

## GREATER MANCHESTER COMBINED AUTHORITY

**DATE:** Friday, 10th September, 2021

**TIME:** 10.00 am

**VENUE:** Manchester Town Hall Council Chamber - Mount Street Entrance

### SUPPLEMENTAL AGENDA

- 7. Minutes of the GMCA Audit Committee - 27 August 2021** 1 - 8

To note the minutes of the GMCA Audit Committee held 27 August 2021.

- 16. HS2 and Northern Powerhouse Rail** 9 - 22

Report of the GM Mayor, Andy Burnham.

For copies of papers and further information on this meeting please refer to the website [www.greatermanchester-ca.gov.uk](http://www.greatermanchester-ca.gov.uk). Alternatively, contact the following  
Governance & Scrutiny Officer: Governance and Scrutiny  
✉ [sylvia.welsh@greatermanchester-ca.gov.uk](mailto:sylvia.welsh@greatermanchester-ca.gov.uk)

This supplemental agenda was issued on 7 September 2021 on behalf of Julie Connor, Secretary to the Greater Manchester Combined Authority, Broadhurst House, 56 Oxford Street, Manchester M1 6EU

|               |                   |                 |                  |                 |
|---------------|-------------------|-----------------|------------------|-----------------|
| <b>BOLTON</b> | <b>MANCHESTER</b> | <b>ROCHDALE</b> | <b>STOCKPORT</b> | <b>TRAFFORD</b> |
| <b>BURY</b>   | <b>OLDHAM</b>     | <b>SALFORD</b>  | <b>TAMESIDE</b>  | <b>WIGAN</b>    |

Please note that this meeting will be livestreamed via [www.greatermanchester-ca.gov.uk](http://www.greatermanchester-ca.gov.uk), please speak to a Governance Officer before the meeting should you not wish to consent to being included in this recording.

This page is intentionally left blank

**MINUTES OF THE GREATER MANCHESTER COMBINED AUTHORITY  
AUDIT COMMITTEE, HELD ON FRIDAY 27 AUGUST 2021  
AT MANCHESTER CITY COUNCIL, COUNCIL CHAMBER**

**PRESENT:**

|                          |                            |
|--------------------------|----------------------------|
| Gwyn Griffiths           | Independent Member (Chair) |
| Councillor Mary Whitby   | Bury Council               |
| Councillor Sarah Russell | Manchester City Council    |
| Councillor Colin McLaren | Oldham Council             |
| Councillor Chris Boyes   | Trafford Council           |
| Grenville Page           | Independent Member         |
| Susan Webster            | Independent Member         |

**ALSO PRESENT:**

|                         |   |
|-------------------------|---|
| Councillor Tom McGee    | Stockport Council and Deputy GMCA Portfolio Lead<br>Member for Resources and Investment |
| Councillor Nazia Rehman | Wigan Council   |
| Daniel Watson           | Mazars External Auditor   |

**OFFICERS:**

|                 |  |
|-----------------|--|
| Steve Wilson    | GMCA Treasurer   |
| Rachel Rosewell | GMCA Deputy Treasurer                                    |
| Damian Jarvis   | GMCA Internal Audit Manager                              |
| Lindsay Keech   | Head of Finance Capital and Treasury<br>Management, GMCA |
| Paul Harris     | GMCA Governance and Scrutiny                             |

**AC/26/21 WELCOME, INTRODUCTIONS AND APOLOGIES**

The Chair extended a welcome to those members present.

Apologies for absence were received and noted from Catherine Scivier, Independent Member and Councillor David Molineux, GMCA Portfolio Lead Member for Resources and Investment.

**AC/27/21 MEMBERSHIP OF THE COMMITTEE 2021/22**

**RESOLVED/-**

That the following membership of the GM Audit Committee for the 2021/22 Municipal Year, be noted:-

|                          |                         |
|--------------------------|-------------------------|
| Councillor Mary Whitby   | Bury Council            |
| Councillor Sarah Russell | Manchester City Council |
| Councillor Colin McLaren | Oldham Council          |

Councillor Chris Boyes  
\*Councillor Christine Roberts  
\* Councillor Tracy Kelly  
Gwyn Griffiths  
Grenville Page  
Susan Webster  
Catherine Scivier

Trafford Council  
Rochdale Council  
Salford City Council  
Independent Member  
Independent Member  
Independent Member  
Independent Member

\*denotes Substitute Members

#### **AC/28/21 CHAIR'S ANNOUNCEMENTS AND ITEMS OF URGENT BUSINESS**

There were no items of urgent business reported.

#### **AC/29/21 AUDIT COMMITTEE TERMS OF REFERENCE**

##### **RESOLVED/-**

That the GM Audit Committee Terms of Reference 2021/22 be noted.

#### **AC/30/21 DECLARATIONS OF INTEREST**

##### **RESOLVED /-**

There were no items of personal or prejudicial interests declared in relation to any item on the agenda, BY ANY Member of the Committee.

#### **AC/31/21 MINUTES OF THE GMCA AUDIT COMMITTEE MEETING HELD ON 27 APRIL 2021**

The minutes of the Audit Committee meeting held on 27 April 2021 we submitted.

Councillor McGee noted that, as he is not a formal member of the Committee, he should be included in the list of those attendees that were also present.

##### **RESOLVED/-**

That the minutes of the meeting of the GMCA Audit Committee held on 27 April 2021 be approved as a correct record, subject to the inclusion of Councillor Tom McGee in the list of those attendees also present.

#### **AC/32/21 MINUTES OF THE GMCA/GMP JOINT AUDIT PANEL HELD ON 23 JUNE 2021**

The Audit Committee was asked to note the minutes of the GMCA/GMP Joint Audit Panel held on 23 June 2021.

## **RESOLVED/-**

That the minutes of the Joint Audit Panel held on 23 June be noted.

