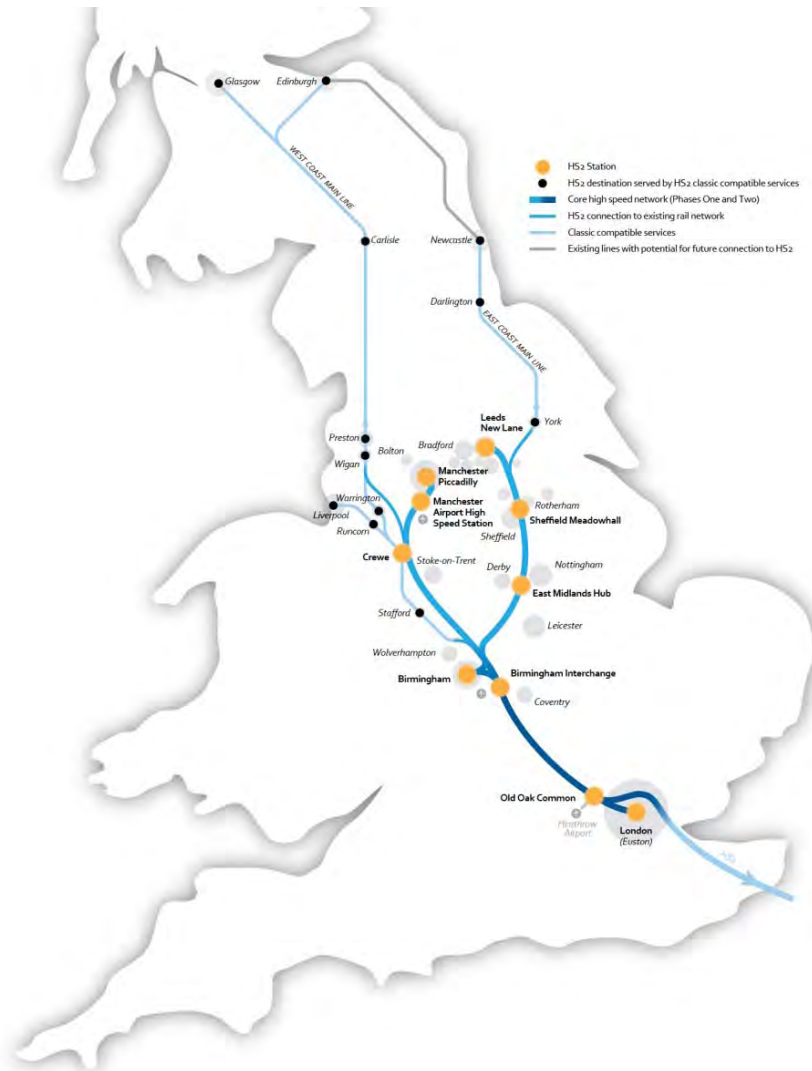

HS2 & the economy: new economic analysis

Laura Webster, Strategy & Analysis, HS2 Ltd

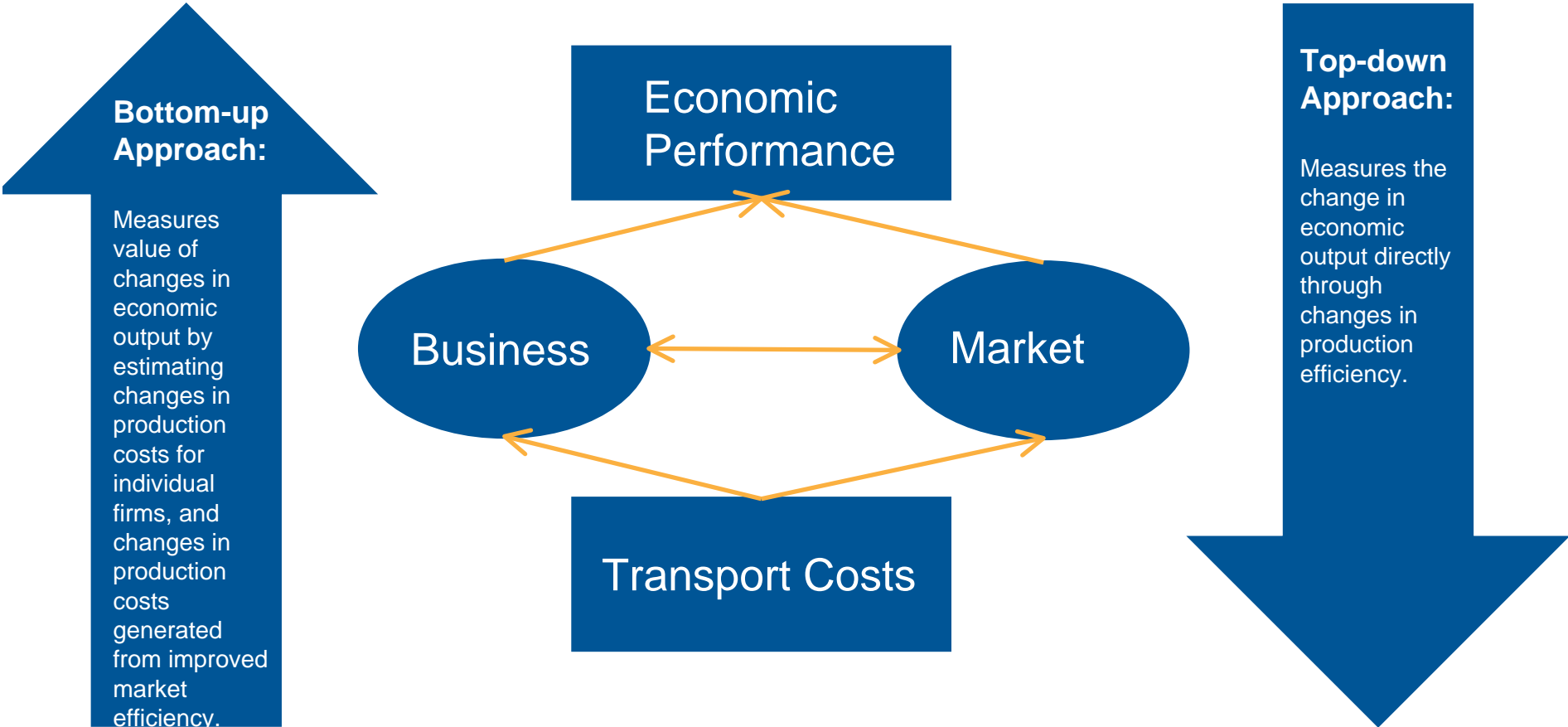
The exam question



What is the potential delivered by HS2?

...and what does this mean for our economic geography?

