' closest to the track, for those in rural areas living within a 'voluntary purchase zone' outside the safeguarded area and for others who need to move but cannot sell their home because of HS2; a 'sale and rent back scheme'; measures for those living above tunnels; and measures for those in social housing.¹²⁶

Following a successful legal challenge in early 2013, the Government reran the consultation in September 2013.¹²⁷ Proposals included: a streamlined express purchase system of purchasing properties that are within the safeguarded area; a long-term hardship scheme for owner-occupiers who have strong personal reasons to move but cannot do so, other than at a significant loss, because of HS2; and two possible approaches to renting homes to their former owners following Government purchase. The Government also consulted on two potential options to provide further assistance in rural areas. These were: property bonds (a transferable guarantee that the Government would act as the buyer of last resort for those living close to the route);¹²⁸ and a voluntary purchase scheme for owner-occupied properties within 120 metres of the route.

In November 2013 the Government published two decision documents on compensation for those with properties above tunnels and on the impact on social rented housing. These concluded that:

- The Government would implement three policies for properties above tunnelled sections: before and after surveys; settlement deeds; and the purchase of subsoil rights,¹²⁹ and
- The Government would work with local authorities, housing associations and tenants to ensure that lost social rented housing

¹²⁴ [High Speed 2 Railway Line: Written question – 61603](#), 2 February 2017

¹²⁵ "[HS2 under fire for delaying payments on compulsory land deals](#)", *Financial Times*, 13 July 2018

¹²⁶ [HC Deb 25 October 2012, cc68-70WS](#); DfT, [Property and Compensation consultation \(London to the West Midlands\)](#), October 2012; and: DfT, [Safeguarding consultation \(London to West Midlands\)](#), October 2012

¹²⁷ DfT, [HS2 Property Compensation Consultation 2013](#), September 2013

¹²⁸ property bonds have consistently been put forward as the fairest means of providing compensation, see e.g.: HS2AA, [The Property Bond Scheme – A Sensible Way Forward](#) [accessed 3 November 2015]

¹²⁹ for full details, see: DfT, [HS2 Property And Compensation For London- West Midlands: Decision document – Properties above Tunnels](#), Cm 8756, November 2013, section 3

was replaced in a manner “sympathetic to local needs and reflective of the strategic approach to social housing driven by local authorities”.¹³⁰

In April 2014 the Government announced a four-part property package for Phase 1 that would come into force immediately (express purchase, voluntary purchase, need to sell and rent back); and a further two supplementary cash payment schemes (alternative cash offer and homeowner payment scheme), on which it would consult over summer 2014.¹³¹

The Secretary of State also indicated that HS2 Ltd. would develop a residents’ charter “designed to help residents know their rights and will appoint an independent residents’ commissioner who will ensure that they adhere to the commitments made in the charter. The charter and commissioner will provide residents with a voice and representation”. He also explained that the Government had decided not to introduce a property bond, advocated by many of those affected by HS2, as this “was untried, would not facilitate the smooth operation of a normal property market and would add to uncertainty rather than reduce it”. Overall, he concluded that “these proposals represent the best possible balance between properly compensating people affected by the line and providing value for money for the taxpayer”.¹³²

Stop HS2 Campaign Manager Joe Rukin, reflected the concerns of many of those adversely affected by the scheme in his response to the announcement:

Government have tried to spin a new compensation deal, by re-announcing schemes already in place and saying there will be a sixth consultation on more discretionary proposals, after only 26% of those who have currently applied under the EHS scheme have been paid out in four years. They even have the gall to say someone who will report directly to HS2 Ltd will be called an ‘Independent Residents Commissioner’ [...] there is only one proposal which should ever be considered for compensation, compensating everyone for the full value of their loss, no matter where they live, and these proposals miss thousands of people facing blight. If the Government cannot afford to compensate people fully, they cannot afford HS2.¹³³

There are also concerns about the adequacy of the compensation package for those living in urban areas: the Fair Deal for London Alliance has been set up with a view to campaigning for a ‘fair and tailored’ compensation package for Londoners, particularly those who will be affected by works around Euston station.¹³⁴ In March 2015 the

¹³⁰ for full details, see: DfT, [HS2 Property And Compensation For London- West Midlands: Decision document – Impact on Social Rented Housing](#), Cm 8757, November 2013, section 3

¹³¹ DfT, [Decision document: Property Compensation Consultation 2013 for the London- West Midlands HS2 route](#), Cm 8833, April 2014, p6

¹³² [HC Deb 9 April 2014, c21WS](#)

¹³³ Stop HS2 press notice, “‘Disgraceful Spin’ as HS2 Compensation Consultation concludes ‘Let’s have another consultation’”, 9 April 2014

¹³⁴ for information see the [Fair Deal for London Alliance](#) website [accessed 3 November 2015]

Alliance published its own compensation charter for London, calling for extensive changes to the Government's compensation scheme and for the creation of an independent panel to draw up and adjudicate on compensation schemes for major infrastructure projects.¹³⁵

The consultation documents on the 'alternative cash offer' and the 'homeowner payment' were published in July 2014.¹³⁶ The Government announced its intention to proceed with both schemes in January 2015.¹³⁷

3.3 HS2 residents & communities

The [HS2 Residents' Charter](#) came into being on 16 January 2015. It is intended to "ensure that residents are treated in a fair, clear, competent and reasonable manner".¹³⁸

To date, the Residents' Commissioner, Deborah Fazan, has published [nine reports](#), the most recent dated 8 June 2018. In terms of the operation of the various compensation schemes the report said that as at 30 April 2018:

- 825 properties had been acquired by HS2 Ltd. under different property schemes;
- 635 blight notices in the Express Purchase Zone had been accepted, and a further 15 were being assessed. Over 400 applications from Phase 2b had been received (although no construction work in this phase is expected to begin before 2023);
- 431 Rural Support Zone applications had been received, of which 325 had been accepted and 89 were being assessed. The majority of applications (305) came from Phase 2b;
- 631 Need to Sell scheme applications had been received, of which 234 had been accepted and a further 74 were waiting for a decision. The acceptance rate for Phase 2b remained low at about 31%, particularly when compared with acceptance rates on applications from Phase 1 and 2a, which averaged 56%;
- 739 applications to the Phase 1 Homeowner Payment scheme had been received, of which 654 had been accepted and a further 32 were in progress. Over 615 applicants had received payments.¹³⁹

In November 2015 the Parliamentary and Health Services Ombudsman (PHSO) found serious failings in HS2 Ltd.'s engagement with a community in Staffordshire. In its report it stated that:

We found that overall HS2 Ltd's actions fell below the reasonable standards we would expect, so much so that they constituted maladministration ... We have found that by failing to engage with the residents or their proposals reasonably, HS2 Ltd

¹³⁵ Camden Council press notice, "[HS2: London launches charter for fair compensation after cities lose out](#)", 17 March 2015

¹³⁶ DfT, [HS2 property consultation 2014: consultation document](#), July 2014

¹³⁷ DfT, [Decision Document: Property Consultation 2014 for the London–West Midlands HS2 Route](#), Cm 8991, January 2015

¹³⁸ Commons HS2 Bill Phase 1 Committee, "[High Speed Rail Bill Select Committee: Statement by the Promoter and by the Chair](#)", 20 January 2015

¹³⁹ HS2 Ltd., [HS2 Residents' Commissioner Report 9 – May 2018](#), 8 June 2018

unnecessarily prolonged the uncertainty that the residents were experiencing.¹⁴⁰

HS2 Ltd. subsequently apologised, made a number of payments to those affected totalling £10,500, and made some improvements to how it interacts with the public. It also commissioned Ian Bynoe to publish an independent report into its complaints handling and community engagement. This was published in April 2016.¹⁴¹

The Public Administration and Constitutional Affairs Committee followed up the PHSO's report with its own in March 2016. PACAC concluded that on the basis of a "large body of evidence" it had received, it was "unconvinced that the necessary fundamental changes have taken place". The Committee urged "those in senior positions to recognise that this is a matter of primary importance".¹⁴²

In September 2017 HS2 Ltd. published its Community Engagement Strategy, which set out its approach to community engagement with those who live or work within the communities along the HS2 route.¹⁴³

¹⁴⁰ PHSO, [Report on an investigation into complaints about High Speed Two Limited](#), HC 620, 26 November 2015, p3

¹⁴¹ HS2 Ltd., [Report on HS2 Ltd's complaints handling and community engagement](#), 21 April 2016

¹⁴² PACAC, [Follow up to PHSO Report of an investigation into a complaint about HS2 Ltd](#) (sixth report of session 2015–16), HC 793, 23 March 2016, p3

¹⁴³ HS2 Ltd., [HS2 Ltd's Community Engagement Strategy](#), 28 September 2017

4. High Speed Rail (London - West Midlands) Act 2017

4.1 Overview

The Government published the [High Speed Rail \(London - West Midlands\) Bill](#) in November 2013. It was carried over into the 2015 Parliament. It completed all its Parliamentary stages and received Royal Assent on 23 February 2017. The vast majority of the [High Speed Rail \(London - West Midlands\) Act 2017](#) came into effect on the day it received Royal Assent.

The House of Commons Library briefing paper on the original Commons Bill, published in April 2014, is available on the Parliament website: [RP14/24](#). Information on the Additional Provisions (APs) made to the Bill can be found in [CBP 7213](#) for AP2, [CBP 7299](#) for AP3 and AP4, and [CBP 7413](#) for AP5. An HC Library briefing paper on Hybrid Bill procedure is also available: [CBP 6736](#).

