
Cabinet:
Council

18 June 2013
25 June 2013

Name of Cabinet Member:

Cabinet Member (Business, Enterprise and Employment) – Councillor Kelly

Director Approving Submission of the report:

Director of City Services and Development

Ward(s) affected:

None

Title: High Speed 2 and Coventry

Is this a key decision?

No

Executive Summary:

In January 2012 the government made a commitment to proceed with detailed proposals to construct a high speed rail line called HS2 between London, the Northeast and Northwest via the West Midlands. Two and half years on from the Council's last resolution regarding HS2 the proposals have been considerably firmed up and a number of legal challenges dismissed by the courts. Cross party support for the scheme at a national level also appears to remain firm. The Queens speech announced the Government's intention to introduce new legislation to enable the delivery of HS2 phase 1. This is in the form of a Paving Bill (which has already had a first reading) and a Hybrid Bill, which is to be deposited by the end 2013.

The Hybrid Bill process is the most significant opportunity remaining for Coventry to engage with the process and secure measures which can support Coventry's future rail connectivity. To achieve this it will be necessary to prepare a clear evidenced case for use in the process. This report seeks approval to prepare this and sets out a proposed resolution for Council to consider which reframes the context for the Council's engagement with HS2 Ltd and Government regarding HS2 proposals. This recognises that there is a need to prepare for the likely eventuality that HS2 will happen, whilst seeking to get the best possible outcome from HS2 for the City.

Recommendations:

Cabinet are requested to:

1. Recommend to Council that they adopt a new resolution on HS2 that:

'Coventry City Council notes the Queen's Speech and the Coalition Government's determination to proceed, with opposition support, to progress HS2 with a Hybrid Bill. The Council therefore resolves to ensure the best possible outcome from HS2 for the City'

2. Give approval for officers, under the guidance of the Lead Member for Transport and the Cabinet Member for Business Enterprise & Employment to:
 - a) Engage with HS2 Ltd, Network Rail and Department for Transport (DfT) to identify possible solutions to achieve the best possible outcome from HS2 for the City, both in terms of connectivity to HS2 and connectivity on the existing rail network.
 - b) To work with consultants to develop an evidenced case with which to respond to the deposit of the HS2 Hybrid Bill.
 - c) To report back to Cabinet on the outcome of recommendations (a) and (b)

Council are recommended to adopt a new resolution on HS2 that:

‘Coventry City Council notes the Queen's Speech and the Coalition Government's determination to proceed, with opposition support, to progress HS2 with a Hybrid Bill. The Council therefore resolves to ensure the best possible outcome from HS2 for the City’

List of Appendices included:

None

Background papers:

None

Other Useful Documents:

Department for Transport

Government High Speed Rail Website <http://highspeedrail.dft.gov.uk/>

Government Approval Decision January 2013

<https://www.gov.uk/government/publications/high-speed-rail-investing-in-britains-future-decisions-and-next-steps>

High Speed Rail Ltd

HS2 Delivery Body Website - <http://www.hs2.org.uk/>

Key decision dates - <http://www.hs2.org.uk/about-hs2/key-dates>

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

Will this report go to Council?

Yes - 25 June 2013

1. Context (or background)

- 1.1 In January 2012 the Government made a decision to proceed with a significant High Speed Rail project called HS2. The scheme will see a new high speed line built between London Euston and the Northeast and Northwest via Birmingham (see figure 1). The line will not directly serve Coventry, however a new interchange station will be constructed close to Birmingham International Airport (see figure 2). HS2 is now a firm government proposal with national cross party support with statutory legislation being progressed.
- 1.2 One of the main stated objectives of the scheme is to create additional rail capacity to address train overcrowding and unreliability as a result of unprecedented and continuing high levels of rail passenger growth. Although HS2 is a new railway line, its operation will be inextricably linked to the existing 'classic' rail network which serves Coventry.
- 1.3 Debate remains whether HS2 is the best way to provide additional rail capacity or not, however, the need for additional rail capacity in the network is universally accepted across the rail industry.
- 1.4 Notwithstanding the fact that the government is not proposing further major capacity upgrades on the West Coast Mainline (WCML), and is pursuing HS2 as a solution, without further capacity in the rail system it is highly likely that the current headline service pattern of three fast Euston trains from Coventry will be impacted and potentially eroded. This 'threat' would arise as a result of trains already being full as they arrive at Coventry and as a result of high passenger demand at other destinations along the WCML.
- 1.5 There are opportunities to secure excellent rail connectivity for Coventry both to London and the South East, as well as to other important destinations which are not currently so well served. Some of these may be achievable in advance of the HS2 delivery through the normal rail planning processes, and some alongside the delivery of HS2.
- 1.6 A critical negotiation stage towards achieving the best possible rail connectivity outcome for Coventry is the HS2 Hybrid Bill, which is timetabled to be deposited in the House of Commons by the end of 2013.
- 1.7 To engage with the Hybrid Bill process it will be necessary to have a pre-prepared and well evidenced case ready to submit for petition within 10 days of the deposit of the Bill. This will form the basis of witness evidence to a quasi-judicial examination by a Select Committee, which will have the power to direct changes to the Hybrid Bill. After this there are further opportunities as the Bill passes through the House of Lords, but these will only be open to those who have engaged from the outset.
- 1.8 The City Council formally objected to HS2 in December 2010, highlighting concerns around the potential negative impact the project could have on the prosperity of the city. Two and a half years on from the City Council's original resolution, much has changed: HS2 Phase 1 proposals have been developed further at significant cost and have been committed to by Government; the Phase 2 (Y network) has been announced; a Paving Bill & the Hybrid Bill were announced in the Queens speech; and a Judicial Review of HS2 was dismissed on 9 out of 10 counts. Coventry City Council with local MPs and the Coventry and Warwickshire Chamber of Commerce also met with the Secretary of State for Transport in October 2012. The overall outcome and conclusion from these events can only be interpreted as a clear affirmation of the Government's intent to progress HS2, however, it has also stated willingness to work with Coventry.

