

Northern leg of HS2 scrapped – the industry reacts

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“Scrapping HS2 Phase 2 is simply unnecessary and squanders the full benefits of Phase 1.” That is the message from Darren Caplan, Chief Executive of the Railway Industry Association (RIA). His comments come as the Prime Minister has cancelled the £36 billion second phase of the HS2 high speed rail project.

Darren added: “Many of the Railway Industry Association’s members will be extremely disappointed by the Government’s proposal announced today by Prime Minister Rishi Sunak to scrap HS2 between Birmingham and Manchester. This follows the previous scrapping of the Eastern Leg to Leeds, the Golborne Link to enable High Speed trains to get to and from Scotland, and the ‘pausing’ of the Old Oak Common to Euston stretch.

“The Government cites cost as its main reason for scrapping Phase 2, yet it should be remembered that this was the Government’s own scheme, built to its own specifications, and that the chopping and changing of the scope and timing of the project – adding considerably cost and delay – was entirely of the Government’s own making. Every time the scheme is rescope it increases the cost.

“Scrapping HS2 Phase 2 is simply unnecessary and squanders the full benefits of Phase 1. The Government can work with metro mayors, the railway industry, rail suppliers, and other stakeholders, to agree a cost-effective way forward, including encouraging private investment to take pressure off the public purse.

“Today’s nuclear option is defeatist and sends a terrible signal to potential overseas investors that the UK simply cannot deliver large national transport infrastructure schemes. For companies with existing contracts, the implications of the Prime Minister’s proposal to release £6.5bn from the Euston site and create a development zone are particularly unclear. Already, multinational railway businesses will be making plans to rationalise their workforces and investments in a way that will be detrimental to the country’s rail supply sector specifically and UK plc more widely. This also blows a hole in the Government’s levelling-up and decarbonisation agendas – none of the replacement regional schemes referred to will have the same impact of building the HS2 in full.

“Going forward, the Government needs to safeguard the full HS2 route for future generations, and pass the relevant Bill in the King’s Speech next month. It needs to work to rebuild trust with the railway industry, for example providing reassurance that the £36bn investment it mentioned in regional transport projects announced today, such as Midlands Rail Hub and the electrification of the North Wales mainline, will go ahead following the short-notice cancellations of HS2’s Phase 2, Eastern Leg, Golborne Link, and the Old Oak Common to Euston ‘pausing’. And the Government needs to redouble its efforts to deliver certainty in rail by pushing on with rail reform, publishing the Rail Network Enhancements Pipeline for the first time in four years, setting out a plan for rolling stock, including a pipeline for new and refurbished trains, explaining its plans to decarbonise UK rail, including a rolling programme of electrification and fleet orders of hydrogen and battery trains, and give more freedom to bring forward private investment.

“Whilst we in the railway industry are of course concerned at the announcement made by the Prime Minister today, we now need to ensure the HS2 Phase 2 scheme can be taken on by future generations, that there will be rebuilt trust in Government rail announcements given the recent history, and provide more certainty generally, to enable rail businesses to plan their workforces and resources in the weeks and months ahead.”

The announcement was made at the Conservative Party conference in Manchester, at which he set out a range of alternative projects in the north of England and Wales, which he has argued are better value for money and can be delivered more quickly.

“It will be for government to show it can turn the schemes into a coherent, long-term rail strategy and deliver it in a cost effective manner, in partnership with local leaders”

Sir John Armitt, Chair of the National Infrastructure Commission, said: “High Speed 2 was part of a long term strategy with clear objectives to link up some of the country’s largest cities. It had been planned for almost 15 years and under construction since 2017.

“The decision to stop the legs north and east of Birmingham is deeply disappointing, leaving a major gap in the UK’s rail strategy around which a number of city regions have been basing their economic growth plans.

"A High Speed 2 route between Manchester and London via Birmingham, alongside Northern Powerhouse Rail, would have enabled increased capacity and better connectivity both north-south and east-west.

