



Department
for Transport

NETWORK NORTH

TRANSFORMING BRITISH TRANSPORT



CP 946



NETWORK NORTH: TRANSFORMING BRITISH TRANSPORT

Presented to Parliament
by the Secretary of State for Transport
by Command of His Majesty

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FOREWORD FROM THE PRIME MINISTER



Today, we're launching a new, £36 billion¹ plan to improve our country's transport: Network North.

Our plan breaks with the failed consensus of the past, which saw too much investment go to Westminster's transport priorities. Instead, we're going to invest in the transport that really matters to people – the roads, buses, and railways they use every day.

Ours is a long-term plan for every region of the country, with unprecedented levels of investment in our towns, cities, and rural areas.

The decisions a country makes about where to invest taxpayers' money say everything about the priorities of those who govern it. And for too long, we have been getting those decisions wrong.

Outside London, our great cities and our smaller towns are not achieving their potential because their transport networks are so poor.

Travel within towns, suburbs, and cities is too slow; only 4 out of 10 people in Leeds can reach the city centre within half an hour, compared to 9 out of 10 in Marseille, a similar-sized French city.²

The great majority of journeys are local.³ So we need to improve the everyday local transport people want and use the most. Buses are the most popular form of public transport³, yet we spend three times as much on trains.⁴ Outside London, many rely on cars, yet our local roads are congested and poorly maintained.

These problems have been well known for decades. Yet for our biggest investment priority, taking up a third of the entire transport investment budget, we chose HS2: a scheme for long-distance rail journeys between a handful of cities and London.⁵

A scheme that will not reach Manchester for almost twenty years. A scheme to fix one of the things about transport in the Midlands and North that least needs fixing:

¹ 2023 prices.

² Centre for Cities, Mapping the 30-minute City, March 2022.

³ National Travel Survey 2022.

⁴ Department for Transport, Annual Report and Accounts 2022-23.

⁵ Department for Transport, Main Estimates 2023-24.

the fast train to the capital. A scheme whose own economic case shows that almost half the benefits go to London and the South East.

And the facts around HS2 have changed. Costs have more than doubled. It has been repeatedly delayed. The pandemic has significantly changed the travel patterns it was originally designed to serve.

In short, HS2 traps enormous sums of money that could be far better spent elsewhere.

Network North will be a new approach to transport in our country.

We will complete Phase 1 of HS2 between Birmingham and London, with a rescoped Euston station. But every pound that we save from not proceeding with further phases of the scheme will instead be reinvested in hundreds of transport projects across the country, benefitting far more people, in far more places, far more quickly. Every penny of the £19.8 billion⁶ committed to the Northern leg of HS2 will be reinvested in the North; every penny of the £9.6 billion¹ committed to the Midlands leg will be reinvested in the Midlands; and the full £6.5 billion¹ saved through our rescoped approach at Euston will be spread across every other region in the country.

Instead of one line, serving a handful of stations and tens of thousands of people each day, Network North will serve hundreds of places and tens of millions of people each day, right across the Midlands and North. That is real levelling up.

We will invest £19.8 billion¹ to redraw the transport map across our northern towns, cities, and countryside. This includes £3 billion⁷ for a plan to connect the great Northern cities: not just Liverpool, Manchester, Leeds and Newcastle, but Sheffield, Hull and Bradford, where we will invest £2 billion⁷ to increase capacity, halve journey times and build a brand new station.

In addition to that £19.8 billion¹, we will invest a further £12 billion¹ to better connect Manchester to Liverpool. This would allow the delivery of Northern Powerhouse Rail as previously planned, including high-speed lines. But we will work with local leaders to agree whether they wish to suggest other uses of this money to achieve the objectives with that £12 billion.¹

We will spend £2.5 billion to fund in full the long-promised mass transit system in Leeds and West Yorkshire. And we will allocate a further £4 billion for local transport across the North's six city regions.

⁶ 2023 prices. £19.8 billion is additional to £12 billion retained to deliver Manchester to Liverpool connectivity.

⁷ 2019 prices.

For the Midlands, our new plan brings a £9.6¹ billion investment. We'll increase investment to £1.75 billion to deliver the Midlands Rail Hub in full, improving journey times, capacity and frequency of services, benefitting more than 50 stations across the Midlands with a catchment of over 7 million people.

We'll upgrade the Midlands' strategic roads⁸, including the A50/500 corridor, reducing congestion for the 90,000 drivers who use the road each day and benefitting iconic businesses and their employees at Rolls Royce, Toyota, and Magna Park. And we will provide more than £1 billion additional funding for the West Midlands Combined Authority and a record £1.5 billion for the new East Midlands Mayor to spend on transport for the region.

Scotland will benefit with funding to deliver targeted improvements on the A75 between Gretna and Stranraer – one of the main routes to get from mainland Britain to Northern Ireland, via the Cairnryan ferry.

We'll provide an unprecedented £1 billion investment to fund the electrification of the North Wales Main Line.

The £2 bus fare will no longer end in four weeks as planned – it will be extended until the end of 2024 across England. For a bus journey like the one from Lancaster to Kendal, this will save people £12.50 every time they travel. Roads will be improved right across the country with billions to fill potholes. Up to 100 train stations will be made more accessible for disabled people. Railways in the South West will be upgraded too.

And we will transform the Euston quarter with the potential to unlock as many as 10,000 much-needed homes in London – five times as many as the nearby success story in King's Cross.

By taking this decision we're releasing a tidal wave of new investment into hundreds of projects that matter not because of a press release in Westminster – but because they deliver for people everywhere in our country. And by changing how we invest in transport, we're changing our country to deliver a better future for our children.

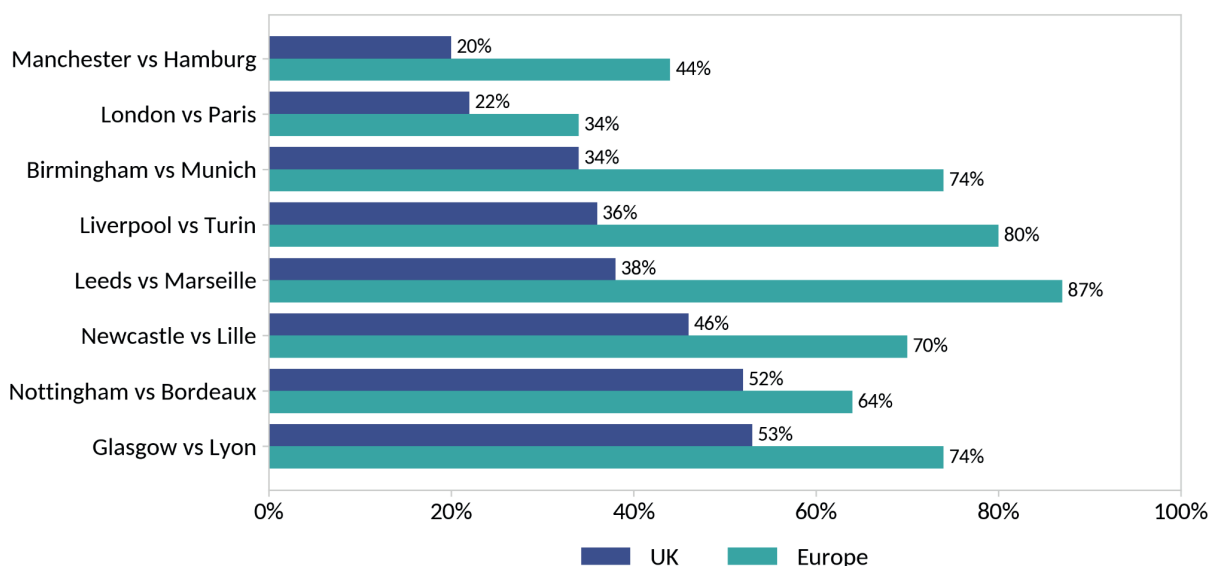
⁸ In this context, major roads relates to the Strategic Road Network.

PART ONE - WHY WE NEED A NEW APPROACH

The transport the North and Midlands needs, uses, and wants

1. The North and Midlands are being held back because they don't have the high-quality transport systems they need. Leeds, for instance, is the largest city in Europe without a mass transit system. Just 4 in 10 people in Leeds can reach the city centre in half an hour. In Marseille, a similarly sized city, that figure is nearly 9 in 10. And what is true for Leeds is true for far too many of our cities across the North and Midlands. More than 4 million people across the North of England cannot reach their city centre in 30 minutes by public transport. Those living in Newcastle and Manchester can reach only half as many jobs within an hour compared to those in London.⁹

Figure 1: Public transport connectivity, UK vs European cities



Source: Centre for Cities analysis of similar-sized cities, March 2022

2. The prosperity of towns across the North and Midlands is similarly constrained by transport infrastructure. In the North East during the morning rush hour, it takes over an hour to get from Blyth into Newcastle city centre by bus. To commute to the Team Valley industrial estate to the south of Gateshead, one of the largest industrial estates in Europe with 700 businesses and 25,000 jobs, the journey by bus would take an hour and a half, despite only being 20 miles away.¹⁰ Between Leeds and Bradford, 40% of the population live in

⁹ Centre for Cities, Mapping the 30-minute City, March 2022.

