

**Manchester City Council
Report for Information**

Report to: Economy Scrutiny Committee – 1 February 2017

Subject: High Speed Rail – High Speed 2 (HS2) and Northern Powerhouse Rail (NPR)

Report of: Strategic Director (Development)

Summary

This report provides Economy Scrutiny Committee Members with background on High Speed 2 (HS2) and Northern Powerhouse Rail (NPR) and outlines the latest position with both initiatives.

Recommendations

The Committee is requested to note the contents of the report.

Wards Affected:

Ardwick
Baguley
City Centre
Didsbury East
Didsbury West
Fallowfield
Levenshulme
Longsight
Northenden
Rusholme
Withington
Woodhouse Park Ward

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers below.

- High Speed Two: From Crewe to Manchester, the West Midlands to Leeds and Beyond, Command Paper, DfT, November 2016
- High Speed Rail: Investing in Britain's Future (Consultation on the route from the West Midlands to Manchester, Leeds and beyond), DfT, July 2013
- Report to Executive 15 January 2014 - HS2 Consultation – A City Council Response
- Report to Executive 11 September 2013 - High Speed 2 (HS2) Consultation and HS2 Manchester Piccadilly Strategic Regeneration Framework (SRF)
- Report to Executive 18 December 2013 - High Speed 2 (HS2) Manchester Piccadilly and Mayfield Strategic Regeneration Framework (SRF) Consultations
- Report to Executive 14 December 2016 - High Speed 2 (HS2) Phase 2 Route Announcement

1. Introduction

- 1.1 In July 2013, Government launched a public consultation process on the proposed route for Phase 2 of the High Speed 2 (HS2) rail line, which closed on 31 January 2014. The proposed route included proposals for HS2 stations at Manchester Piccadilly and Manchester Airport. Manchester City Council and the Greater Manchester Combined Authority (GMCA) both provided a response to the consultation, following a report to the Executive on 15 January 2014.
- 1.2 In May 2016 the Committee received a report that provided a short update on the work of Transport for the North. The body, which is currently operating in “shadow form” has been established by Government to develop a long-term transport strategy and strategic transport plan for the North of England, to support the delivery of a Northern Powerhouse economy.
- 1.3 This report summarises the background and current position for both HS2 and NPR.

2. HS2

Background

- 2.1 The City Council and GMCA consider HS2 as vital in increasing the capacity and connectivity of Britain’s rail network. This is not just about new high speed services on the HS2 network: the capacity HS2 frees up on the classic rail network and the new options it provides – e.g. in better connecting Manchester Airport - will, in combination with Northern Powerhouse Rail (NPR – see below) and Northern Hub improvements, help deliver a transformational step-change in the connectivity of the North’s major city regions.
- 2.2 As reported in the January 2014 report to Executive, our response to the Government’s consultation in January 2014 set out the benefits of HS2 to the UK, Manchester and the city region. It outlined the economic opportunity at Manchester Piccadilly and Manchester Airport, and emphasised what needed to be done in order to achieve that opportunity. The key points made in our response included:
 - The need to create a station at Manchester Piccadilly that is a fully integrated transport hub of genuine quality which can actively support the regeneration of the eastern side of the city centre.
 - A strategic approach to transport investment at Piccadilly which leads to the earliest transformation of Piccadilly Station; avoids significant and long term disruption and blight; and promotes investor confidence.
 - Consideration of a revised Station layout at Manchester Airport which would move the HS2 station concourse north, enabling an interchange with an extended Metrolink service (the proposed “Western Loop”) to properly connect the station to the Airport and surrounding communities.

- Consideration of new highway proposals by Manchester Airport Group and TfGM to avoid adverse impacts on the M56 and local highway network.
- An approach to funding for the Airport Station that is in line with those for other HS2 airport stations.
- A request for close working with HS2 Ltd and other stakeholders on a number of technical issues around the construction of the tunnel, tunnel portal and ventilation shafts.

2.3 Neither the City Council or GMCA received a formal response from the consultation response, whilst the Department for Transport (DfT) and HS2 Ltd have been concentrating on the Phase 1 route from London to the West Midlands, and Phase 2a from the West Midlands to Crewe, following the decision in 2015 that Phase 2 would be developed in 2 stages. However, DfT have now considered all of the consultation responses to Phase 2 and are moving into preparations for Phase 2b, covering the route from Crewe to Manchester (Western Leg) and the West Midlands to Leeds (Eastern Leg).

