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HS2 – Jobs Analysis Executive Summary



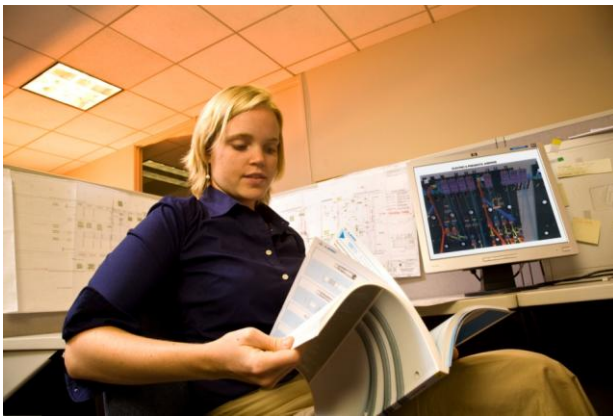
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Executive Summary

Overview and Approach

This report is an independent analysis by consultancy Albion Economics into the direct and supply-chain job impacts of the High Speed Rail (HS2) project. It was commissioned by the Industry Leader’s Group established by Greengauge 21.

It identifies the number of jobs that will be created in the planning, design, construction, operation, maintenance and renewal of HS2 across the life of the project, as well as jobs in retail and catering within the planned new stations. It doesn’t consider the induced jobs in the wider economy that will be created by the wages spent by these workers, nor the broader employment effects of regeneration and economic stimulus resulting from HS2.



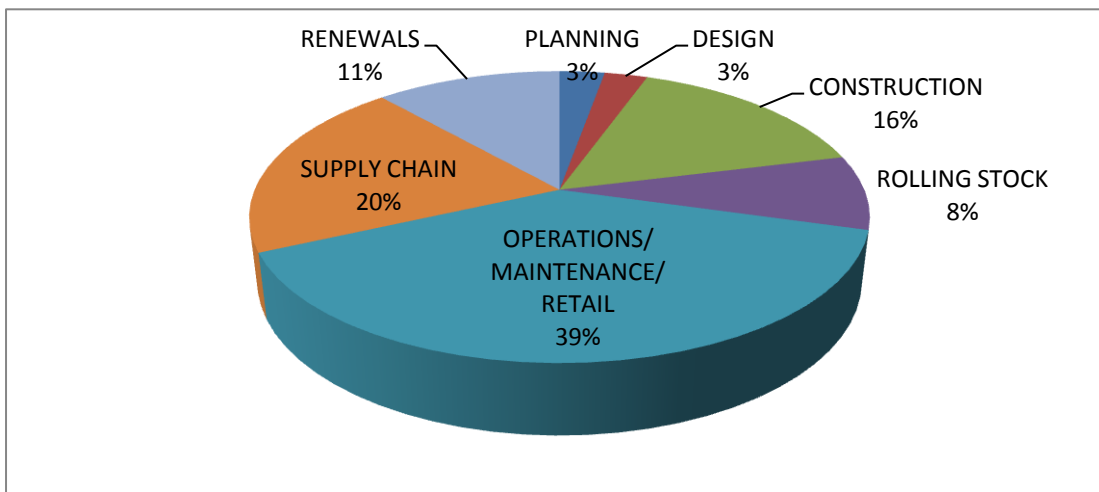
2 Photo courtesy of Bechtel Photo Library

Analysis has been undertaken on a ‘bottom up’ basis using evidence from a number of sources to establish relationships between cost budgets, physical outputs, wage rates and employment, by type of job and skill level. The work has considered both the Phase 1 (London-Birmingham) and complete ‘Y’ network (London – Leeds/Manchester) HS2 scenarios.