Undertakings and assurances

As mentioned in the rest of this section, as the Act progressed through Parliament the Promoter of the Bill (in this case the Secretary of State for Transport) made a number of commitments, called undertakings and assurances:

The term 'undertaking' is used to describe either a promise given to Parliament (a breach of which would be addressed through recourse to Parliament) or, a bilateral or multilateral commitment which has effect as a legally binding contract (enforceable by the courts). This will include commitments expressed as formal agreements and undertakings given in consideration of withdrawal of a petition that have effect as a legal contract.

The term 'assurance' is used to describe any other unilateral commitment given directly to Petitioners or affected parties which is not a legally binding contract enforceable by the courts, but is made binding on the project by being included on the register. Enforcement is through the Secretary of State, who is answerable to Parliament for securing compliance.¹⁴⁴

Undertakings and assurances are recorded in an [official register](#), held by the DfT.

The register forms part of the Environmental Minimum Requirements (EMRs), the collection of documents and specific commitments outside the Act which control the impacts of the project. On the first day of Commons Select Committee proceedings, the Secretary of State gave an undertaking to Parliament that he would take such steps as he considered reasonable and necessary to secure compliance with the EMRs: "Insofar as the Environmental Minimum Requirements are not directly enforceable against any person appointed as the nominated undertaker, the Secretary of State will take such steps as he considers

¹⁴⁴ HS2 Ltd., [Information Paper B4: Compliance with Undertakings and Assurances](#), version 1.4, July 2015, para 2.2

reasonable and necessary to secure compliance with those requirements".¹⁴⁵ This undertaking does not apply to commitments that take the form of agreements and can be enforced directly through the courts.

The information contained in the register is extensive and to put these assurances and undertakings on the face of the Act would have made it unwieldy.

4.2 Scheme design refinements, 2012-15

In May 2013 the Government published a consultation document on the design refinements proposed to HS2 since January 2012. There were 14 changes detailed in the consultation document.¹⁴⁶ The Government stated that it was consulting on these proposed changes before making a final decision on whether to include them within the design that would be submitted to Parliament alongside the Hybrid Bill.

The two changes that had provoked the most prior comment were those in London: the decisions to tunnel under Ealing and Northolt in north-west London and to redevelop, rather than knock down and rebuild, Euston Station (see below). The decision on tunnelling under Ealing and Northolt was announced in April 2013 and welcomed by campaigners, who called it "a great triumph for grassroots activism and for residents acting in cooperation with Ealing council".¹⁴⁷

In October 2013 the Government published its decision on one of the changes in the consultation: to tunnel the HS2 Phase 1 route at Northolt and Bromford and to reissue safeguarding directions for the Phase 1 route to reflect these additional tunnels (see below).¹⁴⁸ The final response to the consultation, published in November 2013, indicated that the Government had decided to confirm all of the remaining 12 changes proposed in the document.¹⁴⁹

In September 2014 the Commons HS2 Phase 1 Bill Committee stated that there was a case for more consultation with major landowners and other stakeholders on the Birmingham Curzon Street station area design and development, particularly on access to and from Digbeth through and around the station, and it invited HS2 Ltd. to develop proposals in collaboration with local interests.¹⁵⁰

In November 2014 the Government published a report on a number of options for the provision of a tunnel in the vicinity of Berkswell and Balsall Common, though it rejected the inclusion of any of these

¹⁴⁵ *ibid.*, para 4.2

¹⁴⁶ DfT/HS2 Ltd., [Design Refinement Consultation: Consultation Document - London-West Midlands](#), May 2013, p7

¹⁴⁷ "HS2 tunnel decision is a 'victory for Ealing'", *Ealing Gazette*, 23 April 2013

¹⁴⁸ HC Deb 24 October 2013, cc23-24WS; and: DfT, [Government response to the Design Refinement Consultation: Decisions and Safeguarding Directions for Northolt and Bromford](#), Cm 8709, October 2013

¹⁴⁹ DfT, [The Government Response to the HS2 Design Refinement Consultation](#), Cm 8758, November 2013

¹⁵⁰ Commons HS2 Phase 1 Bill Committee, ["High Speed Rail Bill Select Committee: Statement by Chair on petitions heard to date"](#), 10 September 2014

schemes in the Phase 1 Bill on the grounds that the environmental and community benefits of tunnel options are “not considered to be substantial enough to justify the significantly higher cost”.¹⁵¹ The Commons HS2 Phase 1 Bill Committee agreed with this, but urged HS2 Ltd. to consider further measures to compensate for loss of footpath and other amenities and extra consideration of “connectivity for people and wildlife between separated communities and localities in the area”.¹⁵²

Safeguarding

Safeguarding is an established part of the planning system, designed to protect land which has been earmarked for major infrastructure from conflicting developments which might otherwise occur.

Following a public consultation, in July 2013 the Secretary of State for Transport announced that safeguarding directions had been issued for the majority of HS2 Phase 1.¹⁵³ In October 2013 these directions were replaced with an updated set of directions which included two sections on Northolt and Bromford which had previously not been published.¹⁵⁴

In March 2014 the Government announced its intention to withdraw safeguarding from the section of the proposed route that would have provided for an overland link between HS1 and HS2 in North London.¹⁵⁵

In March 2014 Sir David Higgins, then Chairman of HS2 Ltd., published a report recommending that the proposed direct HS1-HS2 overland link in North London should be scrapped and that the plans for Euston should be reconsidered.¹⁵⁶ The Government welcomed the report and accepted that the direct overland link between HS1 and HS2 would be removed from the bill.¹⁵⁷

Euston

As indicated above, the Government had decided by 2013 that the existing proposal for Euston was too complex and expensive and that a more cost-effective scheme should be pursued. The original scheme as proposed in January 2012 was for a complete rebuild of Euston station to incorporate existing train services alongside HS2. The existing station would have been demolished and a new double-deck station of 24 platforms constructed on the site as far west as Cobourg Street. The revised proposal was to retain 13 platforms in the existing station (in the area currently occupied by platforms 1-15) and to construct new HS2 platforms on the site of the former platforms 16-18 and land to the

¹⁵¹ HS2 Ltd., *HS2 Berkswell and Balsall Common tunnel report*, November 2014

¹⁵² HS2 Phase 1 Bill Committee, “[High Speed Rail Bill Select Committee: Statement by Chair on Berkswell and Balsall Common](#)”, 15 January 2015

¹⁵³ HC Deb 9 July 2013, cc12-13WS and: DfT, *HS2 phase one safeguarding directions: With guidance notes for local planning authorities*, July 2013; for the consultation documents, see the [HS2 safeguarding website](#) [accessed 3 November 2015]

¹⁵⁴ DfT, *HS2 phase one safeguarding directions: With guidance notes for local planning authorities*, October 2013

¹⁵⁵ [HC Deb 17 March 2014, c54WS](#)

¹⁵⁶ HS2 Ltd., *HS2 Plus: A report by David Higgins*, March 2014

¹⁵⁷ [HC Deb 17 March 2014, cc53-54WS](#)

west as far as Cobourg Street. This was estimated to save approximately £400 million.¹⁵⁸

The leader of Camden Council, Sarah Hayward, said: "The new plans being put forward by HS2 Ltd amount to a shed being bolted on to an existing lean-to. Euston stands to have all of the blight with none of the benefits".¹⁵⁹ Meanwhile, a group of rail experts including Lord Berkeley and Lord Bradshaw proposed an alternative scheme, the 'Euston Cross' plan, which would involve tunnelling beneath Regent's Park into a new subterranean station below Somers Town to the east of Euston station.¹⁶⁰

However, as indicated above, in March 2014 Sir David Higgins recommended that the design plans for Euston required a rethink on the grounds that the revised proposal was not ambitious enough, and recommended a level deck design, which could create the potential for considerable over-site development.¹⁶¹ The Government agreed and asked HS2 Ltd. and Network Rail to develop new proposals for the redevelopment of the station, including rebuilding the Euston Arch.