HS2 Growth Task Force

2.4 The Government set up the HS2 Growth Task Force in summer 2013, chaired by Lord Paul Deighton, to advise them on how to maximise the return from the investment in HS2, both at the national level, and in terms of the local opportunities around HS2 stations. Manchester City Council's Chief Executive was a member of the Task Force.

2.5 The report of the Growth Task Force – "High Speed 2: Get Ready", published in March 2014, set out the main challenges in maximising the benefits from HS2, and made 16 recommendations on what could be done to address the challenges. The recommendations were grouped into the following themes:

- Getting our Cities Ready
- Getting our Transport Network Ready
- Getting our People Ready
- Getting our Businesses ready

2.6 Key recommendations include the following:

- For each HS2 station, there needs to be established an "HS2 Growth Strategy" to explain how high speed rail will generate local jobs, growth and regeneration.
- The Government should support local authorities to establish a locally led delivery body to deliver the HS2 Growth Strategies; Government should partner local authorities in delivering these Strategies; and should establish a central delivery body to provide coordination to support local areas.

- Collaboration across organisations and administrative boundaries must be strengthened to support transport planning around HS2.
- The Government's decision on Phase 2 station locations should be informed by a thorough examination of economic growth potential in each proposed station location.
- The Government and local authorities need to work together to agree and put in place new local models to link workforces to potential HS2 job opportunities.

2.7 The Growth Task Force recommendations have informed the outcomes of the National Infrastructure Commission's report (please see below). Progress on developing an HS2 Growth Strategy for Manchester Piccadilly and Manchester Airport stations is set out in Section 4.

HS2 Phase 2b Line of Route Announcement

2.8 On 15 November 2016, DfT published information setting out the Government's preferred route for Phase 2b of HS2, and launched a consultation on a number of areas where the proposed 2013 route has changed. A summary of the HS2 preferred route for the Western Leg and the key issues arising from it for the city and Greater Manchester were reported to the Executive in December 2016.

2.9 The majority of the issues raised in the Council's and GMCA's responses to the 2013 consultation do not appear to have been addressed by the preferred line of route presented in the November announcement, and will be re-emphasised within the response to the current consultation. Key issues include the following:

- At Manchester Piccadilly, the current proposal is for the HS2 station to be constructed further way from the main-line station, and not integrated within it.
- The Manchester tunnel (from the Airport to Piccadilly station approach has moved approximately 300m east. This amendment reduces the impact on the West Gorton area, but significantly impacts on the land available for regeneration around Piccadilly.
- The suggestion that at least 50% of the costs of a single Piccadilly Station should be met from local contributions, made in the Government's response to the National Infrastructure Commission's report, needs to be further challenged. This has not been possible to achieve even in London at Euston Station. The funding options for the Station need to be developed as part of an integrated approach to design and delivery.
- The location for the station at Manchester Airport has been moved to the west of, and parallel to, the M56, not to the location presented in

our consultation response, and the proposals for linking the station both to the Airport buildings and highways network are sub-optimal.

HS2 Manchester Piccadilly Strategic Regeneration Framework (SRF)

- 2.10 As reported to the Executive in September 2013 and in December 2013, an initial Strategic Regeneration Framework (SRF) has been developed for the area surrounding Piccadilly station (the HS2 Manchester Piccadilly SRF), in order to fully capture the opportunities and benefits presented by HS2 and other proposed transport investment. This proposes significant improvements in the vicinity of the station and also sets out our preferred options for the design and functionality of the station itself.
- 2.11 The ambition for Piccadilly Station, as set out within the SRF, is for a fully integrated, multi-modal transport hub at Piccadilly, fit for the long term and explicitly designed to maximise productivity and growth, which means recognising its role as the gateway to the immediate Piccadilly SRF area, the regional centre, and the wider city region. This was set out in our response to the Phase 2 consultation in January 2014.
- 2.12 The SRF will be revised as part of the HS2 Growth Strategy work to reflect current HS2 and NPR developments (please see Section 4), and wider development activity.

3. Northern Powerhouse Rail

Background

- 3.1 Since the consultation on the proposed route, the northern city regions have come together to set out proposals for Northern Powerhouse Rail, to provide transformed rail connectivity across the north of England. These were set out in the One North Report (August 2014), following which, Transport for the North (TfN) was established in October 2014 in order to take forward the objective of improving transport connections between the economic centres of the North, including NPR. This was followed by the publication, jointly by the Government and TfN, of the Northern Transport Strategy in March 2015.
- 3.2 Following the publication of the One North Report and the Northern Transport Strategy, the Government reaffirmed its commitment to a number of key projects in the Spring of 2016 including:
- £60m committed for the development of plans for an improved east-west rail link (“Northern Powerhouse Rail”) which aims to reduce journey times between Leeds and Manchester to about 30 minutes.
 - ☐£161 million to accelerate the upgrade of the M62 to a four-lane smart motorway.
 - ☐£75 million to develop a business case for a 18-mile Trans-Pennine tunnel under the Peak District to speed up journey times between Manchester and Sheffield.
 - ☐£150 million of funding to support the delivery of smart and integrated ticketing across local transport and rail services in the North.