"While it is welcome that the money will be redirected into rail and other transport projects for the North and Midlands, it's not yet clear how the collection of schemes announced today will address the gap left behind by HS2.

"It will be for government to show it can turn the schemes into a coherent, long-term rail strategy and deliver it in a cost effective manner, in partnership with local leaders."

"The cancellation of the northern section means less capacity for rail freight and ultimately more lorries on our roads"

Andy Bagnall, Chief Executive of Rail Partners said: "A decision of this magnitude will have consequences felt for generations by the rail industry, its supply chain, passengers and freight customers.

"While reinvestment in other regional rail schemes is a significant consolation, the decision to reduce investment in rail and divert funds to road schemes feels counterintuitive as we look to attract people to move away from carbon intensive modes of transport.

"Passengers in regional cities will now not receive the full benefit of the connectivity that the northern section of HS2 offered for people travelling north and south between Manchester and Birmingham. We will need to see more detail on the impact for passengers travelling east and west between Hull and Liverpool.

"The cancellation of the northern section means less capacity for rail freight and ultimately more lorries on our roads, with businesses seeking to decarbonise their supply chains limited in their options to move good off the roads and onto rails.

"In the wake of this decision, it is even more critical that government takes further action to support regrowth of the railway by evolving rail contracts to allow train operators to better deliver for passengers. It must also set an ambitious freight growth target to maintain investor confidence and outline which strategic freight projects will be taken forward to create capacity in the absence of HS2."

"We must not start from scratch, we must work at pace to deliver HS2 Phase 1 all the way to Euston"

Sir John Peace, Chairman of Midlands Connect, said: "We are disappointed and disheartened by the HS2 announcement.

"We must not start from scratch, we must work at pace to deliver HS2 Phase 1 all the way to Euston. There are also lessons to be learnt from the HS2 story so far.

"The Midlands Rail Hub and road programmes including the A5 which have been announced today resonate with us, these are our transformational East-West priorities for the region, which we recommended and have been progressing with Government.

“We are now calling for more detail on timescales and plan of action, and asking for a high-level urgent meeting with ministers, to ensure these plans and the benefits for the Midlands are delivered as quickly as possible.

“We will now work, like we always do, cross-party and in an open and collaborative way with all involved.”

“It’s undeniable that this will be seen by many as a missed opportunity for the region, and the country as a whole”

Lord McLoughlin, Chair of Transport for the North (TfN), said: “The cancelling of the northern leg of HS2 is naturally disappointing. It’s undeniable that this will be seen by many as a missed opportunity for the region, and the country as a whole. Only last week, northern business and political leaders came together at our TfN Board to speak with ‘one voice’ to reaffirm our position that HS2 and NPR in full are vital to truly transform the North.

“The announcement of investment in the region is obviously welcome. And we will look to work with government to fully understand the implications for the North of the proposals set out today in the Prime Minister’s speech, and consult with our Board on the best way forward in light of this new change of policy. There are still quite a few areas that require further clarification from the Department for Transport, which we will be seeking from them.”

“Scrapping HS2 whilst still allowing its trains to run on the existing network is the worst of all possible decisions”

Maggie Simpson OBE, RFG Director General said: “Scrapping HS2 whilst still allowing its trains to run on the existing network is the worst of all possible decisions. The West Coast Main Line simply does not have the capacity for these extra trains alongside current services and rail freight growth, and investment will now be required to upgrade the route to ensure all trains can be accommodated.”

“The private sector rail freight operators and customers who have already invested in new facilities and equipment also need urgent assurance that they will be able to access the rail capacity they need to bring new services onto rail.”

“The decision to scrap the Birmingham to Manchester leg of HS2 will have consequences”

Michelle Craven-Faulkner, Partner and Rail Lead at Shoosmiths, said: “HS2 was never just about getting to London faster. Its aim was increasing connectivity, capacity and creating a high-speed rail spine in the UK – providing the infrastructure for routes to spur off and deliver the east-to-west connectivity raised in today’s announcement.

