

Phase 2b Western Leg Information Paper

B7: Railway powers in hybrid Bill

This paper provides an overview of the purposes and practical implications of the “Railway Matters” clauses (clauses 35 to 40 and Schedules 28 and 29) in the High Speed Rail (Crewe - Manchester) Bill. It explains why the powers are there and how they would work.

It will be of particular interest to those potentially affected by the Government’s proposals for high speed rail.

This paper was prepared in relation to the promotion of the High Speed Rail (Crewe - Manchester) Bill. Content will be maintained and updated as considered appropriate during the passage of the Bill.

If you have any queries about this paper or about how it might apply to you, please contact the HS2 Helpdesk in the first instance.

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1 Introduction

- 1.1 High Speed Two (HS2) is the Government's scheme for a new, high speed north-south railway, which is being taken forward in a number of phases. Phase One will connect London with Birmingham and the West Midlands. Phase 2a will extend the route from the West Midlands to Crewe. The Phase 2b Western Leg will connect Crewe to Manchester. As set out in the Integrated Rail Plan, published in November 2021, HS2 East is proposed to deliver a new high speed line from the West Midlands to East Midlands Parkway.
- 1.2 HS2 Ltd is the non-departmental public body responsible for developing and promoting these proposals. The company works under the terms of a Development Agreement entered into with the Secretary of State for Transport.
- 1.3 The construction and operation of Phase One of HS2 is authorised by the High Speed Rail (London – West Midlands) Act 2017 and Phase 2a by the High Speed Rail (West Midlands – Crewe) Act 2021.
- 1.4 In January 2022, the Government introduced a hybrid Bill to Parliament (hereafter referred to as 'the Bill'), to seek powers for the construction and operation of the Phase 2b Western Leg (the Proposed Scheme), which is called the High Speed Rail (Crewe – Manchester) Bill. The Proposed Scheme comprises the Phase 2b Western Leg from Crewe to Manchester and several off-route works. It also facilitates the delivery of Northern Powerhouse Rail by providing the Crewe Northern Connection and junctions and other infrastructure to be used in future schemes.
- 1.5 The work to produce the Bill includes an Equalities Impact Assessment and an Environmental Impact Assessment (EIA), the results of which are reported in an Environmental Statement (ES) submitted alongside the Bill. The Secretary of State has also published draft Environmental Minimum Requirements (EMRs), which set out the environmental and sustainability commitments that will be observed in the construction of the Proposed

Scheme. For more information on the EMRs please see Information Paper E1: Control of environmental impacts.

- 1.6 The Secretary of State for Transport is the Promoter of the Bill through Parliament. The Promoter will also appoint a body responsible for delivering the Proposed Scheme under the powers granted by the Bill. This body is known as the 'nominated undertaker'. There may be more than one nominated undertaker. However, any and all nominated undertakers will be bound by the obligations contained in the Bill, the policies established in the EMRs and any commitments provided in the information papers.
- 1.7 These information papers have been produced to explain the commitments made in the Bill and the EMRs and how they will be applied to the design and construction of the Proposed Scheme. They also provide information about the Proposed Scheme itself, the powers contained in the Bill and how particular decisions about the Proposed Scheme have been reached.

2 Overview

- 2.1 This information paper explains the purposes and workings of clauses 35 to 40 in the Bill and their related schedules.
- 2.2 The construction and operation of the Proposed Scheme will have impacts on existing railway infrastructure and services. The users, owners and operators of those services will be interested in how the nominated undertaker will integrate into the existing industry's licencing regime and operating practices.
- 2.3 These provisions mirror those included in the High Speed Rail (London – West Midlands) Act 2017 which allows the construction of Phase One of HS2 and the High Speed Rail (West Midlands – Crewe) Act 2021 which allows the construction of Phase 2a.

3 Existing rail network

Objectives of the Office of Rail and Road

- 3.1 The Office of Rail and Road (ORR) is the independent safety and economic regulator for Britain's railways. Its functions include setting Network Rail's funding and outputs as the monopoly operator of the network and enforcing delivery and ensuring fair access to that network.
- 3.2 Its high-level objectives are set in section 4(1) of the Railways Act 1993. Although they could be interpreted as requiring the ORR to facilitate the construction of the Proposed Scheme, the Government considers that it is appropriate to include a specific objective to that effect. This will help to avoid confusion about the ORR's role in relation to the Proposed Scheme and its role in relation to the wider rail network. The same approach was taken in the High Speed Rail (London to West Midlands) and (West Midlands to Crewe) Acts. This new objective will sit alongside and is not intended to override the ORR's existing objectives.
- 3.3 Once the construction of the Proposed Scheme is complete, the Secretary of State will lay regulations before Parliament that remove this specific item from the objectives of the ORR, as the Proposed Scheme will then be part of the operational railway network and fully encompassed by the existing legislation on the ORR's role.

Co-operation with the rail industry

- 3.4 Due to the number of interfaces that the Proposed Scheme will have with the existing rail network, the delivery and operation of the network may well affect others in the rail industry, including Network Rail and train operators. The needs of the Proposed Scheme may require changes to the plans of others and, as a result, the nominated undertaker or the ultimate operator of services may need to pay compensation to mitigate any losses or expenditure incurred by those affected.
- 3.5 In practice, the nominated undertaker for the Proposed Scheme will work with others in the rail industry to agree a way forward where interface issues occur. It is important that negotiations take place on reasonable terms and at a reasonable pace, so that prompt agreement is achieved before works are carried out, both during the main construction period and throughout operation.

