



## **Core Cities UK: Draft Submission to the Oakervee Review into HS2**

### **Introduction**

Core Cities UK has previously stated its unanimous support, along with its partners across the North and Midlands, for the delivery in full of HS2, as a step toward a fully UK-wide network. This is a critical step toward rebalancing the UK's economy and unlocking more of the productivity potential of the UK's biggest cities and surrounding areas, in a way that will provide wider benefits. It will also release and increase capacity across the rest of the rail network, improve connectivity within – and importantly between - our cities and catalyse a shift toward Zero Carbon by putting more freight onto rail.

HS2 is more than a railway, it has already unlocked training and job opportunities for thousands of our citizens and is a catalyst for millions of pounds of investment into our cities. Not building it in full would be disastrous for our economies and our citizens, a statement to the world of a lack of ambition, and to people across the UK that rebalancing the economy is no longer a priority.

HS2 is a step toward high speed rail that connects all our cities and will be a step change in improving the UK's productivity. Currently the Core Cities and surrounding areas deliver over one quarter of the UK economy, but their productivity is low by international standards. If they all performed at the same level as comparable cities internationally, it would add £100billion a year to the UK's balance sheet. We cannot afford to lose that opportunity, which pulling back on HS2 would fatally undermine.

In agreeing to go ahead, the UK has matched the ambition of other nations that have invested in High Speed Rail and must now get on and build this vital piece of infrastructure that will help us rebalance the UK economy.

### **About Core Cities UK**

- Core Cities UK is a united voice representing the cities of, Bristol, Birmingham, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Nottingham, Sheffield and Newcastle, with Belfast as a partner city
- Core Cities cities and surrounding areas deliver 26% of the UK economy and are home to more than 20 million people.
- Our story overall is one of success, particularly where policies have been built by local and national government working together, such as devolution, which is getting results across areas including transport, health, economic and jobs growth.
- Infrastructure investment within and between the Core Cities is low by international standards, and transport investment in general has been skewed toward the South East.
- The National Infrastructure Assessment, which Core Cities supports, recommended increasing investment into transport infrastructure within and between our cities, and devolving more control and funding to the local level.

## **Productivity and economic rebalancing**

The UK's Core Cities are home to 20 million people. Their diverse populations have grown steadily since 2006 and are set to rise by almost 3 million by 2036, when the Core Cities will account for 23% of the UK's population growth.

They are drivers of surrounding city region and wider regional economies. Core Cities have never based their arguments on 'trickle down' economics and instead sought to develop networked economies, where different places that are connected across a labour market can play different roles and all benefit, although more work is needed to understand how to maximise these roles to ensure all places do better from future growth. To this end, Core Cities UK has commissioned the OECD to investigate these roles in the context of regional rebalancing of the UK economy. We are also supporting the UK2070 Commission review. Infrastructure investment has already been identified as a major productivity issue in both these pieces of work.

Core Cities deliver over 25% of UK economic output, yet productivity is low by international standards, and the UK now has the widest regional economic disparity in Western Europe, a situation that has worsened over recent years.

HS2 is a part of the answer to improving our cities and therefore the UK's stagnant productivity, with international evidence indicating that improved national and local connectivity provides direct benefits in term of national productivity. Connectivity brings people, places and business closer together by reducing travel times, adding to the agglomeration benefits of cities. The agglomeration benefits of the Core Cities is underexploited, and this is partly because transport infrastructure within and between them is poor, particularly when compared with other cities in developed nations. Core Cities experience some of the worst congestion in Europe. Dealing with these issues is critical to boosting the export and investment base of the Core Cities, enabling them to contribute more to sustainable national growth and improved local living standards.

If all the Core Cities performed at the levels of similar cities internationally, it would add £100billion a year to the UK economy, roughly the value of the UK's motor vehicle industry. While there are other factors affecting city productivity, many of them rooted in deprivation, low skills and the UK's heavily centralised system, there is little doubt that improving our cities' connectivity both with each other and with the capital would improve matters and help 'level-up' our cities with counterparts across Europe and the World. HS2 will create the infrastructure platform on which investment into local transport systems can build. To do the one and not the other will hamper productivity, and historically, at least over recent decades, neither has happened to a sufficient level.

## **Jobs and Growth**

HS2 is already a 'live project' employing 9,000 people, many of whom live in the Core Cities, but this figure is minor compared to the future levels of jobs growth. In Greater Manchester alone, the Combined Authority estimates reduced travel times and increased business productivity from HS2 will support 180,000 new jobs. The Constellation Partnership predicts HS2 will help the creation of 100,000 new homes and 120,000 new jobs across the region, including Crewe, Stoke and Stafford. The East Midlands HS2 Growth Strategy estimates that HS2 could bring 74,000 new jobs while Midlands Combined Authority estimates HS2 could boost the economy by £14 billion and support over 100,000 jobs.<sup>1</sup>

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<sup>1</sup> <https://www.gov.uk/government/publications/hs2-ltd-chairmans-stocktake-august-2019>

Around Curzon Street Station, Birmingham City Council has regeneration plans with the potential to create 36,000 jobs and 4,000 new city centre homes. At Birmingham Interchange, UK Central is designing a new business and leisure district to deliver 16,000 jobs and 1,900 homes.

