

5. Wider Economic Benefits

Sweeping claims are made for the economic benefits of HS2 – it is ‘a transformational investment in Britain’s future’, makes a ‘contribution to job creation and regeneration’ ‘bridges the North-South divide’, etc. Beyond the rhetoric, there is no evidence to support the claims. Independent studies⁷ suggest that HSR creates a ‘tunnel effect’ from which the destination cities benefit at the expense of the rest of the country, with the largest cities gaining most. This is confirmed by HS2’s estimates that 73% of the 30,000 ‘regeneration’ jobs claimed for Phase 1 will be in London (surely the most expensive job creation scheme ever!)

CONCLUSION

The Eddington Transport Study in 2006 concluded “large projects with speculative benefits and relying on untested technology are unlikely to generate attractive returns”- a prescient description of HS2! He advocated “targeted new infrastructure...to unblock pinch points and support public transport in urban areas”. McNulty in 2011 came to a similar conclusion: the priority in rail policy should be to make better use of the existing

network. HS2 will divert money and resources away from those objectives.

The 2010 Coalition Agreement stated “We will establish a high speed rail network as part of our programme of measures to fulfil our joint ambitions for creating a low carbon economy.”⁸ From the evidence summarised above, we conclude that the specific proposals for HS2 do not achieve a rail network that “supports our ambitions for a low-carbon economy”.

Foreseeable growth in demand can be met incrementally by cost effective measures, which deliver earlier benefits when needed and avoid the “all or nothing” approach of HS2.

These improvements can be taken forward in the next few years, giving early benefits to the passengers through better services, and to taxpayers by improving the financial performance of the railway.

“When the facts change, I change my mind” said that distinguished Liberal, Lord Keynes. As a Party that believes in evidence-based policy-making, we need to apply Lord Keynes advice to the issue of HS2 and its alternatives.

A Better Railway for Britain – without HS2

The Objective

“This Government believes in supporting the railways as a way of driving economic growth, improving connectivity and providing a cleaner and greener alternative to short-haul aviation and more journeys by car” (DfT 2011).

We share that objective.

LIBDEM HS2 Challenge Group
Aylesbury, Chilterns, Kenilworth and Southam Constituency Associations

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ACTION: Please alert your MP and local members to the need to Stop HS2. MP's will be voting on the issue in December 2011.

⁷ Research Institute of Applied Economics, University of Barcelona

⁸ This goes much further than the LibDem Manifesto commitment to “a National Infrastructure Bank to invest in public transport like high speed rail”. The Public Transport section of the Manifesto is about investing in LOCAL rail services and making the current network better and more affordable for travellers.



The Issue

DfT go on to say “In short, high speed rail is not something this country can afford to ignore”, implying that that the only way to achieve the objective is High Speed Rail. The result is the proposed HS2, a Y network from London to the West Midlands, with branches to Leeds and Manchester. It is being promoted without proper consideration of the alternatives.

High Speed Rail is a transport tool; it is not a panacea for all transport needs. It is appropriate for countries where distances are great and existing railway systems are poorly developed, e.g. Brazil and China. Britain already has a fast efficient railway system (the best in Europe in terms of speed of journeys between the principal cities¹). It is under pressure on some routes, particularly commuter services and some services on the West Coast Mainline.

These problems need to be addressed by better management of the existing railway system (as recommended by the McNulty Report, 2011²) and targeted infrastructure improvements (as recommended by the Eddington Report, 2006). Proposals of this kind are described in the booklet A Better Railway for Britain³.

Should we adopt HS2 as a blanket solution to all the needs of the rail system, or go for better management and targeted infrastructure improvements? We compare the two approaches below in terms of

1. Timing
2. Environmental effects
3. Capacity
4. Value for Money
5. Wider Economic Benefits

1. Timing

HS2 will provide no benefits to users until 2026, when the trains start running to the West Midlands. (The contractors and equipment suppliers will of course benefit from the £17 billion expenditure from the time construction starts in 2015).

Better management of the existing network (such as longer trains and an increased proportion of standard class coaches) can be implemented quickly. Investments to deal with ‘pinch points’ could be completed in a few years and can be phased-in in response to emerging needs.

2. Environmental Effects

HS2 claims to be ‘carbon-neutral’, but High Speed trains require 3 times the energy of conventional trains⁴ and 66% of the forecast

traffic comes from conventional rail. A further 22% are new journeys, which would not be undertaken without HS2 and therefore add to carbon emissions. Only 12% comes from road and aviation. The ‘carbon-neutral’ claim does not take into account the carbon cost of construction (and disruption) or that BAA say that any domestic landing slots freed up will be replaced by international flights. HS2 will also damage an Area of Outstanding Natural Beauty, ancient woodlands and Sites of Special Scientific Interest. It is a ‘greenfield’ development, opposed by every environmental organisation.

Improving the existing rail network is a much more environmentally friendly option and will reduce carbon emissions by continuing to attract traffic from road.

3. Capacity

HS2 is said to be necessary because the West Coast Main Line (WCML) will ‘run out of capacity’ if current rates of traffic increase are maintained. In fact, WMCL capacity can be increased by 181% by lengthening trains and replacing one first class with one standard class carriage and by 215% with targeted infrastructure

improvements, removing pinch points⁵. Capacity for the overcrowded commuter services from Milton Keynes can be doubled with an £243 million investment at Ledburn Junction. These investments can be made as and when they are seen to be needed.

The case for HS2 is based on dubious forecasts of traffic over the next 30 years. Forecasting is far from an exact science – HS1 passenger numbers are less than half those forecast.

4. Value for Money

The Business Case for HS2 claims a Benefit Cost Ratio of 2.0 (reduced from 2.7 in the original version). This figure depends on unrealistically optimistic forecasts of passenger numbers and the ridiculous assumption that time spent on trains is ‘wasted’. DfT has now acknowledged that this assumption is not valid, but has not adjusted the BCR.

The ‘Optimised Alternative’⁶ for increasing WMCL capacity costs £2bn, compared with £17bn for Phase 1 of HS2 (which will be the most expensive High Speed line in the world, in terms of construction costs per km.)

¹ Eddington Report

² McNulty Report Rail Value for Money

³ A better Railway for Britain, Agahst Federation and HS2 Action Alliance

⁴ Wind resistance increases with the square of the speed

⁵ A Better Railway for Britain

⁶ A Better Railway for Britain