### **AC/33/21 ANNUAL REPORT OF THE CHAIR OF THE JOINT AUDIT PANEL**

The GMCA Treasurer introduced a report of the Chair of the Joint Audit Panel which provided an overview of the work of the Panel during the period 1 April 2020 to 31 March 2021.

The report highlighted that the focus of the Joint Audit Panel was GMP activities and their accounts and that the value of an Audit Panel to an organisation is that it aims to provide independent assurance and advice on its governance processes.

Members noted that during this period, the Panel oversaw the preparation of the Annual Report and Accounts. Regular reports were received and considered from the external auditors, Mazars. Members noted that the recent appointment of a new Chief Constable of GMP meant that the timetable for the Governance and narrative elements of the Annual Report would be tight, but the expectation is that the external audit will conclude in line with the timetable. It was also noted that the Panel provided a forum to receive the reports of both the Internal and External Auditors and GMP officers on risk management, control, value for money and governance issues.

It was noted that the Panel is also keen to see that appropriate action to implement the agreed actions contained in these reports. In December, HMICFRS published its Victim Services Assessment (VSA) Inspection Report. This was a critical report of the service provided by GMP in this area. The Panel continues to monitor progress at its meetings and receives regular updates on progress in responding to the Inspectorate's recommendations.

The Chair placed on record his thanks to the Joint Audit Panel and welcomed the report which provided a succinct review of the matters the Panel had dealt with over the previous year.

In relation to understanding other areas of assurance, as out lined in the report, a Member enquired if there was a clear understanding of assurance levels that inform assurance control matters and risk. In response, officers noted that this matter was to be picked up as part of the Chief Constable's review. Officers also undertook to highlight this matter at the next Police Audit Panel meeting.

A Member asked if the Development Plan will be incorporated into the Price Waterhouse Coopers report. In response, officers noted that the Development Plan will be updated to reflect the comments of the Chief Constable review.

In response to an enquiry from a Member regarding Police Panel Scrutiny, officers confirmed the Action Plan will be considered by both the Combined Authority and the Police Panel. Members noted that the Action Plan has been incorporated in the Panel's work programme and will provide a focus for the year ahead.

**RESOLVED/-**

That the report be received and noted.

**AC/34/21 ANNUAL GOVERNANCE STATEMENT - DRAFT**

The GMCA Treasurer introduced the latest version of the GMCA draft 2020/2021 Annual Governance Statement (AGS) and invited comments from Members on its content. It was noted that any comments were to be incorporated into a finalised version of the AGS for consideration for approval at the meeting of the Committee in September.

A Member suggested that that the AGS should refer to the passing of Councillor David Greenhalgh and identify the new GM portfolio lead for Culture.

**RESOLVED/-**

1. That the draft Annual Governance Statement be endorsed, subject to the comments made by Members, above.
2. That it be noted that the Annual Governance Statement be submitted to the Audit Committee meeting on 30 September 2021 for consideration of formal approval.

**AC/35/21 UNAUDITED DRAFT STATEMENT OF ACCOUNTS**

The GMCA Treasurer introduced the draft unaudited Annual Statement of Accounts 2020/21 and set out the process for approval once the Statement of Accounts had been finalised.

In introducing the report, the GMCA Treasurer thanked the GMCA Finance Team for their hard work in getting the draft Statement of Accounts together.

In relation to the reported Fire and Rescue Service and Police and Crime surplus and following an enquiry from a Member, officers noted that this surplus was against the originally planned budget.

**RESOLVED/-**

1. That the GMCA unaudited draft statement of accounts for 2020/21, be noted.
2. That the Committee record thanks to the GMCA Finance Team for their efforts in getting the draft Statement of Accounts for 2020/21 together, in line with the statutory timetable.

**AC/36/21 EXTERNAL AUDITOR'S ENQUIRY LETTERS**

The Chair explained that he had signed the signed the External Auditor enquiry letters in respect of the 2020/2021 Audit process.

**RESOLVED/-**

That it be noted that the External Auditor's enquiry letter, in respect of the 2020/2021 Audit process, had been signed by the Chair.

## **AC/37/21 ASSESSMENT OF GOING CONCERN STATEMENT**

The GMCA Treasurer introduced a report which informed Members of an assessment of the Greater Manchester Combined Authority (GMCA) as a going concern, with a forward look at the position for the next 12-18 months.

The report explained that the main factors which underpin the assessment of GMCA as a going concern included:-

- GMCA's financial position
- GMCA's strategic planning and budget framework
- The regulatory and control environment applicable to the GMCA as a local authority.
- Economic climate reflecting impact of COVID-19

Members noted that the impact of Covid-19 on Metrolink services and noted that GMCA takes the direct financial risk on income. Members also noted that significant impact on patronage levels has impacted on Metrolink income, with current patronage levels at 45% of pre-pandemic levels. Government funding had been received to meet shortfalls and there is an agreement in place for the Government to underwrite any revenue losses up to April 2022.

Members also noted that despite the Metrolink revenue risk, the report concluded that there is no material risk to GMCA as a going concern.

A Member asked if there was any financial modelling post April 2022 on Metrolink revenues. In response, officers noted that this work was being undertaken by TfGM and an update will be provided in the report that will be considered by the Committee on 30 September 2021.

A Member asked if an action log can be included in future meeting in order to track progress on actions and allow visibility on how these actions are being included in to the work plan for the Committee.

### **RESOLVED/-**

1. That the outcome of the assessment made of the GMCA's going concern position for the purpose of the draft Statement of Accounts 2020-2021 and the conclusion that there is no material risk to going concern, be noted.
2. That a further update be presented to the 30 September 2021, be noted.

## **AC/38/21 TREASURY MANAGEMENT ANNUAL REPORT 2020/21**

The GMCA Treasurer introduced a report which described the Treasury Management activities of GMCA 2020/21.

