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## **There IS an alternative to HS2 – invest in rail in the regions to bring benefit by 2025, nearly 20 years earlier than HS2, and still save £135bn!**

**Need:** The Northern Region and Midlands need over £100bn of rail improvements, whether HS2 gets built or not, in order to ‘rebalance the economy’.

**Changing demand:** Any growth in demand for rail is now for local and regional services, not for first-class intercity high-speed trains.

**Save £135bn:** Cancel most of HS2 (incl Phases 1 and 2A) and save £135bn over 20+ years. How can a responsible government spend such sums without an up-to-date demand assessment?

**Jobs:** Regional rail improvements create rail high tech jobs from 2022, five years earlier than HS2.

**Regions to own Service Specification:** Allow each region to set its service specification for regional services now and allow Network Rail to start on the quick wins such as electrification.

**Small schemes deliver earlier benefits:** Allow Network Rail to spend on small schemes, without Treasury approval which can take 9 months for a £500,000 project to resurface a station platform.

**Compare this with Treasury spending £10m a day on HS2, whose overspend has already reached 230%<sup>1</sup>.**

In more detail...

### **Focus on East – West regional services**

Where is the most pressing need for better rail journeys? East-West regional<sup>2</sup> corridors:

1. Liverpool-Manchester-Leeds/Sheffield to York and Hull and beyond, by completing electrification to York and Hull from Leeds
2. West Midlands-Birmingham-Derby-Nottingham; route enhancement including electrification; this corridor should be extended to enhance and electrify Wolverhampton to Telford and Shrewsbury.
- (3. Oxford-Milton Keynes-Bedford-Cambridge – already started as another South East investment.)

**Corridors 1 and 2** need to carry local services and faster regional or intercity ones and connect to many other sub-regional routes. They should also connect to North-South routes, which are already good.

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<sup>1</sup> Total cost of entire HS2 project now £142bn at 3<sup>rd</sup> Quarter 2020 prices. Source Michael Byng’s evidence to House of Commons Transport Committee January 2021. The Government Funding Envelope remains at £55.7 bn at 4<sup>th</sup> Quarter 2015 prices, so adjusted for inflation using the ONS “All Construction Indices”, that equates to £61.70 bn, an apparent overspend of 230%.

<sup>2</sup> National Infrastructure Commission Report: Rail Needs Assessment for the Midlands and the North – December 2010. <https://nic.org.uk/studies-reports/rail-needs-assessment-for-the-midlands-and-the-north/>

Looking at Corridors 1 and 2 in the round, what is needed?

- An agreed service specification to meet the forecast demand.<sup>3</sup>
- Line enhancements to be planned alongside new sections of line to meet service specifications.
- New line sections, taken from HS2 (Crewe to Manchester and Leeds-Sheffield) and others, added as a 20-year enhancement programme.
- Connect to North-South lines – existing, upgraded or other parts of HS2 if built.

**Demand:** With the changes brought by Covid-19, work from home etc makes forecasting difficult, but emerging trends are towards lower commuter peaks, fewer long distance business journeys, with shorter journeys remaining or growing if improved services reduce the need for using cars.

Meaning – HS2 passenger number, especially business, forecasts will not be achieved.

- Existing inter-city services continue as pre-Covid.
- Reduced commuter peaks, giving more capacity for freight.
- Better rail services for the daily commute/students/shopping, making the optimal journey of 40 minutes door to work for all of our regional hubs.
- More job opportunities within wider travel-to-work area.
- Reduced car dependency and emissions.
- Small enhancements on existing lines, electrification, new trains etc. can deliver improvements more quickly.

**Delivery completion timings** (years) starting from now:

Corridors 1 and 2:

- 2 years Service Specification for the regions – Regions with DfT and Network Rail
- 3+ years Electrification
- 3+ years new or upgraded stations
- 3+ years new trains
- 5 – 10 years Line upgrades
- 10 – 15 years New lines starting in 4 to 5 years from now.