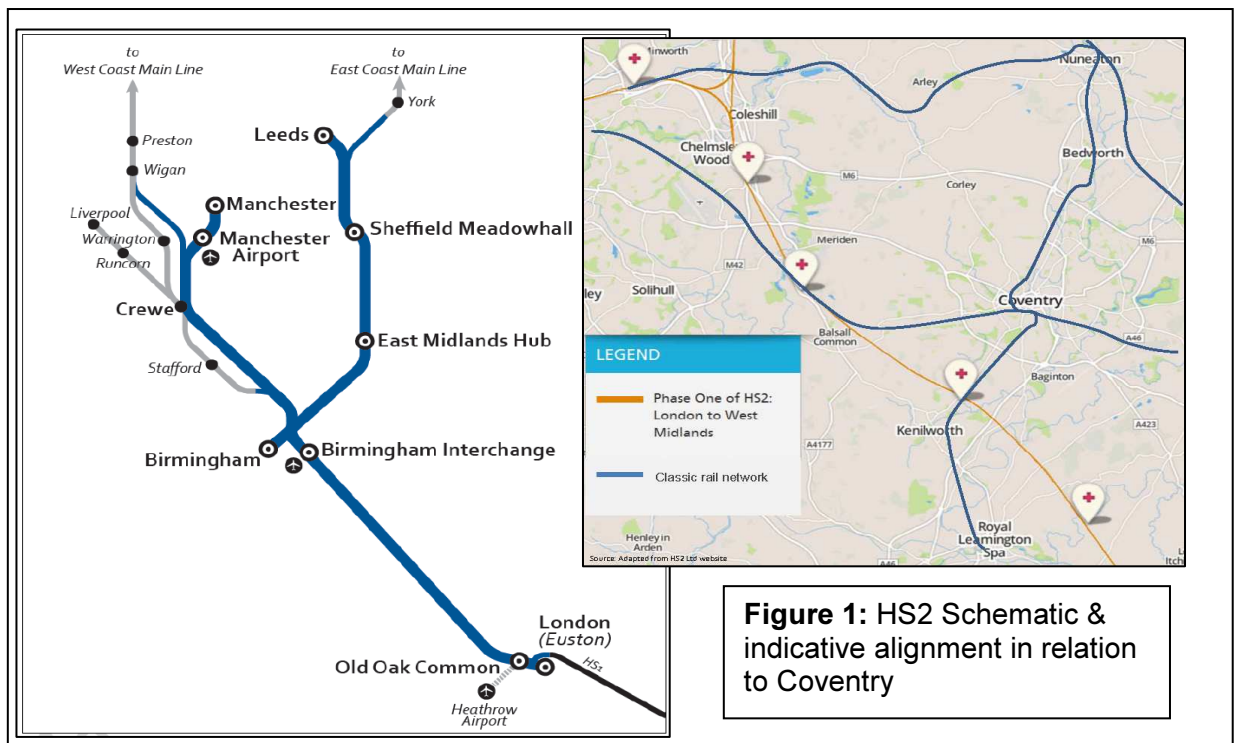


Figure 1: HS2 Schematic & indicative alignment in relation to Coventry

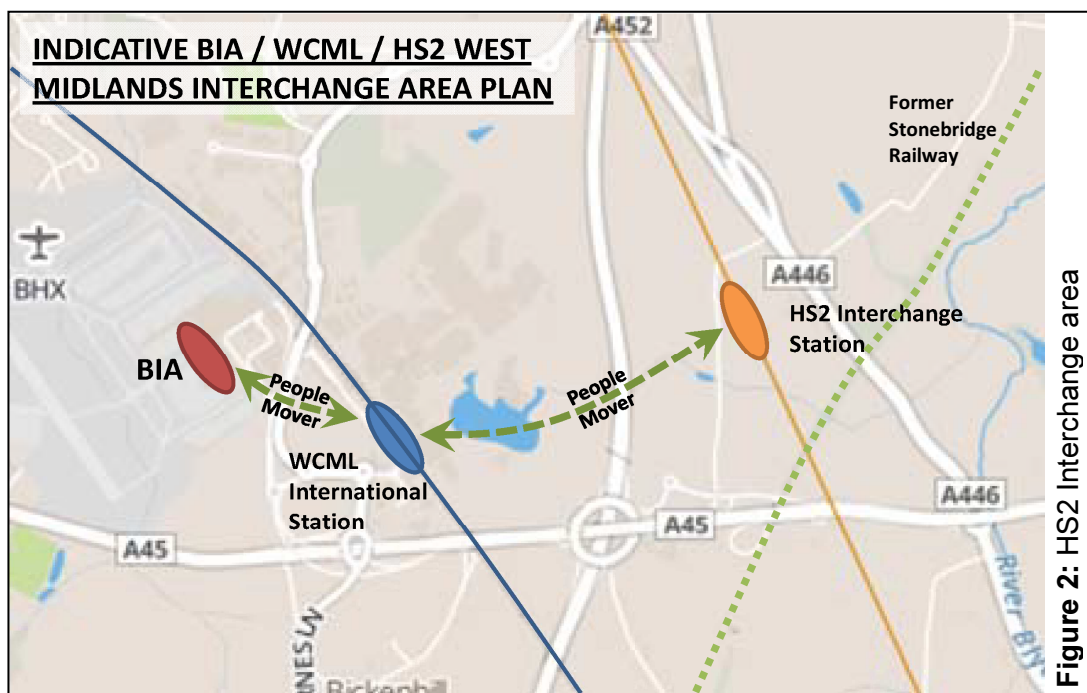


Figure 2: HS2 Interchange area

2. Options considered and recommended proposal

- 2.1 Whilst HS2, on the broad alignment proposed, does not represent the ideal additional rail capacity solution for Coventry or the rail network serving the city needs, it is the only option being presented.
- 2.2 Instead practical options for Coventry relate to securing the retention of excellent direct connectivity to London and the south east, securing improved connectivity to other destinations which are not currently well served by rail and securing excellent connectivity to HS2 in order to benefit from the access to the destinations that it will serve. A simple summary of the types of measures that could be sought is provided in Table 1 below. The

business case and evidence for these, and any others that can be identified will need to be developed in greater detail as part of the preparation of evidence for a Hybrid Bill petition.

- 2.3 Inevitably there will remain concern about the potential impact of the new Interchange station and significant growth in the immediate vicinity of it (with any associated impact of this on the market for inward investment elsewhere). These concerns cannot be completely mitigated by transport measures alone and it is unlikely Coventry will ever have good reason to be ardent supporters of HS2.
- 2.4 However, following the apparent strengthening of the Government’s position on HS2, a pragmatic strategy which should underpin any rail ‘asks’ of Government and the Hybrid Bill process is to focus on the positive aspects of Coventry’s overall offer. The message will need to be developed and robustly broadcast, but would build on the basic truth that Coventry