¹⁰ The Northumberland Line, Outline Business Case, November 2019.

areas with one bus or fewer an hour outside of peak periods.¹¹ Meanwhile since 2009, jobs growth in towns (7%) has been half that of cities outside London (14%) and a quarter that of London (28%) - and half of towns in the North East have seen the overall number of jobs decline.¹²

3. We know that improving transport can change this picture. A good transport network matches workers to jobs; delivers products to markets; and supports supply chains as well as domestic and international trade. The UK's post-war economic history demonstrates a clear positive relationship between transport demand and GDP growth, and a clear drag caused by poor networks.¹³
4. This does not just mean long-distance links across the UK. Making it easier to travel within cities and from surrounding towns is crucial to boosting productivity and prosperity. It puts many more jobs in reach of the people in those towns and cities, making it easier for them to find a job that makes the most of their skills. This deeper pool of workers also attracts more businesses to locate in those cities. The clustering of businesses supports more productive use of the existing infrastructure, as well as the sharing of productivity-improving ideas.
5. Because cities in the North of England are relatively close to one another, improving the links between them can radically improve the size of effective labour markets, improving matching and strengthening agglomeration. In 2006, the Eddington Review noted the need to focus on an efficient and effective network of both intra- and inter-city links, reflecting the importance of dealing with density of transport demand, and not simply facilitating economies of scale.¹⁴
6. A recent paper from Ed Balls at the Kennedy School of Government and colleagues highlighted that *"in several non-London cities, high congestion on roads, and a combination of high crowding and poor reliability on trains, suggest...that improving road and rail infrastructure in congested cities would likely bring significant economic returns. These facts in particular make the case for intra-city transport improvements to enable greater commuting flows and increase effective city sizes."*¹⁵ This call was echoed by the CEO of the National Infrastructure Commission who noted that improving the economic performance of our cities *"should prioritise intra-city improvements to enable*

¹¹ West Yorkshire Combined Authority research.

¹² Office for National Statistics, Understanding Towns in England and Wales: Spatial analysis, December 2020.

¹³ Leunig and Crafts, The Historical Significance of Transport for Economic Growth and Productivity, 2005.

¹⁴ Sir Rod Eddington, The Eddington Transport Study, 2006.

¹⁵ Anna Stansbury, Dan Turner and Ed Balls, Tackling the UK's Regional Economic Inequality: Binding Constraints and Avenues for Policy Intervention, March 2023.

greater capacity and commuting flows". It is also recognised in the Transport for the North Strategic Plan, which stressed the "*need to invest in improving local connectivity, to help address the extent to which our current transport system too often acts as a barrier to opportunities.*" The Rail Needs Assessment for the Midlands and the North by the National Infrastructure Commission found that packages focusing on regional travel could deliver £2.5-£4.5 billion more in productivity benefits than ones focusing on links between regions - a 20-25% difference.¹⁶ A study by Henry Overman, Chair of the What Works Centre for Local Economic Growth, has estimated that even a 20 minute reduction in train journey time between Leeds and Manchester could increase average wages in both cities by between 1% and 2.7%.¹⁷

7. These improvements not only benefit cities, but also the towns and rural areas that surround them. In 2018, the OECD noted that "*large cities can support growth and catching-up momentum in smaller cities and rural areas*", arguing they serve as markets, transport links and service centres for the areas around them, as well as consolidating functions that would lack the market to exist in smaller places.
8. Smaller transport schemes of this nature can also demonstrate high returns on investment: Government analysis demonstrated that 33 major bus-related schemes which qualified for funding had a combined benefit-cost ratio of 4:2.¹⁸ The analytical study for the Eddington review estimated that urban transport investments have an average benefit-cost ratio of 3:1, while inter-urban schemes generated £2 in benefits for every £1 in expenditure, rising to just under £5 once heavy rail infrastructure options are removed from the average.¹⁹
9. Progress here could help to level up our country. The UK suffers from some of the widest regional disparities in the Western world. Productivity, earnings and employment in the North East, North West, Yorkshire and the Humber lag behind the UK average. Despite being home to some of the UK's most important and historic cities, the North underperforms relative to its size and geography on a range of economic measures. Transport connectivity is one of the factors that accounts for the fact that, unlike most other Western economies, the UK sees no correlation between productivity and city size, despite the agglomeration benefits. Only one core city outside London -

¹⁶ National Infrastructure Commission, Rail Needs Assessment for the Midlands and the North, December 2020.

¹⁷ Overman et al., Strengthening Economic Linkages between Leeds and Manchester, November 2009.

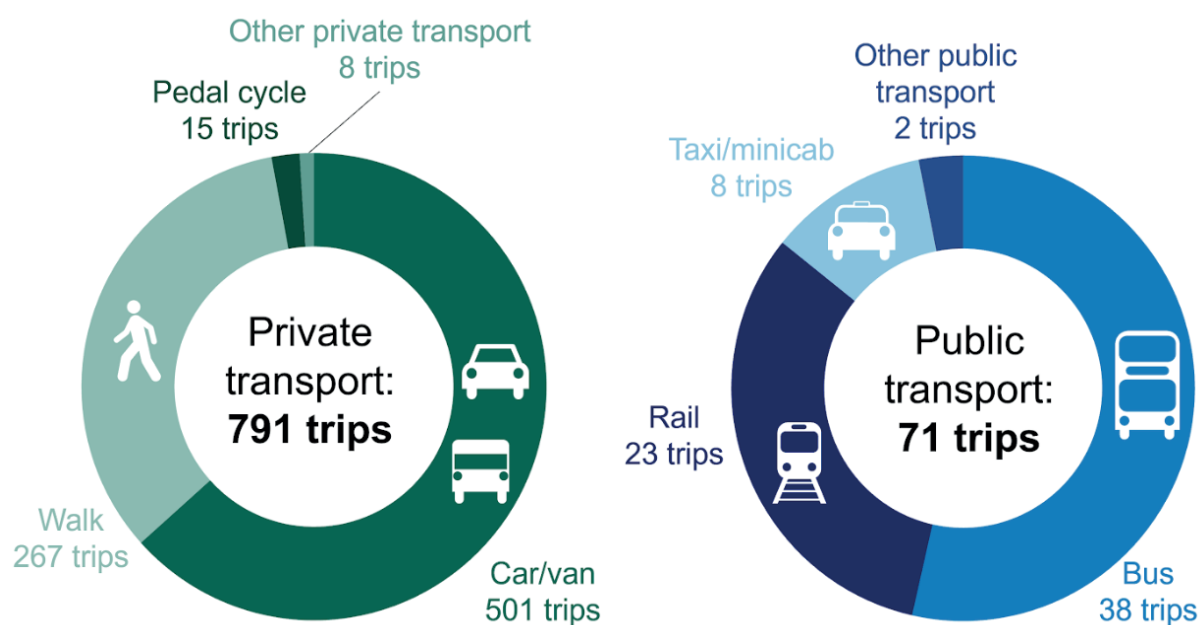
¹⁸ Department for Transport, Value for Money Assessment of Major Bus-related Schemes, 2016.

¹⁹ Sir Rod Eddington, The Eddington Transport Study, 2006.

Bristol – is more productive than the UK average.²⁰ The National Infrastructure Commission has underlined that “*large cities in the Midlands and the North are not achieving their productivity potential*”.²¹ And the Centre for Cities estimates that poor transport links are contributing to a £16 billion productivity gap for the North.²² Therefore there is a strong economic case for boosting intra-city, inter-city and local links to support growth and levelling up across the UK.

10. We must also focus on the transport routes that matter most to people: the modes that people use, and what they want to see improved. Most total passenger journeys are by road, with 88% of passenger miles by car, van or taxi, and four in five households outside of London having access to a car.²³ The majority of public transport journeys are by bus, with investments in the bus network delivering significant returns. And the vast majority of journeys are local, with nearly three-quarters running less than 5 miles.³

Figure 2: Average number of trips made per person, England, 2022



Source: National Travel Survey 2022. Rail includes London Underground.

11. There is strong and consistent public support for those to be areas of focus for public investment. When surveyed on the right Government priority for investment, the most popular choice was to upgrade existing roads (25%); the second better local and commuter rail links (21%); and the third, the bus

²⁰ Jones. R., Resurgence of the regions, 2009.

