

HS2

Getting the best out of the North West





High Speed Two (HS2) Limited has been tasked by the Department for Transport (DfT) with managing the delivery of a new national high speed rail network. It is a non-departmental public body wholly owned by the DfT.

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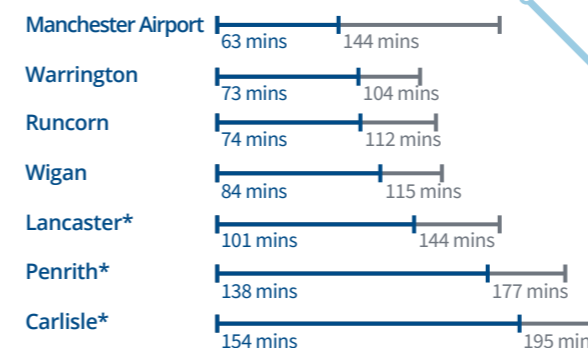
All times compare fastest HS2 service (full network) with current fastest time.



HS2 Route Map

- ● Destinations served by HS2
- HS2 line (Phase One – Completed 2026)
- HS2 line (Phase 2a – Completed 2027)
- HS2 line (Phase 2b – Completed 2033)
- HS2 services on existing network

To London from



Oxenholme (Lake District) to



Preston to



Manchester to



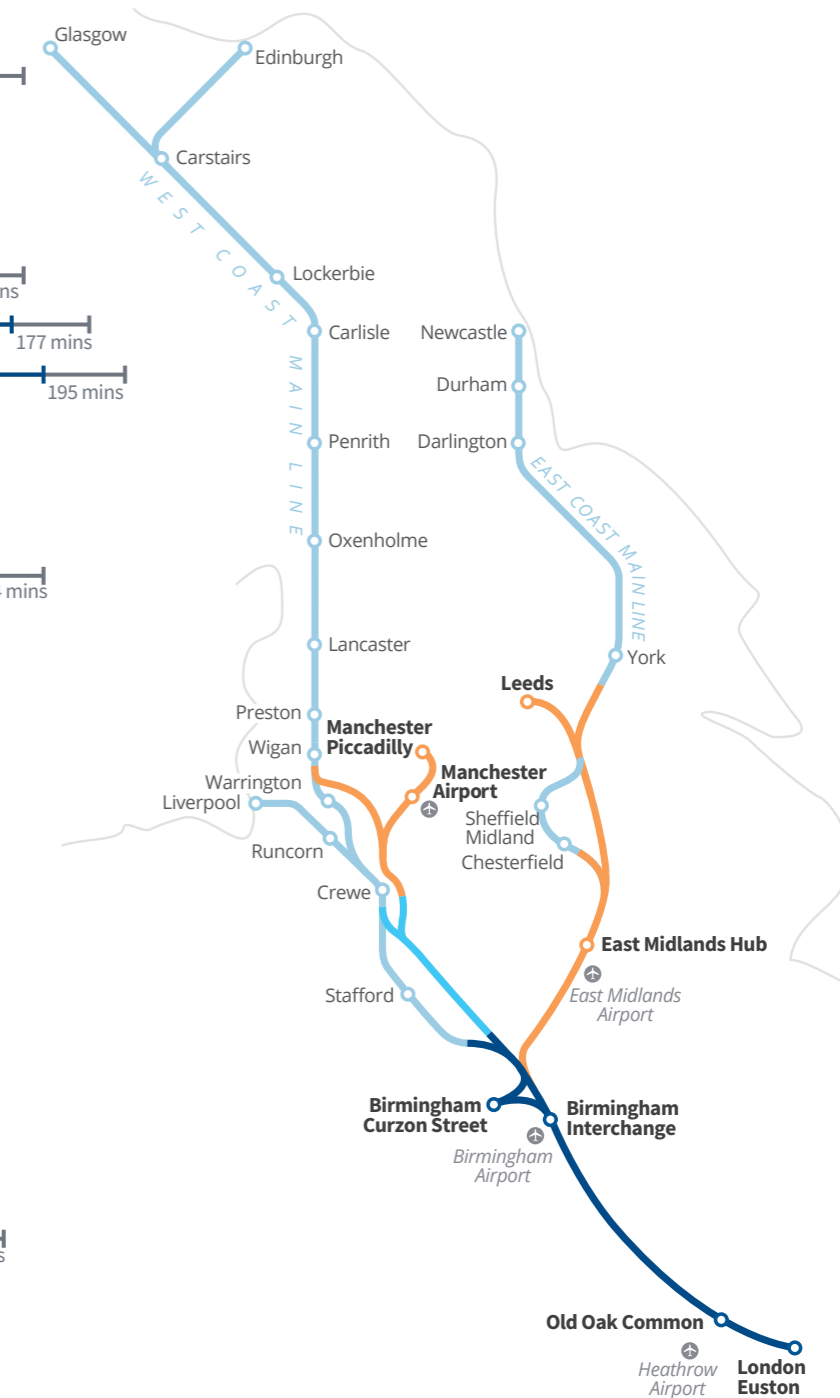
Liverpool to



Crewe to



* Via interchange between HS2 services at Preston



The North West is a large and diverse economy that spans clusters of business services and digital and creative businesses in large urban centres, and has strengths in advanced manufacturing, energy and tourism in the wider region

The North West, stretching from Cheshire to Cumbria and encompassing the city regions of Manchester and Liverpool and the county of Lancashire, is home to over 7 million people and around 3.5 million jobs¹. The region has both established economic strengths and emerging specialisms².

- » Greater Manchester’s economy draws both on the area’s traditional strengths in manufacturing and the increasing focus on knowledge-based activities. Over 60,000 people in Greater Manchester are employed in science and technology industries. In addition, the region is home to one of the UK’s main centres for financial and professional services outside of London and a growing cluster of digital and creative businesses.
- » Liverpool City Region is focusing on five specific areas of specialisation: health and life sciences; advanced manufacturing; the Superport Liverpool; the low carbon energy sector; and digital and creative services. The visitor economy supports over 50,000 jobs in the City Region, and wealth management and insurance represent important strengths.

- » Cheshire and Warrington has existing sector strengths in advanced engineering, life sciences and pharmaceuticals, chemicals, energy and environment, and financial and professional services. Bentley Motors is headquartered in Crewe, 6,500 people are employed in life sciences and pharmaceuticals, and over 7,000 firms operate in the financial and professional services sector.