“The decision to scrap the Birmingham to Manchester leg of HS2 will have consequences. Jobs could be lost and businesses impacted. Construction on this part of the network may be less advanced, but there are firms involved and working on the project. That’s even before considering the long-term effect this could have on the freight industry or the investment decisions – globally and domestically – that have been made on the basis of the route being delivered.

"HS2 has dominated the political, media and social discourse in recent days. It is, however, critical that all parties understand that this isn't the only hurdle facing the rail industry.

"Those working in the sector and the supply chain have been provided with little clarity over the last few years - navigating almost constant changes in policy, beginning with the Integrated Rail Plan for the North and Midlands, the gradual chipping away of HS2 and the proposed shift to Great British Railways - the future of which is hanging in the balance.

"This lack of leadership and consistency has stymied investment into rail and efforts to upgrade the existing network, as demonstrated by procurement delays for Network Rail's Control Period 7, a £44bn five-year plan to improve the railway in England and Wales.

"What is needed now is some transparency as to when and how the proposed projects will be delivered and what is the pipeline. Without that, the UK rail industry is still in the dark."

"Many of our member city regions have designed local transport schemes around the promise of larger infrastructure projects, whether HS2 or otherwise"

Jason Prince, Director of the Urban Transport Group, said: "Many of our member city regions have designed local transport schemes around the promise of larger infrastructure projects, whether HS2 or otherwise. Our members need the confidence that once schemes are announced, they are delivered. The same logic applies to the raft of transport projects unveiled by the Prime Minister today.

"Fundamentally, transport is about more than simply moving people from A to B. It is about creating economic growth and thriving communities for people to live and work in. This can only happen through certainty of long-term investment."

"This is a dark day for the UK economy"

Director of Operations for the Civil Engineering Contractors Association (CECA) Marie-Claude Hemming said: "This is a dark day for the UK economy, and for everyone who has placed trust in successive UK governments to level up the country and close the north-south divide.

"While the Prime Minister has promised to reinvest HS2 money in alternative schemes, we as an industry know how unlikely this will be to materialise and impact communities in anything like the game-changing way that high speed rail would have delivered.

"Britain now lags far behind our competitors and will remain so due to this short-sighted decision.

"That the UK Government can make such a decision without a democratic mandate - after the scheme has been supported by all parties throughout successive General Elections - frankly beggars belief."

"The Prime Minister has taken much needed rail investment and ploughed it into yet more roads"

Norman Baker, from Campaign for Better Transport, said: "This ragtag and bobtail selection of bits and

pieces – some of which no doubt have merit – will not compensate for the hammer blow that has been delivered today. By cancelling the Northern leg of HS2, the Prime Minister has taken much needed rail investment and ploughed it into yet more roads. The roads budget is already bloated, and today's announcement simply diverts money from a sustainable transport future into unsustainable and unchecked traffic growth.

"The benefits of HS2 were set to go way beyond London. The case for HS2 was always built round capacity, not speed, so that problem will continue to exist on the already congested west coast main line and on the local lines that connect to it. Still, passengers can take heart apparently from the fact that HS2 trains will continue on existing tracks into Leeds and Manchester, more half speed 2 than HS2!

"We need more detail about what the transport projects that will replace the Northern leg of HS2 are and when they will actually be delivered. We also need to make sure that the PM is not double counting here as some of the schemes he mentioned have already been promised and are not new. What we do know is that ditching the Northern leg is not just a serious blow to the North of England and its people, but to the country as a whole."

"Scrapping the Manchester leg is a betrayal of the North"

Zoë Billingham, Director of IPPR North, said: "The government has played fast and loose with HS2 and scrapping the Manchester leg is a betrayal of the North.

"Transport is the backbone of rebalancing our regions. New promises heard today to redeploy HS2 funding – across the whole country – not only undermines levelling up but also lacks credibility.