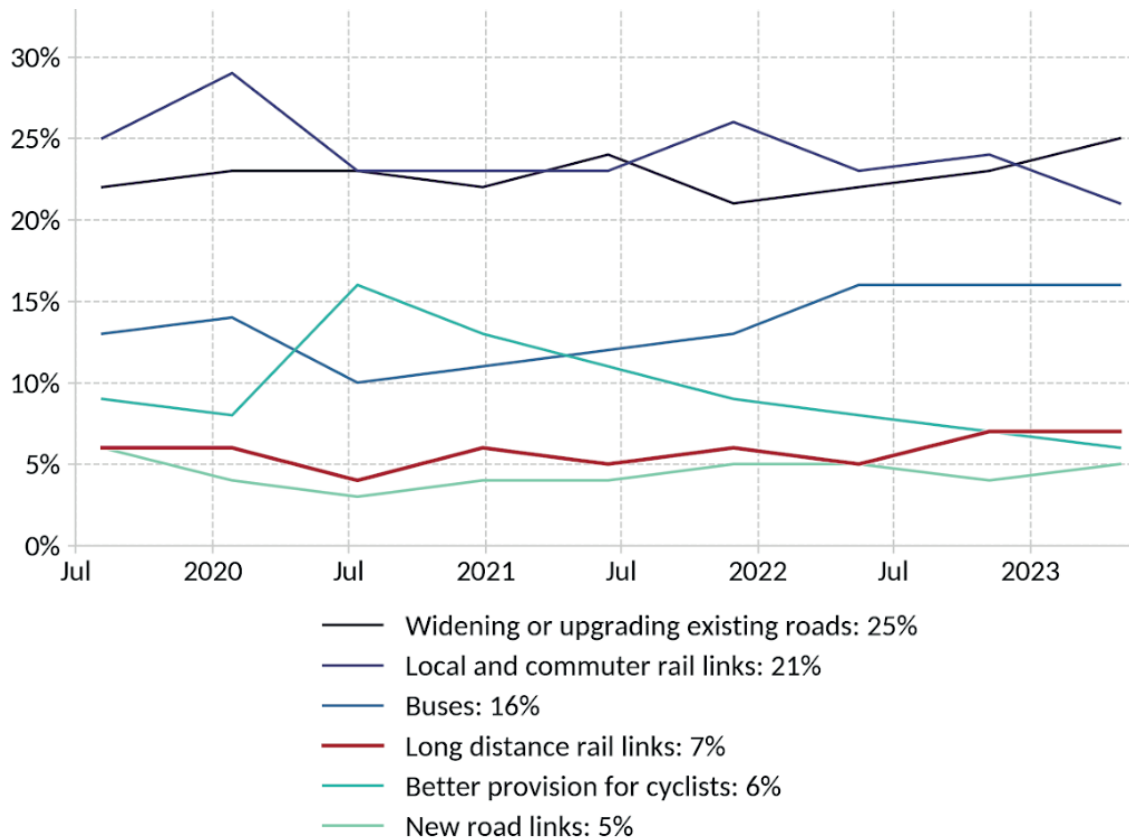
²¹ James Heath, CEO National Infrastructure Commission, Speech on The Future of Transport in UK Cities, June 2023.

²² Centre for Cities, Mapping the 30-minute City, March 2022.

²³ Transport Statistics Great Britain 2022.

network (16%). Meanwhile, only 7% identified long-distance rail as the key priority.²⁴

Figure 3: The public’s transport priorities



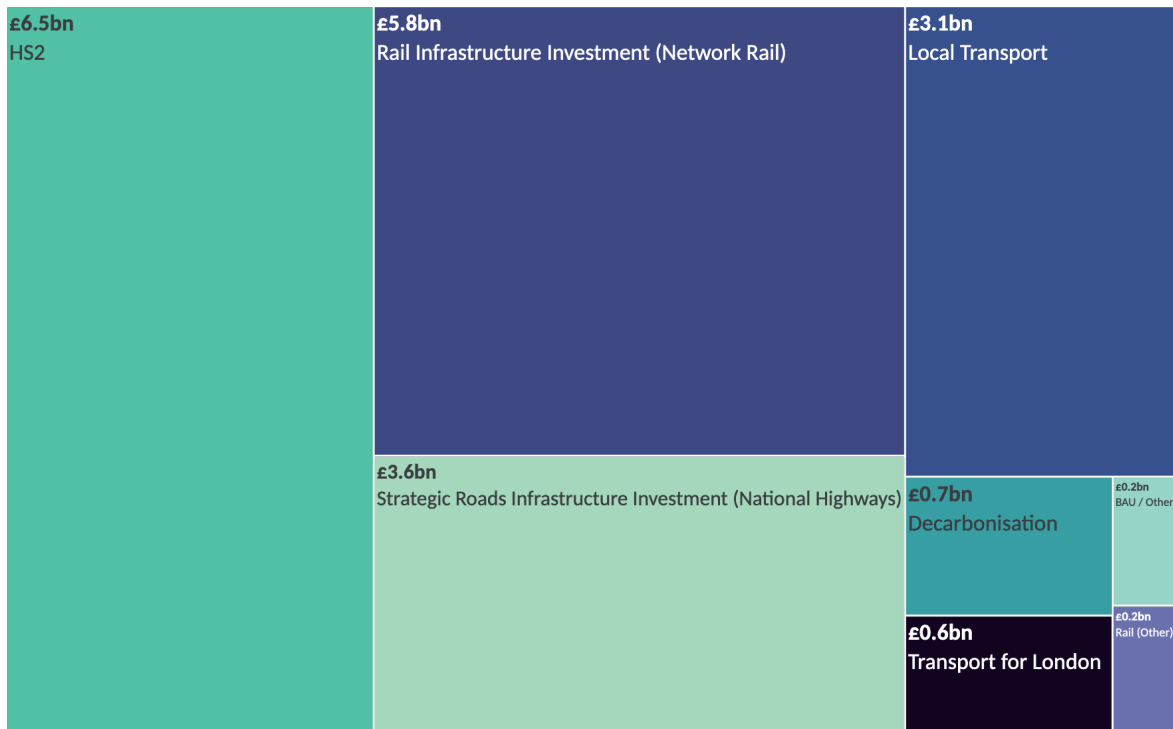
Source: YouGov ‘What transport provision should the Government invest in?’²⁵

12. Yet as it stands, our approach does not reflect this. £1 of every £3 we invest in transport is on a single rail line – HS2. The £6.5 billion we are investing in HS2 this year is 23% more than what we are investing in the entire road network.⁵ It is more than what we are investing in the rest of the rail network combined. It is more than double the £3.1 billion we spend on local transport, and six times the £1.1 billion we are investing on local roads.

²⁴ YouGov, Which Transport Provision should the Government Invest In?, May 2023.

²⁵ Chart excludes other/none/don’t know responses.

Figure 4: HS2 in context of overall transport infrastructure spend



Source: Department for Transport, Capital Spending £ billions (rounded) 2023/24

13. Both the economic case, and the day-to-day experiences of people in the country, point in the same direction: we need to look again at what balance of transport investments best unlocks growth and prosperity, particularly in the North and the Midlands. We must better connect people *within* our towns, suburbs and cities. We need to speed up connections *between* towns and cities, making it easier to travel in and out of city regions to neighbouring towns. And we need to improve everyday *local* journeys for people within their communities, through more buses and better roads. To do that, we need to look again at how we approach by far our biggest single current investment: HS2.

HS2

14. When HS2 was first proposed, it was expected the rail network would be over capacity by 2033, with crowding routinely exceeding 100% of seating capacity on all of the UK's major North-South rail links.²⁶ HS2 was initially proposed as the quickest and least disruptive way to deal with those problems. Previous efforts had sought to upgrade the West Coast Mainline - a process that had taken 10 years and caused significant disruption to passengers. HS2 proposed to address those issues through a two-phase high-speed line

²⁶ Department for Transport, High Speed Rail, March 2010.

instead: the first from Euston to north of Birmingham, to rejoin the existing West Coast Mainline to allow direct services; and Phase 2 extending the line through Northern and Eastern legs, to join the West Coast Mainline south of Wigan and the East Coast Main Line approaching York. With an assessed £2.30 return per £1 invested, and its potential to cater for wider strategic objectives including long-term rail growth, it was assessed as the most attractive way forward.²⁷ But the case for HS2 in its original form has weakened over time.

15. ***Its costs have risen significantly.*** By 2020, when the decision was taken to proceed with the full project, Phase 1 had more than doubled from an initial £20 billion estimate in 2012, driven by a range of factors including over-optimistic cost estimations, changes to scope and schedule, and poor delivery performance. High inflation has further impacted the project in the past two years. As a result, Phase 1 alone is now due to cost more than the original estimate for the entirety of HS2.²⁸ A 2016 report found that the cost-per-mile of Phase 1 has run at five times that of equivalent schemes in Europe²⁹; and more recent analysis suggested even higher disparities - with the Paris-Strasbourg high-speed link delivered for 13 times less per mile.³⁰

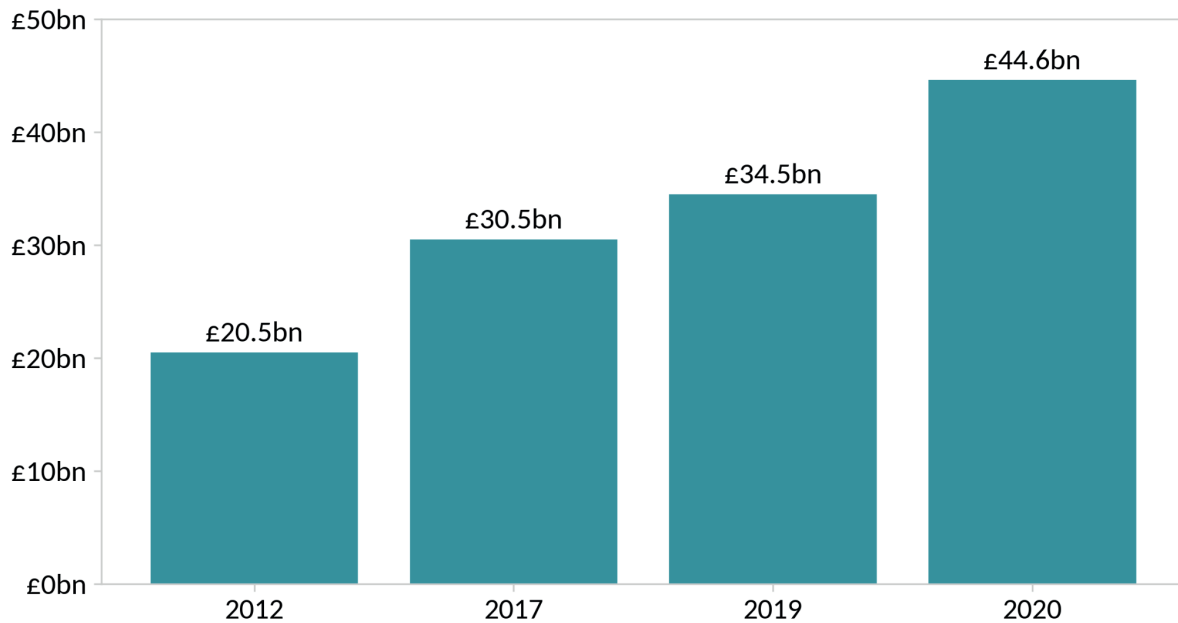
²⁷ Department for Transport, The Economic Case for HS2, October 2013.

