



From Lord Berkeley
07710 431542, berkeleyafg@parliament.uk,
www.tonyberkeley.co.uk

An occasional update on HS2 – 1 February 2021

- **Future demand for long distance rail travel:** during a second lockdown with potentially longer effects, we still have no information from ministers on the likely demand for rail travel in the future, short medium or long term.
- **Swampy digging in at Euston;** why do they not stop HS2 at Old Oak Common?
- **National Infrastructure Commission (NIC) report¹** largely supporting my views on HS2.
- **Ministers have cut Network Rail's enhancement budget by £1bn**, suggesting that they do not see rail needing any investment to help meet our zero-carbon agenda.
- **We build HS2 because *the construction industry is in a fragile position***' Oakervee December 2020.² HS2 and its construction industry at the moment seems to be wrecking the fragile countryside and around Euston. The industry would be better employed working on smaller and lower cost rail improvements as proposed by NR and the NIC³.
- Phase 2A West Midlands to Crewe ready for Royal Assent.

NR could deliver shorter term regional improvements for customers, passenger and freight, as suggested by the NIC Report, but ministers continue to support the ballooning budget of HS2 (now £142.00bn)⁴ which will not deliver any improvements for well over ten years.

Future demand for rail travel.

There are many industry views; for example, we might return in the medium term to 70% or 80% of previous peak passenger travel. Others say that the daily and weekly shape of demand would change; one says that 47% of its customers will not commute again, others suggest commuting is more likely for 2 or 3 days a week, rather than 5. There is a view that business travel will reduce to a greater extent, due to the ability to work at home, and to greater extent than the lower paid or leisure travel. Will there be a greater concentration of work, shopping and leisure in smaller communities rather than in major cities?

Answers to these questions should affect decisions about the provision of rail services. For

¹ <https://nic.org.uk/app/uploads/RNA-Final-Report-15122020.pdf>

² https://www.tonyberkeley.co.uk/#xl_xr_page_hs2

³ [Regional infrastructure pipelines show government is yet to deliver on 'levelling up' pledge - New Civil Engineer](#)

⁴ Measured elemental estimate prepared by Michael Byng 15th January 2021 at 3rd Qtr. 2020 prices, taking account of the emerging costs at Old Oak Common Station in accordance with OPDC Planning Consent dated 22nd May 2020.

example, a reduced commuter peak means that the trains and infrastructure which are only needed for one return journey a day might not be needed. The timing of infrastructure maintenance might need to be looked at again if there is more weekend demand for rail travel.

Against this background, one must ask why ministers have not even produced a range of longer-term forecasts.

Given that I can find nobody who thinks that the growth in demand for intercity rail travel, supported by independent evidence rather than wishful thinking, will increase to the extent that HS2 is still needed, why is it still going ahead?

Euston for HS2 – reduce scope or eliminate?

Early in 2020, the Government removed the scope of HS2's responsibility for Euston into a separate structure led by Sir Peter Hendy, Chairman of Network Rail.

More recently, New Civil Engineer reported minutes of a TfL Board meeting that "The DfT has recently instructed HS2 Ltd to proceed with further design development for one of the options, which provides a solution based around 10 HS2 platforms, a single stage build and increased oversight development."

One might ask:

- Why is HS2 still in charge? The Prime Minister said in the Commons on 11 February 2020 *'HS2 Ltd will lose responsibility for redeveloping Euston station, which will be undertaken as a separate project, meaning high-speed trains are likely to terminate at Old Oak Common in London for some years.'*
- What has prompted a reduction in HS2 platforms from 11 to 10, when it is very unlikely that trains from the former Phase 2B East will need to use it at all – they will go to Kings Cross (now being upgraded) and St Pancras.
- For a west side only terminal (Phases 1, 2A and 2B West) we have demonstrated that just six platforms would be needed. These could be provided with the existing design at Old Oak Common or at Euston, if ministers think the extension for OOC is worth an extra £8bn.
- Does Euston really need 'increased oversight development'? Is demand for flashy new offices in London not going to plummet with more remote, working, particularly among office workers?
- Now that Crossrail 2 has effectively been abandoned, and HS2's business case insisted that Crossrail 2 was essential to distributing the HS2 passengers at Euston, why send HS2 to Euston at all?
- With a reduced number of HS2 trains at Euston, do they really need the complex and technically risky cat's cradle of tunnels and structures for the approaches either under the West Coast Main Line tracks or threatening the high brick retaining wall and adjacent houses on the west side?

Perhaps the DfT is moving towards the various schemes that Sam Price, Jonathan Roberts, Michael Byng and others put to the House of Lords Select Committee as Petition HoL-00691 heard 11th October 2016 which would have sorted all these issues out – and still could – at a much-reduced cost, less risk and avoiding a 20-year construction period around Euston!⁵

⁵ Euston Express – see https://www.tonyberkeley.co.uk/#xl_xr_page_hs2

The Northern part of HS2 and the NIC Report

This Report was clear that the most important of the three options it proposed was to focus on upgrades in the regions. *'The packages prioritising regional links are more likely to bring higher benefits, overall, to cities in the Midlands and the North and to support the strategic objective of levelling up.'* Baseline option at £86bn did not include HS2 Phase 2B West or East as dedicated high-speed lines but did include many upgrades in and between the regions, linking to HS2 Phases 1 and 2a. The options of Baseline plus 25% or 50% did include many more regional upgrades or the dedicated HS2 2B West or East, but was covered by a warning about cost overruns:

*'Government should commit to an affordable, deliverable, fully costed pipeline of core investments to improve rail in the Midlands and the North. If further funding is available there could then be options to either enhance these schemes or add further schemes later if **'it is clear the pipeline of core schemes is delivering on time and within the budget'**.*

Considering the inability of HS2 to control its costs – rising from **£55.7bn**⁶ in 2016 to £128.21 bn⁷ to the present, based on 4th Quarter 2015 prices, rising to **£142.00bn** at 3rd Quarter 2020 prices, for the entire project, this is a very sensible statement.

'Our analysis suggests that prioritising regional links, for example from Manchester to Liverpool and Leeds or Birmingham to Nottingham and Derby, has the potential to deliver the highest benefits for cities in the Midlands and the North.'

NIC Chair Sir John Armitt spoke at a meeting of the All-Party Parliamentary Rail Group on 26 January 2021 and was challenged about the failure of the NIC Report to prioritise HS2 2B East. His robust response was: *'you will have to make a choice; you can have regional upgrades, or you can have the rest of HS2 2B, but I cannot see Government agreeing to both.'*

The NIC Report should provide encouragement to regional leaders to get together, put aside politics, and agree one solution, phased and affordable, to bring the earliest improvements, by starting with shovel ready projects and developing others to provide a balanced improvement to the quality and flexibility for customers of rail across the regions at the earliest opportunity.

HS2 Phase 2A Bill received Royal Assent.

The HS2 Phase 2B has been approved by both Houses of Parliament and is now waiting for Royal Assent. Some Lords amendments were approved by the Commons, requiring Government to provide annual reports on the impact of the construction of HS2 2A on ancient woodland, and requiring Government to report on consultation with counties on the impact of HS2 construction road traffic.

Other amendments, including party wall issues and non-disclosure agreements, were not accepted, but will no doubt reappear on the future.

Further info: Lord Berkeley, 07710 431542, berkeleyafg@parliament.uk

⁶ Government Funding Envelope £55.7bn at 4th Quarter 2015 prices

⁷ Michael Byng estimate with the adjustment for inflation, using the "All Construction Index", published by the Office for National Statistics (ONS)