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**Subject:** Today's transport committee

Hi - please see below a note following today's session, please note this is very much a quick download as remembered by me and my notebook, but hopefully it's a useful précis before the transcript is produced later in the week. It wasn't filmed.

Most questions as anticipated, but Graham Stringer did get into some questions about the capability of the Department, which I think David was clear on, and moved them on to consider the Development Agreement.

Nothing too tricky, but certainly a run through the issues where we aren't able to provide a great deal of clarity - Crewe, Scotland, HS3/East-West, Transport for The North.

There won't be any report coming out of the session, it's just a regular update, but the clerk did say that HS3 would be considered in the report for their wider investment inquiry.

David and Louise Ellman both did interviews with BBC NW, it was covered by Granada, Andrew Bounds was there from the FT, and a reporter from Public Finance.

Thanks, Andy

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**Transport select committee - note on session with Sir David Higgins**  
17 November 2014, University of Manchester

Louise Ellman

When DH last gave evidence, he said the biggest risk to the project was delay, either as a result of the Parliamentary process, or as a result of scope changes. How has that been managed since then?

DH

Good progress on bill committee, thirty or so petitions already considered, and around the same number negotiated. Second reading gave a significant majority in support. Anticipate Royal Assent at the end of 2016, construction by 2017.

Ellman

How much certainty can Phase Two places have on the route?

DH

A final decision on Phase Two is at least a year away, but my recent report showed that the Y is the only strategic intervention that provides capacity and connectivity required.

Ellman

How can benefits to the a North be accelerated?

DH

In my first and second reports I recommend a route and hub at Crewe be accelerated to 2027, but that is not a decision for me, and progress depends on the Parliamentary process. That might involve separate legislation to get to Crewe.

Ellman

Do you think there should be a separate bill, does that delay Phase Two?

DH

I don't see why. A separate bill is probably the most practical answer. It's a relatively straightforward part of the network. The government has begun a consultation to reserve the land for the Crewe route, but that is not a decision, work is ongoing.

Ellman

Can we build more from the north?

DH

As well as Crewe, the East west connections in the report could be built sooner, adding to existing improvements such as electrification from Liverpool to Manchester, and the Northern Hub.

Ellman

But on HS2 specifically?

DH

The stations in Leeds and Manchester could be developed sooner, as part of wider developments planned by the cities, or to look at wider issues in Leeds for example where the station is reaching capacity.

Ellman

What about work on the line?

DH

That wouldn't begin until we have the hybrid bill powers to purchase land.

Ellman

You mention a report on Scotland - who commissioned that?

DH

The Department. An interim report will be submitted to officials at the end of the year as well as to Transport Scotland. That is likely to recommend that further work is needed. Work has been done on a range of options, from an entire high speed route to a more realistic upgrade programme. We will work with Transport Scotland to develop it further.

Ellman

Will that be published?

DH

That's up to the Department

Ellman

You say the case has not always been made for HS2 in the most effective way, has that changed?

DH

Has changed significantly over the last 9-12 months, gaining public confidence and support in Parliament. It's a slightly false distinction between speed, capacity and connectivity, a train at 220mph carries nearly double the number of people per day than a 125mph train. But likewise public aren't just convinced by a 20 min time saving to Birmingham.

Ellman

Committee has always been supportive because of benefits to the North and on skills, employment and regeneration. What progress has there been?

DH

We've announced a construction hq in Birmingham. The skills college in Birmingham and Doncaster has been announced which will start admitting student to the academic year in 2017. We held two successful supply chain conferences in Manchester and London, setting out the standards we expect from the industry on training and skills.

Ellman

What's the difference between HS3 and the One North work?

DH

Focus is on improving connectivity. Political leadership across the North and LEPs, transpennine and to the North East, agree there is a need for the region to design and deliver transport according to needs. Bringing together the expertise in Manchester, say, which has led the way on trams, One North brings together the five key city regions to agree shared priorities. Not just on rail but on roads too, not just on freight but passenger too. Hs3 is a very specific section of that, looking at the route between Leeds and Manchester, very clearly complementing phase two of hs2.

Ellman

Does it address Liverpool to Hull - should Liverpool have a high speed route all the way in?

DH

One of the biggest challenges it answers is getting freight from road to rail across the M62 corridor, which is important for the Liverpool port. I'm also aware that Hull to Selby electrification is a big issue in Humberside, and that should be considered by TFTN.

Martin Vickers

Supportive but difficult to sell in the Humber Estuary and North Lincs, and what about the need to upgrade the South Transpennine line.

DH

Important to show that Hs2 and East West spread benefits across the region, specifically giving capacity relief to ECML from the Eastern leg.

Graham Stringer

Supportive, but Hs2 is still slow by international standards, what can Parliament do?

DH

It's absolutely true that international comparisons show projects in France and Spain can teach us a great deal. For example, all of the civils work on Tours-Bordeaux was completed in two years, and along with a 40 year concession and certainty on scope and decision making. We will also look at examples from China. We will present a report to HMT and government next year.

Stringer

Anything Ministers and Parliament can do?

DH

Ultimately the issue will be cash flow, which we are addressing in expenditure discussions next year, which will give indicative spending out to 2025.

Stringer

How much spent to date?

DH

This year is £230m, and paving bill allows spending of up to £1bn but reality will be considerably less.

Stringer

Stoke and Midlands MPs believe Stoke will only get one train a day after hs2, is that true?