- Future transport improvements, linked to the Devolution Agreement with central Government, and the establishment of Transport for the North as a statutory body from 2017.
- 3.3 In September 2016, TfN submitted a formal proposal to the Secretary of State to establish Transport for the North on a statutory basis. In commenting on the submission David Brown, Chief Executive of Transport for the North commented: *“This is a significant moment for the North, and for the wider UK, as work continues to develop the transport systems and infrastructure we need to rebalance the economy. Working with our Northern Partners, the Department for Transport, and the national operators, our mission is to kick-start transformational change by building on the foundations of an evidence-driven Northern Transport Investment Plan.”*
- 3.4 He added: *“It’s an entirely new approach to developing transport infrastructure in the North, and while it will bring with it challenges, the results are aimed directly at closing the productivity gap between the North and the rest of the UK. It is ambitious, but it needs to be if the North is to be truly competitive on the world-stage.”*
- 3.5 The aim of NPR is to link city regions closer together in order to significantly improve productivity across the North, to enable it to be a real economic counter-balance to London and the South of England. It is considered that there is greater benefit to be gained through complementary investment in NPR alongside HS2, providing a multiplier of benefits, in order to help deliver the Northern Powerhouse. It is the combination of the major capacity benefits brought about by HS2, and the local connectivity brought about by NPR, which will deliver maximum benefits and, crucially, the opportunity to rebalance the UK economy.
- 3.6 To achieve these transformational benefits, it is fundamental that both HS2 and NPR are planned and sequenced in an integrated way, and this requirement is particularly important at Piccadilly Station, which is expected to be a major hub for NPR, and where a number of different transport investments are planned over the coming years. This was one of the main conclusions of the National Infrastructure Committee (NIC – see below), which reported in March 2016 and it is important that work is driven forward on this basis.

The National Infrastructure Commission (NIC)

- 3.7 The National Infrastructure Commission (NIC) was asked by Government to advise on the strategy for taking forward the work of TfN and partners to improve connections between the Northern economic centres. Their report, published in March 2016, emphasises the need to integrate HS2 and NPR and plan for the redevelopment of the North’s gateway stations.
- 3.8 The NIC report made 6 recommendations to transform the rail network:
- Funding be provided to further develop the long-term plans for NPR (then referred to as “HS3”) as a high capacity rail network, fully

integrating with proposals for maximising the benefits from currently planned investments.

- TfN should work with DfT, HS2 Ltd, Network Rail and other stakeholders to prepare by the end of 2017 a single integrated strategy.
- The upgrade of the Leeds to Manchester link should form the first phase of NPR to be developed in detail.
- The design of the northern phase of HS2 should be taken forward, working closely with TfN, to ensure that it is planned and delivered to facilitate the development of NPR.
- Proposals for the redevelopment of Manchester Piccadilly should be prepared jointly by TfN, TfGM, Manchester City Council, Network Rail, DfT and HS2 Ltd.
- TfN should follow an approach that seeks to maximise the benefits of current and planned investments and integrates them with an ambitious longer-term plan.

3.9 The report supports our view that, for the comprehensive transformation of Piccadilly Station, effectively integrating HS2, NPR and other transport investments is essential, in order to operate effectively as a focal point in the NPR network, and unlock significant regeneration and commercial development. It refers to the need for the jointly developed proposals at Piccadilly to include proposals for funding and financing the station, including private sector and local contributions.

3.10 In line with the NIC report, a Piccadilly Station Joint Board has been established to provide a jointly agreed vision, and strategic direction, for the development and implementation of a scheme for Piccadilly Station that meets all partners' requirements. The Board consists of senior representatives from Network Rail, Manchester City Council, TfGM, DfT, HS2 Ltd and TfN.

4 Greater Manchester High Speed Rail Growth Strategy

4.1 At Budget 2016, Government announced it would allocate £2.5m of funding to take forward work on the HS2 Growth Strategies for Manchester Piccadilly and Manchester Airport stations (£1.25m per station). The development of growth strategies for both Piccadilly and Manchester Airport will underpin the transformational redevelopment of these stations, as strategic interchange facilities between HS2, NPR, local transport and intercontinental air connections, and will be fundamental components in achieving shared objectives for the delivery of a Northern Powerhouse. The final Growth Strategy is due to be submitted to Government in September 2017.

