

1. Petitioner information

In the box below, give the name and address of each individual, business or organisation submitting the petition. Please note that addresses here will be provided to the Bill's promoter, but will be redacted in the version of the petition published on the Parliamentary Website.

The petitioner is HSBC Bank Pension Trust (UK) Limited (company registration number 00489775) (the "**Trust**") of Level 33, 8 Canada Square, London E14 5HQ.

In the box below, give a description of the petitioners. For example, "We are the owners/tenants of the addresses above"; "My company has offices at the address above"; "Our organisation represents the interests of..."; "We are the parish council of...".

1. The Trust acts as pension scheme trustee for the HSBC Bank (UK) Pension Scheme (the "**Pension Scheme**"). The Pension Scheme serves around 177,000 current and former employees of HSBC Bank in the UK. LaSalle Investment Management (company registration number 02597050) of 4th Floor, 78 St James's Street, St James's, London SW1A 1JB act for and on behalf of the Trust in managing a key property investment portfolio forming part of the Pension Scheme.

2. The Trust is long leasehold owner of Gateway House located on Piccadilly Station Approach. (Gateway House is located within Character Area MA08 for the purposes of the Second Additional Provision "**AP2**"). Gateway House is an income generating asset held on a long-term investment basis. It is one of the largest assets by value within the portfolio. The portfolio is designed to secure certainty of future cashflows to deliver defined benefits under the Pension Scheme. Gateway House is crucial for meeting property performance targets within the portfolio for the benefit of the wider performance of the Pension Scheme.

3. The Trust owns two 999 year long leasehold interests, effective from 25th March 1982, registered under title numbers GM933762 (relating to the majority of the Gateway House demise (excluding the basement) and the rear surface car park) and GM891699 (relating to the basement of Gateway House only) (together the "**Property**").

4. The Property is a prominent mixed-use building in the heart of Manchester city centre. It is a non-designated asset having architectural and historic interest due to its modernist style and association with the architect, Richard Seifert, who designed the NatWest Tower in London.

5. The Property comprises ground floor retail uses, including food and beverage operators with 14 retail occupants including Café Nero, Leon Restaurant, Co-Op Foodstore, Ladbrokes Betting Shop and Greggs Food take-away (the "**Retail Units**"). In addition, there is a digital screen on the northern side of the building facing onto London Road which is subject to a separate lease.

6. At basement / undercroft level (the “**Undercroft**”), there is car parking along with extensive service plant and installations.

7. The upper floors are solely occupied and operated by StayCity Aparthotels (the “**Aparthotel**”). The Aparthotel is one of StayCity’s highest performing assets and accommodates 182 suites. The rent paid by the Aparthotel accounts for approximately 60% of the annual income generated from the Property. The Aparthotel is therefore vital for the financial viability of the Property as an asset to the Trust.

8. At the surface level to the rear of Gateway House, there is further car parking forming part of the Property for the Aparthotel only (the “**Surface Car Park**”), as well as service and refuse access for the entire building. The Trust has planning permission to redevelop the Surface Car Park (including approximately 40,000sqft office accommodation, 8,000sqft retail accommodation and a gym/leisure use) with reference 106792/JO/2014/C2 (“**Extant Planning Permission**”).

9. The Trust has prepared this petition with the assistance of LaSalle Investment Management, as well as its legal and other advisers.

2. Objections to the Second Additional Provision to the Bill

In the box below, write your objections to the Second Additional Provision to the Bill and why your property or other interests are **directly and specially affected**. Please number each paragraph.

Only objections outlined in this petition can be presented when giving evidence to the Committee. You will not be entitled to be heard by the Committee on new matters not included in your written petition.

10. The Trust outlines its objections to the Bill as follows:

10.1 **A. Relevant Design Changes:** Identification of the relevant design changes forming part of SES2 and/or AP2 for the proposed HS2 Phase 2b (Western Leg) (the “**Scheme**”) that directly and specifically affect the Property;

10.2 **B. Affected Property Interests:** Identification of the relevant plots of land forming part of Gateway House (with reference to the Book of Reference) that are directly and specially affected by the Scheme; and

10.3 **C. Substantive Objections:** Explanation of the substantive elements of the Trust’s objections in relation to impacts of the design changes for the Scheme on the Property.