- » Cumbria’s nuclear sector represents an international centre of excellence and has strong links to the county’s advanced manufacturing sector with significant employers that include BAE Systems, GlaxoSmithKline (GSK), Siemens, Trittech and Pirelli Tyres. Cumbria has a strong visitor economy and is one of the UK’s most visited destinations.
- » In Lancashire, manufacturing provides the largest contribution to the area’s economy, particularly the aerospace and automotive sectors. Lancashire has the largest concentration of aerospace production in the UK, employing over 20,000 people in 120 companies.

Bentley car production factory, Crewe



Image: Alamy Stock Photo

HS2 will allow the North West to develop its economic strengths and specialisms and will help the region to close its productivity gap

Despite strong growth performance in many parts of the region, productivity in the North West lags behind the national average. The Greater Manchester Combined Authority has made raising the productivity of residents a priority to create the conditions for growth and job creation³. The Liverpool City Region Growth Strategy aims to increase average productivity per worker by over 50% by 2040 through focusing on businesses where the opportunity for growth is greatest⁴.

The smaller scale of urban areas makes it difficult for city regions in the North of England to secure the same degree of scale and success as their counterparts in the South East. In the North the population is spread out across a number of cities and the density of employment in urban areas is lower than in the rest of England⁵. This is compounded by poorer levels of transport connectivity compared to the South East. Crowding is a growing problem – around a fifth of rail passengers in the North are dissatisfied with

the room to sit and stand⁶ – and services can be infrequent. The strategic road network in the North suffers from areas of congestion, such as the M60 in Greater Manchester and the M62 in the Liverpool City Region⁷. Lancashire suffers from capacity issues and increasing congestion on the strategic motorway network⁸.

HS2 offers faster, more frequent and more reliable travel between cities and areas of the UK and will increase capacity on our congested railways, including by releasing train paths on the existing West Coast Main Line. The western leg of Phase Two of HS2 will connect the North West to the West Midlands, improving links between regions that are home to over 9 million people, as well as to London. HS2 will allow businesses across the North West to collaborate with supply chains and research and development partners, draw on a deeper pool of skills, access new sources of finance and support networks and secure new customers in regions across Britain.