In September 2015 the Government announced revised plans for the development of Euston. This involved the construction of 11 new platforms for HS2, to be built in two stages, with 'at least' 11 platforms remaining in the current station to serve the existing network, and new public spaces for shops, restaurants and cafes. The station would be delivered in two stages:

The construction of six new high speed platforms and concourse to the west of the station to support the opening of HS2 Phase One (between London and the Midlands) high speed services in 2026

The construction of five further high speed platforms and concourse to support the opening of Phase Two (between London and Leeds/Manchester) high speed services in 2033¹⁶²

Parliament agreed Additional Provision 3 (AP3) relating to Euston on 15 September 2015. This enabled the Commons HS2 Phase 1 Bill Committee to consider the plans with the rest of the route. During the debate the then Rail Minister, Robert Goodwill, gave some more information on the platforms:

I want to make it clear that for the existing west coast main line, the number of platforms will be reduced from 18 to 11, while the number for HS2 will increase from zero to 11. This means that there will be 22 platforms in total, which is four more than at present. The HS2 trains will also be longer, and the way in which

¹⁵⁸ op. cit., [Design Refinement Consultation: Consultation Document - London-West Midlands](#), chapter 2

¹⁵⁹ "[HS2 scraps Euston station rebuild plans](#)", *BBC News*, 19 April 2013

¹⁶⁰ "[Our HS2 plan saves hundreds of homes' – rail lords pledge to push forward with alternative 'Euston Cross' scheme](#)", *Camden New Journal*, 23 May 2013; see also their more recent idea for 'Euston Express': "[HS2 – Euston Express can save Government £4 bn and 10 years of construction!](#)", *Lords of the Blog*, 15 October 2016

¹⁶¹ op. cit., [HS2 Plus: A report by David Higgins](#), pp13-14

¹⁶² DfT press notice, "[HS2 plans can unlock Euston potential](#)", 8 September 2015; an [accompanying leaflet](#) was also published

they load their passengers will make it easier for people to get on them. That is because there will be a system similar to the one used by Eurostar, in which passengers come down escalators on to the platforms. This will avoid the situation of everyone trying to rush down to one part of the platform as the train starts to load.¹⁶³

And on the Euston Arch:

I can tell Members that the Secretary of State is very keen to see the resurrection of the Euston arch. We think we know where the bits are. The Euston Arch Trust aims to re-form the arch, and it is for that trust to bring it forward through a local planning application. We have a location for the new Euston Square gardens for the arch to come forward. Personally, I wonder whether a holograph might be even better, but I can certainly confirm that the Secretary of State is very keen to see the arch resurrected.¹⁶⁴

As to cost, the Government has said repeatedly that it expects the works at Euston to be delivered within the existing budget for Phase 1. Within this overall budget, as at October 2015 the estimated construction costs of the plan for Euston were £2.25 billion.¹⁶⁵

4.3 Commons stages, November 2013-March 2016

The hybrid bill and the accompanying Environmental Statement (ES), running to some 50,000 pages in total, were published in November 2013.¹⁶⁶ A hybrid bill has elements of both a public and a private bill – the key additional stage, compared with public bill procedure, is a special select committee convened to consider petitions against the bill from directly and specially affected individuals, organisations or groups. This adds significant time to the Parliamentary process and is why the bill was carried over into the new Parliament after the 2015 General Election.

The Assessor's report on the ES was published in April 2014. It stated that a total of 21,833 responses were received during the consultation process, of which over half were postcards. In terms of key issues raised, overall, minimising the impact of the proposed route through the Chilterns Area of Outstanding Natural Beauty (AONB) was the single greatest issue of concern for respondents. The three areas of particular concern were tunnelling (including the Chilterns), eliciting 12,637 comments; community (construction impacts, loss of amenity, quality of

¹⁶³ [HC Deb 15 September 2015, c997](#)

¹⁶⁴ [ibid., c1014](#)

¹⁶⁵ [High Speed 2 Railway Line: Written question - 11002](#), 19 October 2015; estimates for previous schemes ranged from £1 billion in 2010 to £2 billion in 2013, see: HS2 Ltd, *High Speed Rail London to the West Midlands and Beyond: A Report to Government by High Speed Two Limited*, March 2010, para 3.2.15; [HC Deb 14 March 2013, cc282-3W](#); [HC Deb 8 October 2013, c195W](#); and [HC Deb 8 October 2013, c195W](#)

¹⁶⁶ the ES was published in draft for consultation in May 2013 and in final draft for a further consultation in November 2013; full details on the [ES website](#) [accessed 14 February 2017]

life etc.), 9,716 comments; and sound, noise and vibration, 9,330 comments. 'Public consultation' came fourth with 9,280 comments.¹⁶⁷

The Bill received a Second Reading in the House of Commons on 28 April 2014; only 41 MPs voted against it.¹⁶⁸

Commons Select Committee, April 2014-February 2016

The [Commons HS2 Phase 1 Bill Committee](#) was appointed by the House of Commons on 29 April 2014. It was composed of six MPs whose constituencies were not affected by the route and was chaired by Robert Syms, the Conservative MP for Poole. The role of the Committee was to provide individuals and bodies directly and specially affected by the Bill with the opportunity to object to the Bill's specific provisions and to seek its amendment, although not to object to the principle of the Bill as set out in the instruction to the Committee approved on 29 April 2014 and amended on 9 September 2014, 23 June 2015, and 15 September 2015.¹⁶⁹

There were five sets of Additional Provisions (APs) agreed by Parliament, accompanied by Supplementary Environmental Statements (SEs) and subject to petition in the Committee:

- AP1¹⁷⁰ related to relatively minor matters such as utility works and footpath diversions. There was no need for an accompanying SES;
- AP2 (and SES1)¹⁷¹ embodied a number of improvements to the railway design across the route, three of which resulted in part from the Committee process. It also proposed a relocation of the Heathrow Express depot from Old Oak Common to Langley, near Slough, and a grade-separated flyover for the Great Western main line, both of which were notable among issues that were objected to by petitioners;
- AP3 (and SES2)¹⁷² split the programme for building the HS2 platforms at Euston station into stages;
- AP4 (and SES3)¹⁷³ contained a number of provisions, including for the Chilterns bored tunnel extension, as directed by the Committee. It also contained a passive provision for a Crossrail station interchange at Kensal Portobello; and
- AP5 related to relatively minor works in several locations along the line, including utility works, car park relocations and public rights of way diversions, together with additional land for the proposed

¹⁶⁷ HS2 Independent Assessor, *High Speed Rail (London - West Midlands) Bill: Summary of issues raised by comments on the Environmental Statement*, HC 1199, 9 April 2014; full (anonymised) responses are available to search online on [this website](#)

¹⁶⁸ [HC Deb 28 April 2014, cc666-9](#)

¹⁶⁹ [HC Deb 29 April 2014, cc707-71](#), [HC Deb 9 September 2014, cc798-816](#) [HC Deb 23 June 2015, c815](#) and [HC Deb 15 September 2015, c999](#)

¹⁷⁰ DfT, *Additional Provision (September 2014)*, 9 September 2014

¹⁷¹ DfT, *Supplementary Environmental Statement and Additional Provision 2 (July 2015)*, 13 July 2015

¹⁷² DfT, *Supplementary Environmental Statement 2 and Additional Provision 3 (September 2015)*, 16 September 2015

¹⁷³ DfT, *HS2 Phase One supplementary environmental statement 3 and Additional Provision 4 (October 2015) environmental statement consultation*, 16 October 2015

people mover at Birmingham international station. SES4¹⁷⁴ set out works for a southward extension of the Wendover green tunnel, together with enhanced noise mitigation.¹⁷⁵

A total of 2,586 petitions was deposited against the Bill and its APs, of which 1,918 were deposited against the Bill itself and 668 were against APs. The Committee heard nearly 1,600 of these. Approximately 800 petitions were withdrawn from the process or were not the subject of any appearance before the Committee. Many petitioners chose to associate themselves with one or more other petitioners whose petition issues were similar or identical, and elected not to appear on that basis. There were approximately 300 of these, representing somewhat more than 10% of total petition numbers.¹⁷⁶

The Government challenged the *locus standi* of 24 petitioners against the HS2 Bill, including HS2 Action Alliance, Stop HS2, the City of Stoke-on-Trent, the Campaign for Better Transport, and Penny Gaines.¹⁷⁷ In the event, the Committee allowed *locus standi* on route-wide issues to Stop HS2 and HS2 Action Alliance. All other cases were disallowed.¹⁷⁸ The Promoter also challenged the locus standi of 35 out of 182 AP2 petitions, three out of 144 AP3 petitions, 165 out of 278 AP4 petitions, and 13 out of 22 AP5 petitions.¹⁷⁹

In March 2015, the Committee published its first report, summarising progress to date and making recommendations to Government, many of which ended up in AP2, agreed by Parliament in June 2015.¹⁸⁰ It published a second report in December 2015.¹⁸¹

The Committee concluded its deliberations on the Bill in February 2016 and published its final report. It made recommendations on a number of route-wide issues, the Committee raised a number of issues and made recommendations as to noise, traffic, engagement and occupation powers.¹⁸² It also raised some concerns about the functioning of the

¹⁷⁴ DfT, [Supplementary Environmental Statement 4 and Additional Provision 5 \(December 2015\)](#), 2 December 2015

¹⁷⁵ HS2 Phase 1 Bill Committee, [Second Special Report of Session 2015–16](#), HC 129, 22 February 2016, paras 10-14

¹⁷⁶ *ibid.*, para 2

¹⁷⁷ the [full list of original petitions](#) is available on the HS2 Phase 1 Bill Committee website; the [full list of those to whom the Government objected](#) is also available [accessed 14 February 2017]

¹⁷⁸ HS2 Phase 1 Bill Committee, [“Committee announces locus standi decisions”](#), 16 July 2014 and [Oral Evidence](#), 21 July 2014, para 43

¹⁷⁹ *op. cit.*, [Second Special Report of Session 2015–16](#), para 377; for more information on how they were dealt with, see paras 378-81

¹⁸⁰ HS2 Phase 1 Bill Committee, [First Special Report of Session 2014–15](#), HC 338, 26 March 2015; the Government’s response can be found at: DfT, [HS2 Phase One: promoter’s response to select committee interim report](#), 4 June 2015

¹⁸¹ HS2 Phase 1 Bill Committee, [First Special Report of Session 2015–16](#), HC 698, 17 December 2015; the Government’s response can be found at: DfT, [HS2 Phase One: promoter’s response to the Select Committee’s ‘First special report’ of session 2015–16](#), 2 February 2016

¹⁸² *op. cit.*, [Second Special Report of Session 2015–16](#)

hybrid bill process, which form part of an ongoing Parliamentary review of Hybrid Bill procedure.¹⁸³

HS2 campaigners were disappointed by the final report. For example, Stop HS2 Campaign Manager Joe Rukin said:

In their summing up almost two years of sittings, the committee mentioned just five places where they have asked for improvements to the design and construction of HS2, as well as asking for the compensation scheme to work better [...] We are incredibly disappointed that the feelings of communities along the route of HS2 have largely been ignored, as HS2 has been railroaded through.¹⁸⁴

The Government published its response to the report on 10 March.¹⁸⁵

Public Bill Committee, March 2016

The Bill was considered in [Public Bill Committee](#) between 1 and 8 March 2016. A number of amendments and New Clauses moved by the Shadow Transport Secretary, Andy McDonald, were considered and voted on. None of them was agreed and the Bill was passed without amendment. The Railways Minister who spoke for the Government during proceedings was Robert Goodwill.