Millions of pounds worth of future investment in cities has already been generated on the back of fulfilling the existing plans. For example, the impending arrival of HS2 has been a major factor in attracting major businesses like PwC and HSBC to Birmingham. In Leeds, HS2 will help double the size of the city centre. Any reduction in the ambition or scale of HS2 will be to create doubt within the investment community at a time when certainty is required to secure funds and jobs.

### **Capacity**

Capacity on the existing networks that provide Core Cities with vital connectivity are close to tipping point and our Victorian-era infrastructure simply cannot cope. We agree with High Speed Rail Industry Leaders who state we are already experiencing a 'Capacity Crunch'. Rail travel has been growing at an unprecedented rate since the mid-1990s with Freight also anticipated to grow by 90% by 2033 compared with 2011. By 2016-17, total passenger journeys on Britain's rail network have increased by 135% since 1994-95. Our system is over-loaded and thousands of our citizens who commute by rail every day are too often frustrated by delays and cancellations.

HS2 infrastructure will release much needed capacity on existing lines, providing up to 18 trains per hour running in each direction to and from London and a further six trains per hour in each direction to and from Birmingham. HS2 will carry over 300,000 people every day, more than doubling the number of seats available today travelling between our cities, and from Euston in peak hours.

And by providing direct intercity services on dedicated high-speed lines, there will be extra space for more trains on the existing heavily congested West Coast and East Coast Main Lines, a major plus for Core Cities, but also for towns and cities that are not directly on the line. These benefits will be strengthened by also investing in local transport infrastructure, which should not be seen as a binary 'either or' choice. We agree with HS2 Ltd's Chair Allan Cook that HS2 presents a once in a generation opportunity to improve services and reliability on these routes, including passenger services to locations not directly served by HS2, and freight services.

### **Connectivity**

Core Cities have all previously welcomed HS2's potential to improve connectivity across and between cities. For example, HS2 is fully linked and an integral part of future plans for Northern Powerhouse Rail (NPR) and Midlands Connect's Midlands Engine Rail projects. NPR cannot be built without HS2 lines coming into Leeds and Manchester. Recently we have seen an argument emerge that we should not build HS2, but instead concentrate on projects like Northern Powerhouse Rail. This argument is deeply flawed, the UK needs both, and London and the South East have not been asked to make these kinds of choices. We welcome HS2's pledge to look again at further integration with NPR to fully realise the benefits of both projects. In the Midlands, the benefits of Midlands Engine Rail, a £3.5bn programme of improvements that will deliver a step-change in rail connectivity, can only be fully felt if HS2 is delivered in full.

## **Environment**

The environmental benefits of HS2 have in our view been understated and we should see the new network as a step change towards a zero-carbon economy, enabling the UK government and cities to meet legally binding targets. Not only will HS2 take freight off the roads and back onto the rail, it will result in a 'modal shift' away from polluting diesel trains to cleaner and greener electric.

High-speed rail has lower emissions than other modes of transport. Even on current estimates for 2030, with electrical power generation only partially de-carbonised, high speed rail has emissions per passenger-km that are only 36% that of conventional rail, only 12% of those incurred by private car use and just 5% of those generated by air travel.<sup>2</sup>

While HS2 is a passenger railway, we agree with our partners High Speed Rail Industry Leaders that building it will release capacity for freight on existing lines. Each freight train could relieve the road network of 76 lorries and could lead to around 700,000 fewer lorry journeys on the road network each year, meaning reduced congestion and lower carbon emissions.<sup>3</sup>

## **Conclusion – A Statement of Ambition**

HS2 has the potential to create a better connected, greener and more productive UK, but this can only happen if the project as it stands is delivered in full and there is further integration with projects like Midlands Engine Rail, Northern Powerhouse Rail and other local transport networks. HS2 is the largest infrastructure project in Western Europe, it is a statement of ambition and confidence in our country's future. It is already bringing much needed jobs and investment to our cities and will be a driver not only of growth in productivity, but also a key instrument in rebalancing the UK's economy, reducing economic and other inequalities. HS2 is also a major component of achieving Zero Carbon. The scheme should of course be subject to appropriate levels of scrutiny, but continued uncertainty is damaging for our cities' economies and we need to get on and build this vital project now so we can create confidence in related investment and realise its benefits as soon as possible.

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<sup>2</sup> Why Britain Needs, HS2, High Speed Rail Industry Leaders, July 2019

<sup>3</sup> High Speed Rail Industry Leaders p16