KPMG analysis differs from transport appraisal



Our analysis starts with connectivity

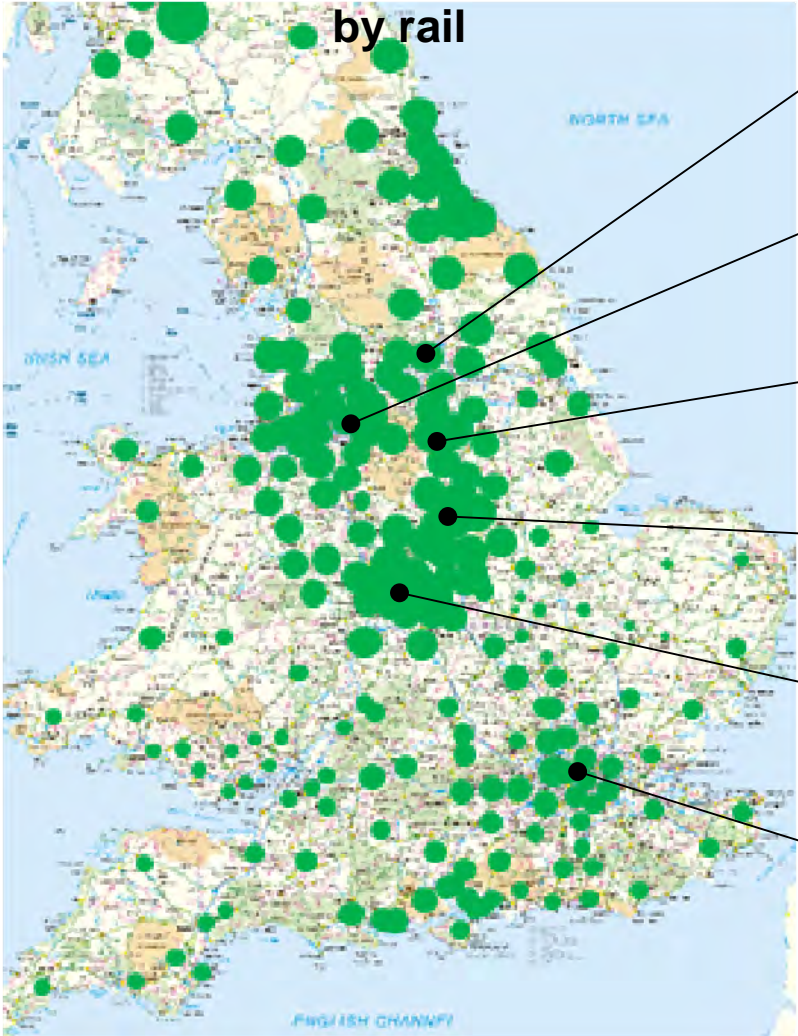


Improving connectivity means increasing market access



HS2 delivers significant and widespread improvements in connectivity