²⁸ HS2 Ltd has indicated that its projected cost to deliver Phase 1 will significantly exceed the current Funding Envelope of £44.6 billion. The Department for Transport considers that the outturn cost of the current scope of Phase 1 should lie between £45 billion and £54 billion and has been clear that HS2 Ltd should deliver at the lower end of this range even if that entails difficult choices. However, the scope of Phase 1 will now need to be reviewed to make sure only what is required for the reduced HS2 scheme is being delivered, including the revised approach to Euston. Once this work has been done we will publish to Parliament a revised cost range for the revised HS2 scheme in 2023 values.

²⁹ Based on PwC, High Speed Rail International Benchmarking Study, November 2016.

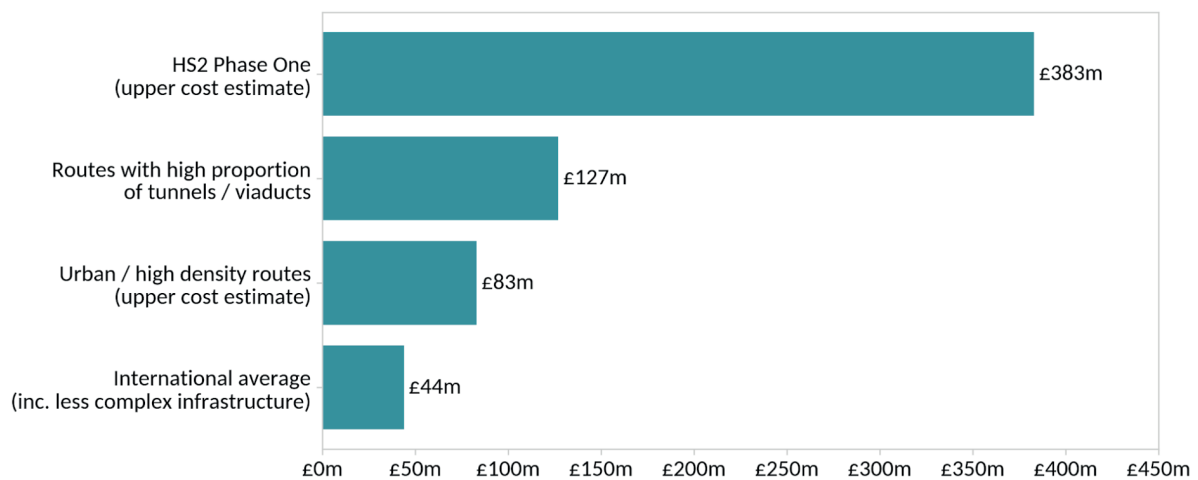
³⁰ Sam Dumitriu and Ben Hopkinson, Britain's Infrastructure is too Expensive, August 2023.

Figure 5: The increasing costs of HS2 Phase 1 (£ billions)



Source: Department for Transport³¹

Figure 6: HS2 Phase 1 cost per mile vs international high speed lines



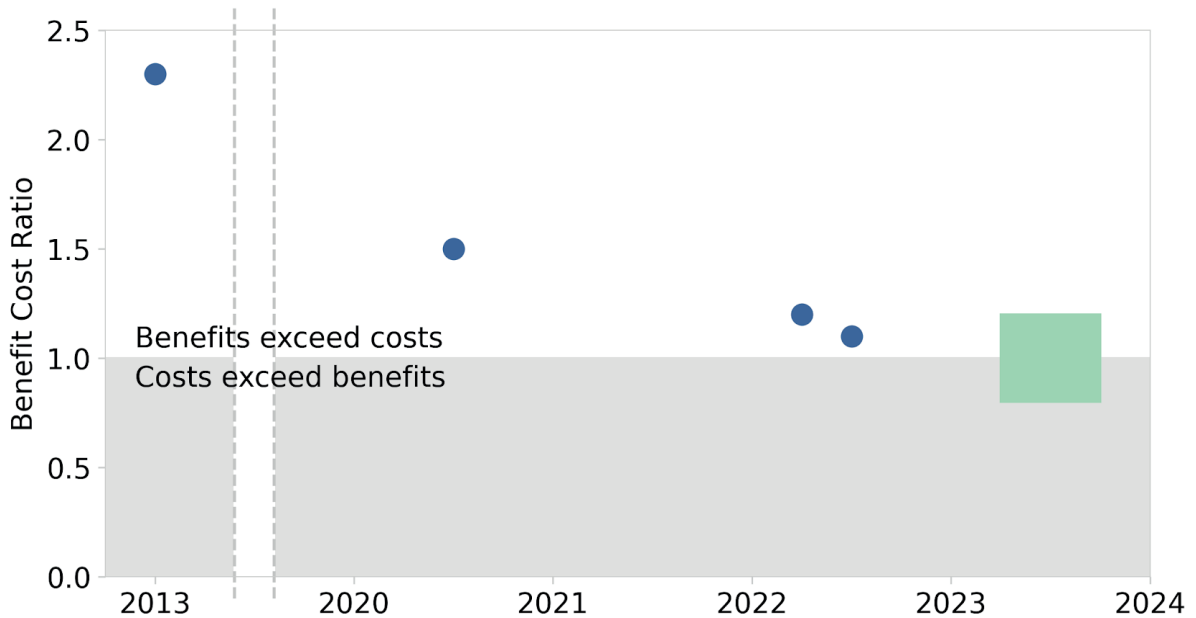
Source: PwC analysis, 2016

16. It has been repeatedly delayed. When it was approved in 2012, HS2 was meant to be operational a few years from now – by 2026 – and completed in full by 2033. Now, the line to Manchester might not be in operation until as late as 2041 – 18 years from now and 8 years behind schedule.

³¹ Upper end cost projections in 2019 prices. Dates chosen reflect: 2012 - Secretary of State Written Ministerial Statement Decision to proceed with HS2; 2017 - Upper bound of internal HS2 Ltd estimate for Phase 1 Baseline 6.1; 2019 - Upper bound of internal HS2 Ltd estimate for Phase 1 Baseline 7; 2020 - Phase 1 Funding Envelope agreed at Notice to Proceed.

17. **The cost-benefit case for HS2 has fallen considerably.** As costs increased, the relative benefits have dwindled. The original assessment suggested HS2 would return £2.30 in economic value for every £1 we invested. Now, it is forecast that we could get less value out than we put in: possibly as little as 80 pence for every £1 invested by the taxpayer.³² And the estimated benefits fall disproportionately on London and the South East.

Figure 7: HS2 assessed project benefits per £ spent³³

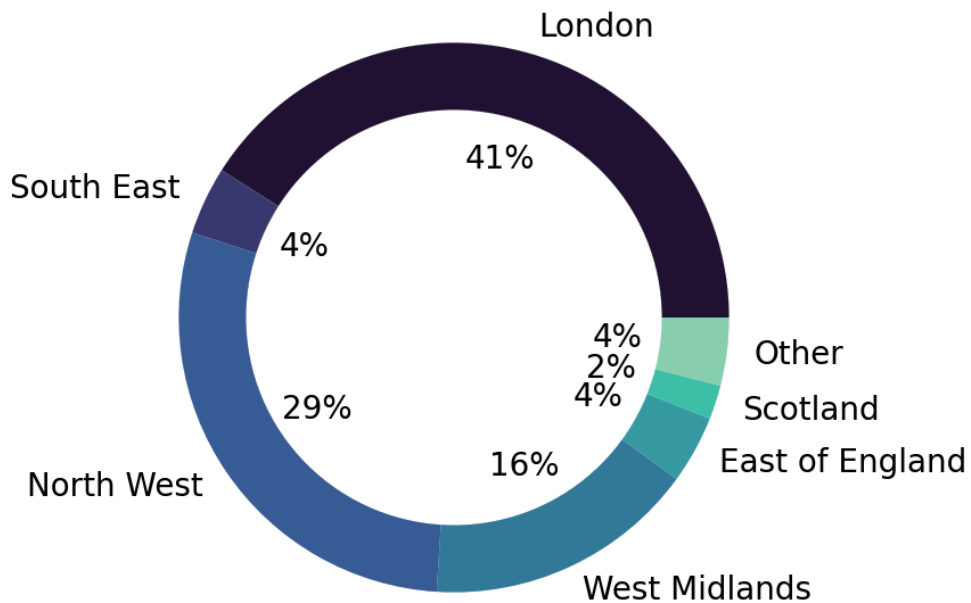


Source: Department for Transport

³²The benefits are assessed to be between £0.80 and £1.20. This assessment excludes the costs of making good work already carried out. It is therefore not equivalent to a benefit cost ratio under HM Treasury’s Green Book guidance, but the calculation enables a comparison of historical trends on a like-for-like basis.

³³ In 2013 and 2020 the full Y network was assessed. In January 2022, the full Phase 2b Western Leg network was considered and in June 2022 the full Phase 2b Western Leg network, excluding the Golborne Link, was considered. The September 2023 assessment of the full Western Leg network excludes the costs of making good work already carried out. It is therefore not equivalent to a benefit cost ratio under HM Treasury’s Green Book guidance, but the calculation enables a comparison of historical trends on a like-for-like basis.

