

REVIEWING THE POTENTIAL BENEFITS OF HS2

Submitted by: Neale Clifton

Portfolio: Regeneration, Planning and Town Centres

Ward(s) affected: All

Purpose of the Report

To highlight the Government's progress with their plans for a High Speed Rail link (known as HS2) and to consider whether the Council should lobby for a local station should the line proceed.

Decision required

Do Members wish to:

- (a) maintain the stance previously taken by the Council (i.e. to object on economic and environmental grounds) or**
- (b) consider whether to modify the Council's stance to offer support for the principle of HS2 as long as the potential economic benefits for North Staffordshire can be demonstrated to outweigh the environmental consequences, in particular whether such benefits would be derived from a local station being provided to serve this area.**

Recommendation

That the Economic Development and Enterprise Scrutiny and Overview Committee be asked to continue to scrutinise the plans for HS2 with the Task and Finish Sub Group reconvening when the Government Consultation commences, with a particular focus upon whether the provision of an intermediate station in the North Staffordshire area would strengthen the case on economic grounds sufficiently to outweigh potentially adverse environmental consequences.

Reasons

The Government has agreed to go ahead with HS2. Whilst the Council may consider that it is appropriate to continue with a holding objection to the scheme, the Council could decide to take the position that if it is to go ahead then there should be a local station in order to improve the economic fortunes of the sub-region.

1. Background

- 1.1** In 2010 the Government published a report to outline their plans to develop a high speed rail link to meet the increasing demands for rail services. Rail journeys continue to increase and in particular the demand for long distance rail travel is forecast to increase significantly. It is recognised that the rail network is increasingly under pressure with services overcrowded. Network Rail's Rail Utilisation Strategy (RUS) recognises that by 2024 the West Coast Mainline will be effectively full and therefore any increasing demand needs to be met by new infrastructure.
- 1.2** The Government plans for HS2 phase 1 to connect London and Birmingham, then for phase 2 to have two separate corridors; one direct to Manchester, and then connecting to the West Coast Mainline (at Warrington), and the other via the East Midlands and South Yorkshire –

with interchange stations in both areas- before connecting to the East Coast Mainline north of Leeds.

- 1.3 In July 2011 the Borough Council's Cabinet considered a report on the Government's consultation on High Speed Rail. At this time it was not yet known whether the Borough was directly affected by the proposals but it was considered appropriate for a response to be made as there were potential sub regional transport and regeneration consequences.
- 1.4 It was suggested that the economic model which supported the proposal was flawed as the problems of large urban areas such as North Staffordshire were ignored and in addition the service between Stoke-on-Trent and London could be reduced. It was considered that the views of the County Council should be supported in opposing the HS2 proposals on the grounds that it would potentially harm the county's economy, the environment and did not have a sound business case. When this decision was made it was considered unlikely that an intermediate station (between Birmingham and Manchester) would be incorporated. That said it was acknowledged that should an intermediate station be provided in the sub-region then this could further enhance the attractiveness of the area for inward investment.
- 1.5 In January 2012 the Government made the decision to proceed with HS2 plans. In Autumn 2012 the Government plans to undertake an engagement programme on the phase 2 preferred route, to discuss local views and concerns. This will be followed, in early 2014, with a consultation on the preferred route for phase 2. It is therefore appropriate that the Council continues to review the progress of the plans and considers the ways in which the proposals might affect our Borough, both environmentally and economically.
- 1.6 The matter was considered by the Task and Finish sub group of the Economic Development and Enterprise Overview and Scrutiny Committee on 4 July. The recommendations of this group were:
 - (a) Highlight to Cabinet that the Government consultation on the route options for phase 2 will take place in the Autumn.
 - (b) That the Task and Finish Sub Group continue to have a brief to review this and in particular reconvene on the launch of the Government's consultation in the Autumn.
 - (c) That the Council continues to object to HS2 but that should it take place then a local station should be provided.

2. **Issues**

- 2.1 The Cheshire and Warrington LEP has collaborated with the Staffordshire and Stoke LEP to promote the option for a station in the Crewe or North Staffordshire region. The LEPs have made publicity statements that High Speed Rail has the potential to promote long-term sustainable economic growth and to support economic development and regeneration. In this regard, it is recognised that the economic potential of HSR could be strengthened by a high speed hub station at Crewe/North Staffordshire.
- 2.2 Strong connectivity to the West Midlands, Northwest and London is a key strength of Stoke-on-Trent and Stafford and underpins the locational choice of many of its successful firms. However, while the M6 motorway, in part, plays a fundamental role in terms of connectivity, increasing congestion on the road network imposes costs on business, constrains growth and threatens to make the area a less attractive place to locate.
- 2.3 The LEPs believe the potential phase 2 Y-Network scenario with a high speed hub station around Crewe/North Staffordshire would have benefits, in terms of both the 'transport benefits' that underpin the HS2 business case and the wider economic regeneration and development potential that the option could deliver to East Cheshire and North Staffordshire

in particular. In a press release the LEPs have highlighted that the benefits could be an increase in jobs of over 5000. It is recognised that clearly there is a trade-off between securing the journey time benefits (which means limiting the number of stops) and the objective of geographically extending the benefits of HS2 to deliver economic development benefits across a wider area.