is open for business, has and must continue to develop excellent road and rail connectivity and has much to offer in terms of the city’s resident skills base, industry and engineering offer and higher education offer. These assets can set it apart from other competing locations.

Table 1: Coventry Headline Rail Asks	
<i>Pre HS2</i>	<i>With HS2</i>
<ul style="list-style-type: none"> • Maintenance of excellent London and southeast connectivity direct from Coventry Station • Coventry Station Upgrade • Strengthened north/south rail links (NUCKLE) • Stronger direct long distance connectivity in advance of HS2 <ul style="list-style-type: none"> ○ Heathrow, Oxford, Reading ○ Manchester, Sheffield, Newcastle ○ Milton Keynes & Northampton growth areas 	<ul style="list-style-type: none"> • Maintenance of excellent London and southeast connectivity direct from Coventry Station • Good direct connectivity to HS2 • HS2 to HS1 & European connectivity • Construction of HS2 without prejudicing local rail opportunities • Direct Heathrow Spur from HS2 • Renaming of HS2 Birmingham Interchange as West Midlands Interchange

2.5 The timetable for the implementation of HS2 phase 1 is:

- 2013 - Consultation on draft Environmental Statement
- 2013 - Paving Bill 2nd reading
- 2013 - Hybrid Bill
- 2015 - Royal assent
- 2017 - Construction commences

2.6 There are several other rail related work streams affecting the classic rail network which the City Council will need to engage in to maximise its ability to secure improved rail connectivity. These include the Department for Transport’s Rail Investment Programme (CP5) and Network Rail’s Long Term Planning Process (LTPP), Route Utilisation Strategies and CP5 Business Plan. These programmes are intertwined with the operation of HS2 and consultation responses will need to be made in this context.