Change in business connectivity

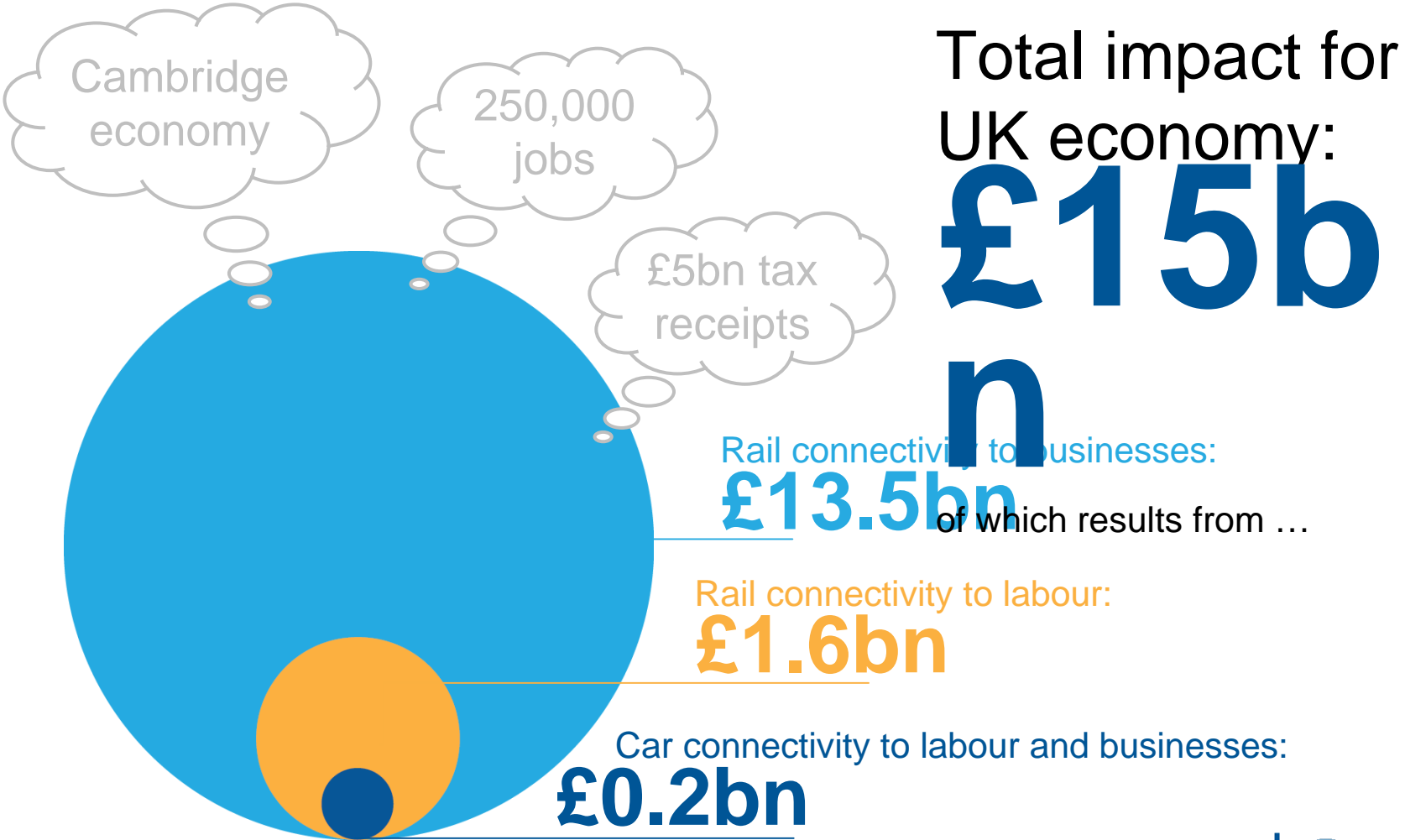


- Leeds**
20%
- Greater Manchester**
19%
- Sheffield**
23%
- Derby & Nottingham**
23%
- Birmingham**
21%
- London**
9%