Members noted that on the 6 July 2021, a decision was taken to increase the Treasury Management Strategy limit on investments and the debt management office. This figure is now £450 million.

In response to an enquiry regarding Lender Option Borrower Option (LOBO), officers undertook to bring a further update to the next meeting of the Committee.

**RESOLVED/-**

1. That the GM Treasury Management Annual Report 2020/21, be noted.
2. That the increase the Treasury Management Strategy limit on investments and the debt management office. This figure is now £450 million, be noted.
3. This it be noted that a further update on LOBO be brought to the next meeting of the Committee.

**AC/39/21 INTERNAL AUDIT OPINION AND ANNUAL REPORT**

The GMCA Internal Audit Manager introduced the Head of Audit and Assurance Annual Opinion Report which provided Members with the assurance opinion on the effectiveness of the framework of governance, risk management and internal control at Greater Manchester Combined Authority (GMCA) for the year ended 31 March 2021.

The report informed the committee of the limited assurance opinion which remained unchanged from the previous year and outlined the basis for that opinion which had previously been discussed with Members.

Members expressed some disappointment on the limited assurance opinion overall.

A Member noted that although the finding was limited, there were a number of activities in the report that were seen as reasonable. The Member enquired if there is a clear ambition from the Executive for the 2021/22 assessment to achieve an overall reasonable assurance opinion. In response, officers noted the level of reasonable opinions and risk management improvements over the year and highlighted that the Action Plan now presents an opportunity to move to a minimum reasonable level of assurance for 2021/22.

A Member welcomed the attendance of the GMCA Chief Executive at the previous (inquorate) meeting to have these difficult discussions. The Member noted that several actions within the Action Tracker have been outstanding for some time. It was suggested senior officers be invited to future meetings to explain where delays in implementation of audit actions occur, particularly those reports with limited assurance opinions and where the actions arising are significant. n. The recommendations are important and should be implemented.

Officers noted that there is a large amount of development work taking place within GMCA to look at strengthening core-processes. The development of a robust performance management framework and embedding the risk management policy framework will help move toward an improved assurance opinion in the future.

**RESOLVED/-**

That the report and the limited annual assurance opinion of Internal Audit, be noted.

## **AC/40/21 INTERNAL AUDIT TRACKER REPORT**

The GMCA Internal Audit Manager provided a report that advised Members of the progress to date in implementing and tracking the agreed actions from internal audit assignments. It was noted that a further update was to be presented to the Audit Committee meeting in September.

A Member sought clarification on discussion with Trade Unions. The Member also highlighted matters in relation to critical staffing roles within the organisation and sought to understand if the right people were in place to deliver services. In response, officers highlighted the restructuring work that had taken place within GMCA core functions to address staffing matters.

In relation to staffing levels, it was suggested that a representative from the GMCA HR team be invited to a future meeting of the Committee. Officers highlighted that there is now a more robust reporting framework for HR activities.

A Member highlighted the dependency on self-service systems for staffing claims. Officers undertook to bring this matter back to the September 2021 meeting.

### **RESOLVED/-**

That the report be noted.

## **AC/41/21 RISK MANAGEMENT UPDATE**

The GMCA Internal Audit Manager , introduced a report that informed Members of the risk management activities undertaken since the last meeting and presented responses to specific questions raised by the Audit Committee around risk.

A Member welcomed the evolution of the risk register and the support of the Senior Leadership Team in this regard.

### **RESOLVED/-**

That the Committee noted the report and the progress being made.

## **AC/42/21 INTERNAL AUDIT PROGRESS REPORT**

The GMCA Internal Audit Manager introduced a report that informed Members of the progress to date in the delivery of the Internal Audit Plan for 2021/22. Members noted that this work is also used as a mechanism to approve and provide a record of changes to the internal audit plan. It was noted that, overall, the Audit Plan was broadly on track.

Following an enquiry from a Member on the Mayoral Advisors summary within the report, officers undertook to explore how this will cross reference with the ongoing contract work and will be picked up as part of that.

### **RESOLVED/-**

That the report be noted and that a further update will be provided to the next meeting of the Committee in September 2021.

### **AC/43/21 EXTERNAL AUDIT PROGRESS REPORT**

Mazars, External Auditors provided an update in relation to Audit Findings (ISA260) report. A representative from Mazars outlined the key issues, scope and conclusions arising from the statutory audit of GMCA and the preparation of the group and GMCA's financial statements for the year end 31 March 2021 for those charged with governance.

#### **RESOLVED/-**

That the draft Audited Findings (ISA260) Report, be noted.

### **AC/44/21 APPOINTMENT OF CHAIR AND DEPUTY CHAIR**

The Chair noted that he was to stand down as Chair of the Committee following the meeting.

Nominations were sought for the roles of Chair and Deputy Chair of the Committee for the remainder of the 2021/22 municipal year.

A nomination of Councillor Sarah Russell for the position of Chair to the Committee was moved and seconded.

A nomination of Gwyn Griffiths for the position of Deputy Chair was also moved and seconded.

There were no other nominations made.

A Member in welcoming the new Chair to the role, offered thanks to Gwyn Griffiths, the outgoing chair for his support to the Committee over the previous years.

#### **RESOLVED/-**

That Councillor Sarah Russell and Gwyn Griffiths be appointed Chair and Deputy Chair respectively of the GM Audit Committee for the remainder of the 2021/22 Municipal Year.

### **AC/45/21 DATES OF FUTURE MEETINGS**

#### **RESOLVED/-**

That the next meeting of the Audit Committee will take place on 30 September 2021 at 10.00 am.

## Greater Manchester Combined Authority

Date: 10 September 2021

Subject: HS2 and Northern Powerhouse Rail

Report of: Andy Burnham, Mayor of Greater Manchester, Portfolio Lead for Transport and Eamonn Boylan, Chief Executive Officer, GMCA & TfGM.