"Northern Powerhouse Rail and HS2 are in the long-term interest of the country. This is a double blow for the North."

"Ultimately, you can fix projects by rescoping and reassessing; you can't fix them by scrapping them"

Andrew Baldwin Head of Policy and Public Affairs, Association for Project Management (APM), said: "Sadly, this project has been plagued with uncertainty since the outset and the original scope has been changed multiple times. Major projects of this nature need political and economic stability to work – investors need to trust that their investment will be worthwhile.

"Ultimately, you can fix projects by rescoping and reassessing; you can't fix them by scrapping them. There was a need for HS2, and that need remains, irrespective of the other projects mentioned in the speech.

"We are of course pleased to see this money will be retained to use on other major transport projects and look forward to concrete proposals on those, particularly Network North. But we had a concrete plan to deliver a major project that would have improved capacity between Manchester, Birmingham and London. We now have uncertainty, speculation and a list of projects that may or may not get spades in the ground before the next general election.

“And investor enthusiasm will be low, so the Government needs to be clear on what new projects they’re funding, the scope and timescales involved, and ensure that they won’t be cancelled when the going gets tough politically.

“As the chartered body for the project profession, we acknowledge the importance of learning from setbacks and disruptions. There will be lessons from the political side of HS2 that we must learn for future projects.”

“The decision to cancel the rest of the HS2 project sends a damaging signal about the UK’s status as global destination for investment”

Rain Newton-Smith, CBI Chief Executive, said: “The UK has incredible strengths as a destination for investment. When global boardrooms weigh up investment opportunities, the UK was always seen as a safe harbour due to our reputation for reliability. But the decision to cancel the rest of the HS2 project sends a damaging signal about the UK’s status as global destination for investment.

“Businesses and investors in the Midlands and the North have spent the last decade planning for the delivery of HS2. The commitment to invest in a new Network North programme of transport projects promises much needed investment to the region. But a ‘start from scratch’ approach risks leaving those businesses in a holding pattern of poor connectivity and low productivity whilst those projects are scoped, prepped and finally delivered.”

“We’re surprised and disappointed at the Government’s decision to cancel the northern leg of HS2”

Development Partner at Gerald Eve, Adam Pappini said: “We’re surprised and disappointed at the Government’s decision to cancel the northern leg of HS2. We share the view of the majority of the business community that not delivering the full extent of HS2 misses a once-in-a-lifetime transformative opportunity to ‘level-up’ our towns and cities, improve long-term capacity on our national railway network, and contribute to decarbonising our transport system by transferring freight from road to rail.”

“This is a major investment in vital infrastructure that we have campaigned long and hard for”

Dr Nik Johnson, Mayor of Cambridgeshire & Peterborough regarding Ely Junction funding, said: “So many of us here in the East of England have been championing an upgraded Ely Junction for many years, so today’s confirmation that we can at last get to work will be widely welcomed.

“This is a major investment in vital infrastructure that we have campaigned long and hard for. It’s a huge opportunity, not just for our region’s residents and local economy, but also nationwide.

“Locally, it means greater rail connectivity across the East of England, boosting travel for leisure, tourism, and industry. Nationally, upgrading this out of date junction will connect major international ports in Felixstowe and London with distribution hubs in the Midlands, the North, and beyond.

“Crucially, in allowing more goods to be transported by freight, an upgraded Ely Junction removes 98,000 lorries from the road each year. As well as massively improving air quality, and reducing CO2 emissions,

this work will also reduce congestion by 5.6 million hours annually, including on critical routes like the A14.

“Campaigners have long pointed out that to upgrade Ely Junction is to back British business. With that in mind, earlier this year, I co-chaired the Combined Authority’s Rail Summit, bringing together stakeholders from across the nation to push for government support. Over 45 politicians, chief executives, business leaders, industry leaders and campaigners added their signature to our letter to the Chancellor and Rail Minister calling for the much-needed upgrade, and today we can all breathe a collective sigh of relief at our achievement.