Labour connectivity also improves as a result of HS2 (generally to a lesser extent)

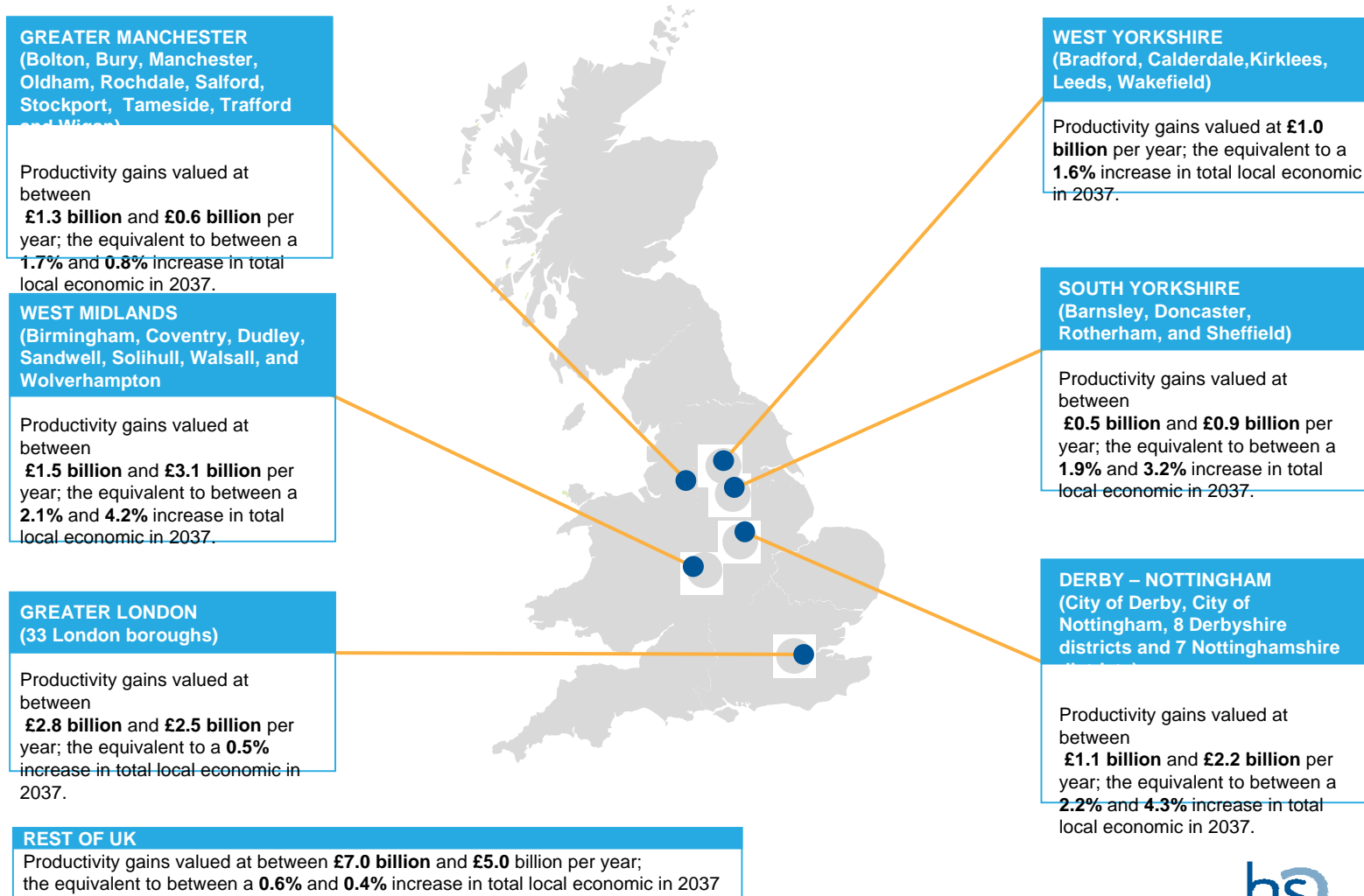
City regions	Change in labour connectivity	Change in business connectivity
Derby-Nottingham	14.7%	23.2%
Greater Manchester	1.4%	18.8%
Greater London	6.9%	8.8%
South Yorkshire	31.8%	22.5%
West Midlands	15.7%	21.1%
West Yorkshire	9.1%	19.7%
Rest of Great Britain	5.3%	11.3%

