

Written evidence submitted by the London Borough of Camden

Public Accounts Committee: High Speed 2 inquiry

1. Executive summary

- 1.1 The London Borough of Camden opposes the Government's current plans for High Speed 2 which is already causing blight in our borough and anxiety for our communities and businesses.
- 1.2 Whilst we have secured Assurances from HS2 Ltd on a number of key points, the on-going failure by the Government and HS2 Ltd to address our remaining concerns and those of our communities further reduces the already precarious case for the project. As the National Audit Office's report, *Progress with preparations for High Speed 2* published 28 June 2016 confirms, the benefit to cost ratio of the scheme has reduced again.
- 1.3 We share the NAO's concern about the uncertainty surrounding the project and the damage that this is causing. If the Government insists on continuing with the scheme, it is vital, as the NAO further concludes, that funding is found for local authorities in order to deliver the wider regeneration and local growth potential from the scheme.
- 1.4 The London Borough of Camden has consistently argued that if HS2 is to go ahead then the design of Euston Station must be got right in order to deliver new affordable homes, new jobs and apprenticeships, and economic growth for the benefit of the whole country, as well as London and the local area. Comprehensive integration of the various projects planned at Euston is crucial for realising this potential. These projects include the HS2 station, the existing station and the proposed Crossrail 2 station. As the Growth Strategy for Euston and the Euston Area Plan identify, comprehensive redevelopment of Euston has the potential to deliver 2,200 new homes above and around the station; 16,000 new jobs; development value of £3bn, and annual growth of £1.1bn.
- 1.5 The National Audit Office's report identifies an almost £400m gap in the funding required for the enabling works for over-station development at the HS2-side of Euston. Further gaps exist in relation to over-station development across the existing mainline station, and thus delivery of the full economic and growth potential mentioned above. Furthermore, uncertainty persists around the funding required to ensure that plans for the Network Rail station are properly integrated with those for HS2 and Crossrail 2. Failure to address these will further diminish the Government's case for the project and the country will lose the opportunity to have a world-class station linking London to the Midlands and beyond.
- 1.6 Camden Council calls on the Government to take steps to get Euston right, including the consideration of Old Oak Common as a temporary terminus. The correct decisions at Euston, to ensure comprehensive redevelopment, to transport waste and materials by rail in order to maximise the number of lorries removed from our roads, and to re-design Hampstead Road Bridge to lower its proposed height and impact, will all reduce the negative effects and blight on our community.
- 1.7 In the context of continuing uncertainty, meaningful engagement by HS2 Ltd with communities affected is paramount. It is unacceptable that HS2 Ltd are acting so slowly to address their poor communication and community engagement, especially with the most vulnerable and hard to reach, as criticised by the HS2 Select Committee, the Public Administration and Constitutional Affairs Committee and the Bynoe report. We also continue our call on Government to address the current unfairness in the compensation scheme which will treat rural communities in a different and preferential way to urban areas such as Camden.

2. Introduction and reason for submitting

- 2.1 The inner London Borough of Camden has a population of just over 230,000, and reaches from Holborn and Bloomsbury in the south to Hampstead Heath in the north. Camden hosts a world-class knowledge quarter with major universities and colleges, as well as leading medical and scientific institutions. It is home to national cultural assets such as the British Museum and British Library, a thriving business hub, and a vibrant and socially mixed community.
- 2.2 The London Borough of Camden is a significant transport hub with national and international rail links operating out of Kings Cross, St Pancras and Euston Stations. Government proposals for High Speed 2 (currently before Parliament) will see the new line terminate at Euston, with new high speed platforms and a station concourse built to the west of the existing mainline Euston Station.
- 2.3 Camden Council opposes the principle of the HS2 scheme which will bring decades of disruption to the borough, its residents, and businesses. Camden faces the highest level of disruption from HS2 of all areas along the route, and the particular impacts on our borough were recognised by the Commons Select Committee on the Bill which stated: "Camden is exceptional, and requires special treatment".
- 2.4 The Council has been working with community groups, residents and businesses to minimise the negative impacts that they face as a result of HS2 and its construction, and maximise community benefits and regeneration opportunities. We continue to take part in the Parliamentary process and have petitioned the House of Lords.
- 2.5 Assurances have been secured from HS2 Ltd, but progress on many of these is disappointing, and major issues, including fair compensation, remain unaddressed. HS2 is already causing blight in Camden and anxiety for our residents.
- 2.6 In the context of the NAO's report and with the remit of the Public Accounts Committee in mind, this submission primarily focuses on the London Borough of Camden's call for the Government and HS2 Ltd to act swiftly to end the uncertainty around the big issues facing the project at Euston.
- 2.7 As the NAO report makes clear, questions persist around the rationale for and value for money of the HS2 scheme. It is the position on the London Borough of Camden that failure to deliver on community engagement, fairer compensation, maximising the transportation of materials by rail to get lorries off the road, and bringing forward the funding to ensure that plans for the Network Rail station are properly integrated with those for HS2 and Crossrail 2 will further diminish the Government's case for the project.