---

### PURPOSE OF REPORT:

This is a report for information to update members on the HS2 and Northern Powerhouse Rail Programme and the significant work being undertaken by GM Partners to inform it.

### RECOMMENDATIONS:

#### The GMCA is requested to:

1. Note and comment on the unique opportunity that the HS2/NPR Programme presents for Greater Manchester in achieving the GMCA objectives for economic rebalancing and growth.
2. Note and comment on the critical issues that require a resolution for HS2 and NPR delivery in Greater Manchester.
3. Note the scale of activity and investment that will be required over the coming years to secure the full potential of HS2 and NPR impact in Greater Manchester through the programmes for station development/renewal, local connectivity provision, place-based regeneration and local skills/supply chain development, as set out in the Greater Manchester HS2/NPR Growth Strategy.
4. Note, in addition to the issues surrounding the principal HS2/NPR stations at Manchester Airport and Piccadilly, the importance of HS2 development stages for Wigan North Western and Stockport Stations.
5. Note the HS2 Phase 2b Western Leg (Crewe to Manchester) Bill process; the opportunities for GMCA to engage and influence the Bill; and the importance of ensuring that the final scheme is brought forward in a manner that is sensitive to local planning conditions.
6. Note the update on the development of Northern Powerhouse Rail.

|               |                   |                 |                  |                 |
|---------------|-------------------|-----------------|------------------|-----------------|
| <u>BOLTON</u> | <u>MANCHESTER</u> | <u>ROCHDALE</u> | <u>STOCKPORT</u> | <u>TRAFFORD</u> |
| <u>BURY</u>   | <u>OLDHAM</u>     | <u>SALFORD</u>  | <u>TAMESIDE</u>  | <u>WIGAN</u>    |

7. Endorse the work programme underway to continue the develop engage with and inform the HS2 and Northern Powerhouse Rail Programme.

## **CONTACT OFFICERS:**

Eamonn Boylan, Chief Executive Officer GMCA & TfGM  
[eamonn.boylan@greatermanchester.ca.gov.uk](mailto:eamonn.boylan@greatermanchester.ca.gov.uk)

Simon Warburton, Transport Strategy Director, TfGM  
[simon.warburton@tfgm.com](mailto:simon.warburton@tfgm.com)

### **Equalities Implications:**

*There are no direct equalities implications of this report. HS2 Ltd are required to develop a formal Equality Impact Assessment (EQIA) Report which will be published when the HS2 Phase 2b Western Leg (Crewe to Manchester) Bill is deposited.*

### **Climate Change Impact Assessment and Mitigation Measures:**

*There are no direct Climate Change of this report. HS2 Ltd are required to publish an Environmental Statement (ES) alongside the HS2 Phase 2b Western Leg (Crewe to Manchester) Bill. The ES will report the results of an Environmental Impact Assessment and set out proposals to mitigate any negative impacts. The ES will be subject to public consultation and the intention is for GMCA to response to that consultation when it commences.*

### **Risk Management:**

*There are no direct risk implications of this report, but as stated within the report, GMCA will need to deliver a number of associated interventions as part of the wider programme to support and spread the benefits of HS2 and Northern Powerhouse Rail. There are risks therefore that need to be mitigated as far as possible through the development of a robust delivery strategy and the negotiation of critical legal agreements with HS2 Ltd.*

### **Legal Considerations:**

*There are no direct legal considerations related to this report, but as stated in the report, GMCA will need to negotiate a number of critical legal agreements with HS2 Ltd and engage with the HS2 Phase 2b Western Leg (Crewe to Manchester) Bill process to manage the interface between the Bill and existing Metrolink Powers.*

### **Financial Consequences – Revenue:**

*There are no direct financial consequences as a result of this report, but given the scale of the local input required for the HS2 NPR Programme, funding for local development work has also been raised with Government through the Greater Manchester Infrastructure Programme (GMIP) and directly with the HS2 NPR Team at DfT.*

**Financial Consequences – Capital:**

*There are no direct financial consequences as a result of this report, but as noted in the report there is a requirement for GMCA to work with Government to develop and agree a funding mechanism for a number of interventions including the HS2 NPR Airport Station and wider connectivity measures including Metrolink.*

**Number of attachments to the report: 0**

**Comments/recommendations from Overview & Scrutiny Committee**

N/A

**BACKGROUND PAPERS:**

[Greater Manchester HS2 NPR Growth Strategy ‘The Stops are Just the Start’](#)

|  |                               |     |
|--|-------------------------------|-----|
| <b>TRACKING/PROCESS</b>  |                               |     |
| Does this report relate to a major strategic decision, as set out in the GMCA Constitution?  |                               | No  |
| <b>EXEMPTION FROM CALL IN</b>  |                               |     |
| Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency? |                               | N/A |
| GM Transport Committee   | Overview & Scrutiny Committee |     |
| N/A  | N/A                           |     |

