

#### 4A.7a: Infrastructure investment (high speed rail, airport development) in order to maintain growth and improve accessibility to regenerate regions.

### Why build HS2?

The planned construction of HS2 reverses governments' transport policies since 1945, which have consistently favoured road expansion (rather than railways). In 1958, when the first motorways opened, only 4.5 million road vehicles were registered in the UK. By 2022, there were 39 million! However, the road-building programme has not kept pace with growing vehicle use and the UK now has Europe's most congested roads.

- ◆ The worst congestion is in the economic core of London and South East England – extending to Birmingham and Manchester (via the M6), and Leeds (via the M1). A government report estimated that by 2030 congestion would cost the UK £22 billion each year in lost time.
- ◆ Rail travel does offer an alternative to the car, and also allows people to work on laptops while they travel, but rail passenger traffic is also at its highest ever level. From 2002–03, when just under 1 billion rail passenger journeys were made, by 2014 the total had risen to 1.65 billion. Some rail routes are already close to capacity.

The UK needs new infrastructure to generate economic growth.

- ◆ **Route:** Two phases. Phase 1 will be a high-speed link (travelling at up to 400 km per hour) between London Euston and Birmingham Curzon Street (via north-west London and the Chiltern Hills). Phase 2 will then lead north-west to Manchester and north-east to East Midlands Parkway.
- ◆ **Benefits:** Improved journey times between major cities (e.g. the London to Birmingham journey time will be cut from 80 to 49 minutes). An estimated 60 000 construction jobs will be created.
- ◆ **Problems:** The planned route will pass right through the Chilterns Area of Outstanding Natural Beauty (AONB). Like the TGV high-speed network in France, there will be no intermediate stations, so communities along the route will not gain from it.
- ◆ **Time:** Construction began in 2017 (with Phase 1 high-speed services to Birmingham in 2033), and Phase 2 is planned to open by 2040.



Figure 3 The plan for HS2

### The role of central government

Some projects, like HS2, are just too expensive for private companies to invest in (HS2's estimated cost in 2023 was £96 billion). As an engineering project, HS2 is huge (as Figures 2 and 3 imply). Also, as a service, transport rarely makes a profit, so although UK rail services are privatised (i.e. run by private companies), central government subsidised them by £11 billion in 2022–23. Without those subsidies, existing rail companies would operate at a loss.

So, if private companies can't afford to build HS2, central government is left as the only organisation able to provide sufficient capital. This expense is viewed as an investment, because the government will gain:

- ◆ franchising fees from train companies to run services
- ◆ an economic multiplier – i.e. growth – which should result from the improved transport links generating higher company profits, and also jobs, from which the government will receive taxation revenue.

Another infrastructure project requiring central government funding will be the essential expansion of airport capacity in the UK. Each project is subject to a **cost-benefit analysis**, where costs are weighed against economic growth. One objection to HS2 is that it might only benefit London. However, improved accessibility between some northern cities should also produce economic growth there.