A. Relevant Design Changes

11. The Trust is directly and specially affected by the design changes for the Scheme as the Bill proposes powers of compulsory acquisition over the Property. The Trust refers to its first petition (Petition Number HS2-120) in respect of the Bill (“**First Petition**”), which set out the relevant works in the Bill as originally submitted to Parliament before AP2.

12. HS2 has confirmed in its Supplementary Environmental Statement 2 and Additional Provision 2 Environmental Statement (“**SES2**”) that, “*although the Bill provides for demolition powers, it was assumed in the main ES that the Gateway House building would be retained in its current location. Since the main ES, it has been identified that there is the potential requirement for Gateway House to be removed. The demolition of Gateway House to the existing ramp level is therefore assessed as a worst case scenario*” by HS2 (see Volume 2 of SES2, MA08 Community Area Report, paragraph 2.2.39 to 2.2.40).

13. In relation to AP2 and SES2, the changes to the design and construction assumptions include the “*change to the assessment assumption for the demolition of Gateway House*” (see section 2.3 of the SES2 NTS). This means the potential for demolition of the Property in its entirety.

14. The design changes and or construction assumptions not requiring a change in the Bill in connection with Character Area MA08 are summarised within Table 3 (page 52) of the NTS and at section 2.2 of SES2, Table 1. These are as follows:

14.1 The relocation of six Electricity North-West substations. The substation at the Property to be relocated outside of the footprint of the new station or, in the alternative,

the Gateway House substation would be decommissioned in the event that the Property is demolished (SES2-008-090 Map CT-06-365b, I5 to J6). SES2 confirms that the Gateway House substation “*will only be reprovided (to an area of land off Store Street) if Gateway House is retained*” (section 2.2.35).

14.2 Change to the requirement/ assessment assumption for the demolition of Gateway House (SES2-008-005). It is confirmed in SES2 that, “*although the Bill provides for demolition powers, it is assumed in the main ES that Gateway House would be retained in its current location. Since the main ES, it has been identified that there is a potential requirement to demolish Gateway House. However, this would be in a worst case scenario*”.

15. Table 16 in the NTS summarises the AP2 amendments requiring changes to the Bill powers in the MA08 area (page 159) as being:

15.1 New loading/ unloading bay (to provide access to catering areas within Network Rail facilities building at the new High Speed Station), with access to the building via a ramp accessed via the Network Rail maintenance depot to the rear of Gateway House, off Ducie Street.

16. The Property has been assessed as part of SES2 as being demolished and therefore there is a possibility of it being compulsorily acquired in its entirety. This appears to be on the basis of a worst-case scenario. The change to the requirements/ assessment assumption for the demolition of Gateway House at Manchester Piccadilly station (SES2-008-005) is set out at sections 2.2.39 to 2.2.42 of SES2 (pp. 25-6), which confirms as follows:

16.1 “*Although the Bill provides demolition powers, it was assumed for the main ES that Gateway House would be retained in its current location. The Bill includes the realignment of the existing Metrolink north-east of its current alignment at the junction with the A6 London Road. The Metrolink would pass beneath Gateway House and into Manchester Piccadilly High Speed station...*”

16.2 *Since the main ES it has been identified that there is the potential requirement for the Gateway House building to be removed. The demolition of Gateway House to the existing ramp level is therefore assessed as a worst case scenario.*

16.3 *In the event that the demolition of Gateway House is necessary, the following would be required:*

- *removal of Gateway House to the existing ramp level;*
- *a new slab would be constructed at ramp level and would be supported by the existing Gateway House columns;...*
- *existing utilities within Gateway House and the basement area would be removed as part of the demolition process, with the Gateway House substation being decommissioned as a result;*
- *the area would be protected by hoarding and would be available for return to suitable development”.*

16.4 SES2 also confirms that the “*design change will be constructed from the Manchester Piccadilly High Speed station main compound and will be completed within the revised programme provided in section 6 (Figure 4)*”. Figure 4 in SES2 appears to

confirm that there will be an increase in duration or activity as a result of the SES2 changes and the AP2 amendment works at Manchester Piccadilly High Speed station with works being shown as taking place into the 2033 and 2034 quarters (an extension of over a year).