3. On-going problems with the HS2 project

3.1 Cost pressures and value for money:

- 3.2 The NAO has once again lowered its assessment of the economic contribution of the HS2 project, with a reduction in the cost to benefit ratio. Cost overruns and funding gaps are also identified by the NAO, with warnings of further downward pressure on this ratio if these are not addressed.
- 3.3 Camden Council has, with our partners at the Greater London Assembly and Transport for London, been calling for urgent Government commitment to the funding required to accelerate the design options for the Network Rail side of Euston Station. Without this, the various proposed projects at Euston will continue to progress out of sync, risking exacerbating the destructive impact of the project and limiting the potential returns.

3.4 Schedule pressures:

- 3.5 The headline warning from the NAO is that Phase 1 of the HS2 scheme will miss its scheduled completion date of 2026 by 12 months. If this is to happen it is vital that this extra time is taken by all involved to get issues at Euston right at this stage of the project, and not to extend the construction period and associated blight for our residents.
- 3.6 Camden Council would echo the words of the previous Chair of your Committee at the time of the publication of your 2013 report into HS2, when Dame Margaret Hodge MP said: “In my Committee’s experience, not allowing enough time for preparation undermines projects from the start.” Failure to approach construction at Euston in a comprehensive manner is increasing the destruction that the project will cause, has already extended the construction period by over six years, and risks delivering a scheme which stymies regenerative potential. Continuing failure to accept the need for integration is demonstrated by the current non-alignment of plans for Crossrail 2. This needs to be built within the Network Rail station footprint at Euston, to reduce further destruction to our communities, this time in Somers Town.
- 3.7 We call on the Government to reach a swift decision about the schedule of the project in light of the NAO’s recommendation, and to be clear how they will use any additional months to achieve the solutions required at Euston, including keeping options to make Old Oak Common a temporary terminus on the table, maximising the transportation of materials by rail to remove lorries from our roads and bringing forward plans for the mainline station.
- 3.8 Need to get Euston Station design right:**
- 3.9 The NAO’s report concludes that there is a particularly high delivery risk for some elements of Phase 1 of the HS2 project, including the construction of the High Speed 2 station at Euston which the NAO describes as “highly complex”. We welcome the NAO’s call for close cooperation between Network Rail, HS2 Ltd and train operating companies to minimise disruption from the Euston project. However, we stress the vital importance that this cooperation is extended to include the local communities affected and their representatives, and call on the Committee to recognise this.
- 3.10 As well as cooperation, the project and all those affected need certainty that the funding required will be both committed to by Government, and brought forward quickly. Camden Council further agrees with the NAO in its assessment that the wider regeneration and local growth potential at Euston will be put at risk if required funding fails to materialise. Funding to speed up the design work at the Network Rail side of the station will, amongst other things, enable Network Rail to give a clearer indication to the promoters of Crossrail 2 of how the two development projects can integrate, with the benefits of reduced destruction and increased growth opportunities. The need to integrate must also, therefore, be extended to proposals from Crossrail 2 to the east of Euston. As the Growth Strategy for Euston and the Euston Area Plan identify, comprehensive redevelopment of Euston – bringing together HS2, Crossrail 2, the Network Rail station redevelopment, and over-station construction – has the potential to deliver 2,200 new homes above and around the station; 16,000 new jobs; development value of £3bn, and annual growth of £1.1bn.
- 3.11 On-going uncertainty:**
- 3.12 If the Government is to continue with its proposals to build HS2 it is clear to the London Borough of Camden and, as demonstrated by this latest publication, the National Audit Office, that crucial concerns have yet to be addressed. Continuing failure to do so helps no one. On-going uncertainty, especially around the Government’s plans for Euston, calls into further question the rationale for the whole scheme. Remaining uncertainty on the issue of fair

compensation is adding to anxiety. We expect meaningful engagement, and considered and swift decision-making from Government. The London Borough of Camden will continue to hold the Government and HS2 Ltd to account on its actions, and support our communities in doing the same.

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