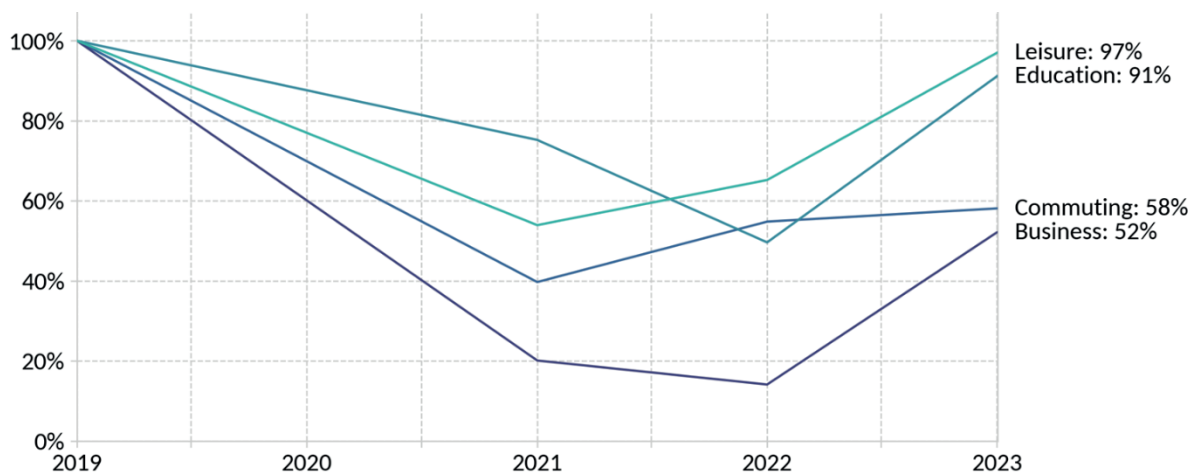
Figure 8: Regional HS2 benefits



Source: Department for Transport

18. **The pandemic has changed how we travel** - affecting the demand picture on which the case was first made. Railway journeys are down by more than 20% compared to pre-pandemic levels.³⁴ And while 53% of the benefits of HS2 identified in its 2019 business case were due to business travel, rail travel for business purposes is only around half of what it was before the pandemic.³

Figure 9: Rail journeys per person compared to pre-Covid



Source: National Travel Survey

³⁴ January-March 2019 compared to January-March 2023. Figures across the whole rail network, excluding the Elizabeth line to be on a like-for-like basis.

19. So the facts have changed. Costs have risen, delivery dates have been delayed, and Covid has changed how we travel. Meanwhile investment in the transport that people in the North and Midlands want, need and use, from buses to potholes, has been crowded out by HS2. Therefore in its current scope and scale, HS2 is part of the problem and not the solution: a single, outsized investment at the expense of hundreds of others.

20. We need to change our approach if we are to change the country. So we will take the hard decisions that allow us to prioritise our resources to benefit lives and livelihoods across the UK. That does not mean that we are walking away from HS2. It still has a part to play. But we will recast HS2 to ensure it forms part of a blend of projects that will unlock growth and prosperity throughout our nation, rather than putting all of our eggs in one basket. We will complete Phase 1 of the project between Birmingham and London where construction has begun. But we will not proceed with Phases 2a, 2b and HS2 East. And we will use the money that saves to address a range of more pressing transport priorities elsewhere.

PART TWO - OUR NEW PLAN FOR TRANSPORT: HS2

Phase 1

21. As noted above, the principal aim of HS2 originally was to relieve the long-term capacity constraint on the southern stretch of the West Coast Main Line between Birmingham and London. The 2012 strategic case noted that “pressures over the next 20-30 years are anticipated to be greatest on [that] stretch”.³⁵
22. To that end it recognised “even as a stand-alone project, there is a strong case for proceeding with this initial line, as it provides the most effective solution to long-term capacity constraints on the congested southern end of the West Coast Main Line...”.³⁶ Those arguments continue to hold. Notwithstanding the costs of the project so far, completing its construction remains the best available way to address those constraints. This is not least as the work is already well underway, with the project three years into its construction phase. There are currently 350 active construction sites between the West Midlands and London for Phase 1, with the project employing around 28,500 people. Half the tunnel boring machines for the route have launched, and 1 in 6 tunnel journeys - comprising more than 14 miles of new tunnels - have been completed.³⁷
23. So we will complete Phase 1 of HS2 between London and the West Midlands as planned. There will be two branches: one to central Birmingham; and one to Handsacre, near Lichfield, meaning passengers will be able to travel on HS2 trains through to Manchester, Liverpool and Scotland, joining the West Coast Main Line for the rest of their journeys.
24. This will cut journey times from Birmingham to central London by half an hour, from around 80 minutes to 49 minutes. It will also reduce the journey time between London and Manchester by nearly half an hour (down to 100 minutes), facilitated through an upgrade of Handsacre Junction which will allow more trains to reach key destinations north of Birmingham. It will have a transformative effect on rail capacity: nearly doubling capacity up to 250,000 seats per day across the primary long-distance operator on the West Coast

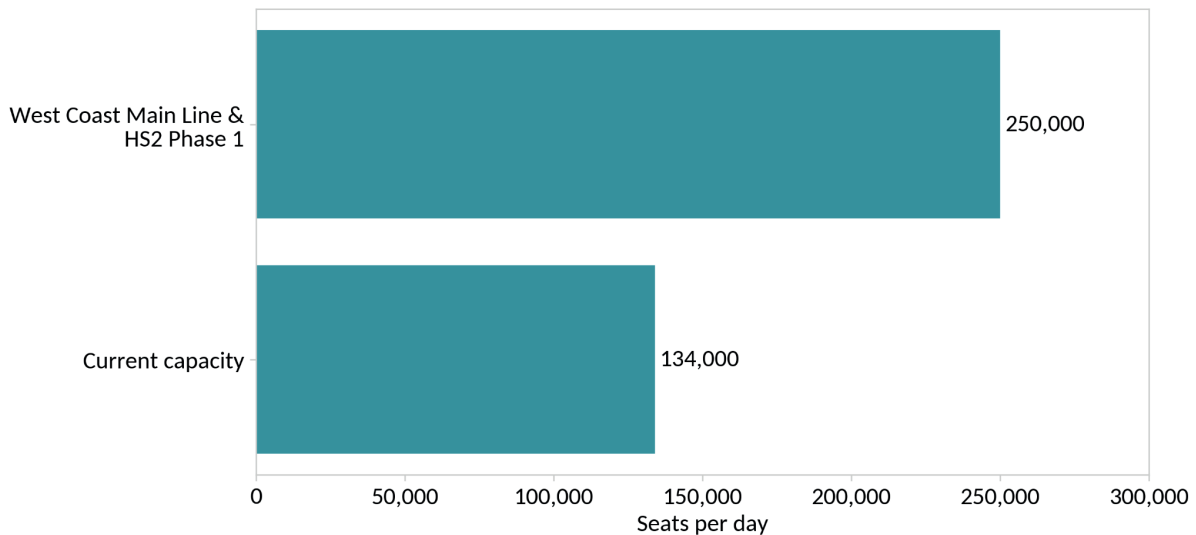
³⁵ Department for Transport, High Speed Rail: Investing in Britain’s Future, January 2012.

³⁶ *Ibid.*

³⁷ HS2, 6-monthly Report to Parliament, June 2023.

Main Line and Phase 1 - triple that of the operator's current estimated average daily demand.³⁸

Figure 10: Current rail capacity; additional future capacity provided by HS2 Phase 1



Source: Department for Transport

25. This will also enable us to address several key bottlenecks on the line: delivering new services, reducing journey times and reducing crowding on the route, benefitting places such as Northampton, Milton Keynes, Watford Junction and Wolverton. It will also allow for some rail paths to be freed up for additional freight use, supporting trade and reducing emissions. And based on current passenger numbers and future demand, this will cater for demand for decades to come.

26. But the project cannot continue on as it has done before, where we share the frustrations expressed at past cost overruns and delays. We need to make changes quickly and decisively so the remainder of HS2 is delivered as cost effectively as possible. That means:

- a. Bearing down on the costs of Phase 1 and **only delivering what is essential**.
- b. Embedding a singular focus on **cost control** in HS2 Ltd and its supply chain and being prepared to take difficult decisions on contracts, scope and benefits to hold to budget.
- c. Reinforcing the **leadership** of HS2 Ltd, under Sir Jon Thompson, to change the culture on cost control with challenge from DfT, HMT and the IPA.

³⁸ Internal Department for Transport estimate.

- d. Providing **strengthened governance and control** from the Government whilst this reset is developed and delivered, with increased oversight and reduced delegation.

27. The Department for Transport, HMT and HS2 Ltd will build out a detailed plan from these principles to deliver these changes over the next month.

Euston

28. As we have always planned, this new line will finish its journey at Euston station. This will ensure that we can deliver a link into the heart of our capital, with its connections to locations across London.

29. But as with the project overall, we will be getting a grip of plans for Euston station itself. We have spent four years on two unaffordable designs, with a gold-plated and over-specified station. That will change.