B. Affected Property Interests

17. The works affecting the Property based on the Book of Reference and corresponding provisions in the Bill (as originally submitted, before AP2) within Schedule 6 (Acquisition of land for particular purposes), will affect the following plots of land within the Property:

17.1 Plots 2654, 2656, 2657, 2660, 2661, 2662, 2663, 2697 (utility works); and

17.2 Plots 2658, 2659, 2690, 2697, 2706, 2711, 2717, 2720, 2723, 2724, 2726, 2728 (worksite and access for construction).

18. As stated in the Trust's First Petition, it is unclear how the distinctions between these purposes have been drawn and what works are intended to be covered by these descriptions. It is also unclear which of the AP2 additions (if any) are linked to the design changes affecting the Property. Table 16 within the NTS for SES2 summarises which AP2 amendments require changes to the Bill powers within the MA08 area. In relation to the Property, these changes relate to the new loading/unloading bay to provide access to catering areas within the Network Rail facilities building at the new High Speed station (AP2-008-004).

19. The Trust notes that the Volume 2: MA08 Map Book Map CT-06-365b has been updated as part of SES2 and AP2. The original map showed the Surface Car Park (coloured pink), which included the land to be redeveloped pursuant to the Trust's Extant Planning Permission (plot 2712), as public realm for the new HS2 station. This land is still shown as public realm but, in addition, the Property itself is also now included within the updated MA08 Map Book Map CT-06-0365b. The Gateway House building is shown coloured orange denoting it as being "*returned to suitable development use*". The Trust notes that Plots 2712 (along with plots 2664, 2666, 2667, 2671, 2673, 2676, 2677, 2678, 2679, 2681, 2684, 2686, 2689, 2699, 2701 and 2730) are included within the Bill limits and thereby subject to a general power of compulsory acquisition, the purpose of which was not explained in the main ES. SES2 now includes the proposition of the Property being demolished on a worst-case assessment basis. However, the purpose and need for the demolition of the Property is still not explained.

20. The Property is coloured pink on the original MA08 Volume 2: MA08 Map Book Manchester Piccadilly Station, Map CT-05-365b, as well as on the AP2 updated version. Pink land is "*land potentially required during construction*". Whilst some of this land is identified in Schedule 6 to the Bill (see the First Petition) the remainder is not, and the purpose of its acquisition for construction purposes (or indeed any purposes) has not been made clear.

21. Section 2 of the main ES stated (at footnote 10): "*Based on information currently available, it is considered that these [HS2] works will not require the demolition of Gateway House. However, as the design develops, the situation will be kept under review given the potential impacts of the Proposed Scheme upon this building.*" The Trust raised a concern with this cursory (and unassessed) reference to the demolition of

an important city centre asset as being unsatisfactory both in its First Petition and in its consultation response of 31 March 2022.

22. HS2 has now, as part of SES2, assessed demolition of the Property on a worst-case assessment basis. HS2 states that, since the main ES “*it has been identified that there is the potential requirement for the Gateway House building to be removed*”. The rationale for this is not explained in SES2 and merely refers to there being a “*change to the assessment assumption for the demolition of Gateway House*” (SES2-008-005). The Trust has not seen any evidence provided by HS2 to justify why removal of the Property to the existing ramp level (map CT-06-365b, I5 to J6) is necessary.

C. The Trust’s Objections to AP2

23. In summary, the Trust’s objections to AP2 are based on the following:

Introduction

24. The Property is an important asset to this part of the city centre, providing successful aparthotel and retail facilities, and approximately 250 jobs. (SES2 refers to an assumption of an additional “*120 jobs [being] displaced or lost in the Manchester Piccadilly Station area in addition to those reported for the construction of the original scheme*” in the event that the Property is demolished (paragraph 3.7.20, SES2 Volume 2). Securing the Property’s long-term occupation and use, as well as its financial performance, remains a key objective of the Trust. Disruption to trading operations at the Property and its ability to generate a reliable long-term income stream or, in the alternative, the demolition of the Property in its entirety would be detrimental to both the vitality of this part of the city centre and the Pension Scheme.