# 1. INTRODUCTION

- 1.1 The HS2 and Northern Powerhouse Rail (NPR) Programme remains crucial to the future prosperity of Greater Manchester and the North; acting as a catalyst for regeneration, jobs, homes and economic growth. Together HS2 and NPR, form a programme estimated to represent an investment of around £140 billion in the rail network, which will transform connectivity to the capital, West Midlands and all city regions in the North of England; positioning Greater Manchester at the heart of a rail system to drive sustainable economic rebalancing.
- 1.2 It is anticipated that the core HS2 NPR investment in Greater Manchester alone could be up to £15 billion, and Greater Manchester is uniquely placed to benefit from these transformational programmes. It is the only area with five HS2 station interfaces:
- HS2 classic compatible services will serve Stockport and Manchester Piccadilly during Phases 1 and 2a;
  - Wigan will receive classic compatible services during Phase 1 and 2a and upon completion of Phase 2b; and
  - two new high speed stations will be constructed at Manchester Piccadilly and Manchester Airport.
- 1.3 Greater Manchester will also be at the heart of the NPR network benefitting from high-speed east-west connections, reducing journey times between northern cities. HS2 and NPR will also free up space on the existing rail network for more local rail services and rail freight.
- 1.4 The Government's intention to develop HS2 was initially confirmed by the publication of the *Strategic Case for HS2* in October 2013. GMCA confirmed its strong support in principle for the scheme at that time and set out a framework for engagement with DfT and HS2 Ltd to secure an HS2 solution that is place-based and fit for purpose in terms of its future-proofing and integration with the wider transport system.
- 1.5 Greater Manchester remains supportive of both HS2 and NPR, whilst maintaining a clear position that they must be delivered in a manner that fully complements the placemaking, local employment and sustainable growth objectives of the city region. The Greater Manchester HS2 NPR Growth Strategy 'The Stops are Just the Start'<sup>1</sup>, funded by Government, was published in 2018 and provides the framework for this, alongside the GM Transport Strategy 2040.
- 1.6 Members will be aware that HS2 has been the subject on ongoing review in recent years. In 2019, the Government commissioned an independent review of HS2 – the Oakervee Review. In February 2020 the Government published the Review and announced plans to proceed with HS2 – the full Y-shaped network. The Oakervee Review highlighted the importance of alignment with local

---

<sup>1</sup> Greater Manchester HS2 NPR Growth Strategy 'The Stops are Just the Start

priorities concluding that HS2 can be part of transformational change, but only if properly integrated with other transport strategies, especially those seeking to improve inter-city and intra-city regional transport, and with national, regional and local growth strategies.

- 1.7 Oakervee also recommended that HS2 should be planned as part of the national rail network. From this, the Prime Minister commissioned the preparation of an Integrated Rail Plan for the North and Midlands (IRP), which is intended to set out the definitive approach to the delivery of HS2, NPR and other regional rail spending. The IRP was initially intended to report before the end of 2020. Transport for the North has confirmed that publication of the IRP will be delayed further until later this year at a date to be confirmed.
- 1.8 In advance of the publication of the IRP, the Government has confirmed in the Queen's Speech that the deposit of the HS2 Phase 2b Western Leg (Crewe to Manchester) Bill (the hybrid Bill) in Parliament will proceed in this Parliamentary year.
- 1.9 Throughout the period since the publication of the 2013 *Strategic Case*, GM Partners, immediately adjacent to HS2 stations and Manchester Airport have worked to engage with HS2 Ltd and Government to raise and work on a number of key issues which require resolution.
- 1.10 This report provides members with an overview of the key HS2 issues for Greater Manchester; a look ahead to the hybrid Bill process, and the opportunities to engage with that process; an update on the development of NPR; and a summary of the work being carried out by GM Partners to maximise and spread the benefits of high speed rail in Greater Manchester.

## **2. HS2 IN GREATER MANCHESTER**

- 2.1 The HS2 NPR programme represents the largest ever investment in public transport infrastructure in Greater Manchester. It is important, therefore, to capitalise on this once-in-a-generation opportunity and ensure the final programme is the right one to support Greater Manchester's ambitions and local priorities.
- 2.2 GM Partners continue to undertake a significant amount of work to support technical engagement with both HS2 and NPR, with HS2 now at a critical stage in its development.
- 2.3 In addition to being a key stakeholder, there are also a number of associated interventions that will need to be delivered as part of the wider programme to support and spread the benefits of HS2. This includes, but is not limited to, major Metrolink schemes at both Manchester Piccadilly and the Airport Station. As such, there are risks that need to be mitigated as far as possible through the development of a robust delivery strategy and the negotiation of critical legal agreements with HS2 Ltd.

## **Critical Issues for Greater Manchester**

- 2.4 There are a number of major critical issues with the proposed HS2 Phase 2b design which GM Partners have consistently raised, but which remain unresolved.
- 2.5 There are several overarching issues, which can be summarised as follows:
- Fully integrated, one-station solutions are needed for Piccadilly and the Airport with seamless integration between international, national, regional, and local transport modes, including accommodation of Metrolink, to support the vision for the 'Bee Network'; an integrated, modern, and accessible transport network.
  - Integration of HS2 with Greater Manchester's wider local policy is essential, including regeneration and land use around stations and along the route as set out in the Manchester Piccadilly Strategic Regeneration Framework (SRF) and Local Growth Strategies;
  - HS2's access strategy needs to be aligned with local transport strategy such as the 'Right Mix' objective for at least 50% of trips to be made using public transport, walking and cycling, including delivering an appropriate level of highway and parking capacity;
  - Appropriate mitigations must be in place to minimise the impact of HS2 on the local environment, carbon emissions and any disruption to local communities;
  - Station and rail infrastructure must be of a design and quality appropriate for the setting and acceptable to the Local Planning Authority; and
  - Maximising the opportunity to upskill the GM population is essential.
  - There is also a requirement to work with government the mechanisms for funding each part of the Growth Strategy package as set out below.

### **Manchester Piccadilly High Speed Rail Station**

- 2.6 The GM Growth Strategy for high speed rail set out a preferred option for a tunnelled high-speed station at Manchester Piccadilly. However, HS2 Ltd are proposing a surface turnback station at Manchester Piccadilly for inclusion in the hybrid Bill. GM Partners have consistently raised concerns about this proposal for reasons of capacity, future growth, customer experience, reliability and resilience, regeneration opportunities, impact on land value and the ability to deliver Manchester City Council's SRF.
- 2.7 Following the Oakervee Review, HS2 Ltd were commissioned by DfT to design an optimised alternative underground Manchester Piccadilly High Speed station to allow for a like-for-like comparison with the surface station proposition. The study builds upon the findings of the 2019 Bechtel report commissioned by Manchester City Council and TfGM.
- 2.8 Work on the HS2 Ltd underground station study commenced in August 2020 and is due to conclude with a recommendation on the way forward for ministerial review.