DH

No. Current two Pendolinos per hour wouldn't change and in my report I proposed a classic compatible service from the high speed line to Stoke, Macclesfield and Stockport on the conventional line.

Stringer

Experience on 2nd runway for Manchester airport showed importance of environmental mitigation. Has hs2 done enough?

DH

Yes, the hybrid bill went into enormous detail on environmental protection, but there are many ways we can continue to look at how we enhance our offer, for example in restoring woodland and farmland.

Stringer

You say the Mersey Valley route to Manchester was the wrong strategic option - what does that mean?

DH

While it might have saved a couple of hundred million pounds, to have not connected to the only two runway airport in the North would have been short sighted.

Stringer

When will high speed trains arrive in Central Manchester?

DH

Via Phase One and the Handsacre link, from 2027, and high speed all the way, the proposal is for 2033, but in my first report I set out the potential to bring that forward.

Ellman

When will Hs2 trains go on high speed lines to Liverpool?

DH

Trains will go to Liverpool, high speed to Crewe and then on the conventional line to Liverpool. Important to consider freight capacity alongside passenger capacity.

Ellman

Is Liverpool still being considered for a hs line?

DH

It isn't something we are recommending to the government, but we are still looking at freight capacity and the junction around Runcorn

Jason McCartney

Have you ever been on a pacer train, how do you make the case for hs2 when there are other underinvestment issues to address?

DH

Bigger issue is the need for the North to have a voice to get the same allocation as South. There has been a distortion of investment towards London, which already has plans for Crossrail 2 lined up. Needs same political weight to look at capacity and rolling stock contracts. Needs a single unified voice.

McCartney

But how do you sell that to commuters

DH

East West addresses underinvestment, and doesn't require a hybrid bill, rolling stock and electrification improvements can be done without Parliament.

McCartney

Need for specific promises, to show wider benefits, such as you said for the skills college accepting students from 2017, showing benefits to parents and grandparents.

When will Leeds and Sheffield elements be built?

DH

Royal assent for phase two in 2021 but wider improvement can be made prior to that.

McCartney

When will track be laid?

DH

Maybe 2024-25

McCartney

Crossrail had 98% of contracts with UK firms, can you pledge the same amount

DH

Need to ensure UK firms are match ready, important lessons from Crossrail.

McCartney

But will you commit to 98%

DH

Yes

Vickers

Is cross party support strong?

DH

Rock solid, we have been briefing opposition and government regularly. Important now to also consider local elected leaders, and now cities fighting over who gets HS2 everywhere north of Buckinghamshire.

Vickers

On UK companies, how do we ensure the Scunthorpe steel works is able to have a role?

DH

Scunthorpe steel had important relationship with NR on tracks, important that all UK companies and investment in UK is supported, eg Hitachi in the NE

Ellman

What funding is committed by the General Election?

DH

I will write with figures of both amount spent and committed to the election.

Ellman

What is the level of support from local authorities and business?

DH

It was fragmented a year ago but now is greatly improved, for example Keith Wakefield in Leeds has helped move the debate on from Leeds versus Manchester to working together, likewise outside of the main cities, there are people like Peter Box and the West Yorks combined authority who are making progress, and who I am visiting tomorrow.

Stringer

How often do you see Ministers? And officials?

DH

I see Ministers approximately monthly, am seeing the SoS at the ITC on Thursday. I see officials very regularly, and both DfT and Treasury officials helped in the development of my recent report. I'm also presenting to the Major Projects Review Group, a Treasury body which monitors progress.

Stringer

It strikes me that politicians have supported HS2 but officials in the DfT and Treasury don't

DH

Nothing but support from the director general and permanent secretary since I have started

Stringer

Is there sufficient competence and expertise in the DfT?

DH

I think both DfT and hs2 are fairly well resourced. And the Treasury won't delegate powers until both show they have the expertise necessary. The senior officials at the dft are very experienced.

Stringer

That doesn't seem to be a comprehensive endorsement. Is part of your risk analysis not looking at how this might hinder progress?

DH

Important thing is we have a Development Agreement which sets out the legal relationship and has specific review points to measure our capacity as hS2 and also ensures dft is an intelligent client. It sets out how the project achieves more delegation with a proper governance process, and checks and balances. I would expect that in a year's time this committee would want to review that, just as happened on Crossrail.

Ellman

East West isn't part of HS2, its a wider project including NR, HA and others. Are the right connections being made to ensure it happens?

DH

Important to ensure TFTN is empowered to prepare a plan for the short, medium and long term. With a proper relationship with the DFT. The regions have important planning expertise.

Ellman

How do you ensure areas of the North including Lancs and Cumbria are included?

DH

TFTN clearly need to develop a means to engage wider than the cities and there is a challenge of political geography in the North.

Ellman

What is the biggest challenge now?

DH

Continuing momentum, we've made good progress but next year we need to go through the budgeting process up to 2020 and indicative costs to 2025, that will be in the context of other priorities.

McCartney

How long is your contract? Will you extend?

DH

Two years from Jan 2014. It would be presumptuous for me to say.

Stringer

If we paid 20% more compensation would we save money by being able to speed up the programme?

DH

[misunderstanding the question] very important to ensure we have the right engineers to build hs2 and they are competitively paid

Stringer

I meant land and property compensation

DH

That's important, and there are five main kinds of compensation, but the policy is up to the dft and Treasury.

Stringer

Philip Hammond said simple rule of thumb was that the £2bn or so currently spent on Crossrail would transfer to Hs2, is that still the case?

DH

Yes for Phase One, but not for Phase Two.