

## Written evidence submitted by London Borough of Camden

### Introduction

Camden welcomes the opportunity to submit evidence to the Public Accounts Committee to inform their session on the pause to the HS2 programme with DfT and HS2 Ltd. We are hugely concerned that our community will be left living in a partially abandoned building site, with huge areas fenced off creating a barrier between local communities. There is a risk of general stagnation leading to opportunities being lost, particularly in relation to the Knowledge Quarter innovation district, and the world leading life science and machine learning research that takes place there. But the worst impact is felt by local residents and businesses who are living longer with uncertainty, disruption and increased air pollution. We have set out the impact on our residents, local businesses and opportunity cost below which we trust the committee will consider.

### Impact on our communities

The community has already suffered years of disruption associated with HS2 including 215 social and private homes lost prior to construction and one school that has had to be relocated. Since construction began homes were made virtually uninhabitable in 3 blocks adjacent to the railway cutting piling works where Camden worked to secure funding from HS2 to help move impacted residents out. Residents are feeling exasperated that this work that has severed communities can now simply be paused and the surrounding area left in limbo.

Information surrounding the pause has been confusing for residents with HS2 providing mixed messages on what work is stopping/ continuing as they work through the detail. For many, works will continue as normal, impacting our communities with noise, dust and traffic diversions. Many of our residents feel that whilst a pause will create some respite in the short term, it ultimately prolongs pain of construction, especially without any certainty about works restarting / completing in the future.

“If the works pause, I suppose I would like it as it would be less noisy, but at some point, the works have to continue.”  
Resident - Mornington Terrace

“The value of our house has dropped since HS2 works started. We are not sure if we can sell anytime soon”  
Resident - Mornington Place

The pause also prolongs the period of time that homeowners, who have been repeatedly denied the opportunity to sell their homes through HS2's compensation schemes, will need to wait before they can sell their properties.

Open space which has been taken for construction is now lying strewn with diggers behind hoarding inaccessible to the surrounding community. A new interim taxi rank was built on the only remaining open space in the station boundary at Euston Square Gardens, which will now lie unused for at least 2 years. Valued trees were needlessly felled at Euston Square Gardens just days before the pause was announced which has destroyed any remnants of community trust in HS2.

“It's not fair and not healthy on the local residents to be exposed to such long-term exposure to the HS2 pollution!”  
Resident - Adelaide Road

Communities have consistently highlighted the impact on air quality from the construction of HS2. The pause does provide a chance to rethink the approach to materials by rail and fully investigate the potential to use a conveyor which could significantly reduce vehicle movements and disruption to the local community – it's vital that every opportunity to minimize the impact on our communities is seized.

### Impact on our businesses

The surrounding businesses have already suffered because of the construction of HS2 with many experiencing a noticeable drop in trade.

'I have had a 35% reduction in customers/business due to the road closures'

Business Owner – Mornington Crescent

For others, there is a real risk they will not survive a pause in construction. Businesses along Drummond Street and Hampstead Road have been impacted by the hoardings around the station which has already made it challenging to stay afloat, but trade from construction workers has helped keep them going. These workers are now at risk of redundancy (including the around 40 local apprentices and formerly unemployed residents). The 3,000 workers that HS2 expected to support through the Euston construction will now be delayed or may be significantly reduced if future construction is less comprehensive.

See attached film from a local business on Hampstead Road whose trade continues to be affected by wayfinding and road/pavement closures.