- 2.9 The shortlist of underground options and the assessment of each option against the surface station has been shared with GM Partners. HS2 Ltd.'s emerging view, is that the surface station design remains favourable. However, GM Partners believe that further work is required to identify an optimal underground alternative to enable a fair like-for-like comparison, which fully considers all of the strategic benefits of each option, before a final decision can be made.
- 2.10 In addition to the concerns over the surface turnback station solution, GM Partners also have concerns about other areas of the High Speed Piccadilly Station proposals. These include:
- Retention of Gateway House – GM Partners maintain that Gateway House should be removed in order to facilitate an appropriate entrance into the new station, with sufficient pedestrian access and capacity. Removal is essential to facilitate a new plaza, as identified in the GM Growth Strategy and SRF, enable the legibility of the HS2 NPR station and connectivity across the city centre, and mitigate risk against the delivery of new Metrolink connections.
  - Integration with the SRF – including the proposed scale of car parking provision, and impact on the proposed development sites.
  - Wider Connectivity – Reducing parking provisions to a more appropriate level, the provision of a multi-modal interchange and prioritising public transport, cycling and walking.
  - Highways proposals – including the redesign of Pin Mill Brow, which is currently not in line with local policy.
  - Integration of Metrolink – To support the longer term growth of the network, including tram train connections. (See Metrolink section from paragraph 2.18 for further detail)
  - Re-provision of the existing Network Rail Ramp which conflicts with the Mayfield development
  - Re-location of North Block to an appropriate location.

### **Airport**

- 2.11 The new HS2 NPR station at Manchester Airport will enable it to become a truly integrated transport hub linking international, national, regional, and local passengers with fast interconnected public transport networks including trains, trams, and buses. However, concerns remain over highways proposals, including connectivity with and impact on the M56, which do not sufficiently account for the demand generated by HS2, NPR, planned development and economic growth.
- 2.12 In addition, HS2's 'shallow cutting' proposals raise the level of the station infrastructure, impacting on Metrolink, the Timperley Wedge development proposals and the local community.

- 2.13 Further concerns about integration of Metrolink at the Airport Station are set out from paragraph 2.18 and the wider funding position is set out from paragraph 2.28.

### **Stockport**

- 2.14 HS2 Phase 1 and 2a will have a significant impact on Stockport, adding to current constraints through this section of the classic rail network. A 'cross industry' approach is needed to resolve the current rail capacity constraints in south Manchester and to support connectivity once HS2 Phase 2b is operational.
- 2.15 Stockport is a strategic location on the network and within Greater Manchester, and so it is important to ensure it continues to benefit from excellent rail connectivity once HS2 Phase 2b is operational. NPR will be key to this with an expectation locally that services between Manchester and Sheffield will travel via Stockport, providing links to the airport and ensuring continued provision of commuter capacity between the south of the city region and the regional centre.

### **Wigan**

- 2.16 Wigan North Western will also become a classic compatible station once HS2 Phase 1 opens. Wigan is viewed by GM Partners as being an essential gateway to its neighbouring northern towns and cities, providing access to the High Speed network and thus the opportunity to connect into (and build on) existing rail connections with Merseyside, Lancashire, and the North, as well as Greater Manchester.
- 2.17 HS2 Ltd are not currently proposing any works at Wigan North Western, however Government has invested in several other stations along the route, and so support has been requested to ensure that Wigan's station gateway meets the expected standards of a high speed rail hub.

### **Metrolink**

- 2.18 Integrating HS2 with the wider transport network and specifically with Metrolink is central to spreading the benefits of HS2 and achieving its objective to catalyse growth and help level-up the UK.
- 2.19 At Manchester Piccadilly it is proposed to expand and relocate the existing Metrolink infrastructure underneath the new HS2 NPR station. This will mitigate the impact of the HS2 NPR proposals on the current Metrolink infrastructure at Piccadilly, increase capacity to accommodate the growth in demand generated by high speed rail and to provide the opportunity for potential tram train connectivity via Glossop and Marple into Piccadilly and beyond.
- 2.20 HS2 Ltd are currently proposing to include the powers to build and operate the new Metrolink Piccadilly stop and alignment in the hybrid Bill. However, significant concerns remain about the approach HS2 Ltd has taken to working with GM Partners to achieve an integrated design which recognises the

complexity and extent of the interface between HS2 and Metrolink. An integrated scheme can only be achieved by an effective working relationship between HS2 Ltd and GM Partners going forward.

- 2.21 Significant temporary works will also be required to mitigate the impact on the operational network as much as possible, and specifically the Ashton line, during both HS2's main construction work and the delivery of the Metrolink scheme. This includes turnback facilities and a temporary depot. TfGM is working with HS2 Ltd to consider these requirements in terms of the hybrid Bill.
- 2.22 At the Airport, a variant to the Metrolink Western Leg is proposed to provide public transport connectivity to the HS2 NPR Station, including the link into the Airport itself. However, the HS2 alignment severs the powers that TfGM has previously been granted for the Metrolink Western Leg and HS2 Ltd is currently only proposing to include passive provision for Metrolink within the HS2 NPR station. This is unacceptable to GM Partners and HS2 Ltd must provide replacement powers to enable the construction of the whole of the Western Leg variant scheme. This is a longstanding critical issue that GM Partners have been raising for a number of years, and it is therefore extremely disappointed that this has not been addressed.
- 2.23 GM Partners also maintain that the Metrolink Western Leg variant needs to be delivered as part of the HS2 construction programme so that Metrolink services are able to operate through the HS2 NPR station from day one of HS2 operation, connecting to the airport and other local development sites. HS2 Ltd.'s current proposal is for the Metrolink Western Leg variant to be built at a later date with the majority of passengers initially accessing the new station by road until the Metrolink extension is delivered. GM Partners strongly oppose this and have made it clear that an access strategy that is based almost entirely on highways at the time of opening is unacceptable. A highways-only access strategy is contrary to the objectives of the GM Transport Strategy 2040 including those to increase the proportion of trips made by sustainable transport, improve air quality, reduce transport-related carbon emissions and tackle congestion.
- 2.24 The interim solution for shuttle buses to run between the Airport and the HS2 NPR Station is also unacceptable, adding road traffic to an already congested area and falling below the standard of high-quality connections required to support the development of the airport for the benefit of the whole of the North of England.