Findings

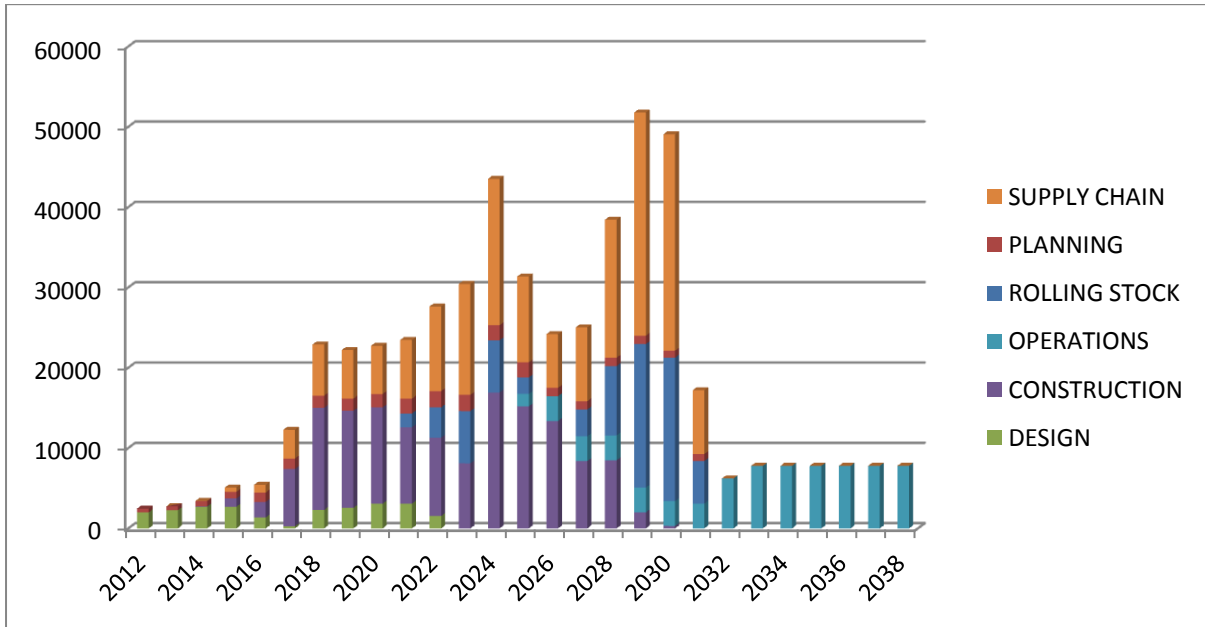
Total job years projected for the London-Leeds/Manchester HS2 project are almost **890,000** across the 60 year life of the project. **On the standard assumption, that 10 job years equate to a full-time job, this is equivalent to creating 89,000 full-time jobs.** It is projected that **3,100** permanent jobs will be created in operations, maintenance and retail by 2026 and **7,800** when the ‘Y’ network is operational by 2032. The breakdown of projected jobs by work area is shown in Figure S1.

FIGURE S1 HS2 London – Leeds/Manchester - Job Years Disaggregation



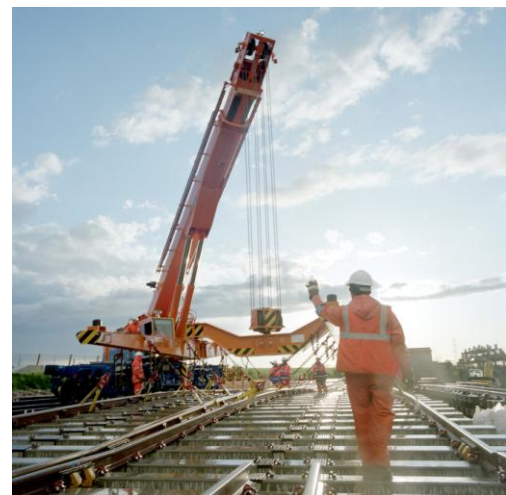
Job numbers would grow to more than 22,000 within 5 years, representing a significant boost to medium-term economic prospects. These jobs are in the design and engineering sectors and the supply-chain that supports them. Figure S2 shows the expected jobs profile across the HS2 ‘Y’ network.

FIGURE S2: HS2 London – Leeds/Manchester - Jobs Profile



Subject to securing powers and funding for HS2 Phase 2, employment on the project could be maintained at least at 20,000 full time jobs *pa* across a 13 year period, and grow up to a maximum of 50,000 jobs at any one time. This certainty would encourage investment in skills training to provide the workforce needed to do the job.