Market Square, Preston



Image: Alamy Stock Photo

Connections with local and regional transport networks will provide businesses across the North West with access to the HS2 network

- » HS2 services will call at Manchester Piccadilly station. The existing station is served by six train operating companies serving routes across the North of England and is well served by the Metrolink tram network and local bus routes. The HS2 station will be constructed to integrate with these services.
- » Wigan Council is working with Transport for Greater Manchester on a plan to be HS2-ready. The priority is to improve Wigan's gateway station, Wigan North Western, to function as an effective transport hub⁹.
- » At Crewe, there is an opportunity to create a rail hub where several rail lines connect with HS2 and each other. The Department for Transport (DfT), HS2 Ltd and Network Rail are working together on this, with input from a number of key regional stakeholders¹⁰.
- » Northern Powerhouse Rail is the shared ambition of the Government and Transport for the North to significantly improve the capacity, speed and frequency of train services in the North of England. Construction of the HS2 network in the North has the potential to create some spare capacity that, with careful design, may be able to support further connectivity between regional city centres¹¹.

Canning Dock, Liverpool



Image: Alamy Stock Photo

HS2, as part of a wider transport network, will encourage businesses to locate and expand in the North West and can help to close skills gaps

London consistently ranks among the world's most attractive cities in which to do business¹². London is, however, the most costly location among the European cities to do business. By contrast, Manchester is ranked 18 out of 111 cities assessed by KPMG for their cost competitiveness and is the least costly location among the major European cities assessed¹³. HS2 offers businesses the opportunity to relocate or expand their operations in the North West and realise significant cost savings while retaining easy access to opportunities in the capital.

The Liverpool City Region already provides an attractive location for London-based financial and professional services firms seeking to relocate parts of their operations. Financial sector companies such as Bank of New York Mellon/ Pershing, Deutsche Bank, Royal & Sun Alliance, Santander and Barclaycard have established back office operations in the region¹⁴. The region offers a deep pool of graduates in relevant subjects and is a cost-effective business location, with high quality office space available to rent for around £20 per square foot compared to around £70 per square foot for equivalent property in the City of London. It is estimated that relocating a 50-person skilled legal back office centre from the City of London to Liverpool could achieve annual savings of £1 million. Affordable house prices and high quality of life are an additional draw, with attractions such as the Lake District, Snowdonia, Peak District and Yorkshire Dales National Parks all within 2 hours' drive¹⁵.

HS2 will cut journey times from Liverpool to London by 40 minutes and bring Runcorn within 1 hour and 15 minutes' travel time from London, providing frequent and reliable connections to the capital. This will make Liverpool City Region an even

more attractive location, both for business relocations and to grow the City Region's established firms.

The North West is home to high quality universities and education providers. However, businesses report skills shortages in some areas. Thirty per cent of businesses located in Greater Manchester identified a lack of skills as one of their top three challenges to growth¹⁶. Among the Local Enterprise Partnership (LEP) areas in the North West, only Cheshire and Warrington has levels of high skills (degree equivalent or higher) above the UK average.

HS2 will increase the number of skilled workers that businesses based in the North West can access – both directly on HS2 services and by releasing capacity on the existing rail network for local commuter services. The combination of changes to conventional rail services alongside new HS2 services has the potential to more than double evening peak seats compared to today's services from Manchester Piccadilly along rail corridors towards Crewe and Stoke-on-Trent¹⁷.

HS2 will also offer graduates greater opportunities to build a career in the North West. HS2 will make cities more attractive places to live and work, acting as a catalyst for ambitious regeneration schemes that are being developed by local places along the HS2 route. City centre living is especially attractive to young people. Manchester's city centre population almost tripled between 2001 and 2011, driven primarily by young professionals¹⁸. Young people are less likely to have full driving licences and drive fewer miles than previous generations of young people¹⁹. If these trends towards city centre living and lower levels of car use among young people persist, then rail travel is likely to become increasingly important to connect people to employment and leisure opportunities.

Improved transport connections can help to bring small businesses in the North West closer to sources of finance and support networks

Small and medium-sized enterprises (SMEs) dominate Lancashire's business base of 40,000 companies, including aerospace supply chain companies that are often small and family owned²⁰. The business base of Cheshire and Warrington contains a mix of high profile international companies, well-established and substantial medium-sized companies, and a dynamic and growing small business base²¹.