### **The Golborne Link**

- 2.25 HS2 Ltd.'s current proposal includes the Golborne Link, however the link will need to be confirmed when the Integrated Rail Plan is published.
- 2.26 GM Partners believe that the link is an essential element of the HS2 proposals, providing direct connectivity on a purpose-built high-speed railway almost all of the way into Wigan town centre from the Midlands and the South. The link will reduce journey times and allow high speed services to bypass one of the busiest

and most congested parts of the West Coast Mainline, the Weaver Junction section. This will, in turn, free up capacity on the West Coast Main Line for more local rail services or rail freight.

- 2.27 It should be noted that Trafford Council remains concerned about the impact of the Golborne Link on communities in Trafford and has consistently identified the need for HS2 Ltd to work closely with GM partners to develop engineering solutions that mitigate local impacts.

### **Funding**

- 2.28 Throughout the development of the HS2 and NPR programme, Greater Manchester has highlighted the need to develop a funding package for a number of interventions that are needed to mitigate the impact of HS2 and to maximise the economic growth potential. This was a core foundation of the 2014 Local Growth Strategy.
- 2.29 With regard to local transport specifically, the 2018 HS2 Growth Strategy set out a programme of local transport investment over the next 10-15 years, aimed at securing wider reach to the principal HS2/NPR stations, which could be greater than £1bn, subject to further development and negotiations with Government. Government has suggested that the new City Regional Sustainable Transport Settlement (CRSTS) will form the principal source of funding; however, this will require new policies that both extend the scale and longevity of that Fund to achieve this. As is set out in a separate item on this agenda, the investment includes the capital cost of the major Metrolink schemes at both Manchester Piccadilly and the Airport Station.
- 2.30 In 2012, GMCA also agreed to work with government on a funding package for the HS2 NPR Airport Station and pre-liminary discussions have taken place on this matter. However, there are several issues, set out below, which must be addressed in order to take this forward.
- 2.31 GM Partners have consistently raised with DfT and HMT the need for a holistic approach to working on the full Greater Manchester 2040 Strategy as a shared programme of development and investment, based on the devolved funding principles that formed a component of the GM Devolution Agreement. It is essential that this includes investment mechanisms that overcome the disparity between local, shorter-term capital funding capabilities and longer-term schemes such as HS2 that provide the catalyst for future growth. Members will recognise that it will also be essential that any funding arrangements reflect the impact of the COVID-19 pandemic and are considered within the overall economic recovery of the city-region.
- 2.32 GM Partners have also made it clear that funding mechanisms and discussions need to consider the wider infrastructure package needed within GM to maximise the economic growth opportunity and ensure HS2 supports local policy. This is now even more critical given the economic recovery need as a result of the COVID-19 pandemic.

- 2.33 In considering a local funding contribution to the HS2 NPR Airport Station, GM Partners expect that this will be on the basis of ensuring parity with other HS2 stations, particularly those serving airports at Birmingham (Birmingham International) and Heathrow (Old Oak Common). GM Partners have therefore requested that DfT sets out the funding arrangements in place for the other HS2 stations to inform discussions. It is also expected that the specific funding arrangements for the HS2 Airport station recognise the key beneficiaries of the station beyond those in Greater Manchester.
- 2.34 In order to make any local funding contribution viable, GMCA expects the scheme proposals to be acceptable and agreed with GM Partners. As set out above, there remain significant issues with the current proposals which officers are continuing to pursue with the HS2 NPR team at DfT.

### **3. HS2 PHASE 2B WESTERN LEG (CREWE TO MANCHESTER) BILL PROCESS**

- 3.1 The Integrated Rail Plan (IRP) is expected to be published later this year setting the strategic direction for rail in the UK. There are significant concerns that the IRP may reduce the scale of ambition for HS2 and NPR in order to reduce costs. Northern leaders have voiced collective concerns that the Eastern Leg of HS2 serving Yorkshire and the East Midlands may be scrapped, and that plans for NPR may be reduced to a series of upgrades of the existing network rather than the new lines which are required for a step change in rail connectivity across the north.
- 3.2 In the meantime, the Department for Transport has instructed HS2 Ltd to continue to progress with hybrid Bill preparations and the Bill was listed as a priority for this Parliament in the Queen's Speech.
- 3.3 The HS2 Phase 2b Western Leg (Crewe to Manchester) Bill is expected to be deposited in early 2022 and this will be followed by the Statutory Consultation on the Environmental Statement (ES). The ES will set out the environmental implications of the scheme and any mitigations HS2 Ltd intends to implement to address potential negative impacts of the HS2 Phase 2b Western Leg.
- 3.4 The Government announced earlier this year that new nationally significant infrastructure projects in England will need to provide a net gain in biodiversity and habitats for wildlife. Specific reference was made to an aim to deliver a net gain in biodiversity on HS2's Crewe to Manchester leg, which should be reflected in the draft ES.
- 3.5 The Second Reading of the hybrid Bill is likely to take place approximately 6 months after Bill deposit, and will be followed by the Petitioning Period. This is a key stage for Greater Manchester with the GMCA, as an interested party, able to submit a petition setting out its requirements which will then be heard by the Bill Select Committee.