Compare:

- 22 years HS2 Phase 2B

**Jobs on the railway:** On new lines, 2/3 of jobs are civil engineering/building and 1/3 rail high tech, track, signalling etc<sup>4</sup>. For upgrades and electrification etc, most jobs are rail high tech. Number of jobs will roughly vary with expenditure, with most happening during periods:

|                                  | Civil engineering | Railway high tech |
|----------------------------------|-------------------|-------------------|
| For Corridors 1 and 2, new lines | 2025 to ....      | 2030 to...        |
| other upgrades                   | 2022 to...        | 2022 to...        |
| For HS2 Phase 1                  | 2021 to 2033      | 2027 to 2033.     |
| Phase 2A                         | 2023 to 2035      | 2029 to 2035.     |
| Phase 2B West                    | 2027 to 2042      | 2035 to 2042      |
| Phase 2B East                    | 2030 to 2042      | 2035 to 2042      |

Thus, the earliest rail high-tech jobs come on upgrading existing lines; exemplified by Network Rail having shovel ready electrification projects available now, but subject to funding.

<sup>3</sup> From Network North Report: [https://www.tonyberkeley.co.uk/index.htm\\_files/rh201120%2020-11-05%20Network%20North%20Presentation%20to%20AB2.pdf](https://www.tonyberkeley.co.uk/index.htm_files/rh201120%2020-11-05%20Network%20North%20Presentation%20to%20AB2.pdf), Northern Powerhouse Rail and others

<sup>4</sup> National Skills Academy for Rail at Westminster Energy, Environment and Transport Forum, conference 4 February 2021.

HS2 claims to be creating 30,000 jobs.<sup>5</sup> Although Phase 1 brings civil engineering jobs sooner, they are in the South East and Midlands where there is a reported shortage of such labour and which can readily transfer to road building (for example Stonehenge bypass) or house building.

Up until 2027, few HS2 jobs will be rail high tech ones.

## What would happen if HS2 were cancelled?

Government should still spend the £86bn cost of upgrading Corridors 1 and 2 regional railway networks<sup>6</sup>, spread over 20 years, and add parts of 2B West and 2B East integrated into the two corridors (Say 50% or £21bn) of the 2B costs. These schemes can be given to the regional construction industry to help it recover from Covid-19, whilst rebuilding its balance sheets on smaller, more achievable project with less risk to Government and the industry.

HS2 Phases 1 and 2A are not necessary; the demand is now very uncertain and it does not serve the needs along the Corridor 1 and 2 communities. There are several good North South routes already.

Government has already spent £14bn on HS2 (total cost now £142bn<sup>7</sup>) but can hope to recover £7bn from selling back or returning the properties on Phase 1 and 2A and incorporating HS2 works, at Euston and Birmingham, into the Network Rail system.

Summary:

|   |                     |
|---|---------------------|
| Regional spend needed: £86bn + 50% Phase 2B (£21bn) |                     |
| Needed with or without remainder of HS2:            | £107bn              |
| Regional spend with HS2: £86bn + £142bn (all HS2)   | £268bn              |
| Cancel HS2: £142bn less net already spent = £135bn  | Savings      £135bn |

NIC Chair Sir John Armitt said at the All-party Rail Group meeting on 26 January 2021, *'you can have the rest of HS2 or you can have regional rail improvement but I cannot see ministers agreeing to both.'*

**So, cancelling HS2 now would save the government £135bn, and make a lot of home counties and London residents ecstatic! A regional spend of £107bn is still needed.**

And finally, if all forecasts are wrong and demand for North South travel grows, then the existing lines can be upgraded – as is already happening on the East Coast Main Line. You won't go at 400kph as you might on HS2 but, with your laptop open, a good meal or a snooze, is getting to London 30 minutes quicker worth an extra £135bn of taxpayers' money at this time?

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<sup>5</sup> <https://www.hs2.org.uk/building-hs2/jobs-skills/>

<sup>6</sup> <https://nic.org.uk/studies-reports/rail-needs-assessment-for-the-midlands-and-the-north/>

<sup>7</sup> Total cost of entire HS2 project now £142bn at 3<sup>rd</sup> Quarter 2020 prices. Source Michael Byng's evidence to House of Commons Transport Committee January 2021. The Government Funding Envelope remains at £55.7 billion at 4<sup>th</sup> Quarter 2015 prices, so adjusted for inflation using the ONS "All Construction Indices", that equates to £61.70 bn, an apparent overspend of 230%.