30. We are going to strip back the project and deliver a station that works, and that can be open and running trains as soon as possible, and which has the leadership in place to deliver maximum value to the taxpayer. We will not provide a tunnel between Euston and Euston Square underground station or design features we do not need. Instead we will deliver a 6-platform station which can accommodate the trains we will run to Birmingham and onwards and which best supports regeneration of the local area. That is how we properly unlock the opportunities the new station offers, while radically reducing its costs.

31. We will appoint a development company, separate from HS2 Ltd, to manage the delivery of this project. We will also take on the lessons of success stories such as Battersea Power Station and Nine Elms, which secured £9 billion of private sector investment and thousands of homes. So we will harness the future growth that the station will unleash to support its development, to ensure we get the best possible value for the British taxpayer - and ensure that funding is underpinned by contributions from those people and businesses its development supports. At the same time, we are considerably upping the ambition of the Euston redevelopment, where we will be looking to establish a Development Corporation to create a transformed 'Euston Quarter' – potentially offering up to 10,000 homes.

32. This will accelerate the project, significantly reduce and focus its scope, and leverage private sector investment in the process. And by doing so it will release £6.5 billion¹ of planned expenditure, which we can instead invest into the projects that people and communities really need around the country,

ensuring all corners of the country benefit from this unprecedented investment in transport.

Manchester-Liverpool

33. We will also invest £12 billion¹ to better connect Manchester to Liverpool. This would allow the delivery of Northern Powerhouse Rail as previously planned, including high-speed lines. But we will work with local leaders to agree whether they wish to suggest other ways to achieve the objectives within that cost envelope.

Phase 2 and HS2 East

34. For the other elements of the project - Phases 2a and 2b, and HS2 East - we face a hard-headed choice. We could continue with those elements of the project, continuing to put an overwhelming focus on a single line, on a project that has so far failed to deliver on time or on budget. Or we can choose not to proceed with those elements where construction has not yet begun, and rebalance our investments instead to fund a much broader range of projects for people in the North, Midlands and nationwide. Projects that we consider will deliver for more people, on more of the journeys they rely on, more quickly. Our view is clear: the best interests of the whole UK are not served by progressing with further phases of the project, in the face of diminishing relative benefits and a far more pressing set of priorities elsewhere. So we will not proceed with Phase 2a, 2b or HS2 East.

35. This reflects that HS2 Phase 2 would have delivered fewer and slower services from London to at least 20 destinations on the existing main lines – including Stockport, Wilmslow, Penrith and Oxenholme. Blackpool would have lost through trains to London. Kettering, Market Harborough, Leicester and Loughborough would all have also seen slower services to London had HS2 East opened.

36. Our decision will also allow us to remove the uncertainty that has surrounded thousands of people along the route. We will do this for communities across Warwickshire, Staffordshire, Cheshire, Lancashire, Leicestershire, Nottinghamshire, Derbyshire and Yorkshire at the earliest opportunity. Phase 2a safeguarding will be formally lifted in weeks and Phase 2b safeguarding will be amended by summer next year, to allow for any safeguarding needed for Northern Powerhouse Rail. The land acquisition programme on Phase 2a will be halted immediately and HS2 will not be accepting new applications under the existing schemes from property owners in the areas where

safeguarding is going to be lifted. Any property that is no longer required for HS2 will be sold and a programme is being developed to do this. By next summer changes to the property schemes will be implemented. We will set out further detail on these next steps, and will engage in full with those communities who are affected as we do.

PART THREE - OUR NEW PLAN FOR TRANSPORT: PRIORITISING TOWNS AND CITIES

37. These are difficult decisions, which we have deliberated on carefully. But they are the right ones to restore the balance of transport investment in this country. Taken as a whole, they will unlock £36 billion.³⁹ This is money that this Government will reinvest, in full, into projects which will benefit towns, cities and rural areas across the United Kingdom. This will sit alongside our ongoing commitment to invest £12 billion¹ to support connectivity between Liverpool-Manchester. Together these investments will benefit far more people, in far more places, far more quickly - building a new Network North.
38. That means that every single penny will go into the communities who were due to benefit from the scheme, alongside a set of further investments for those who would never have seen the benefit of the route in any scenario. So every penny of the £19.8 billion¹ committed to the Northern leg of HS2 will be reinvested in the North; every penny of the £9.6 billion¹ committed to the Midlands leg will be reinvested in the Midlands; and the full £6.5 billion¹ saved through our new arrangements for Euston will be spread across every other region in the country. This will be money additional to the local transport, road and rail budgets allocated at the last Spending Review and additional to what those organisations were expecting for the next decade. And it will mean every region of the country will benefit from more transport investment as a result of this decision.

³⁹ 2023 prices. Figures for the Northern leg of HS2 and the Midlands leg are based on the upper estimates for the whole life cost set out in the Integrated Rail Plan, meaning every penny committed will be spent as part of Network North. Figures for the savings realised from the new arrangements for Euston are based on assumptions on changes to scope, and the generation of income via a range of alternative funding arrangements such as developer contributions and a business rates hypothecation.

Figure 11: Re-prioritised spending



Source: UK Government

39. The funding will be used to change our approach to transport infrastructure in this country in line with the three priorities we have set out:

- a. To drive better **connectivity *within* our towns, suburbs and cities**. We will provide additional funding to develop mass transit systems, improve bus networks and enhance roads in city regions; and we will introduce new funding for local transport authorities in rural counties, smaller cities and towns in every part of the North and Midlands outside the largest cities.
- b. To drive **better connectivity *between* our towns and cities**, we will develop a modern Network North, cutting journey times, increasing capacity and frequency; and deliver the Midlands Rail Hub to benefit more than 50 stations serving 7 million people.
- c. And to **improve *everyday* local journeys for people, such as more buses and better roads**, we will tackle the scourge of potholes across the country and support hundreds of bus routes in the North and Midlands.

40. In all, we will be able to truly unleash growth and transform prospects, benefitting more people, more places, more quickly than under the previous plan for HS2, with key projects including:⁴⁰

⁴⁰ As usual, individual projects referenced in this document will be subject to the approval of business cases. The following numbers are in cash prices unless explicitly stated, based on indicative profiling

- a. **Connecting the major cities of the North** with more frequent trains, increased capacity and faster journeys.
- b. **Investing over £2 billion⁷ for a brand new rail station and line connection for Bradford to give** a 30 minute journey to Manchester via Huddersfield.
- c. **£2.5 billion⁴¹ for a new West Yorkshire mass transit system**, improving connections between Leeds and Bradford, Huddersfield and Halifax.
- d. **£3.9 billion⁴² of additional investment for transport for city regions in the North**, including Newcastle, Liverpool, Manchester and Tees Valley.
- e. **£4.7 billion of brand new long-term funding deals for places outside city regions in the North and Midlands** – areas like Blackpool, Harrogate and Scarborough.
- f. **Strategic road projects**, such as the M6 Junction 15 between Manchester and Birmingham, and providing funding to dual the A1 between Morpeth and Ellingham.
- g. **Reopening Beeching lines** to reconnect areas like County Durham, Burton, Stocksbridge and Waverley.
- h. **Fully funding the Midlands Rail Hub** - increasing investment to £1.75 billion⁴³, connecting more than 50 stations from Cheltenham to Derby.
- i. **Upgrading rail links between Newark and Nottingham**, halving journey times between Nottingham and Leeds.
- j. **Ensuring the delivery of 70 road schemes across the country** – including 21 in the North, 10 in the Midlands, and 39 in the rest of the country.
- k. **Investing in road pinch points**, committing funding to fix pinch points on the A5 between Hinckley and Tamworth and improvements to the A50/500.
- l. **Supporting the incoming East Midlands Mayor** with a new transport devolution settlement of £1.5 billion.⁴⁴
- m. **Extending the £2 bus fare through to the end of 2024.**
- n. **Funding for hundreds of new local bus routes** through Bus Service Improvement Plans.
- o. **Supporting the West Midlands.** We will uplift the West Midlands mayoral budget by more than £1 billion - funding transformative

assumptions. Individual outputs, particularly journey times, are indicative and may evolve during scheme development.

⁴¹ Includes £500 million of funding from City Region Sustainable Transport Settlement (CRSTS) 2 funding announced at Spring Statement.

⁴² This funding is additional to that above for the West Yorkshire mass transit scheme.

