

October 2024



# HS2 Residents' Commissioner

Report 21 – October 2024

# Introduction

**This is the 21st report of the HS2 Residents' Commissioner and covers the period from April to September 2024.**

**As with my 20th report, published in June 2024, this period has been marked by considerable uncertainty on the future direction of the HS2 project. There has been continuing managerial and organisational change at HS2 Ltd, including the setting up of new executive structures and a new operation model. Not only this, but following the General Election in July 2024, a new ministerial team at the Department for Transport (DfT) has been appointed, headed by the new secretary of state, the Rt Hon Louise Haigh MP, and a new minister for rail, Lord Hendy.**

## **A period of transition**

In October 2023, the previous government announced decisions on the HS2 programme, including the completion of Phase One, the cancellation of Phase 2, and the revision of funding and delivery of the London terminus at Euston. It also announced plans for Northern Powerhouse Rail (NPR).

At the time of writing, key policy decisions on the future of the Euston to Old Oak Common link have yet to be made by ministers. In the meantime, on 25 July 2024, the new government (re)published the High-Speed Rail (Crewe–Manchester) Bill and this bill is awaiting committee dates in parliament.

Disposing of Phase 2 land and property will take several years, and DfT is still working on a strategy to achieve value for money from the disposals. For instance, in March 2024, the land and property acquired for Phase 2 amounted to 17 sq km of land, plus 1,001 other types of property (such as residential homes) along the proposed line of route. To date, £592 million has been spent on land and property acquisitions in Phase 2, and £3.7 billion across the whole line of route (Phases One, 2a and 2b, and the western and eastern legs, respectively). It is a complex process involving many different factors: the very varied parcels of land; the necessity for safe remediation; some repurposing for transport infrastructure other than HS2; the appraisal of the local residential property market; and the need to adhere to the Crichel Down rules.

In Phase One, there remains significant work to expedite land and property matters, such as closing-out claims; delivering utility land rights, handbacks and land disposals; land transition from civils to systems; effective management and monitoring of agreements; and delivering notices to treat (NtT) and notices of entry (NoE).

Irrespective of the bigger strategic and political decisions, I continue to represent the viewpoint of residents and stakeholders affected by the project, directly and indirectly, with a focus not merely on land and property acquisitions but also on effective, timely and sensitive engagement and communications by HS2 Ltd, with respect to its obligations under the Residents' Charter and the appropriate legislation.

## **Euston**

The biggest source of ambiguity and uncertainty, which is currently having an impact on residents and local businesses, is the future of Euston station, the surrounding area, and the proposed link to Old Oak Common in west London. Development includes the construction of a new station for HS2, redevelopment of the existing Network Rail Euston station and the surrounding land for housing and commercial purposes, and regeneration of the wider Euston quarter.

Euston is a complex proposal because it involves many stakeholders, such as DfT, HS2 Ltd, Transport for London, London Borough of Camden, and others, as well as local people. HS2 Ltd provided an initial assessment in May 2024 of the minimum requirements for the new station and ministers are expected to announce a delivery model later this year; however, the timescale for the establishment of a development corporation is 2–3 years, and ministers have yet to decide on exactly what mix of public and private funding will finance these various projects.

Whilst enabling works on site are ongoing, in the very short term, ministers will need to make a decision on the continued tunnelling work on the Euston–Old Oak Common link. This decision is time-sensitive and mission-critical for the project, and to avoid much higher costs in the future.

I have noted the undertaking by the chair of HS2 Ltd, Sir Jon Thompson, in his letter to me of 30 July 2024, to open a community hub later this year in Euston by way of an information resource for residents.

HS2 Ltd is progressing work on 'meanwhile sites', such as the forthcoming green open space at Euston Square Gardens West, to be managed by a local charity.

I will be visiting the Euston site with the Construction Commissioner again later this year, and we will closely monitor the dialogue and engagement on all matters affecting Euston's future governance, planning and regeneration in the medium term, and land and property and construction issues in the interim (until further plans are unveiled). We will encourage active participation by local people and their elected representatives in this debate.

## **Policy Engagement and Improvement Group**

The Policy Engagement and Improvement Group aims to evaluate available customer engagement data and evidence, and to improve the claimant experience in respect of the discretionary schemes. In June 2024, the group met and agreed its terms of reference, and has continued its work in specific areas such as reviewing the dialogue between HS2 Ltd and the Central Association of Agricultural Valuers (CAAV), the evaluation of the crop loss policy, and the enhanced and improved strategy for the timely closing-out of claims.

As a member of the group, I have an important scrutiny, oversight and challenge role. The next meeting is scheduled for 14 October 2024.

## **Property Approvals Group and Special Cases Review Panel**

As an independent member, I attend weekly meetings of the Property Approvals Group which adjudicates on matters relating to non-typical land and property scheme issues arising from acquisitions and disposals by HS2 Ltd. Many cases are technical and specialised, but my duty is to support the interests of the most acutely affected stakeholders.