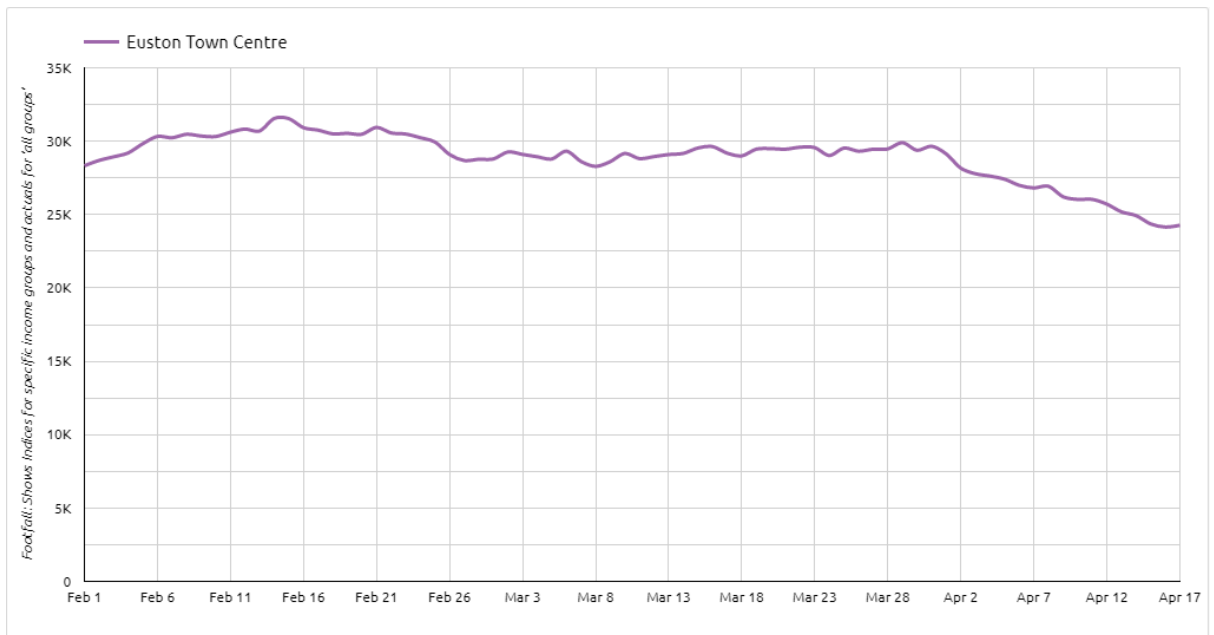
Drummond Street Neighbourhood Forum have highlighted the following issues impacting the closest neighbourhood to the paused station construction sites:

- *“continued loss of Euston Square Gardens which are now completely destroyed and unusable on both sides. The temporary park on Starcross St is welcome but is only a partial replacement for St James's Gardens.*
- *continued inconvenience of getting to and past the station, with particularly difficulty for those with mobility challenges*
- *continued disruption to bus services*
- *increased disruption from utilities works due to the stop-start nature*
- *continued dead zone at the enormous building site which reduces "eyes on the street" and encourages crime and anti social behaviour*
- *continued loss of amenity at the site, e.g. the loss of the Bree Louise [public house] which has not been replaced*
- *loss of working relationships with HS2 contractor staff who have now had to be fired during the pause, meaning that a new set of people will come in who do not know or understanding the area and will have to learn it all over again.*
- *delay in the replacement services and mitigation that were going to be funded by HS2 OSD.*
- *increased uncertainty and local fear”*

Euston Town, the local Business Improvement District, told us that:

“Our business membership told us that the loss of two hotels and disruption of the construction works had a marked impact on their footfall and income, particularly on Drummond Street. This was partially offset by the new customer base of HS2 workers, but the delay to HS2 means the businesses have also now lost this customer stream.

While it's early to provide a full assessment, this is backed up by our footfall metrics, which show a noticeable dip over the last few weeks. Footfall in Feb-Mar hovered around 30k a day, but over April dropped down to 24k, a decrease of 17%."



Euston Town Footfall Data 1<sup>st</sup> Feb-17<sup>th</sup> April 2023

Also attached to this submission is a letter from the Chair of Drummond Street Traders setting out the impact on them.

In terms of the local economy more widely, the area surrounding Euston and King's Cross is home to a world-leading cluster of life sciences, digital and creative activity, driving national economic activity and acting as an 'incubator' for the UK. With the pause to HS2 this undermines investor confidence and risks potential further investment in the Knowledge Quarter.

**Meanwhile opportunity**

We want to work in partnership with the department and HS2 Ltd to open up the site where it is safe to do so and work with our communities on how they can be used during any delay – replacing lost open space in the area in particular is a community priority.

There is a huge opportunity to test out ideas for future uses on the site and meet community needs if the site can be opened up for temporary use during the pause to HS2 construction. To capitalise on the Knowledge Quarter location, lab space could be delivered quickly in temporary structures on the site, utilizing a model like Lendlease's MIND space in Milan which would create a real boost to the local economy and provide returns on otherwise dormant land.