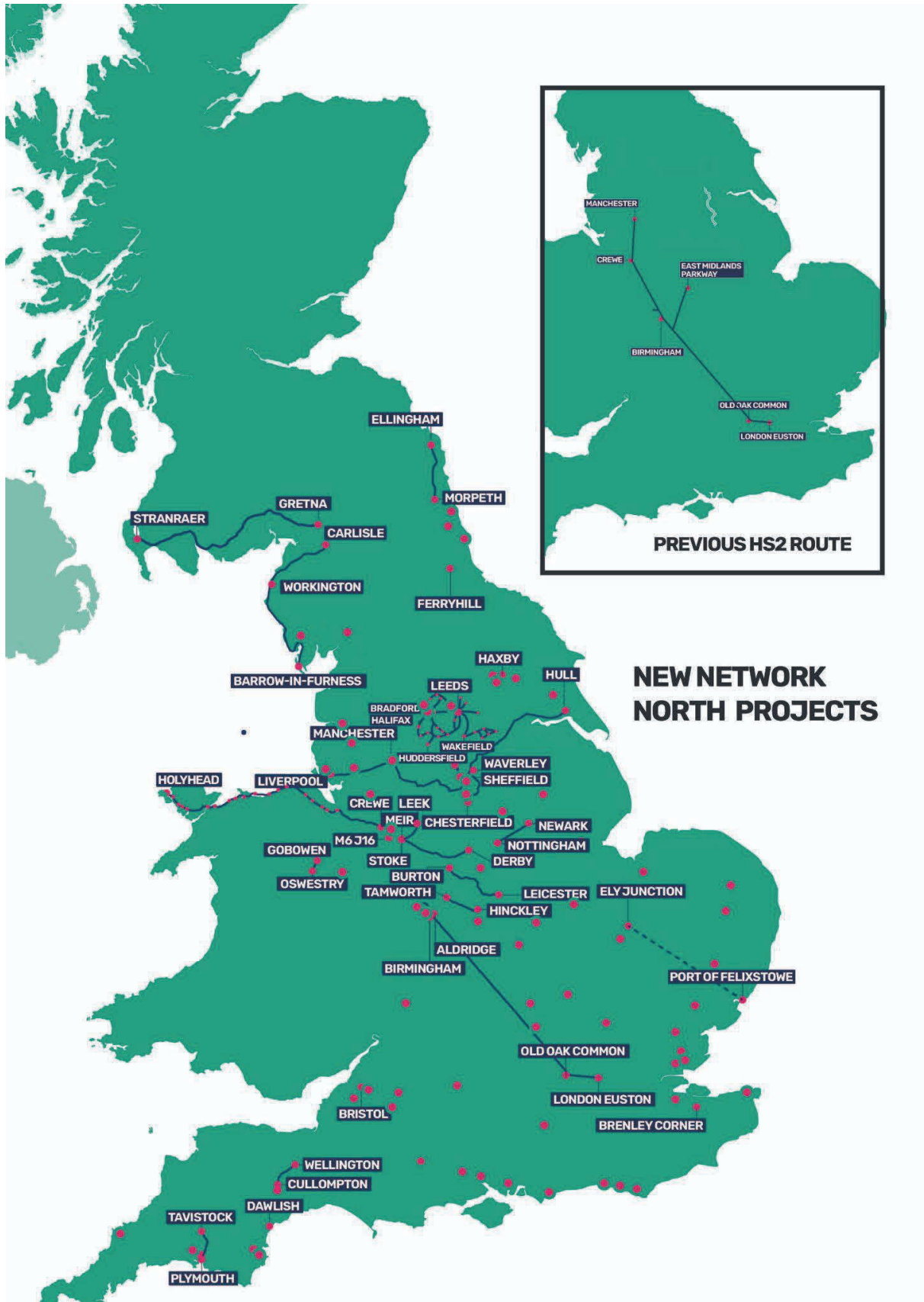
⁴³ £1 billion of additional funding in 2019 prices. Includes £750 million of funding from existing Rail Network Enhancements Pipeline budgets.

⁴⁴ Included in £8.3 billion of investment for city regions.

schemes like the second phase of the Wednesbury to Brierley Hill metro extension.

- p. **Record investment of £8.3 billion to fix the blight of potholes** on roads up and down the country.
- q. **Delivering electrification of the North Wales Main Line**, improving journey times and better connecting North Wales with London and the North West.
- r. **Providing the funding to upgrade the A75** to improve links between Scotland and the main port to Northern Ireland.

Figure 12: Network North



Source: UK Government

41. This is our new vision for transport: which backs the whole of Britain, not just London and the South East; which uses the leverage of central Government to drive the change we need to see; which backs local devolution, and local leaders, to serve their communities; and which recognises the full range of journeys that matter most to people, not just those that most catch the eye. That is our commitment to the North; to the Midlands; and to the country as a whole.

Our commitment to the North

42. With this new vision we will redraw the transport map across our Northern towns and cities.

43. **We will take forward a £3 billion⁴⁵ plan to connect the major cities of the North.** This will:

- a. ***Bring Hull into Northern Powerhouse Rail, electrifying and improving the line speed between Hull to Leeds and Hull to Sheffield.*** This will cut the journey between Leeds and Hull from 58 to 48 minutes; from Hull to Manchester from 107 to 84 minutes. This will enable 2 fast trains an hour to Leeds, double trains between Hull and Sheffield from 1 to 2 per hour, and enable capacity to double.
- b. ***Upgrade and electrify the line between Sheffield and Leeds.*** There is currently 1 fast train per hour taking 40 minutes; these upgrades will enable 3-4 fast trains per hour and include a new mainline station at Rotherham, which could receive direct London services for the first time since the 1980s. Capacity will increase by 300%.
- c. ***Electrify the Hope Valley line between Sheffield to Manchester.*** This will cut the journey time from 51 to 42 minutes, supporting existing plans to increase fast trains from 2 to 3 trains per hour. Capacity will double.

44. **We will bring Bradford into Northern Powerhouse Rail by investing £2 billion⁴⁵, doubling capacity, almost halving journey times to Manchester and providing a new station.** The new Bradford station will support regeneration efforts in the UK's seventh-largest city. It will facilitate a new rail connection to Manchester via Huddersfield, almost halving journey times while enabling us to double the frequency of service and double the capacity with up to an extra 1,000 seats per hour. Bradford-Huddersfield will be able to go from 1 train per hour that takes 37 minutes, to at least 2 trains per hour and taking only 12 minutes. Bradford-Manchester will go from 55 minutes

⁴⁵ 2019 prices. Subject to confirmation of delivery timelines.

today to 30 minutes with Northern Powerhouse Rail. Bradford-York will go from 49 minutes today to 33 minutes.

45. **We will upgrade the Energy Coast Line between Carlisle, Workington and Barrow.** This will enable a half-hourly service between Carlisle, Workington and Whitehaven and accommodate major new freight demands from the new coal mine. It will provide regular services for the flourishing innovation at the Westlakes Science Park, Nuclear Academy and Sellafield. This could support the creation of over 18,000 jobs.
46. **We will enable the West Yorkshire Mayor to take forward a fully funded £2.5 billion⁴⁶ mass-transit metro in West Yorkshire.** This ensures that Leeds will no longer be the largest city in Europe without a mass transit system. This could create a transformative network of up to 7 lines, which could eventually connect Leeds with Huddersfield, Wakefield, Bradford and Halifax - coming into operation well before HS2 would have reached the region.
47. **We will boost funding for city regions, and to transform local transport in every part of the North. We will provide nearly £4 billion⁴⁷** to ensure all six northern city regions will receive 75% more funding than they do now to improve connectivity in their areas, benefitting the millions who live in towns and suburbs around Newcastle, Doncaster and Sheffield, Leeds, Teesside, Liverpool and Manchester, and could pay for schemes such as extending the Manchester Metrolink to Heywood, Bolton, Wigan and Manchester Airport; local roads in the Tees Valley; Sheffield tram extensions; and bus rapid transit corridors in Manchester, Leeds, Bradford and Sheffield.
48. **We will provide new money everywhere outside the big city regions.** We are creating a brand new £2.5 billion fund to transform local transport in 14 rural counties, smaller cities and towns in every part of the North outside the big city regions: everywhere from Cumbria to North Yorkshire, Cheshire to Lincolnshire, and Hull to Lancashire. Projects could include more trams for Blackpool, more electric buses in Harrogate, and better bus-rail interchange in Scarborough.
49. **We will take forward new strategic roads across the North.** Our new approach will progress four major road schemes. This will include three schemes to help Manchester, improving the M6 south of Manchester to Birmingham, and supporting two projects in the Manchester North West Quadrant, providing transport capacity to allow further growth to the Port of

⁴⁶ Includes £500 million of funding from CRSTS 2 funding announced at Spring Statement.

⁴⁷ This funding is in addition to that provided for the Yorkshire mass transit system.

Salford. In the North East, we will provide funding to dual the A1 between Morpeth and Ellingham.

50. **Funding for smaller road schemes across the North.** We will provide £460 million to ensure the delivery of 21 smaller road schemes, including the A582 South Ribble Distributor; Kendal Northern Access Route; Wigan East-West Route; Shipley Eastern Bypass; and the Blyth Relief Road. We will also launch a new £1 billion roads fund to fund new schemes such as the A1-A19 Hickleton bypass.
51. **We will provide over £700 million to fund a new wave of Bus Service Improvement Plans in the North** - enabling more buses and more frequent routes, including projects such as new bus services to Royal Blackburn Teaching Hospital; doubling the service between Northwich and Chester; and more buses to industrial estates and business parks.
52. **We will reconnect communities by reopening closed Beeching lines.** We will restore the Don Valley Line between Sheffield and Stocksbridge, as well as building new stations at Haxby on the York to Scarborough line; Waverley on the Sheffield to Gainsborough line; and Ferryhill in County Durham.
53. **We will share an additional £100 million between the North and Midlands to support the development and rollout of London-style contactless and smart ticketing,** supporting seamless travel by enabling contactless or smartcard payment.
54. **We will commit an additional £3.3 billion to tackle potholes as part of an unprecedented new nationwide road resurfacing scheme** - solving the scourge of potholes for everyday drivers.
55. **And this will sit alongside our £12 billion¹ investment to better connect Manchester to Liverpool.** This would allow the delivery of Northern Powerhouse Rail as previously planned, including high-speed lines. But we will work with local leaders to agree whether they wish to suggest other ways to achieve the objectives with that £12 billion.¹

Our commitment to the Midlands

56. We will also take forward a step change for the Midlands.

57. Delivering the Midlands Rail Hub in full. We will increase investment to £1.75 billion⁴⁸ to improve journey times, capacity and frequency of services across the East and West Midlands. The full Midlands Rail Hub will benefit more than 50 stations with a catchment of over 7 million people – including Nottingham, Leicester, Nuneaton, Tamworth, Worcester, Malvern, Hereford, Gloucester and Cheltenham. It will allow us to double capacity between Leicester and Birmingham through an increase from 2 to 4 trains per hour, allow for an increase in the number of trains between Birmingham and Bristol from 2 to 3 per hour, and see three more trains serving Bromsgrove each hour.