HS2 could boost annual productivity by £15bn

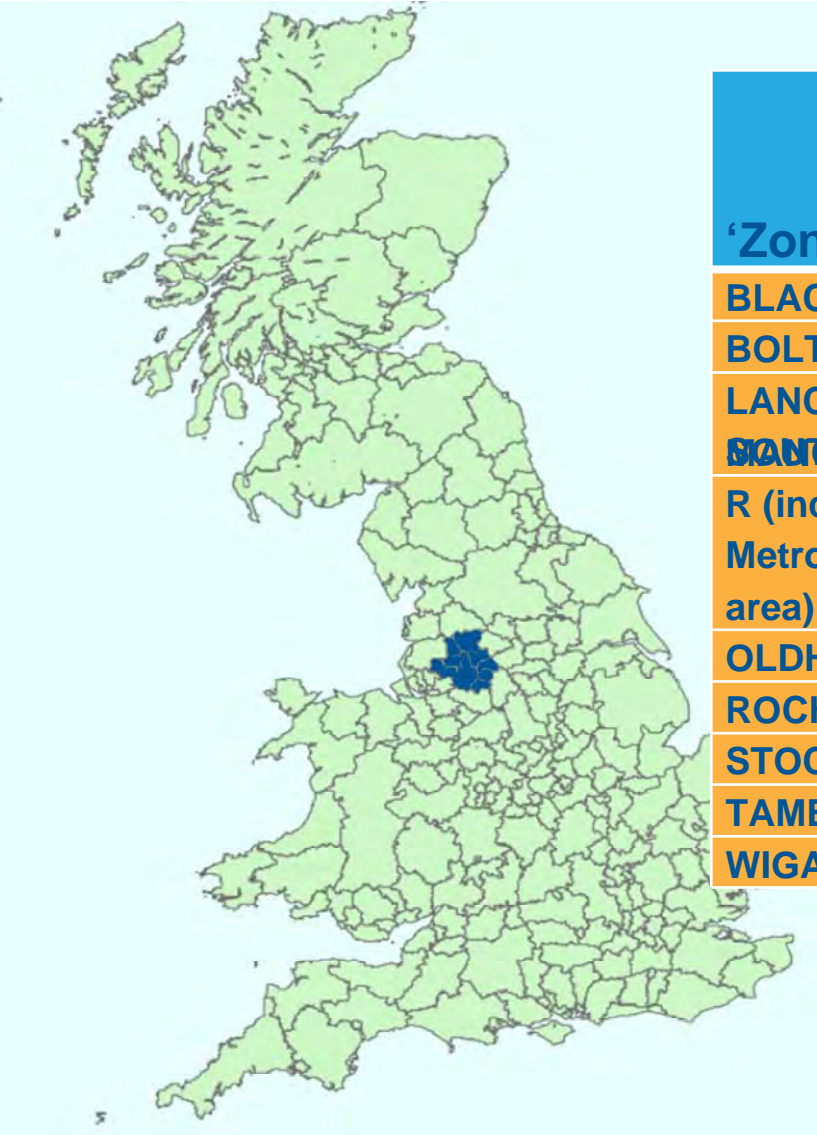


* Note: totals may not sum due to rounding

All regions benefit from HS2, but the Midlands and the North do particularly well



Significant benefits for Greater Manchester



Improvement in rail

'Zone'	business-to-business connectivity	Change in economic output
BLACKBURN	21%	£33m-£42m
BOLTON	19%	£34m-£89m
LANCASHIRE		
MANCHESTER	20%	£57m-£67m
R (including Metrolink area)	19%	£326m-£834m
OLDHAM	20%	£63m-£64m
ROCHDALE	20%	£54m-£65m
STOCKPORT	15%	£25m-£93m
TAMESIDE	20%	£59m-£67m
WIGAN	18%	£68m-£81m

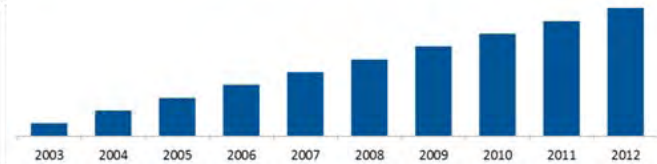
We still don't capture everything

£15bn

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Conclusions

- New analysis allows us to understand economic impact in terms of the scale of opportunity and location effects – for the first time.
- Initial results show:
 - HS2 will deliver **significant and widespread improvements in connectivity**
 - These improvements in connectivity are estimated to deliver an **annual £15bn boost to the economy**.
 - All regions benefit; but the **Midlands and the North do particularly well**
- We will continue to develop the evidence base

Thanks for listening