4.2 The HS2 Growth Strategy for each station will comprise:

- 1) A public-facing document which sets out the local vision, the strategic case for intervention, the programme of investment required and in broad terms the benefits/outcomes that investment will deliver.
- 2) A supporting business case to Government.
- 3) A Regeneration and Connectivity Plan, which will include:
 - Evidence-based assessment of the development and regeneration potential of the area; and
 - The required local infrastructure to achieve this potential.
- 4) An Implementation Plan, which will include:
 - How the HS2 Growth Strategy will be delivered in the short-medium (up to 5 years) and longer (5 years plus) term; and
 - A prioritised programme of projects and their milestones; indicators for tracking delivery; and the role and remit of local governance and delivery structures.

5. Timescale and Next Steps

- 5.1 The timetable set out by Government in the Phase 2b route announcement is as follows:
- Decision on the areas of the Phase 2b route where they are consulting in 2017.
 - Set out the TfN priorities for NPR in spring 2017, and produce a single integrated strategy for HS2, NPR and local transport improvements by the end of 2017.
 - Deposit a hybrid Bill for Phase 2b by the end of 2019.
 - Open Phase 1 in 2026, Phase 2a in 2027, and the full HS2 scheme (including the route to Manchester) in 2033.
- 5.2 As agreed by the Executive in December 2016, Manchester City Council and GMCA will submit a response to the consultation on the changes to the Phase 2b route, with TfGM and MCC leading on the draft GMCA response, as was done with the previous 2014 consultation response to HS2 Phase 2b. One of the issues that will be raised in our response is the need to ensure that suitable provisions are made within the HS2 Phase 2b hybrid Bill to accommodate NPR, at points where NPR interacts with HS2, including the potential shared use of the HS2 network at and between Manchester Piccadilly and Manchester Airport.
- 5.3 The City Council and TfGM will continue to work with other partners to develop and finalise the Growth Strategy for Manchester Piccadilly and Manchester Airport in line with the timetable set out in section 4.2. We will also continue to

work with Government on the designs of stations, and other route issues, as the hybrid Bill process and the plans for NPR progress, in order to ensure the optimal solution at each station.

- 5.4 In terms of NPR, work on the initiatives outlined in paragraph 3.7 is still progressing, and in parallel with this project based activity TfN is currently developing a Strategic Transport Plan which will set out how the organisation intends to take forward the delivery of the proposed strategy. The plan is intended to articulate the rationale for transformational investment in the North's infrastructure; set out the detail of investment programmes; and the governance, funding and delivery mechanisms through which the plan will be implemented. The current intention is to publish a consultation draft of the plan in the Spring and a final draft, containing revised priorities, in the Autumn. The development of the Plan is being informed by more detailed integrated road and rail reports setting out investment priorities for the North along with other spatially focused and thematic studies.
- 5.5 It is intended to report further to Economy Scrutiny Committee during the consultation phase on the plan later in the year.
- 5.6 In parallel to this, TfN are undertaking a station option prioritisation exercise for each station which will be served by NPR services. The critical date for completion of this exercise is Autumn 2017, to enable inclusion of the preferred options within the HS2 hybrid Bill.
- 5.7 At Piccadilly, the expected timetable for this process is set out below. Links will be made with local masterplanning work and Manchester's regeneration ambitions through the Piccadilly Station Joint Board and HS2 Growth Strategy work.
- Initial option refinement by the end of March 2017.
 - Detailed option refinement by the end of May 2017, resulting in a single preferred option for Manchester that considers the wider NPR network as well as local issues.
 - Integrated Piccadilly Station masterplan development to take place from identification of the single preferred option to the end of 2017.
 - The single preferred option ratified by the Piccadilly Station Joint Board in September 2017 for inclusion within the HS2 Phase 2b hybrid Bill process.

6.0 Concluding Remarks

- 6.1 HS2 and NPR provide game-changing opportunities for Greater Manchester. HS Rail Growth Strategies are being prepared for the areas around Manchester Piccadilly and Manchester Airport stations, to ensure that these opportunities are maximised and bring optimum benefit to the city and to Greater Manchester. However, for the ambitions within the Growth Strategies to be delivered requires the planning and delivery of HS2 and NPR to be fully integrated. Manchester City Council is working closely with Government and other partners to ensure that this occurs as far as is possible.