“That said, whilst much of this success comes off the back of years of invaluable work for which I thank everyone involved, it is a great shame that we are not able to jointly celebrate with HS2 colleagues on what could and should have been another invaluable investment in our national infrastructure.

“I and the Combined Authority stand ready to work with Government and stakeholders to make today’s announcement a reality for the residents and business of Cambridgeshire & Peterborough and beyond.”

“The dramatic improvements in connectivity the North and Scotland would have seen cannot be delivered by alternative schemes and their economies will be significantly disadvantaged as a result”

Julian Worth FCILT, spokesperson for CILT Strategic Rail Policy Group said: “CILT is deeply disappointed at the cancellation of HS2 north of Birmingham and the negative consequences this is likely to have for the British economy and environment. The dramatic improvements in connectivity the North and Scotland would have seen cannot be delivered by alternative schemes and their economies will be significantly disadvantaged as a result.

“The rest of the world is forging ahead with construction of high-speed rail lines as the preferred way of improving infrastructure and decarbonising long-distance transport. It does not seem plausible that the current UK government is right to abandon high speed rail and that everyone else has it wrong.

“The problem with HS2 is not that it is the wrong project, but that its costs have been allowed to escalate out of control. Some cost inflation was inevitable as a result of Putin’s invasion of Ukraine, but not to the extent which has occurred on HS2. Other densely populated countries are able to control the cost of major infrastructure projects and, within the UK, HS1 was delivered on time and under budget.

“A level of cost inflation has come about by changes to specification – particularly compared to the original proposals for a TGV-style line. Subsequent cost inflation suggests that something has gone badly wrong with the management of HS2 and we consider that a key factor was the failure to appoint and retain seasoned professionals, with knowledge of how to specify, tender and control major rail schemes, to senior roles in the project. CILT believes the correct course of action would have been to undertake a comprehensive review of HS2 costs by such seasoned professionals, using best practice from around the world, and considers the opportunity to do so should now be taken. Rather than a “bespoke UK” solution, consideration should be given to using specifications from existing schemes in Europe and beyond.

“The climate crisis is worsening by the year and the need to decarbonise is becoming greater and more urgent. Net Zero 2050 remains an imperative and Government must not weaken long term commitments

for short term expediency. Funding should not be diverted to high carbon road projects simply to satisfy the demands of a vocal minority.

“This is particularly true with freight and logistics. Almost all large companies now have clear carbon reduction strategies, but decarbonising long distance road freight movements is extremely challenging. Battery HGVs will carry out local and regional distribution, but decarbonising trunk haulage by road is much more difficult and, for this reason, modal shift to rail trunking is an attractive option for many companies. Rather than a significant allocation to road projects, a proportion of any money released from HS2 should be invested in modal shift by increasing capacity at key locations and electrifying missing links in the core rail freight network, 60% of which is already electrified. Wiring 800 miles over the next 20 years at a cost of less than £2bn would allow c.95% of rail freight to be electrically hauled with zero carbon emissions.

“We welcome the announcement that capacity is to be increased on the vital freight route from Felixstowe to the Midlands and North, with investments at Ely and Haughley Junctions. This route should also be electrified as key strategic investment for freight and logistics, supporting supply chains for businesses in the Midlands and the North.

“A series of investments in capacity on the West Coast Main Line are also required in lieu of the capacity that would have been released by HS2. These include 4-tracking between Colwich and Stafford plus between Winsford and Warrington. It is essential that a significant proportion of the capacity released by HS2 Phase 1 continues to be earmarked for freight.

“Providing certainty on such projects would help to encourage private investment in rail-connected logistics centres, which in turn supports the UK’s move to decarbonise transport. This is private investment which may look outside of the UK if there remains uncertainty over when the projects replacing HS2 are due to be delivered.”

[You can read more about the announcement from Rishi Sunak and the projects planned here.](#)