The amendments on which the Committee divided were as follows:

- **Amendment 10 to clause 4 (power to acquire land compulsorily)**, to require the Secretary of State to lay a report before Parliament setting out his reasons for any compulsory acquisition of land under the clause that is not otherwise specifically authorised under the Act.¹⁸⁶ It was defeated by 9 votes to 5.¹⁸⁷
- **Amendment 11 to clause 14 (exclusion of new rights of way)**, to ensure that the clause would not prevent the nominated undertaker or other owners of railway stations from establishing new rights of ways within or over railway stations used for Phase 1 purposes.¹⁸⁸ It was defeated by 9 votes to 6.¹⁸⁹
- **Amendment 17 to clause 40 (disapplication of statutory closure provisions)**, to require the Secretary of State to reach a 'reasonable' decision on closures, which could be challenged under the Act if not reached reasonably.¹⁹⁰ It was defeated by 9 votes to 5.¹⁹¹

¹⁸³ *ibid.*, paras 348-401 and [Review of petitioning procedures on Hybrid Bills in the House of Lords: views sought](#), 2016

¹⁸⁴ Stop HS2 press notice, "[Campaigners "incredibly disappointed by HS2 Committee's final report"](#)", 23 February 2016

¹⁸⁵ DfT, [Promoter's Response to the Select Committee's Second Special Report of Session 2015-16](#), 10 March 2016

¹⁸⁶ [PBC Deb 1 March 2016. c12](#)

¹⁸⁷ *ibid.*, c14

¹⁸⁸ *ibid.*, c20

¹⁸⁹ *ibid.*, c23

¹⁹⁰ [PBC Deb 3 March 2016. c67](#)

¹⁹¹ *ibid.*, c73; he also pressed amendment 20 to a vote; it was defeated by 9 votes to 6

- **Amendment 21 to clause 45 (transfer schemes)**, to prevent the Secretary of State from transferring assets to a private body without receiving a fair price.¹⁹² It was defeated by 9 votes to 5.¹⁹³

The New Clauses moved by the Labour frontbench and considered by the Committee were as follows:

New Clause 20 (HS2 Design Panel), to require the nominated undertaker to ‘have regard’ to the HS2 Design Panel’s recommendations during the design work for Phase 1.¹⁹⁴ Mr Goodwill said that HS2 Ltd, in designing the railway, “is required by the Department’s development agreement to incorporate the recommendations of the design panel, where this is practical” and that binding assurances to this effect have been given to local authorities, including Birmingham City Council, the Greater London Authority, and others.¹⁹⁵ Mr McDonald was satisfied and withdrew the New Clause.

New Clause 21 (passenger services: public sector operation), to require passenger services operating on the whole or part of HS2 Phase 1 to be provided by a publicly-owned railway company.¹⁹⁶ Mr Goodwill and Mr McDonald had fundamentally different views on the question of public versus private provision of rail services and Mr McDonald ultimately pressed the new clause to a vote: it was defeated by 10 votes to 6.¹⁹⁷

New Clause 22 (Construction Commissioner), to allow the Construction Commissioner¹⁹⁸ to consider complaints without limitation as to the amount of any claim for compensation and require the Commissioner to be appointed by a process of open competition. Mr Goodwill said that the Commissioner’s role would be similar to the one set out in the new clause, “but with some exceptions”.¹⁹⁹ Mr McDonald was content with the reply and withdrew his amendment.

New Clause 23 (designing Euston as a single integrated station), to require the design for Euston Station to be approached in a “holistic fashion, ensuring that plans for the HS2 platforms do not limit future integration with and redevelopment of the existing mainline station at Euston, nor with plans for a Crossrail 2 station in the area, or the potential for over-site development”. It would also require the Nominated Undertaker to consult widely on the design of Euston Station.²⁰⁰ Mr Goodwill argued that the Government and HS2 Ltd. were

¹⁹² *ibid.*, cc78-80

¹⁹³ *ibid.*, c84

¹⁹⁴ [PBC Deb 8 March 2016, c108](#)

¹⁹⁵ *ibid.*, c108

¹⁹⁶ *ibid.*, cc109-20

¹⁹⁷ *ibid.*, c120

¹⁹⁸ see section 5, below, for more information

¹⁹⁹ [PBC Deb 8 March 2016, c122](#)

²⁰⁰ taken with New Clause 24 (to ensure that designs for Euston Station are in keeping with assurances received by interested parties from HS2 Ltd, secured via the petitioning process, and with relevant plans and guidance already published) and New Clause 25 (to ensure that any development at Euston Station does not preclude the future redevelopment of and integration with the existing mainline station, nor integration with a future Crossrail 2 station at Euston, or maximising the potential for over-site development at Euston)

already “cognisant of the need to integrate the new station with the existing transport networks in the area, and to augment them where necessary” and that the New Clause was unnecessary.²⁰¹ Mr McDonald was generally satisfied but pressed New Clause 23 to a vote on the grounds that there was as yet no assured plan for the station. It was defeated by 10 votes to 5.²⁰²

New Clause 26 (maximising bringing in and removal of excavated and construction material by rail), to require the Nominated Undertaker to put in place a plan to deliver the maximum proportion of excavated and construction material by rail and protect the Euston area from the impacts of dangerous and polluting HGVs.²⁰³ Mr Goodwill was sympathetic to the sentiments behind the New Clause but argued that it was unnecessary as officials had already agreed an assurance with the London Borough of Camden.²⁰⁴ Mr McDonald said that while assurances were well and good they should be enshrined on the face of the Bill. He put the matter to a vote: the new clause was defeated by 10 votes to 5.²⁰⁵

New Clause 27 (engagement with communities living and working along the route), to require the Nominated Undertaker to engage meaningfully with communities living and working along the route and to have regard to commitments and undertakings given to the same, including the London Borough of Camden.²⁰⁶ Mr Goodwill argued that the Promoter was already required to do this and the New Clause was therefore superfluous.²⁰⁷ On that basis Mr McDonald agreed to withdraw the New Clause.

New Clause 28 (report of the cumulative impacts of HS2 works), to require the Nominated Undertaker to report on the likely cumulative impact of HS2 construction works on each community area along the route; reflect the concerns of the communities affected; and outline the ways in which the Nominated Undertaker plans to address these.²⁰⁸ Mr Goodwill said that this had already been accounted for and examined during the Bill’s preparatory and scrutiny stages.²⁰⁹ Mr McDonald disagreed that this was adequate and pressed the new clause to a vote: it was defeated by 9 votes to 4.²¹⁰

New Clause 29 (adaptation of residential properties), to require the Nominated Undertaker to take steps to mitigate the impact of construction on residential properties, including the installation of suitable noise insulation measures and assessments of the habitability of properties, with the requirement to rehouse residents if habitability

²⁰¹ *ibid.*, c128

²⁰² *ibid.*, c130

²⁰³ *ibid.*, c131

²⁰⁴ *ibid.*, c132

²⁰⁵ *ibid.*, c134

²⁰⁶ *ibid.*, cc134-5

²⁰⁷ *ibid.*, c135

²⁰⁸ *ibid.*, c138

²⁰⁹ [PBC Deb 8 March 2016, c142](#)

²¹⁰ *ibid.*, c143

assessments suggest this is required.²¹¹ Mr Goodwill replied that a code of construction practice had been developed and that it set out the controls that would be applied to mitigate the effects of the construction of HS2, and would be binding on the Nominated Undertaker.²¹² Mr McDonald was satisfied and withdrew his New Clause.

New Clause 31 (compensation: application), to ensure that compensation would be available to those who would be severely affected by the HS2 construction works, as well as to those whose land would be acquired.²¹³ Mr Goodwill said that the scheme sought “to mitigate effects where appropriate through such things as noise insulation”, but that as far as tenants were concerned, they could complain to their landlord, and that, in extremis, they “do not have the same restrictions on free movement that can afflict homeowners blighted by this type of project”.²¹⁴ Mr McDonald did not entirely accept this explanation but he withdrew his New Clause and asked the Minister to consider it further.

New Clause 32 (replacement trees), to ensure that there is no net loss of trees as a result of the design and construction of HS2. Mr Goodwill said that far more trees would be planted than removed.²¹⁵ Mr McDonald was satisfied with this and withdrew his New Clause.

New Clause 33 (engagement on permanent replacement of open space: London Borough of Camden), to require the Nominated Undertaker to engage meaningfully with the London Borough of Camden to ensure the provision of high-quality permanent replacement open space and play areas.²¹⁶ Mr Goodwill said that an assurance had been agreed with the Borough for these purposes and that the New Clause was therefore superfluous.²¹⁷ Mr McDonald accepted this and withdrew his New Clause.