The quality of the papers presented and the robust and open discussion of the often sensitive issues (which have long-term medical, financial and other impacts on those affected by the construction and land and property schemes) are a useful check on the work of the HS2 Land and Property professionals and their supply chain.

As Residents' Commissioner, I also chaired in July 2024 a Special Cases Review Panel which considered three separate cases. The



panel manages and adjudicates assessments of applications for special circumstances related to the HS2 construction project, which lie outside the eligibility criteria as applied to the existing policies and schemes of HS2 Ltd.

## **Central Association of Agricultural Valuers**

As referenced in my 20th Report, HS2 Ltd commissioned CAAV to deliver a report (published in October 2023) and establish an agent-to-agent forum to improve the claimant experience. Its task was to review and analyse the underlying and systemic problems in the current regime, with special reference to the protracted delays in compensation claims.

HS2 Ltd has broadly accepted the recommendations, such as, *inter alia*, greater use of the Alternative Dispute Resolution process; improved dialogue and engagement; a clear and well-structured communications strategy; enhanced discretion for professionals retained by HS2 Ltd, and greater clarity on standstill agreements, interim settlements and other technical aspects of the compulsory purchase policy.

Collaborative work is continuing between CAAV and HS2 Ltd, and both the Construction Commissioner and I have been appraised of ongoing efforts. We will continue to closely monitor progress in the next few months. Senior management at the company is, I believe, committed to real improvements in service delivery, and see the CAAV report as an important first step in understanding the qualitative and quantitative data necessary to drive better results and more satisfied stakeholders.

## **Regular meetings and feedback**

Every month, I meet with the High-Speed Rail Group at DfT and the senior management team at HS2 Land and Property for a useful discussion. This includes a review and preview of policy issues and events arising from the evolving HS2 project.

As yet, I have not formally met the new rail minister, Lord Hendy, nor the secretary of state, the Rt Hon Louise Haigh, but hope to do so in the next few months to ascertain their views on land and property and community and stakeholder engagement.

## **Visits**

Due to the then Prime Minister's announcement in October 2023 and the consequent policy uncertainty and organisational upheavals throughout 2024 (including the General Election and

change of government), visits have been less numerous than I would have liked. However, I have visits scheduled for the South Portal and Long Itchington sites in the coming weeks and to Euston again later in the year.

I did, however, make a second visit to farmers and landowners and their agents in south Warwickshire in late September, to follow up on the one I made in July 2022. I wanted to hear first hand of the issues affecting them on the northern extent of Phase One of the project. It was clear to me that there remained several outstanding complaints, centred on consistency of service delivery by supply chain partners, engagement and communication, chains of accountability and timely decision making, and effective claims processing, amongst other matters.

I have assumed the role once again as interlocutor between these stakeholders and HS2 Ltd, and will be carefully monitoring the company's responses in the next few weeks, in order that these matters can be satisfactorily resolved and the claims closed out quickly where possible.

## **Community and stakeholder engagement: performance overview and monitoring**

A clear understanding of the contemporaneous impact of the HS2 project on people and places is vital to my role as Residents' Commissioner.

Each month, I am copied into detailed reports by HS2 Ltd on local authority activity as it relates to the company's work, including feedback from the HS2 Helpdesk on route-wide complaints, disaggregated between service and construction and more general non-complaint enquiries. These are further broken down into community engagement, construction, land and property, and other issues. In addition, I receive a regular breakdown of interactions with members of parliament, other parliamentary activity (including parliamentary questions), and requests submitted under the Freedom of Information Act 2000.

I also receive a public response monthly demand and performance report focused on HS2 contractor performance, as well as granular data for land and property claims on a rolling monthly basis. All this data enables me to scrutinise in real time the company's customer-facing performance, putting me in a better position to pick up and monitor trends in order to raise developing problems with senior managers at HS2 Ltd and, where necessary, DfT.

## **HS2 Community and Environment Fund and Business and Local Economy Fund**

As part of my Community and Stakeholder Engagement mandate, I oversee the dispersal of monies via grant aid under the two above-mentioned schemes. The funding is managed independently at arm's length by the charity Groundwork UK. More details can be accessed via:

[www.hs2funds.org.uk/home/projects-funded-by-hs2-funds/](http://www.hs2funds.org.uk/home/projects-funded-by-hs2-funds/)

As at the end of September 2024, £17 million has been provided across 308 discrete projects in Phase One and Phase 2a, respectively.

### **Conclusion**

I will report again in early 2025 and I trust that, by then, ministers will have been able to make some key decisions on the future of the Euston locale, strategic demand management and capacity issues on the West Coast Mainline, safeguarding on Phase 2b and Northern Powerhouse Rail, and other key matters. Any legislative and new policy proposals should be clearer and will go some way to reassure residents and other stakeholders affected by the project.

In the meantime, I would of course be pleased to receive any comments, observations or questions in my role as Residents' Commissioner via:

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