25. If demolition of the Property is required under the worst-case scenario contemplated by HS2, the additional effects in terms of landscape and visual, socio economic (loss of employment in particular) and overall construction effects (increasing the construction programme by over a year) would be significant. The loss of the Property would represent a substantial change to the townscape in this part of the city centre with no clear evidence of how or when its loss would be satisfactorily replaced. There would be significant loss of employment and occupiers may struggle to find alternative suitable prominent premises with high customer footfall in an area so close to Piccadilly Station.

Lack of Clarity

26. It is difficult to understand what HS2 wants to achieve through the demolition of the Property, or its position generally with respect to the future of the Property during the construction and operation of the Scheme.

27. SES2 expresses demolition, that is removal of the Property to the existing ramp level (shown coloured orange on Map CT-06-365b, I5 to J6), as a “*worst-case assessment*”. Given the reference in paragraph 2.2.39 to the Metrolink realignment, this appears to relate to concerns about the impact of the Metrolink realignment works on the Property.

28. The rationale for demolition has not been explained, as a “*worst case*” or otherwise. And if it is considered that demolition may be necessary, it has not been made clear to the Trust how subsequently “*making the Property available for return to suitable development*” (section 2.2.41, final bullet Volume 2, SES2 and shown coloured orange

on Map CT-06-365b, I5 to J6) is consistent with the need for permanent acquisition of the Property by HS2.

29. The worst-case assessment assumes nonetheless that HS2 anticipates the retention of the Property during the construction and the operation of the Scheme. This presumes not only that the Metrolink realignment as proposed can be achieved (which seems to be in doubt) but that there is a viable future use of the Property, including the ability to satisfactorily achieve access for servicing, deliveries and refuse collection, so as to allow the continuation of retail and Aparthotel activities. It also presumes that vital mechanical and electrical services to the Property can be provided.

30. The Trust in its First Petition explained how it had prepared a preliminary design for an Alternative Realignment for the Metrolink, along with indicative Alternative Access Arrangements which would enable the retention of access and servicing to the rear of the Property during the construction and operational phases of the Scheme. It has also prepared preliminary work to show how the noise and vibration impacts during the construction phase could be more effectively mitigated.

31. Whilst there have been some meetings between HS2 and the Trust, the Trust has still not received a formal response to its First Petition, in particular a full and reasoned response to these mitigation options. These are summarised for convenience below. In so far as these options include the Alternative Realignment for the Metrolink, the Trust remains unclear in relation to the settled position of HS2 independently of any views which may be expressed by other bodies, including Transport for Greater Manchester. It is also unclear what means of access to the commercial floorspace in the Property is being assumed by HS2 in circumstances where it envisages the permanent retention of the Property, or what its response is to the preliminary proposals to otherwise mitigate noise and vibration. If HS2 considers that demolition is not necessary and the Property can be retained in viable use, it is unclear why the permanent acquisition of the Property is necessary, in particular given that HS2 has confirmed it is not required for railway works.

First Petition

32. In the First Petition, the Trust set out its reasons for there being scope to explore much greater potential mitigation of the significant adverse impacts of the Scheme on the Property by HS2 adopting:

- 32.1 an Alternative Realignment for the Metrolink;
- 32.2 Alternative Access Arrangements; and
- 32.3 further measures to avoid or reduce noise and vibration impacts on the Property (and other occupiers in or visitors to the surrounding area).

Alternative Realignment for the Metrolink

33. As part of its First Petition, the Trust explored a proposed (and immediately obvious) alternative to the Metrolink Realignment (the “**Alternative Realignment**”) which would largely avoid the extensive and costly impacts referred to in the First Petition. At the time of writing the First Petition, it was unclear to the Trust why the feasibility of the Alternative Realignment (or a similar solution avoiding the Undercroft) had not been considered by HS2. Plans of the Alternative Realignment have been shared with HS2, and can be shared with the Committee, however as stated above the Trust is not aware of HS2’s settled position on these proposals. The Trust therefore requests that HS2 explain in its formal response the steps it had taken to review this alternative.