New Clause 34 (support for local business), to require the Nominated Undertaker to mitigate the impacts of the HS2 works and scheme on local businesses by undertaking promotional activity to maintain footfall, property and shop front modifications, and facilitating relocation of businesses if this becomes necessary as a result of the scheme. Mr Goodwill argued that a number of businesses had been given binding undertakings at earlier stages of the Bill’s progress; that environmental statement to the Bill “already commits to mitigating the construction impacts of the scheme on businesses” and various funds had been established to help local businesses.²¹⁸ Mr McDonald accepted these assurances and withdrew the New Clause.

²¹¹ *ibid.*, c145

²¹² *ibid.*, c145

²¹³ *ibid.*, c148

²¹⁴ *ibid.*, c149

²¹⁵ *ibid.*, c151

²¹⁶ *ibid.*, c153

²¹⁷ *ibid.*, c154

²¹⁸ *ibid.*, cc156-7

New Clause 35 (HS2 Construction Skills Centre: establishment), to require the establishment of an HS2 construction skills centre in Euston to provide advice and information about finding work in construction in the Euston area, and the provision of training and apprenticeships relating to the HS2 scheme. Mr Goodwill said that an assurance had been agreed with the Borough.²¹⁹ Mr McDonald accepted this and withdrew the New Clause.

New Clause 36 (impacts of construction traffic), to require the Nominated Undertaker and its contractors to take all 'reasonable and practical' steps to mitigate the impacts of construction traffic on local communities. This related in particular to concerns about the excavation, demolition and construction materials needed to build the HS2 station at Euston.²²⁰ Mr Goodwill said that HS2 Ltd. had already put in place a range of controls in the Bill and in commitments that address the issue.²²¹ Mr McDonald was not satisfied and pressed the issue to a vote: it was defeated by 9 votes to 5.²²²

New Clause 37 (retaining safe pedestrian and cyclist access), to require the Nominated Undertaker to take steps to retain safe pedestrian and cyclist access on routes affected by construction relating to the HS2 scheme. Mr Goodwill said that satisfactory controls were in place and that the same were not required on the face of the Bill.²²³ Mr McDonald was persuaded and withdrew the New Clause.

New Clause 38 (compliance with standards), to require the Nominated Undertaker to comply with agreed air quality and pollution standards, codes of construction practice, traffic management plans and other standards and guidance agreed. Compliance must be recorded by way of an annual report to Parliament.²²⁴ Mr Goodwill argued that safeguards were already in place, and specifically that in the event of failure to comply with an assurance, recourse would be through the Secretary of State.²²⁵ Mr McDonald was not entirely satisfied but he did not press the matter to the vote.

New Clause 39 (report on the application of compensation schemes), to require an annual independent assessment of the compensation schemes which apply to the HS2 scheme, including an assessment of the application of the compensation schemes available in rural and urban areas and any consequences, including suggested remedies, resulting from this. Mr Goodwill said that the reports of the Residents' Commissioner more than fulfil this requirement.²²⁶ Mr McDonald accepted this and withdrew his New Clause.

New Clause 40 (exclusion of a Heathrow Spur), to make it clear that a Heathrow Spur would not be authorised by the Act and require

²¹⁹ *ibid.*, c159

²²⁰ *ibid.*, c160

²²¹ *ibid.*, cc161-2

²²² *ibid.*, c162

²²³ *ibid.*, c163

²²⁴ *ibid.*, c165

²²⁵ *ibid.*, c166

²²⁶ *ibid.*, c168

the Secretary of State to communicate this to relevant landowners and communities. Mr Goodwill said that the Government had accepted the Commons HS2 Phase 1 Bill Committee's direction regarding the Heathrow spur²²⁷ and that it would not use the powers contained in the Bill to implement a passive provision for a Heathrow spur. This assurance would be added to the undertakings and assurances register so the Secretary of State would be accountable to Parliament were that commitment breached.²²⁸ Mr McDonald accepted this and withdrew his New Clause.

New Clause 41 (minimising the use of land at Washwood Heath), to minimise the use of land at Washwood Heath, both in terms of amount of land and duration of use. Mr Goodwill said that commitments already undertaken would address this point.²²⁹ Mr McDonald was not persuaded and pressed the new clause to a vote: it was defeated by 8 votes to 5.²³⁰

Report and Third Reading, March 2016

The Bill completed its Report and Third Reading stages in the Commons on 23 March.

Before the debate a number of Members raised Points of Order with the Speaker about general timetabling matters and the publication earlier in the day of a report by the Public Administration and Constitutional Affairs Committee (PACAC).²³¹ PACAC was following up on the inquiry by the Parliamentary and Health Service Ombudsman (PHSO) into HS2 Ltd. (see section 3.3, above).

At Report stage one new clause was added to the Bill without a vote; three others were negated on division.

The Minister, Robert Goodwill, moved New Clause 19, which would require the Secretary of State to prepare a report on **vocational qualifications** obtained in each financial year in connection with HS2 construction.²³² Mr Goodwill also moved amendment 15 to clause 48 to ensure that the **regeneration opportunities** presented by HS2 were maximised in a timely manner.²³³ These were both initially Opposition proposals, to which the Government subsequently lent its support. Both of these provisions were added to the Bill without a vote.

The Shadow Transport Spokesman, Andy McDonald, spoke to New Clause 20 to allow HS2 services and any other rail services adversely affected by the construction of HS2 to be **run in the public sector**.²³⁴ Mr Goodwill said that it was "possible, and indeed quite likely, that the

²²⁷ see op. cit., [Second Special Report of Session 2015–16](#), para 155

²²⁸ [PBC Deb 8 March 2016, c170](#)

²²⁹ *ibid.*, cc172-3

²³⁰ *ibid.*, c173

²³¹ e.g. Cheryl Gillan on PCAC, [HC Deb 23 March 2016, c1595](#) and Geoffrey Clifton-Brown on the limited time for debate, cc1596-8; Cheryl Gillan raised another Point of Order on the same question about divisions eating into debate time

²³² *ibid.*, c1607

²³³ *ibid.*, c1607

²³⁴ *ibid.*, c1613

state might run HS2 initially, to prove certainty on operation and passenger numbers, but for the long-term successful future of HS2, a privately operated franchise is the best way forward".²³⁵ New clause 20 was negated on division by 273 votes to 184.²³⁶

Mr McDonald also spoke to New Clause 22 on the construction of an integrated station at **Euston**. The arguments were the same as those made during the more in-depth debates in Public Bill Committee on New Clause 23 (see above).²³⁷ It was negated on division by 254 votes to 190.²³⁸

There were a large number of new clauses and amendments proposed by backbench MPs which were only briefly debated or not debated at all due to the time limit on the debate. The only other issue put to the vote was Cheryl Gillan's New Clause 8 on the introduction of an **HS2 Adjudicator**. Dame Cheryl explained that it would provide for "an independent regulatory body regularly to review and monitor progress during construction, and to hold HS2 to account in delivering what has been promised in environmental and other mitigations".²³⁹ New Clause 8 was defeated by 245 votes to 43.²⁴⁰

No amendments were selected for Third Reading of the Bill.²⁴¹ There followed a revival of the arguments in principle that have been made about the Bill specifically and the scheme more generally since its inception in 2010. The then Secretary of State for Transport, Sir Patrick McLoughlin, dismissed all the concerns about the project and said that it would be good for jobs and growth, 'rebalancing the economy', and that environmental effects would be properly mitigated.²⁴²

The then Shadow Transport Spokesman, Lilian Greenwood, argued that HS2 was 'a Labour project' and that it was urgently needed to provide increased capacity for both passengers and freight and to deliver benefits to the midlands and north of England.²⁴³

Alan Brown, speaking for the SNP, said that his party welcomed HS2 and urged haste in expanding the network to improve rail journeys to and from and within Scotland.²⁴⁴

Noted opponents of the scheme criticised various aspects. For example, Cheryl Gillan said that HS2 was "being built on the backs of my constituents, who are losing their homes, their businesses, their peaceful retirement, their health and their communities".²⁴⁵ Michael

²³⁵ [HC Deb 23 March 2016, c1608](#); in fact it will be a private company – see section 6, below

²³⁶ *ibid.*, c1624

²³⁷ [ibid., c1651](#)

²³⁸ *ibid.*, c1662

²³⁹ *ibid.*, c1647

²⁴⁰ *ibid.*, c1658

²⁴¹ there were three amendments declining to give the Bill a Third Reading on a variety of grounds from inadequacy of connections to insufficient compensation to environmental damage; see: [Commons Business 23 March 2016](#), pp6-7

²⁴² [HC Deb 23 March 2016, cc1666-8](#)

²⁴³ *ibid.*, cc1668-70

²⁴⁴ *ibid.*, c1671

²⁴⁵ *ibid.*, c1671

Fabricant criticised a project whereby “people arrive at Euston from Birmingham and then have to trek across London with their bags to get to St Pancras. The promises that were made—that people would get on to a train in Birmingham and wake up in Paris—have come to naught”.²⁴⁶ Barry Gardiner decried the loss of irreplaceable ancient woodland.²⁴⁷

The Bill was passed by 399 votes to 42.²⁴⁸

4.4 Lords stages, March 2016-January 2017

The Bill received its First Reading in the House of Lords on 23 March 2016. The Bill was then referred to the Examiners and it was ordered that any petitions against the Bill be deposited between 24 March 2016 and 18 April 2016.²⁴⁹ The Bill was printed as [HL Bill 111](#) of session 2015-16.

