

MINUTES OF ORAL EVIDENCE

taken before

HIGH SPEED RAIL COMMITTEE

On the

HIGH SPEED RAIL (LONDON – WEST MIDLANDS) BILL

Monday 13 July 2015 (Afternoon)

In Committee Room 5

PRESENT:

Mr Robert Syms (Chair)
Sir Peter Bottomley
Mr Henry Bellingham
Geoffrey Clifton-Brown
Mr David Crausby
Mark Hendrick

IN ATTENDANCE

Mr Timothy Mould QC, Lead Counsel, Department for Transport
Mr Timothy Straker QC, of Counsel

Witnesses:

Mr Ray Payne, The Chilterns Conservation Board
Mr Bruce Blaine, Peter Brett Associates
Mr Paul McCartney, Peter Brett Associates

IN PUBLIC SESSION

INDEX

Subject	Page
Introductory Remarks by the Chair	3
Introductory Remarks by Mr Straker QC	4
 <u>Chiltern District Council, Buckinghamshire County Council, Aylesbury Vale District Council, The Chilterns Conservation Board</u>	
Submission by Mr Straker	4
Mr Payne, examined by Mr Straker	8
Mr Payne, cross-examined by Mr Mould	32
Mr Payne, re-examined by Mr Straker	37
Mr Blaine, examined by Mr Straker	39
Mr Blaine, cross-examined by Mr Mould	62
Mr McCartney, examined by Mr Straker	71
Mr McCartney, cross-examined by Mr Mould	92

(at 14.00)

1. CHAIR: Order, order. Welcome, good afternoon, to the HS2 Select Committee. I'd like firstly to welcome the new members of the Committee, Mark Hendrick, David Crausby and Geoffrey Clifton-Brown, who bring some added experience from the House onto the Committee for the final run downhill, towards some kind of resolution early next year. Thank you, welcome gentlemen. So that's helpful.

2. Today we begin hearing petitions from the Chilterns. Over the next two weeks, we will hear from some of the main bodies arguing for an extended Chilterns Tunnel. They will no doubt be covering, not only the details of tunnel proposals, but the reasons why they say a tunnel is needed. So, we will cover a lot of background to do with construction issues and ecology as well. On the same point, we've asked that the County Council finish the outline of their case on non-tunnel issues, so that petitioners appearing in September know what we as a Committee are already aware of. Next Wednesday, after the House rises, I shall announce the preliminary view of the Committee on what we will have heard and over the next week and a half.

3. Before that, I have an announcement to make. It will not come as any surprise to the promoters that the Committee are deeply unhappy about the impact of the proposed Harvil Road construction site in Hillingdon, and the impact that would have on the community. We want the promoters to have a very hard look at options for mitigating this, including working with TfL and Hillingdon on possibly substantially or completely relocating that construction site away from Harvil Road to West Ruislip, with consideration given to alternative means of road access from adjacent and nearby sites. We may also be open to other mitigating options such as the haul road to Harvil Road, but we would want a review to be completed by mid-September 2015. We may have other things to say about Hillingdon in due course.

4. We note that a meeting took place between the Treasury, HMRC and the Country Landowners Association on 26 March 2015, on farming tax issues. However, the June response to our report suggests no further progress. We want to see some progress on this, failing which we will need to consider whether to invite officials to appear before us.

5. We note that the response to our report promised a report on noise mitigation at

Berkswell by July, so this is also an outstanding matter.

6. We begin today with Chiltern District Council, Buckinghamshire County Council, Aylesbury Vale District Council and Chilterns Conservation Board, represented by you, Mr Straker?

**Chiltern District Council, Buckinghamshire County Council, Aylesbury Vale
District Council, The Chilterns Conservation Board**

7. MR STRAKER QC: That is correct; I represent all those bodies, Sir. And if I can just, following on from what you've just said, Sir, say a word if I may about the skeletal observations that I will make on their behalf at the end of the tunnel session as presented by them? So what we have done is this – and some slides will be sent to HS2 in the course of today in connection with this matter – is to put down on slides, so that they can be spoken to briefly at the end of this session, the indications of what the councils' cases are non-tunnel issues. So, that is not intended to prejudice what they may come to say subsequently in the autumn, nor is it intended to be a kind of ball and chain around anybody else's leg as to what they might want to say when they come before you. But it's intended to be a help to you, Sir, as a kind of guide as to what may come to be said and not to be the substantive case in that way. I don't envisage, Sir, being much in excess of, say, half an hour in outlining that. That will come, we predict at the moment, on Thursday of this week, because our expectation is that we've got quite a substantial amount of evidence to get through. We will try and do that as quickly as we can, but depending of course, upon the HS2 response to that, will depend upon quite how the time taken goes.

8. Sir, having said that, if I may be permitted just a minute or two, before calling Mr Payne who sits to my right and who will give some overview evidence about these matters, I'll just indicate who I will be calling and then say a word or two about the character of the case on behalf of the tunnel. First as I have indicated, Mr Payne. Then, Mr Bruce Blaine, from whom you've heard before, who deals with engineering matters touching upon the feasibility of the tunnel. Then, Mr McCartney who deals with what may be described as external costs, socio-economic matters. Then, Bettina Kirkham who deals with landscape matters. Followed by Catherine Murray, dealing with historic buildings. Finally, Kath Daly who deals with, and is the chief officer, of the

conservation board. So their references give some indication of the ground that we're going to cover. It's right to observe first of all that there's no dispute, but that a tunnel can be built across the Chilterns, and just so that you have immediately, Sir, the geography as to what we're dealing with, if P7372 is put on display? There will be shown the area of the Chilterns outstanding natural beauty with which we are concerned. You can see that which is within it at the moment proposed to be a bored tunnel, the grey and the black dash, and thereafter, it's not in tunnel and it's the thereafter with which the argument before the Committee will focus.

