

# 51m supplementary submission to the Transport Select Committee

November 2013



## *Introduction*

51m is offering this supplementary submission to the Transport Select Committee for their hearing on 26 November. It adds further information for Question 5 (north-south divide and growth) and 6 (track record on infrastructure delivery) in the original submission. 51m hopes that this additional material will be useful to the Select Committee members.

## *5) How will HS2 bridge the north-south divide and drive growth?*

51m understands that to truly narrow the north-south divide requires significant growth and job creation in the north that not only matches but surpasses that experienced in the south. HS2 Ltd has done nothing to date to narrow that divide with more than 98% of jobs created in London, and the remaining 1.3% in Birmingham. Of the 557 jobs at HS2 Ltd, 550 are based in London and just seven in Birmingham.

The figures were disclosed by Transport Minister Robert Goodwill, in response to a question from Perry Barr MP Khalid Mahmood. Mr Mahmood commented that these figures were “absolutely disgraceful” and that the “The government needs to get its act together. Rather than blaming everyone else for not supporting it, they need to ensure the jobs are distributed across the country and particularly in Birmingham and Manchester.”<sup>1</sup>

The Government’s appointment of Sir David Higgins to replicate the success of the Olympics is also a concern to 51m, since one legacy aspect that is rarely shared is the further widening of the north-south divide. A BBC report<sup>2</sup> identified that the economic benefits of the Games were far from fairly distributed with a large geographic disparity across the UK.

Government figures state that £2.5 billion of additional foreign direct investment has been secured since the Games, leading to the creation of 31,000 new jobs. London and the south-east of England gained nearly 15,000 additional jobs, but only seven were created in the North East. Both examples seem to further reinforce John Tomaney’s research, that the biggest winner from HS2 will be London and the south-east.

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<sup>1</sup> <http://www.birminghammail.co.uk/news/local-news/hs2-firm-employs-550-london-6297636>

<sup>2</sup> <http://www.bbc.co.uk/sport/0/olympics/24981550>

## *6) What is our track record in infrastructure delivery?*

Government claims that HS2 will be built on time and within budget are also worthy of detailed scrutiny. The consultants and engineers employed by HS2 Ltd are already £11 million over budget<sup>3</sup> and with Royal Assent given to the Paving Bill, what assurances can Sir David Higgins, the Department for Transport, or the Secretary of State give that the project will be completed at a cost of no more than £50 billion?

### *Conclusion*

51m recognises that the country needs investment in infrastructure, but continues to believe there are better projects that can be delivered quickly, at less cost, and with better returns. It is not against growth and jobs but believes in a more balanced investment strategy, where every part of the country reaps the rewards.

51m trusts that this supplementary submission will help further inform the Select Committee and would be happy to provide any further information in support of its case.

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<sup>3</sup> <http://www.building.co.uk/story.aspx?storyCode=5063220>