The North West is home to a thriving digital sector. Manchester is the largest digital cluster outside of London by number of employees and Liverpool has strengths in the areas of gaming and connected devices. Start-ups and SMEs make a significant contribution to the dynamism of the North West's digital sector and require access to sources of finance to grow. In Manchester, there is the emergence of a second generation of tech entrepreneurs who have sold their original businesses and are seeking new investment opportunities. Two new accelerators were recently launched in Manchester²². However, in a survey conducted by TechCity in 2016, 28% of digital businesses surveyed in Manchester reported limited access to finance as a barrier to growth²³.

For businesses seeking to access private equity and venture capital, London remains the centre of the UK's financial sector. Around 25 venture capital funds were established in London between 2010 and early 2015, helping to cement London's status as Europe's leading venture capital centre²⁴. London has been ranked as the number one city in Europe for access to capital for start-up and scale-up digital businesses²⁵.

HS2 will help small businesses to grow by reducing the effective distance between London-based investors and small and high-growth businesses in the North West. Central London will be accessible from Manchester in just over 1 hour and from Liverpool in just over 1 hour and 30 minutes using frequent and reliable HS2 services, allowing round trips in half a day to meet with investors. HS2 can also help Manchester to strengthen its offer as a destination for conferences and business visitors, providing additional networking opportunities for local businesses.

Media City, Salford Quays



Image: Alamy Stock Photo

HS2 will encourage face-to-face collaboration between engineers and researchers to support the competitiveness of advanced manufacturing in the North West

Advanced manufacturing is a major source of jobs, growth and exports for the North West economy. Manufacturing employs almost 350,000 highly skilled people across the region, accounting for almost 10% of total employment²⁶.

Knowledge sharing, new discoveries and serendipity are encouraged when engineers, scientists, researchers and suppliers are able to come together and collaborate. HS2 will support face-to-face collaboration in research and innovation by effectively shrinking the distance between manufacturing plants, their suppliers, universities and research centres. Some of the UK's best universities and manufacturing clusters in the North West will be connected to research centres and supply chains in the West Midlands.

For example:

- » The North West is home to a cluster of over 200 aerospace companies with a combined turnover in excess of £7 billion²⁷. Lancashire accounted for almost 15% of British aerospace jobs in 2014²⁸ and HS2 will almost halve the rail journey time between Preston and the West Midlands aerospace cluster to 50 minutes.
- » The Cheshire Science Corridor encompasses many fields of scientific analysis and research including life sciences, chemical engineering and energy and environmental technology parks²⁹. Researchers and scientists working in the Corridor will have access to the UK's high speed rail network via HS2 stations at Liverpool, Runcorn, Crewe, Warrington and Manchester Airport. This will provide connections to London – which sits within the UK's 'golden triangle' life sciences cluster – in just over one hour and 30 minutes from Liverpool and in less than 1 hour from Crewe.

Jodrell Bank, Cheshire Science Corridor



Image: Alamy Stock Photo

Faster, more frequent and more reliable transport connections will provide businesses in the North West with opportunities to access new markets and customers at home and abroad

Cumbria and the Lake District received over 6 million overnight visitors in 2016, as well as almost 39 million day visitors. Cumbria Tourism estimates that spending by these visitors in the region generated employment for around 36,000 people on a full-time equivalent basis³⁰. Half of UK visitors making an overnight stay in Cumbria come from the North of England. The Cumbria LEP has identified an opportunity to increase visitor numbers coming from London and the South East where market penetration is currently low³¹. At less than 2 hours' journey time from London Euston to Oxenholme, HS2 will make Cumbria more accessible to visitors from the South East for weekend trips, helping to fill vacancies during the quieter spring and autumn 'shoulder seasons'.

Manchester Airport is a key asset for businesses in the region seeking to export and attract inward investment. HS2 will provide a dedicated station at Manchester Airport, providing direct services to London in just over 1 hour and to Birmingham in just over 30 minutes. This will increase the catchment area of Manchester Airport, allowing the airport to provide more frequent flights and offer a wider choice of destinations for businesses based in the North West. HS2 will also provide fast, frequent and reliable services from the North West to a dedicated station at Birmingham Airport and to the HS2 station at Old Oak Common in West London, from where Heathrow Airport will be a short interchange away. For example, HS2 will bring Preston within less than 45 minutes' journey time of Birmingham Interchange station.