'Adelaide Road site should be returned to the Nature Reserve. Trees, shrubs, evergreens should be replanted here to rebuild much needed barrier against noise and dust pollution coming from the traffic and trains!' Resident - Adelaide Road

**Development potential**

With the huge financial challenge HS2 are facing we are concerned that the cost of enabling Over Site Development could now be seen as a saving to be made as part of any reset programme. Over Site Development will deliver substantial economic and social value, and therefore should not be treated in the same way as the costs to build the railway and station.

In addition, there is potential to deliver value to the local community and economy through utilising space above and around the station to create new homes and jobs. Camden believes there is potential for 14,000 – 20,000 jobs and 2,000 homes here, potentially more depending on how the stations are designed. This could result in an estimated 2.1bn GVA, £6.6bn in GDV and business rates of around £600m per annum. If OSD is not enabled at Euston these opportunities will be lost and the potential to further grow the globally significant Knowledge Quarter, and its associated contribution to UK GDP, also significantly reduced.

In these challenging times, we also believe creativity is needed to consider different funding mechanisms to deliver parts of the HS2 scheme by considering the role of the private sector in funding and delivery of the enabling works, and allow for better design integration, provided this does not compromise expected community benefits.

The pause gives the opportunity to deliver on truly integrated design for the HS2 and Network Rail station, which could also help tackle the affordability challenge and enhance the over station development opportunity. Camden has been advocating this approach for many years and strongly believes this would result in better outcomes for the place, local communities, and for Treasury. We want to work collaboratively with the DFT and HS2 to solve the affordability challenge

We believe Euston has the potential to be a really successful development, bringing new investment to the UK, creating new links between the innovation happening in London and the other parts of the country with links into Euston and contributing to a world leading life sciences hub. It could be an important national asset that also brings new connections and opportunities for our local community who have suffered years of disruption.

## Summary

Camden believes that the pause to HS2 will only serve to increase the cost pressure on HS2 and prolong the impact of construction on our residents. The National Audit Office Report in March 2023 highlights that additional costs will be incurred as a result.

*'The deferral of spending to manage inflationary pressures will lead to additional costs and potentially to higher spend overall for the project'* National Audit Office report on HS2, March 2023.

The delay will be bad for London – Cllr Kieron Williams, Chair of Central London Forward has commented that:

*"The delay in completing HS2 will be bad for central London, and for the whole of the UK.*

*"Having trains terminating at Old Oak Common for years will mean longer journey times and less convenience, limiting take-up of the new service. Requiring people to change on to the Elizabeth Line to complete their journeys will put huge additional pressures on the service which is already very busy.*

*"The delay will be bad for businesses too. It will hit confidence at a crucial time, leading to businesses holding back on investment. This will mean slower growth for central London and for the UK as a whole, and it will mean we don't see the full impact of HS2 until well into the 2040s.*

*"The Elizabeth Line has shown the transformative impact of investment in infrastructure in the capital. The line carried over 100 million passengers in the second half of last year, and it is now the busiest railway in the country, accounting for one in six of all rail journeys.*

*"The decision to delay shows a lack of ambition for our country. The Government should reverse this decision and complete HS2 as soon as possible."*

The uncertainty caused by the pause makes it challenging for residents and businesses to plan for their future, making life and business decisions is incredibly difficult if there is no certainty on timing of the HS2 project.

Stagnation lowers confidence in investing in future development around the station, and will make it harder to deliver new homes, jobs and open space above and around the station with less certainty over investment and timing of railway infrastructure.

Enabling Over Site Development above the station and tracks is critical to the future success and long term economic gains from the site and must not be sacrificed.

Whilst construction is paused the time must be used to get an integrated HS2 and Network Rail station design that enables Over Site Development and provides the platform for the transformational change that Euston can support.

The impact of the pause on our communities and businesses must be mitigated with meanwhile uses on sites where it is safe which include uses that benefit local residents and provide real social value.

Certainty on the length of the delay at Euston and investment in work to resolve cost issues is needed promptly to avoid further escalating costs. Our communities deserve better.

**April 2023**