- 2.4 As indicated at paragraph 1.6 the government consultation on the route options for the section between Birmingham and Manchester does not start until the autumn. Nevertheless it was evident from the earlier consultation that the proposals did not envisage an intermediate station. Cabinet may consider however if a station could be located in the area serving Crewe (to the west) and Stoke-on-Trent (to the east) it may be beneficial on economic grounds, sufficient to outweigh arguments on environmental grounds. It is worth noting that the studies would be required to look at different stop location options, as these will necessarily be influenced primarily by the route and alignment work that is being undertaken by HS2 Ltd over the coming months.
- 2.5 Reflecting on the views of Scrutiny and the issues highlighted above which outline the potential economic benefits it may be advantageous to move to a more neutral position of being prepared to support the principle of HS2 with a proviso that there must be demonstrable economic benefits to the area that would outweigh potentially adverse environmental consequences (it seems likely that this may arise only if there were to be an intermediate station between Birmingham and Manchester, sited in the North Staffordshire area). In summary Cabinet may consider that it is appropriate to ask the Government to actively consider the potentially beneficial economic impact of siting an intermediate station in the sub-region as part of the further route and station option development work.

3. **Options Considered**

- 3.1 Members can consider either to continue with the 2011 Cabinet decision that the Council opposes the HS2 plans, or to continue to object but state that should it take place then a local station should be provided, or it could decide to support the plans with an intermediate station in the area.

4. **Proposal and Reasons for Preferred Solution**

- 4.1 Members may consider that the potentially beneficial economic development implications of the HS2 are important and that for the Borough to benefit from inward investment and for local businesses to thrive there should be a local station. These may be reasons why the Members may choose to support the LEP with lobbying for a local station whilst maintaining a balanced perspective in relation to the potentially adverse environmental consequences of the line running through parts of the borough.

5. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 5.1 The aim of securing economic development in the area clearly contributes to the priority of creating a borough of opportunity. It should be noted however that the HS2 will result in environmental consequences which will need mitigation if the plans are to align with the corporate objective of Creating a Cleaner, Safer and Sustainable Borough.

6. **Legal and Statutory Implications**

- 6.1 There are no specific implications as this report is seeking approval for the Council to lobby Government for the inclusion of a station in the sub-region. Should this be successful then there will be a range of consultations and legal processes that will be undertaken by the HS2 company.

7. **Equality Impact Assessment**

- 7.1 An assessment has not been undertaken as the aim is to secure investment and jobs in the area to benefit all identified groups.

8. **Financial and Resource Implications**

There are no direct financial implications to the Council arising from this report.

9. **Major Risks**

- 9.1 There would be a range of consultations to be undertaken by HS2 Ltd to consider viability, suitability and community views as part of the development of plans for HS2 phase 2.

10. **Key Decision Information**

- 10.1 The development of the HS2 line and potential local station could potentially affect several wards on the western side of the Borough.

11. **Earlier Cabinet/Committee Resolutions**

- 11.1 July 2011 It was suggested that the economic model that supported the proposal was flawed as the problems of large urban areas such as North Staffordshire were ignored and in addition the service between Stoke-on-Trent and London could be reduced. It was considered that the views of the County Council should be supported in opposing the HS2 proposals on the grounds that it would potentially harm, the country's economy, the environment and did not have a sound business case.

Cabinet resolved that the Portfolio holder for Regeneration and Planning be authorised to approve the submission of the Borough Council's formal response by the close of the consultation period on 29 July 2011.

- 11.2 Economic Development and Enterprise Scrutiny Committee considered the HS2 proposals on 24 August 2011, there was agreement that the working group would reconvene if and when there was further Government consultation on the preferred route.

- 11.3 The Task and Finish Sub Group of the Economic Development and Enterprise Scrutiny Committee met on 4 July. The recommendations of this group were:

- (a) Highlight to Cabinet that the Government consultation on the route options will take place in the Autumn.
- (b) That the Task and Finish Sub Group continue to have a brief to review this and in particular reconvene on the launch of the Government's consultation in the Autumn.
- (c) That the Council continues to object to HS2 but that should it take place then a local station should be provided.

12. **List of Appendices**

There are none.

13. **Background Papers**

The Government's decision to proceed with HS2 is published in the Department for Transport High Speed Rail: Investing in Britain's Future - The Government's Decisions.