Kendal, Cumbria



Image: Alamy Stock Photo

¹ ONS Nomis data. Population estimate for mid-2016. Workplace jobs for June 2017.

² 'The Northern Powerhouse Independent Economic Review Workstream 2: City Region & Local Area Profiles – Final Report', SQW and Cambridge Econometrics on behalf of Transport for the North, May 2016.

³ 'A Plan for Growth and Reform in Greater Manchester', Greater Manchester Combined Authority, Greater Manchester LEP and Association of Greater Manchester Authorities, March 2014.

⁴ 'Building Our Future: Liverpool City Region Growth Strategy', Liverpool City Region Combined Authority and Liverpool City Region LEP, 2016.

⁵ 'Northern Powerhouse Independent Economic Review: Workstream 1: Analysis of the pan-Northern Performance Gap – Final Report', SQW and Cambridge Econometrics, May 2016.

⁶ <http://data.passengerfocus.org.uk/train/nps/toc/northernrail/commuter/?active=service-passenger-space>.

⁷ 'The Northern Powerhouse: One Agenda, One Economy, One North', HM Government & Transport for the North, 2015.

⁸ 'The Northern Powerhouse Independent Economic Review Workstream 2: City Region & Local Area Profiles – Final Report', SQW and Cambridge Econometrics on behalf of Transport for the North, May 2016.

⁹ 'Changing Britain: HS2 Taking Root', HS2 Ltd, October 2016.

¹⁰ 'High Speed Two: From Concept to Reality', HS2 Ltd and Department for Transport, July 2017.

¹¹ 'High Speed Two: From Concept to Reality', HS2 Ltd and Department for Transport, July 2017.

¹² London is ranked first in the following 2016 rankings: AT Kearney 'Global Cities'; PwC 'Cities of Opportunity Index'.

¹³ 'Competitive Alternatives, 2016 edition: KPMG's guide to international business locations costs', KPMG.

¹⁴ 'North Shoring: What Can Liverpool Offer You', Mayor of Liverpool and Liverpool Vision, 2014.

¹⁵ 'North Shoring: What Can Liverpool Offer You', Mayor of Liverpool and Liverpool Vision, 2014.

¹⁶ Greater Manchester Business Survey 2016.

¹⁷ 'High Speed Two: From Concept to Reality', HS2 Ltd and Department for Transport, July 2017.

¹⁸ 'Urban Demographics: Why people live where they do?', Elli Thomas, Ilona Serwicka and Paul Swinney, Centre for Cities, November 2015.

¹⁹ 'Young Adults' Licence Holding and Driving Behaviour in the UK: Full Findings', Ann Berrington and Julia Mikolai, RAC Foundation, December 2014.

²⁰ 'Lancashire Strategic Economic Plan', Lancashire LEP, March 2014.

²¹ 'Strategic Economic Plan for Cheshire and Warrington', Cheshire and Warrington LEP, 2014.

²² 'TechNation 2017', TechCity.

²³ 'TechNation 2017', TechCity.

²⁴ 'Venture capital funds sprout amid rush to invest in London tech', Financial Times, 5 February 2015.

²⁵ European Digital City Index 2016. Available at: <https://digitalcityindex.eu/>.

²⁶ <http://www.manchestereveningnews.co.uk/business/business-news/north-west-manufacturers-remain-uk-11937586>.

²⁷ <http://www.aerospace.co.uk/about-us>.

²⁸ 'The aerospace industry in Lancashire', September 2015. Available at: <http://www.lancashire.gov.uk/media/897998/sector-aerospace-2014.pdf>.

²⁹ Cheshire Science Corridor Enterprise Zone – Prospectus: <http://cheshiresciencecorridorez.com/wp-content/uploads/2015/05/5843-CSC-BROCHURE-MASTER.pdf>.

³⁰ <https://www.cumbriatourism.org/what-we-do/research/economic-impact-of-tourism/>.

³¹ 'Cumbria Rural and Visitor Economy Growth Plan 2017', Cumbria LEP.

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