- 3.6 In advance of the hybrid Bill several studies have been taking place to inform a number of potential Additional Provisions (APs). APs are a normal part of the hybrid Bill process and APs may come forward during the passage of a Bill in response to further design development work, to address the concerns of directly affected stakeholders or in response to the Select Committee's decisions. APs may, therefore, be brought forward to address some of Greater Manchester's critical issues.
- 3.7 Members are asked to note the hybrid Bill process and the opportunities available to GMCA to engage and influence the Bill at each stage.

## **4. NORTHERN POWERHOUSE RAIL**

- 4.1 Work on the development of NPR also continues to make progress, led by Transport for the North (TfN).
- 4.2 In November 2020 a 'preferred way forward' for NPR was agreed by the TfN Board, of which GMCA is a member. The TfN preferred option is for a network of new and significantly upgraded rail lines for the North of England spanning from Liverpool to Hull, Sheffield and the North East via Greater Manchester. Within Greater Manchester, NPR is dependent on the delivery of HS2 Phase 2b, sharing track, stations, and junctions in parts. The proposed NPR network includes:
- A new line to be constructed from Liverpool to Manchester via the centre of Warrington
  - A new line to be constructed from Manchester to Leeds via the centre of Bradford
  - Significant upgrades and journey time improvements to the Hope Valley route between Manchester and Sheffield
  - Connecting Sheffield to the eastern leg of HS2 and on to Leeds
  - Significant upgrades and electrification of the rail lines from Leeds and Sheffield to Hull
  - Significant upgrades of the East Coast Mainline from Leeds to Newcastle (via York and Darlington) and restoration of the Leamside line.
- 4.3 The NPR Strategic Outline Case (SOC) is now on hold, pending the publication of the Integrated Rail Plan which has been further delayed until later this year. This is so that the final SOC reflects the IRP which is expected to recommend how investment in rail projects like NPR, HS2 Phase 2b, and the TransPennine Route Upgrade will be delivered within the available budget.
- 4.4 TfN's preferred option for the route between Manchester and Sheffield is for NPR services to travel via Stockport and Marple. GM Partners have raised concerns about the route via Marple, as it would minimise the number of services through Stockport, remove the potential for more local services on the Marple line and the ability to connect the line to the Metrolink network using tram train. TfN continue to develop an alternative option for Manchester – Sheffield

with NPR services travelling via Stockport only, to allow for a like-for-like comparison with the preferred option to take place.

## **5. HS2/NPR WORK PROGRAMME**

- 5.1 Greater Manchester has continued to engage with and support DfT, HS2 Ltd and TfN, as plans for HS2 and NPR have matured and developed, particularly as the programme timescales have evolved as a result of the Oakervee Review. This support has involved a significant amount of technical development work locally that has represented a challenge in terms of local funding. This challenge will become considerably greater as work to support HS2 further intensifies in readiness for the hybrid Bill process and as NPR continues to progress.
- 5.2 Local HS2 activity continues to increase in advance of the deposit of the hybrid Bill in Parliament next year. GM Partners have been required to engage with and review emerging HS2 Ltd proposals; to protect GM's position; to ensure schemes complement local objectives; to prepare for the hybrid Bill process and associated negotiations; and to develop the associated schemes under the GM Growth Strategy, including Metrolink at Piccadilly and the Airport.
- 5.3 There are a number of technical workstreams which continue to progress focusing on Manchester Piccadilly, Manchester Airport, Metrolink, Wigan, Stockport, NPR, and the IRP. These workstreams primarily respond to either addressing the critical issues detailed in Section 2, technical engagement with the AP studies currently taking place, Metrolink scheme development and growth strategy associated work.
- 5.4 Funding for HS2 NPR resources was prioritised through the 2021/22 GMCA budget process and is being used to significantly ramp up work in the lead up to hybrid Bill deposit and the ensuing parliamentary process. However, as Members will appreciate from the scale of issues in this report, this work will need to proceed on a firm basis throughout the next decade and into the 2030s. At this stage, Greater Manchester does not have any agreed basis of funding with Government to safeguard this, which risks the local growth potential of HS2 being underachieved.
- 5.5 Beyond transport considerations, the GM partners have also sought to establish a wider Government engagement around the regeneration, skills and local employment opportunities that this scale of investment can bring to Greater Manchester. With regard to regeneration, Manchester City Council, Trafford MBC and Wigan MBC are seeking to ensure that HS2 and NPR are brought forward in a manner that maximises the impact on adjacent regeneration proposals; and Stockport MBC is seeking to ensure that the stages of development at Stockport Station are fully supportive of Mayoral Development Corporation plans. The establishment of public/private funding programmes that support the regeneration programmes will also be essential. The skills and employment potential brought by the programme was set out in a strategic analysis that accompanied the Growth Strategy, and GMCA and the local authorities continue to seek to engage Government and HS2 Ltd to realise this

potential.

- 5.6 Therefore, officers are pursuing senior discussions with Government (DfT, MHCLG and HMT) regarding funding for further local development work across the full breadth of the Growth Strategy and to support GM partners in managing the demands of the hybrid Bill process. This will be essential in ensuring that the city region partners can continue to engage with and support the high speed programme. In particular, it is essential that the GM Partners are in a position to carry out the technical work required regarding Metrolink at the HS2 stations, to review the emerging technical work from HS2 and NPR and interfaces with local development plans, policy and infrastructure.
- 5.7 It is proposed that progress on this engagement and the work programme should be reported further to GMCA in the autumn, so as to ensure that GMCA and the authorities are aware of any challenges that remain. That report will also seek to provide further advice on the hybrid Bill and the requirements on GM partners that it will bring.