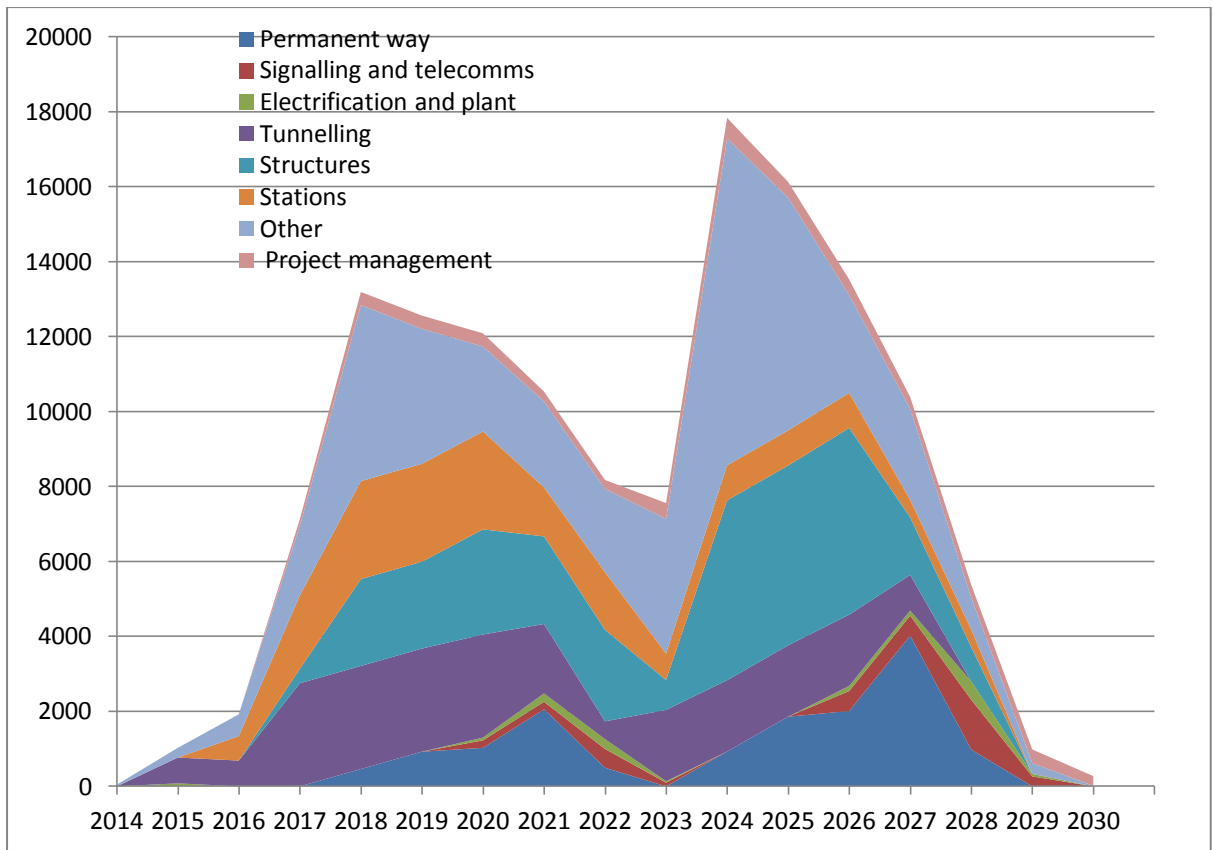
The construction programmes for Phases 1 and 2 are designed to be complementary, but Phase 2 is more intensive and will require a larger skilled workforce, peaking in activity around 2024/25. This gives a clear lead time to develop skills policy initiatives to meet this peak. However, peak activity for tunnelling activity is much sooner and will occur in the next 5 years.



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As Figure S3 shows, the majority of opportunities for construction jobs lie in civil engineering, with in the order of 80% of the construction jobs falling within this broad field. Specialist railway engineering jobs will nevertheless place additional pressure on scarce skilled resources in signalling and electrification engineering in particular.

FIGURE S3: HS2 ‘Y’ Network – Construction Job Profile



Building trains for HS2 represents a major commercial opportunity. The significant supply-chain opportunities around rolling stock production suggest that a total of around **180,000 job years** would be associated with building trains to run on HS2. The timing of procurement will be important to avoid order book discontinuity and production inefficiency.

Close to the conclusion of this work, HS2 Ltd published the Environmental Statement for the Phase 1 project. The socio-economic analysis projects a total number of construction job years as 56,000. Our numbers are broadly in line, but slightly higher at 65,000. The analysis in this report has been produced independently and therefore provides a level of independent verification of the HS2 Ltd estimates.

HS2 represents a significant opportunity to boost economic growth and improve human capital in the UK: the Crossrail project has monitored its suppliers and identified that more than 95 per cent of its budget awarded to date is being spent in the UK.