2.7 Specialist advice and support will need to be procured to support the work outlined above. It is anticipated that revenue funding in the region of £150,000 will be required. The primary call on this funding will be to develop the major elements of Coventry’s petition. The work

and budget needs refining, but will primarily be for parliamentary lobbyists, engineering assessments (for example Coventry Station upgrade), business case development, economic analysis and Queens Counsel (for support during evidence at Select Committee). It is intended to seek joint working with CW LEP and Centro, with some degree of cost sharing on some of these elements. Negotiation will also be sought with other interested stakeholders that may wish to partner in some of this work in order to reduce costs to individual organisations and enable the development of a partially common evidence base. Until this negotiation is undertaken and the work scoped in more detail it will not be possible to refine the costs. It is expected that some of the total costs can be met from existing revenue budgets and cost sharing with various partners, however, it likely there will be a funding gap in the order £100,000.

3. Results of consultation undertaken

- 3.1 No public consultation has been carried out locally by Coventry City Council. A summit for the business community in Coventry & Warwickshire was organised by the Council and held in October 2012 to enable a better understanding of the HS2 proposals and views the business community. This revealed mixed views, some supportive of HS2, some against and some undecided. No formal poll was taken at the event. HS2 Ltd holds a regular series of consultation and community engagement as part of formal consultation on the scheme.

4. Timetable for implementing this decision

- 4.1 If the recommendations of this report are accepted, officers will begin the engagement process in readiness for the Hybrid Bill and other rail consultations as summarised in section 2 above.

5. Comments from Director of Finance and Legal Services

5.1 Financial implications

It is estimated that technical and legal consultancy costs up to the value of £150,000 will be incurred in order to position the authority sufficiently to respond to Government HS2 proposals. Existing revenue budgets, together with expected cost sharing can fund £50,000 of the costs. The remaining £100,000 will result in a budgetary control pressure in City Services and Development.

5.2 Legal implications

There are no legal implications arising from this report

6. Other implications

None

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

The development of a detailed evidenced business case and engagement with rail planning bodies such as HS2 Ltd, Network Rail and the Department for Transport will help Coventry to secure the best possible deal it can on the back of HS2 to support rail connectivity. Having a good transport network in place is essential if the city is to attract investment and improving rail connectivity to Coventry will only help to support development proposals such as Friargate as well as open up new markets and support local travel to work movements. Encouraging travel by rail will also help to address climate change and reduce congestion on the road network.

6.2 How is risk being managed?

Not engaging with government and HS2 Ltd would risk Coventry missing out on potential rail investment opportunities. Not securing the best possible deal from projects such as HS2 would put at risk the city's ability to attract inward investment.

6.3 What is the impact on the organisation?

Much of the work will be led by existing City Council officers; however additional specialist resources will need to be procured in order to assist with the preparation of the evidence base, business cases and engagement with consultations such as the HS2 Hybrid Bill.

6.4 Equalities / EIA

No equality impact assessment has been carried out because the recommendation does not constitute a change in service or policy.

6.5 Implications for (or impact on) the environment

Rail provides an efficient and sustainable way to travel. The enhancement and promotion of improved rail services which serve Coventry will make rail travel more attractive and will help to reduce congestion, particularly on the strategic road network. This will reduce emissions from traffic which can impact on climate change and air quality.

6.6 Implications for partner organisations?

There will not be any direct impact on partner organisation as a result of this decision.

Report author(s):

Name and job title: Mike Waters – Transportation Manager

Directorate: City Services and Development Directorate

Tel and email contact: Tel: 024 7683 1048 mike.waters@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Colin Knight	Assistant Director – Planning, Transport and Highways	City Services and Development	04 June 13	05 June 13
Lara Knight	Governance Services Team Leader	Customer and Workforce Services	05 June 13	05 June 13
Names of approvers for submission: (officers and members)				
Finance: Phil Helm	Finance Officer	Finance & legal	04 June 13	06 June 13
Legal: Clarissa Evans	Commercial Team Manager, Legal Services	Finance & legal	05 June 13	06 June 13
Director: Martin Yardley	Director	City Services and Development	04 June 13	06 June 13
Members: Councillor Kelly	Cabinet Member (Business, Enterprise and Employment)		05 June 13	06 June 13
Councillor McNicholas	Lead Member for Transport		05 June 13	05 June 13

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