Second Reading took place on 14 April 2016,²⁵⁰ after which the Bill was committed to a specially convened Select Committee to consider those petitions made against the Bill. This stage in the Commons took approximately 22 months; it was considerably less in the Lords – nine months.

Lord Ahmad of Wimbledon and Baroness Buscombe took the Bill through the Lords on behalf of the Government.

Lords Select Committee, May 2016-December 2016

The [Lords HS2 Phase 1 Select Committee](#) was appointed on 5 May; it composed seven members and was chaired by the Crossbench peer Lord Walker of Gestingthorpe.

The Committee published its report on the Bill in December 16. It stated that it had held 101 public meetings, heard almost 300 locus standi challenges and over 300 substantive petitions, out of a total of 821 deposited.²⁵¹ The Promoter challenged far more Lords Petitioners than had been the case at the Commons stage. The Committee explained:

The promoter ... took a radically different approach in the House of Lords, challenging 414 of 821 petitioners. Petitioners, understandably, were confused and dismayed. They could not comprehend how they could have locus in the House of Commons but not in the House of Lords. Moreover, they found the documentation provided by the promoter explaining the reasons for the challenge arcane, opaque and unhelpful. We have considerable sympathy with them. The issuing of locus challenges was a matter for the promoter but it was clear to us that the promoter’s radical shift in approach, and the manner in which it

²⁴⁶ *ibid.*, c1673

²⁴⁷ *ibid.*, cc1673-4

²⁴⁸ [HC Deb 23 March 2016, c1676](#)

²⁴⁹ [HL Minutes of Proceedings](#), 23 March 2016

²⁵⁰ [HL Deb 14 April 2016, cc360-434](#)

²⁵¹ Lords HS2 Select Committee, [High Speed Rail \(London – West Midlands\) Bill: Special Report of Session 2016–17](#), HL Paper 83, 15 December 2016, summary, p4 and para 18

was done, did little to ameliorate already strained relations between the promoter and some petitioners.²⁵²

The only substantive change that the Committee proposed to the Bill was to delete subsections (1) to (3) of Clause 48 of the bill on wider powers of compulsory acquisition for development on the grounds that they were “undesirable and unnecessary”. This is discussed further below.

The Committee’s other major recommendation was on compensation, to the effect that those households in Camden and other urban areas, which are most severely threatened by construction noise, should be treated in the same way as if they were within 120 metres of the line of route in an area where the Rural Support Zone (RSZ) applies. The consequence would be that owner-occupiers in these areas could participate in the Voluntary Purchase Scheme, including its Cash Option.²⁵³

In addition the Committee made a number of directions on specific petitions, set out in chapter 3 of their report; location-specific recommendations along the route (chapters 4-6) and specifically as regards to Camden and Euston (chapter 7). It made further general recommendations on compensation (chapter 8), environmental issues (chapter 9) and other route-wide issues (chapter 10).

Clause 48 (wider powers of compulsory acquisition for development)

The Committee heard evidence from witnesses, primarily the counsel for Camden, that powers of compulsory purchase should be granted only when they are clearly needed. The Committee observed that:

Clause 48 of the bill would confer on the Secretary of State (in subsections (1) to (3)) power to acquire land by compulsory purchase if he or she considers “that the construction or operation of Phase One of High Speed 2 gives rise to the opportunity for regeneration or development of any land”. Subsection (4) and (5) would confer on the Secretary of State power to acquire land by compulsory purchase for the relocation of an undertaking displaced by the construction of HS2 Phase One.

[...] These powers are indeed very wide. Although the heading to the clause refers to regeneration or relocation, the language of subsection (1) covers not only “regeneration” but also “development”, a much more general term. The requirement for there to be “the opportunity for regeneration or development” occasioned by “the construction or operation of Phase One of High Speed 2” indicates that there must be some sort of geographical link with the route, but it is not defined with any more clarity. Moreover, there is no temporal limit in the form of a cut-off date for the exercise of the power.²⁵⁴

The Secretary of State told the Committee that the power would be regarded as a power to be used only as a last resort, if commercial negotiations failed to reach a satisfactory conclusion. But in the

²⁵² *ibid.*, para 33

²⁵³ *ibid.*, summary, p4

²⁵⁴ *ibid.*, paras 389-90

Committee’s opinion it was “not sound law-making to create wide powers permitting the expropriation of private property on the strength of ministerial statements, not embodied in statute, that the powers would be used only as a last resort”. Consequently the Committee amended Clause 48 by deleting subsections (1) to (3), renumbering subsections (4) to (11).²⁵⁵

In its response to the Committee the Government said that would not seek to reintroduce the provisions of clause 48(1)-(3) relating to regeneration powers that were deleted by the Select Committee. It cautioned that “the onus must therefore lie with local authorities to ensure that opportunities for regeneration arising from Phase One of HS2 are not missed due to any failure to use their own similar powers”.²⁵⁶

Grand Committee, January 2017

The Lords considered the Bill in Committee on 10 and 12 January. A number of amendments were debated and some were added to the Bill. This paper does not go through all the amendments that were debated, only those where the House divided or an amendment was made to the Bill.

On 10 January the House agreed to Government **technical amendments** to the Bill flowing from the passing of a new set of consolidating regulations for the environmental permitting regulations and the need to update the relevant references in the Bill. There was also a correction to clarify the date on which the vocational qualification reporting duty under clause 65 will come into effect (i.e. 31 March 2018), and a clarification of a reference resulting from a change made by the Select Committee. These were agreed and added to the Bill without debate or a vote.²⁵⁷

The House discussed Government amendment 16 to introduce a new clause and schedule on **traffic regulation**. Lord Ahmad explained that together they would ensure that local highway authorities consult the Secretary of State for Transport before making any Traffic Regulation Orders (TROs)²⁵⁸ that affect either specific roads identified for use by HS2 or other roads related to HS2 construction works. It would also allow the Secretary of State, if required, to make TROs, and to and prohibit or revoke TROs that “unnecessarily hinder the delivery of the railway”. The Secretary of State already has the ability to prohibit TROs under specific circumstances, but this power would make that process less convoluted, “which is necessary to ensure we do not create unnecessary bureaucratic delays and associated costs in the delivery of the railway”.²⁵⁹ However, following objections from across the House

²⁵⁵ Ibid., para 393

²⁵⁶ DfT, *Promoter’s Response to the Select Committee’s Special Report of Session 2016-17*, Cm 9396, 17 January 2017, para 115

²⁵⁷ [HL Deb 10 January 2017, c90GC](#); these were formally moved on 12 January, see: [HL Deb 12 January 2017, cc134, 148-9 & 158GC](#)

²⁵⁸ TROs allow highway authorities to regulate and restrict traffic in their areas; for more information see HC Library briefing paper [SN6013](#)

²⁵⁹ [HL Deb 10 January 2017, c105GC](#)

about the “quite draconian powers being asked for by the Secretary of State”, the Minister withdrew the amendment with a view to going back and looking again at what was being proposed.²⁶⁰

On 12 January the House agreed to a Government amendments 47-64, which would make technical amendments to Schedule 14 to update the Bill to take account of the changes made to the **statutory compulsory acquisition regime** by the *Housing and Planning Act 2016*. These were agreed and added to the Bill without debate or a vote.²⁶¹

Report and Third Reading, January 2017

Report stage took place on 24 January. As indicated above, a number of amendments were debated and some were added to the Bill. This paper does not go through all the amendments that were debated, only those where the House divided or an amendment was made to the Bill.

Liberal Democrat Lord Bradshaw moved amendment 1 to prevent HS2 construction works from beginning until the Secretary of State commissions a review of the merits of establishing **Old Oak Common** station as an interim eastern terminus for the line. He argued that because in his view the costings of HS2 are not “soundly based”, economies must be made now in Phase 1 otherwise “there will not be enough money in the funding envelope to extend HS2 north of Birmingham”. He said that the principal economy that it is possible to make is to designate Old Oak Common as the temporary London terminus to alleviate the pressures at Euston.²⁶² There were different views as to the merits of this proposal.