- 3.6 Clause 35 provides a mechanism for securing agreement about matters which concern the Proposed Scheme and third parties' infrastructure or train services. It is based on provision in the HS2 Phase 2a, HS2 Phase One, Crossrail and Channel Tunnel Rail Link Acts, providing for the parties concerned to reach agreement or, in the absence of agreement, to go to arbitration. Schedule 29 allows the Secretary of State to set out what needs to be agreed as an outcome (as far as reasonably practicable) of the arbitration or the principle on which it is to be determined (e.g. a result which avoids delay, albeit perhaps at additional project costs). However, it does not allow the Secretary of State to determine the details of the agreement delivering that result (e.g. as to the additional compensation that one side may pay to the other). The Schedule also sets out the arrangements that apply in the case of multiple arbitrations, thus allowing proceedings to be consolidated or held concurrently.

Transfer of functions relating to works

- 3.7 If the Bill is enacted, some land acquired for the Proposed Scheme might be land belonging to a railway operator on which works are authorised through a different authorising legislation. It might be efficient to allow either the nominated undertaker or the railway operator concerned to carry out both sets of authorised work.
- 3.8 Clause 40 allows the Secretary of State to transfer functions between the nominated undertaker and a railway operator, in either direction, in such circumstances. The transfer of a duty to a railway operator can be done only with the operator's consent.

4 Disapplication of legislation

Pre-operational licensing

- 4.1 Rail operators are required to have a licence from the ORR to provide services on the rail network, under section 6(1) of the Railways Act 1993. The licence requires compliance with the safety, charging and access regimes managed by the ORR.

- 4.2 Before the Proposed Scheme becomes operational, extensive testing of the track and trains will be required. This will include both the new track constructed as part of the Proposed Scheme, and the existing network on which high speed trains will run. This testing and other activity would normally require a licence.
- 4.3 However, the organisation(s) that wish to carry out testing or other licensable activities might not be the same as the organisation(s) providing rail services once the Proposed Scheme is open for commercial use. For example, it might be the nominated undertaker, or train manufacturers or others, for whom the requirement to acquire a licence from the ORR would be a significant regulatory burden.
- 4.4 Clause 36 therefore disapplies the requirement to have a licence for operating trains on track constructed under this Bill, if enacted, until the Secretary of State has determined that it is ready for commercial use.
- 4.5 With respect to testing on existing track, it is intended that the Secretary of State will grant exemption(s) from licencing under section 7 of the Railways Act 1993. The exemption(s) would have conditions attached, requiring the organisation(s) concerned to work within the ORR regime for safety, access and related purposes.
- 4.6 A licence under section 6(1) of the Railways Act 1993 provides a defence against a legal action for nuisance and other grounds, under section 122 of the same Act. Clause 36(3) of the Bill provides that the exemption from the licensing requirement in the pre-operational phase also provides the same defence against legal action, as allowed by section 122 of the Railways Act 1993.

Closures

- 4.7 In the Railways Act 2005, sections 22-31 and section 37 set out statutory closure provisions for services and stations. Among other things, they require an assessment of whether a closure meets the criteria set out in guidance, and consultation on proposed closures.

- 4.8 Clause 37 of the Bill provides that these statutory provisions may be disapplied by the Secretary of State for any closure necessary or expedient for the construction or operation of the Proposed Scheme, at any time before it is ready for commercial use.
- 4.9 The assessment, consultation and other elements of the provisions are not relevant, as the decision to construct the Proposed Scheme will have been approved by Parliament.
- 4.10 There are no station closures planned as part of the construction and operation of the Proposed Scheme.

Other railway legislation

- 4.11 A significant amount of legislation relating to railways has been enacted since Victorian times. Where relevant to modern railway this needs to be specifically applied and where it is not relevant or appropriate it needs to be disapplied. Schedule 28 sets out how a number of those Acts are treated with respect to the Proposed Scheme.
- 4.12 Paragraph 1 of the Schedule disapplies the Highway (Railway Crossings) Act 1839, which requires any railway crossing a road to provide gates at either end of the crossing, and staff to open the gates. The Proposed Scheme does not cross any roads such as to require a level crossing.
- 4.13 Paragraph 2 modifies section 16 of the Railway Regulation Act 1840, modifying the fine levels and sentences for obstruction of officers or trespass on the railway, and addressing those offences if committed in Scotland on Phase 2b (Crewe-Manchester) trains or property.
- 4.14 Paragraph 3 of the Schedule disapplies section 9 of the Railway Regulation Act 1842, which also makes provision for level crossings and their use.
- 4.15 The Railway Consolidation Clauses Act 1845 sets out numerous provisions for railway legislation that may or may not be incorporated into any new railway legislation, with the intention of providing consistent treatment of various issues in a convenient manner. The Bill incorporates many of

these clauses, as listed in paragraph 4(1) of Schedule 28. Other sections of the 1845 Act have not been incorporated into the Bill. Similar provisions of the Railways Clauses Consolidation (Scotland) act 1845 are incorporated in relation to Scotland

- 4.16 Paragraph 5 modifies and gives effect to provisions in the Regulation of Railways Act 1889 on offences related to travelling without a ticket.
- 4.17 Paragraph 6 gives effect to provisions in the British Transport Commission Act 1949 relating to penalties for certain offences, extending (with adjustments) provisions for the protection of a railway, which apply to the existing railway network, to the new railway.

5 More information

- 5.1 More detail on the Bill and related documents can be found at www.gov.uk/hs2-phase2b-crewe-manchester.