9. Sir, it's important to have in mind the importance of the Chilterns, an area with which you'll be familiar of course; and it's also important, if I can ask for this to be put on the screen – A1178(17) – to have in mind, that in England, pursuant to legislation passed of course through Parliament, there are but two Conservation Boards in the country, and they deal with the Chilterns, which can be shown here; and the Cotswolds, to the west. That is all that Parliament has seen fit, so far, to indicate should have Conservation Boards, and it's a signification of the importance attached to this land.

10. So the other document I would like to show at the moment is A1180(66), and Sir it may help as well – we've got paper copies of this which it may be useful for the Committee to have as well, because this is a document around which it may safely be predicted there will be some discussion in the course of the hearing of this case. What has been endeavoured to be done is to try and work out as best can be done – and all these figures are subject of course to the caveat of the word 'about' – to work out as best one can what the true additional costs of the various options are. Sir, you've got there shown the government-preferred scheme, and there when one looks at that box there, there's a '£0 million' given. That's because what we're doing here is simply looking at what is an additional to putting the railway for that part with which we are concerned in the Chilterns at the surface level. So one is looking at that additional cost. One's then got variance on the tunnel proposals as promoted before the Committee – or as suggested to the Committee. Because it's no part of my case to say, 'Dear Committee, please say it must be this particular tunnel', but rather to say, 'Let there be a tunnel'. So there's a difference in constructing a tunnel from constructing a surface scheme, and taking that figure from HS2, one gets to £532 million, which is a HS2 figure.

11. Then there's a 'but', which has to be put into this little exercise, because it

obviously costs more to buy the land if one is buying a railway at surface than putting it in a tunnel. So you see the comparison there. Then, to continue that 'but', there are non-market effects. This is a very substantial 'but', because what this is designed to do and what this is intended to do is to reflect what is the thinking of the government, namely that one should take some account of what I shall call for present purposes, the distinction, the value of, the character of the land, which is being affected by the proposal. There's a curiosity about the world in which we live, which is this: namely, that the more distinguished a piece of land happens to be, and the closer it is designated, whether it is area of natural beauty or some other such designation, the more distinguished a piece of land is, and the greater its contribution to national wellbeing in consequence of its designation, the less it is actually worth in terms of pounds and pence.

12. SIR PETER BOTTOMLEY: The smaller the cheque?

13. MR STRAKER QC: Yes, exactly so. But the bigger the distinction – and that's a consequence of the fact, of course, that if the land is distinguished as AONB or some other categorisation. I beg your pardon. I had hoped that the one on the screen was going to be the one – because we've worked on this piece of paper for some time, and the one on the screen is the old version, and you've got, I trust, Sir, a piece of paper with the new figures upon it?

14. SIR PETER BOTTOMLEY: Our CLT is 532, and yours is 485?

15. MR STRAKER QC: That's right. That's the land cost. We haven't altered the figures; we've tried to simplify this as much as we possibly could, because what we wanted to do was simplify, simplify and then simplify again if we could. The point that I was endeavouring to make was the distinction of the land reduces the value, and so that has to be reflected. Because if one's doing a comparison and saying, 'On the one hand there's a cost to be thought about here', one's got to do it fairly, and so one has therefore to attribute a figure, and the government has indicated that ought to be done, and so that is the exercise which has here been done. So, one sees in that piece of paper which has been handed in, and the slide will come to be replaced in due time, as the label gives it, 'Non-market effects'.

16. Then there are direct economic effects, which are part of the 'but'. That is

£170 million, and that touches upon the sort of interruption to life which is caused by the arrival of and the construction of HS2 at surface; the sorts of things which when one looks at the benefit of the scheme overall of HS2, one talks about the savings in time. But here, the adverse consequences as to time, that obtain.

17. That leads then to the bottom line here given, where one sees the consequential likely additional costs which is set forth, and so you see that if one does what we would respectfully contend is a fair comparison, actually the net cost to the country of HS2 at surface here, is greater than putting it in a tunnel. Now, no doubt there are variants on these figures, because as I have said, they're all subject, quite apart, to the word, 'about', to the fact that they include within them certain estimates. So that, for example, the cost of building the scheme at the surface has in fact, been reduced by HS2 by something in the order of £100-150 million within 18 months. That has had a consequential effect. But the true additional cost can be seen to carry that, and when one has got that in one's mind, one can begin to realise, I suggest, that the initial throw of the hands, 'Oh, it's terribly expensive to put in a tunnel', is an exercise which is wrong to do and that a more mature consideration leads to a more mature answer.

18. SIR PETER BOTTOMLEY: You're essentially arguing that monetised estimates is a value of the promoter's scheme – the monetised effect of the value of what they do is greater than the cost saving of doing the tunnel? Land acquisition, plus a way of valuing what would be lost, comes to a greater amount than the actual cheques they'd have to write to build it surface?

19. MR STRAKER QC: That's right. So, when one looks at, from the country's point of view, because everything one way or another comes out of something that can be labelled, 'The Treasury'. When one looks at it from that perspective, and says, 'Are we better off or worse off in having the tunnel or surface', the answer is, 'We are better off with the tunnel'. So, that's all I wanted to say by way of setting the scene, unless you would wish me to go further in that regard, because what I would wish to do next, Sir, is to ask Mr Ray Payne to give his evidence to the Committee and so therefore, ask that A1178(1) be put up on the screen?

20. CHAIR: Are we going to have all of your witnesses today Mr Straker or just some of them?