In response, the Minister, Lord Ahmad, said that the question of whether there is an advantage in using the proposed new station at Old Oak Common as a temporary London terminus for Phase 1 was examined in detail by both select committees and the Government investigated the proposals in detail. He indicated that that the implication of accepting the amendment would essentially be to impede the progress of the Bill.²⁶³ Lord Bradshaw did not accept this and pressed it to the vote; the amendment was defeated by 261 votes to 80.²⁶⁴

Lord Ahmad reintroduced his new clause and schedule on **traffic regulation**, which he had previously withdrawn at committee stage (see above). He said that they were however different to those previously tabled and had been developed following “constructive discussions with local authorities”.²⁶⁵ He explained that the scope had been narrowed and that a new duty would be included so that any temporary TRO that the Secretary of State might ask a local highway

²⁶⁰ *ibid.*, cc105-08GC; the quote is from the Conservative peer Lord Brabazon of Tara; there was also criticism from Labour’s Lord Berkeley, the Liberal Democrat Baroness Randerson and Lord Jones of Cheltenham who served on the select committee

²⁶¹ [HL Deb 12 January 2017, c149GC](#)

²⁶² [HL Deb 24 January 2017, cc574-5](#)

²⁶³ *ibid.*, c584

²⁶⁴ *ibid.*, cc588-90; Division 1

²⁶⁵ *ibid.*, c602

authority to make would only be for “a reasonable period of time, with reference to the length of the relevant construction works”. The Secretary of State must also produce guidance on how these powers would operate.²⁶⁶ The House was generally happy with the changes and they were added to the Bill without a vote.²⁶⁷

Liberal Democrat Baroness Randerson moved amendment 8 to introduce a new clause which would, within three months of the start of the scheduled works, require the nominated undertaker to publish a plan setting out, for each **construction site in the Euston area** being used or to be used for the scheduled works, how the number of lorries delivering to or from the site could be limited in order to meet specific restrictions by weight of materials transported by road. She argued that her amendment sought to “reduce the impact of many years of construction work on the residents of Euston and on our environment generally”.²⁶⁸ Lord Ahmad argued that the Government had already made commitments with similar intentions and that the amendment was thus unnecessary.²⁶⁹ Baroness Randerson did not accept this and pressed it to the vote; the amendment was defeated by 161 votes to 63.²⁷⁰

Third Reading took place on 31 January. Lord Framlingham (Con) opposed giving the Bill a Third Reading on the grounds that “all the scheme’s credibility has long since gone, yet it is still bowling along with a momentum all of its own. It has been compared to Alice in Wonderland or the emperor’s new clothes”. He argued that “the originators of the scheme, all those years ago, were bewitched by the idea of speed ... when the claims for speed were eventually discredited, the promoters started talking about capacity. Now that the figures on where capacity is needed most have been queried [... and] there is little or nothing to be said for the scheme at all”. He also mentioned disruption at Euston, a lack of a link to HS1, opportunity costs and the “untold damage ... done to homes and heartbreak caused to families along the proposed ... route”.²⁷¹ The House disagreed with the amendment by 385 votes to 25.²⁷²

The Bill was thus passed, as amended, and returned to the Commons.

4.5 Final stages, February 2017

On 20 February 2017 the Commons debated the Lords’ amendments to the Bill. The amendments, listed in [Commons Bill 135 of 2016-17](#) were to [Lords Bill 111 of 2015-16](#), as introduced on 23 March 2016.

The Government was not defeated on any votes in the Lords; so all amendments were made with their consent. The Government also

²⁶⁶ *ibid.*, cc602-3

²⁶⁷ *ibid.*, c609 & cc624-30

²⁶⁸ *ibid.*, cc609-10

²⁶⁹ *ibid.*, c615

²⁷⁰ *ibid.*, c617; Division 2

²⁷¹ [HL Deb 31 January 2017, cc1096-9](#)

²⁷² *ibid.*, cc1108-10; Division 1

explicitly stated that it would not seek to undo the amendments to clause 48 made by the Select Committee (see above).

The Commons agreed all the Lords amendments without a division.²⁷³

The Act received Royal Assent on 23 February 2017.²⁷⁴

²⁷³ [HC Deb 20 February 2017, cc817-36](#)

²⁷⁴ DfT press notice, "[Full speed ahead as HS2 gets Royal Assent](#)", 23 February 2017

5. Construction

5.1 Track

The Government initially envisaged beginning construction of Phase 1 in 2017. This has since been put back to 2018/19.

HS2 Ltd. has appointed an independent interim Construction Commissioner, Gareth Epps, to look into any complaints during the building of HS2. An independent body of project stakeholders will determine the full terms of reference and agree on a permanent appointment.²⁷⁵ He has to date published [five reports](#). The most recent report, published in July 2018, stated that:

HS2 Ltd has taken a number of significant steps forward in terms of how it responds to complaints and engages with the public [...] Additional progress is being made in developing policy for compensating prolonged disturbance and in supporting vulnerable people [...] The interim Construction Commissioner continues to play an advisory role in improving community engagement in the Euston area [...] As designs for the main works are developed, HS2 Ltd needs to continue to increase community engagement and provide reassurance that construction impacts previously predicted will continue to be reduced.²⁷⁶

In November 2016 the Secretary of State for Transport, Chris Grayling, announced that three companies had been awarded the Phase 1 **enabling works** contracts:

- Area South – CS JV (Costain Group Pic, Skanska Construction UK Limited)
- Area Central – Fusion JV (Morgan Sindall pic, BAM Nuttall Limited, Ferrovial Agroman (UK) Limited)
- Area North – LM JV (Laing O’Rourke Construction Limited, J. Murphy & Sons Limited).

The contracts are worth up to £900 million in total and cover the whole of Phase 1. The works include archaeological investigations, site clearance and the setting up of construction compounds ahead of the start of the main civil engineering work.²⁷⁷

In July 2017 Mr Grayling announced the winning contractors for the three Phase 1 **construction** contracts:

Area South

- Euston Tunnels and Approaches – SCS JV (Skanska Construction UK Ltd, Costain Ltd, STRABAG AG)
- Northolt Tunnels – SCS JV (Skanska Construction UK Ltd, Costain Ltd, STRABAG AG)

Area Central

²⁷⁵ HS2 Ltd. press notice, "[Independent HS2 Construction Commissioner appointed](#)", 28 July 2016

²⁷⁶ HS2 Construction Commissioner, [Fifth Report](#), 6 July 2018, p3

²⁷⁷ [HC Deb 15 November 2016, cc5-6WS](#)

- Chiltern Tunnels and Colne Valley Viaduct – Align JV (Bouygues Travaux Publics, VolkerFitzpatrick, Sir Robert McAlpine)
- North Portal Chiltern Tunnels to Brackley – CEK JV (Carillion Construction Ltd, Eiffage Genie Civil SA, Kier Infrastructure and Overseas Ltd)
- Brackley to South Portal of Long Itchington Wood Green Tunnel – CEK JV(Carillion Construction Ltd, Eiffage Genie Civil SA, Kier Infrastructure and Overseas Ltd)

Area North

- Long Itchington Wood Green Tunnel to Delta Junction and Birmingham Spur – BBV JV (Balfour Beatty Group Ltd, VINCI Construction Grands Projets, VINCI Construction UK Ltd, VINCI Construction Terrassement)
- Delta Junction to WCML Tie-In – BBV JV (Balfour Beatty Group Ltd, VINCI Construction Grands Projets, VINCI Construction UK Ltd, VINCI Construction Terrassement)²⁷⁸

These contracts are worth £6.6 billion in total. The contracts were [signed](#) on 1 August. As indicated above, construction is likely to begin in 2018/19.

In January 2018 HS2 Ltd. issued a pre-qualification questionnaire (PQQ) for the track and overhead catenary system works and the tunnel and lineside mechanical & electrical and tunnel ventilation works, between Phase 1 and Phase 2a. This is worth:

- £1.55 billion for the track and overhead catenary system (OCS); and
- £330 million for the tunnel and lineside mechanical & electrical and tunnel ventilation works.²⁷⁹

Once it begins, construction of the HS2 Phase 1 route will have impacts for those living along and around the site. The Government and HS2 Ltd. have published various documents setting out how some of those impacts will be managed – such as an air quality strategy and ensuring that local authorities' Traffic Regulation Orders (TROs) do not interfere with HS2 construction traffic.²⁸⁰

The extent of the disruption to those living along the route and to those using the West Coast Main Line during HS2 construction have been widely reported. In May 2018 *The Times* reported that official estimates drawn up by HS2 Ltd. show that as many as 133 weekend 'possessions' will be made of passenger lines during the building of the first phase between London and Birmingham and a further 94 weekend closures may be required to construct Phase 2a. It also reported that the construction of Phase 1 will close the WCML for up to 50 weekends

²⁷⁸ DfT press notice, "[First big HS2 contracts to build Britain's new railway will support 16,000 jobs](#)", 17 July 2017

²⁷⁹ HS2 Ltd. press notice, "[HS2 begins search for rail systems track and mechanical & electrical contractors](#)", 30 January 2018

²⁸⁰ See, e.g. HS2 Ltd., [HS2 air quality strategy](#), 3 November 2017; and DfT, [HS2 Phase One and traffic regulation orders: a guide for Highways Authorities](#), 7 November 2017

around Euston or around Handsacre, Staffordshire, plus up to 33 weekend closures of the Great Western Main Line at Old Oak Common. Other routes affected include the Chiltern line and the railway linking Derby and Birmingham and Coventry and Leamington Spa.²⁸¹

5.2 Stations

In July 2017 the Government issued the Invitations to Tender (ITTs) for the station design services contracts for all four Phase 1 stations and the invitation to participate in dialogue (ITPD) for the Euston Master Development Partner to shortlisted bidders. The Government said that these contracts are expected to support 16,000 jobs across the country and generate 7,000 contract opportunities in the supply chain, of which around 60% are expected to go to SMEs.²⁸² In February 2018 HS2 Ltd. announced that the following designers would be awarded the station design services contracts:

- Birmingham Curzon Street – WSP UK Limited (working with Grimshaw Architects LLP)
- Birmingham Interchange – Ove Arup & Partners International Limited (working with Arup Associates and Wilkinson Eyre Architects Limited)
- Old Oak Common – WSP UK Limited (working with Wilkinson Eyre Architects Limited)
- London Euston - Ove Arup & Partners International Limited (working with Grimshaw Architects LLP)²⁸³

Later in February 2018 HS2 Ltd. announced that Lendlease would be the Master Development Partner (MDP) for Euston.²⁸⁴