58. Upgrading links between Newark and Nottingham. We will extend the existing London-Leicester-Nottingham trains to Yorkshire and the North East, cut direct journey times from Nottingham to Leeds by around an hour and enable the quadrupling of direct seats from Nottingham to Leeds. Alongside this, the investment will enable up to 600 seats each hour between Leicester and Nottingham.

59. Strategic road upgrades. We are committing funding to fix two major pinch points on the A5 between Hinckley and Tamworth, a road serving over 1 million people. We are also providing funding for improvements to the A50/500 corridor between Stoke and Derby, reducing congestion for the 90,000 drivers who use the road each day and ensuring smoother journeys for drivers and freight around Magna Park, Rolls Royce, Toyota and other major local employers.

60. We will support local devolution across the Midlands. We will guarantee £1.5 billion funding for the new East Midlands City Region, empowering a newly elected Metro Mayor to create London-style public transport networks in Nottinghamshire and Derbyshire, improving lives and livelihoods among the 2.2 million people in the region. Subject to the Mayor's views, this could include the potential to extend the Nottingham Tram system to serve Gedling and Clifton South; to connect Derby with East Midlands Parkway with a Bus Rapid Transit System; and to reopen the Maid Marion Line to passenger rail services.

61. We will also uplift the West Midlands mayoral budget by more than £1 billion. In total, the West Midlands Combined Authority will receive more than £1 billion for local transport funding. The Combined Authority will receive £100

⁴⁸ £1 billion of additional funding in 2019 prices. Includes £750 million of funding from existing Rail Network Enhancements Pipeline budgets.

million of additional funding for the current City Region Sustainable Transport Settlement (CRSTS) programme to deal with ongoing metro and Arden Cross cost pressures; as well as £250 million of revenue support over the next five years to accelerate local transport projects. There will also be more than £700 million additional to the West Midlands Combined Authority's share of the £8.8 billion CRSTS 2 announced by the Chancellor in the Spring Statement - meaning that its CRSTS 2 settlement will be more than double that under the existing settlement.

- 62. We will provide an unprecedented uplift in funding for 13 local authorities in the Midlands.** For the first time, we will deliver long-term settlements for councils from Lincolnshire to Rutland, Herefordshire to Telford and Wrekin, and West Northamptonshire to Stoke-on-Trent. This £2.2 billion investment will transform transport by funding schemes such as refurbishment of stations in Longport and Kidsgrove, supporting demand-responsive transport in rural areas and funding investments into greener bus fleets.
- 63. Just as with the North, we will reconnect communities by reopening closed Beeching lines.** We will reopen the Ivanhoe Line between Leicester and Burton, connecting nearly 2 million people across South Derbyshire and North West Leicestershire. We will also reopen the Oswestry-Gobowen line, with a new stop at Park Hall; build a new station in Meir (Stoke) on the existing Crewe-Derby line; and reopen the disused Barrow Hill and Stoke-Leek lines.
- 64. Funding for smaller road schemes across the Midlands.** We are providing more than £250 million to ensure the delivery of 10 roads, including the Shrewsbury North Western Relief Road; A4123 Birchley Island; A509 Isham Bypass; and the A43 Northampton-Kettering. We are also launching a Midlands Road Fund worth nearly £650 million for new roads.
- 65. We will support local travel whether on roads or by bus.** This includes increasing funding for buses with nearly £230 million in investment to improve the frequency and services in the Midlands, such as new bus stops around Telford, park and ride upgrades in Shropshire, and bus lanes in Herefordshire.
- 66. And we will commit an additional £2.2 billion to tackle potholes as part of an unprecedented new nationwide road resurfacing scheme -** delivering smoother everyday journeys for drivers in the Midlands.

Our commitment to transport across the nation

67. Finally, **we will deliver projects that benefit people across our nation.** This will reach out into all parts of our towns, cities and communities.
68. **We will keep the £2 bus fare.** The £2 bus fare was due to expire at the end of October but we are continuing with it until the end of 2024. Buses are our most used and loved form of public transport, and following the success of the fare this year we will maintain the £2 fare to help bus users around the country until the end of next year.
69. **We will improve the accessibility of our train stations.** We are spending a further £350 million⁴⁹ for up to 100 stations. Stations will be able to benefit from refitted lifts, tactile surfaces, ramps and footbridges, new ticket gates and accessible waiting rooms and toilets.
70. **Road schemes will be delivered.** We will solve one of the perennial bottlenecks on the corridor to Dover by fixing the Brenley Corner on the A2. We are providing £610 million to ensure delivery of 39 schemes in the East, South East and South West of England, including the A38 in Somerset, the A259 from Bognor Regis to Southampton and the A10 between Ely and Cambridge. In addition, we are launching a roads fund worth more than £1 billion for new roads in these regions.
71. **We will deliver rail improvements in the South West.** We will reopen stations and reintroduce rail passenger services to Wellington and Cullompton, reinstate five miles of track and a new station at Tavistock to connect it with Plymouth. Alongside this, we will put aside funding to complete the South West Resilience Programme in full, delivering on our commitment to the South West to make the vital route between Exeter and Plymouth through Dawlish more resilient in the face of extreme weather.
72. **Ely Junction will be upgraded.** This transformative scheme will see an extra six freight trains per day to and from the Port of Felixstowe – the equivalent of taking 98,000 lorry journeys off the road every year, including across the Midlands and the North. We will also see a doubling of passenger services on the Ely-King's Lynn and Ipswich-Peterborough routes, helping commuters and leisure travellers alike.

⁴⁹ Funded through existing budgets.

73. **We will fix potholes.** We will spend an additional £2.8 billion resurfacing roads in East, South East and South West England, ending the scourge of potholes in our towns and cities.
74. **We will boost funding to the West of England Combined Authority by £100 million.**⁵⁰ The funding could be used for an extension of MetroWest to the south – covering Weston-super-Mare, Taunton/Exeter, and Worle/Weston-super-Mare Parkway. The authority could also start Temple Meads passenger and capacity enhancements, step-free access across the network and complete electrification between Temple Meads, Bristol Parkway and Chippenham.
75. **And we will deliver a new Euston Quarter to provide much-needed homes.** Our new development-focused approach at Euston will maximise the opportunity to transform the site, providing thousands of much needed homes and jobs for the next generation. We will explore the use of a Development Corporation as a possible model to cut through red tape, with the potential to develop up to 10,000 homes, five times as many as the nearby success story in King’s Cross.

Our commitment to the Union

76. **As part of this package of investment we are strengthening connections across the United Kingdom.** We are improving journeys on the A75 between Gretna and Stranraer. Following recommendations in the Union Connectivity Review, we will alleviate pinch points on the road, providing better links between the Cairnryan ferry terminals serving Northern Ireland and southwest Scotland, connecting with the M6 and Cumbria, and the A77 towards Glasgow.
77. **We will also provide an unprecedented £1 billion investment to fund the electrification of the North Wales Main Line,** bringing parts of North Wales within an hour of Manchester. We will oversee more punctual, reliable journeys on the 126-mile route between Crewe, Warrington, Chester, Llandudno and Holyhead, where ferry services run to Dublin.

Supporting delivery

78. Taking forward this programme of new roads and railways has the potential to be transformative for communities all across the United Kingdom. But while

⁵⁰ Funding in addition to CRSTS 2 settlement.

our country delivers many big infrastructure projects every year, it isn't nearly as fast, consistent or effective as it can be.

79. Our reform programme for nationally significant infrastructure projects is already highlighting our commitment to address the issues that can be seen. This is an important down payment in improving delivery – but we know we need to do more. In the months ahead, we will set out a broader reform programme to speed up planning, decision-making and delivery for big infrastructure projects – ensuring that we tackle congestion, over-crowding and modernising our transport infrastructure even more quickly in the future.
80. We will review transport infrastructure legislation (including the Transport and Works Act 1992, the Highways Act 1980, and thresholds within the Planning Act 2008) with a view to ensuring that it supports proportionate processes for consenting to road and rail schemes, and is up to date and ready to meet the demands of modern infrastructure delivery as we take this work forward.

PART FOUR - NEXT STEPS

81. We do not shy away from the fact that people will have different views on this decision. But as a Government, nor will we shy away from the difficult, long-term decisions that are in this country's best interest. That is why we have chosen to take the hard-headed decision on delivering Phase 1 to secure critical new rail capacity. We have also grasped the nettle by not proceeding with further phases of HS2. Both will allow us to reset the balance in our transport investment, freeing up £36 billion¹ to deliver a truly unprecedented new settlement to level up right across the country.
82. We will now proceed with the steps necessary to take these decisions forward. That will include reflecting on the existing package of legislation before Parliament, on which we will set out next steps to the House in the usual way. It will include the necessary consultative steps and business case development, in line with our relevant legal and fiscal duties. And we will listen to local government and transport bodies about what this means for them, including further guidance and indicative allocations for local authorities and city regions. This will allow us to confirm an achievable, affordable plan to deliver this programme over the coming years and beyond, in addition to the £12 billion of capital investment that the Department for Transport is already undertaking each year to deliver transport priorities outside of the HS2 programme.

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