34. The Alternative Realignment makes use of the existing Store Street tunnel below Piccadilly Station Approach and the Property (see further paragraphs 33-38 of the First Petition). The primary benefit of the Alternative Realignment in the context of structural engineering is that it eliminates all the demolition and construction work associated with the Metrolink Realignment as proposed insofar as it directly affects the Property as described in the First Petition. The engineering work would be significantly reduced when compared with the Metrolink Realignment as proposed by HS2. This alternative would also have the benefit of significantly reduced noise and vibration impacts on the Property.

Alternative Access Arrangements

35. The Trust prepared an indicative alternative scheme which provided for the retention of crucial access and servicing arrangements to the rear of the Property, during both the construction and operational phases of the Scheme, whilst also maintaining adjacent public realm as part of the approach and entrance to the new HS2 station (the “*Alternative Access Arrangements*”).

36. The Alternative Access Arrangements described in the First Petition would, in summary, include the retention of refuse/delivery vehicle access along the same service access route (albeit shorter) starting at the current junction with Ducie Street, as well as the existing designated lay-by at the Aparthotel for pick-up and drop-off services. There would remain sufficient space to allow for the creation of attractive public realm to serve as access to the new station entrance. A new vehicular access to the Undercroft from London Road would replace the vehicular access lost by the Metrolink works. A fuller description is set out at paragraphs 50-52 of the First Petition.

37. Since the submission of the First Petition, these Alternative Access Arrangements, including plans, have been shared with HS2 and can also be provided to the Committee. However there has been no reasoned response to explain from HS2 to explain why these are unacceptable; and if HS2 considers that viable access can be maintained in circumstances where the Property is not demolished, this has not been explained to the Trust in association with an explanation of the need for permanent acquisition of the Property.

Noise and vibration mitigation

38. As with the Alternative Realignment and Alternative Access Arrangements presented in the First Petition and summarised above, the Trust undertook preliminary work to understand how the potential full extent of noise and vibration impacts on the Property could be more effectively mitigated. This is explained at paragraphs 64-7 of the First Petition but primarily involved the erection of a construction site enclosure, which would have the potential to reduce substantially the noise affecting the Property (and other possible receptors in the area). Again, the Trust prepared a plan to show what this might involve which has been shared with HS2 and can be shared with the Committee. However, the Trust remains unaware of any review or response to this mitigation option from HS2.

Conclusion

39. In circumstances where the Trust has not received an adequate response to its First

Petition, and HS2 has not justified more generally the permanent acquisition of the Property, the Trust maintains its objection.

3. What do you want to be done in response?

In the box below, tell us what you think should be done in response to your objections to the Second Additional Provision to the Bill. You do not have to complete this box if you do not want to.

You can include this information in your response to section 3 'Objections to the Second Additional Provision to the Bill' if you prefer. Please number each paragraph.

40. The following additional mitigations identified by the Trust (as explained in section 3 above and set out in the First Petition) should be fully and properly assessed by HS2 through an open and transparent process as a matter of urgency with full details available to the Trust and appropriate local stakeholders:

40.1 adoption of the Alternative Realignment for the Metrolink;

40.2 adoption of the Alternative Access Arrangements; and

40.3 adoption of further measures to avoid or reduce noise and vibration impacts on the Property (and other occupiers in or visitors to the surrounding area).

41. Should any of the options or mitigations referred to above be confirmed as feasible following proper consideration and assessment by HS2, the Bill should be amended to include additional provisions to secure necessary mitigation.

42. HS2 should prepare a justification for the acquisition of the plots within the Property that are directly affected by the Scheme or in the alternative on the basis of the worst-case assessment in SES2, the justification for the demolition of the Property in its entirety leaving a hoarded site available for return to suitable development.

43. The Bill should be amended to remove rights to acquire land plots forming part of the Property that are not listed in Schedule 6 to the Bill or where no specific purpose for acquisition has been set out and justified. As set out above, the Trust does not consider it necessary for the Bill to grant powers to compulsorily acquire the Property.

44. The Trust would also be prepared to discuss with HS2 options to grant or procure any rights that may be necessary to secure delivery of the Alternative Access Arrangements.

45. To the extent that the Alternative Access Arrangements or suitable alternative arrangements are considered feasible, the Bill should be amended to ensure that any powers of acquisition are kept to the minimum necessary to secure those arrangements.