In August 2017 HS2 Ltd. announced the beginning of the competition for the Euston and Old Oak Common construction partners. It stated that bidders for both contracts were expected to be invited to tender by the end of 2017, with contract to be awarded in autumn 2018. The procurement process for the Birmingham stations was expected to begin in early 2018 with contract award in 2020.²⁸⁵ In February 2018 HS2 Ltd. announced that the following bidders had been invited to tender for the London stations construction contracts:

London Euston: * Costain Limited/Skanska Construction UK Limited * Mace Limited/Dragados S.A. * Bechtel Limited * BAM Nuttall Limited/Ferrovial Agroman (UK) Limited * Canary Wharf Contractors Limited/MTR Corporation (UK) Limited/Laing O'Rourke Construction Limited

Old Oak Common: * Balfour Beatty Group Ltd/VINCI Construction UK Ltd/VINCI Construction Grands Projets SAS/SYSTRA Ltd *

²⁸¹ "[Building HS2 heralds a decade of closures](#)", *The Times*, 1 May 2018

²⁸² [HCWS49](#), 17 July 2017

²⁸³ HS2 Ltd. press notice, "[HS2 reveals world-leading design firms for biggest station building programme since Victorian era](#)", 2 February 2018

²⁸⁴ HS2 Ltd. press notice, "[HS2's gateway to London set for transformation as Lendlease wins Euston development role](#)", 22 February 2018

²⁸⁵ HS2 press notice, "[HS2 kicks off hunt for London stations construction teams](#)", 29 August 2017

Mace Limited/Dragados S.A. * Bechtel Limited * BAM Nuttall Limited/Ferrovial Agroman (UK) Limited²⁸⁶

Unlike the announcements on the track contracts, none of these had costs/values attached to them.

5.3 Trains

In January 2017 the Secretary of State launched the process to find a company to design, build and maintain a fleet for Phase 1. The contract for up to 60 high specification trains capable of running at up to 225mph is worth £2.75 billion. The successful bidder will maintain the fleet from the dedicated rolling stock depot planned for Washwood Heath in Birmingham.²⁸⁷

There was an industry event in March 2017 where interested companies could find out more about the bidding requirements and process. On 20 April 2017, HS2 Ltd. commenced the formal procurement process with the launch of the pre-qualification questionnaire (PQQ) pack. They indicated that bidders would be shortlisted following the PQQ, and that formal Invitation to Tender (ITT) would be issued in 2018. The contract award would be announced at the end of 2019.²⁸⁸

In November 2017 HS2 Ltd. announced the five shortlisted bidders as:

- Alstom Transport;
- Bombardier Transportation UK Ltd in a JV partnership with Hitachi Rail Europe;
- Construcciones y Auxiliar de Ferrocarriles (CAF);
- Patentes Talgo S.L.U.; and
- Siemens PLC.²⁸⁹

The ITT was issued in July 2018.²⁹⁰

This has not been without controversy. On 12 August *The Times* reported that Spanish manufacturer Talgo is planning to sue HS2 Ltd. over the rolling stock procurement for Phase 1. As indicated above, Talgo was one of five bidders shortlisted in November 2017. It has decided to sue because a rival Spanish bidder, CAF, was belatedly added to the shortlist (it had started legal action after being ruled out of contention). *The Times* reported that:

Papers filed by Talgo at the High Court claim HS2 “failed to exercise rational judgment” and took into account “irrelevant considerations”, such as CAF’s legal threat [...] Talgo claims HS2 broke procurement rules and is demanding to see documents that

²⁸⁶ Op cit., “[HS2 reveals world-leading design firms for biggest station building programme since Victorian era](#)”

²⁸⁷ DfT press notice, “[Search underway for company to build HS2 trains in £2.75 billion government rail investment](#)”, 20 January 2017

²⁸⁸ HS2 Ltd. press notice, “[HS2 opens procurement for world class train manufacturer](#)”, 20 April 2017

²⁸⁹ HS2 Ltd., press notice, “[HS2 reveals bidders in race for £2.75 billion trains contract](#)”, 2 November 2017

²⁹⁰ For further information see: DfT, [HS2 rolling stock procurement](#), 27 July 2018

show why the rail company changed its mind about admitting CAF. It is also seeking damages and costs.²⁹¹

²⁹¹ ["Spanish manufacturer Talgo sues HS2 over £2.8bn train deal"](#), *The Times*, 12 August 2018

6. Operation

In May 2016 the Government issued a consultation on the future West Coast franchise, due to be awarded in November 2017 with services set to begin in April 2018.²⁹² This is now scheduled to be 15 September 2019.

In November 2016 the Government announced that the new franchise would combine the current InterCity West Coast services with the development and introduction of HS2 services. The new franchise – the West Coast Partnership – would be responsible for services on both the West Coast Main Line (WCML) from 2019 and designing and running the initial high speed services on HS2 Phase 1 from 2026.²⁹³

The Government published the prospectus for the new franchise in January 2017.²⁹⁴ This stated that from 2019, the Partnership would become the Shadow Operator for HS2, “acting as a customer for the new infrastructure and designing the future services, whilst also planning the reconfiguration of [conventional] services”.²⁹⁵ It further stated:

HS2 Ltd has developed an initial model specification for the high speed services to assist the scheme design. The Partnership will develop and adapt this early model to provide the best service possible for passengers on both HS2 and the reconfigured ICWC services.

This means maximising opportunities created by the investment, making sure that the new services are useful and frequently used, whilst maintaining a good service on current lines to destinations away from the route of HS2.

On the launch of HS2, high speed conventional compatible services will replace many current ICWC services. This will require the redesign of services on existing lines to complement the HS2 services. Whilst delivering the benefits from HS2, the Partnership will also need to assess the balance between end-to-end journey times and intermediate stops, to ensure stations currently well-served by the West Coast service also gain from the opening of HS2.²⁹⁶

There had been speculation about who would bid for the Partnership, for example that the Government wanted technology companies such as Google or Uber to be minority partners with more traditional companies.²⁹⁷ In April 2017 Virgin and Stagecoach announced their intention to partner with the French state railway company SNCF to bid

²⁹² DfT, [Future of InterCity West Coast rail franchise](#), 10 May 2016

²⁹³ DfT press notice, [“Government announces new rail franchise for Inter City West Coast with the introduction of High Speed 2 services”](#), 4 November 2016

²⁹⁴ DfT press notice, [“New opportunities offered as details of new rail franchise are released”](#), 19 January 2017

²⁹⁵ DfT, [West Coast Partnership franchise prospectus](#), 19 January 2017, p20

²⁹⁶ *ibid.*, p22

²⁹⁷ “The Google Express for Crewe is leaving from platform 2”, *The Times*, 19 February 2017

for the franchise.²⁹⁸ In June 2017 the Government announced the shortlisted bidders:

- First Trenitalia West Coast Ltd, a joint venture between First Rail Holdings Ltd and Trenitalia SpA;
- MTR West Coast Partnership Ltd, a joint venture between MTR Corporation (UK) Ltd and Guangshen Railway Company, with the following key sub-contractors: Deloitte MCS Ltd; Panasonic Systems Europe; Snowfall AB; Trainline.com Ltd; and WSP Parsons Brinkerhoff; and
- West Coast Partnership Ltd, a joint venture between Stagecoach Group plc, Virgin Holdings Ltd and SNCF C3.²⁹⁹

The ITT was issued in March 2018.³⁰⁰ The ITT sets out what rail services the Government requires bidders to provide to run the new West Coast Partnership. DfT plans to announce the preferred bidder in April 2019; the Partnership is expected to begin in September 2019.³⁰¹

Labour opposes putting HS2 services out to private tender and has said that it should be run in the public sector.³⁰²

In April 2018 the rail regulator (ORR) set out the approach it intends to take to track access issues arising from the introduction of HS2 services.³⁰³ It stated that there were four HS2-related track access issues:

- 1 Access rights to provide services on the HS2 network only;
- 2 The southern end of the WCML including what happens to any capacity "freed up" when current services transfer over to HS2;
- 3 The northern end of the WCML; and
- 4 Non-franchised operators.

Particularly on point 1, it stated:

The HS2 network will comprise new track infrastructure designated for use by high speed rolling stock and DfT therefore anticipates the WCP using all of the available capacity on HS2 for the foreseeable future. Given this, we expect to approve the access contracts between HS2 and the WCP for access to HS2 infrastructure only, in line with our usual approach.³⁰⁴

²⁹⁸ Virgin Trains press notice, "[Virgin & Stagecoach join forces with SNCF for West Coast Partnership bid](#)", 25 April 2017; SNCF has extensive experience of operating high speed rail in the form of the French TGV network

²⁹⁹ DfT press notice, "[Bidders for 2 rail franchises named by government](#)", 22 June 2017

³⁰⁰ DfT press notice, "[Grayling: West Coast Partnership to lay foundation for high speed future](#)", 27 March 2018

³⁰¹ DfT, [West Coast Partnership 2018: invitation to tender](#), 27 March 2018

³⁰² Labour Party press notice, "[HS2 should be run in the public sector, as a public service - McDonald](#)", 4 November 2016

³⁰³ For a general explanation of track access and the regulator's role, see the [ORR website](#)

³⁰⁴ ORR, [Track access issues arising with High Speed 2 \(HS2\)](#), 9 April 2018, para 24; see also: [Consultation on ORR's approach to track access and the future operation of High Speed 2 \(HS2\)](#) [accessed 10 September 2018]

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