

option, at the bottom of the T3i column there should be some wording: 'There is potential for the material to be excavated from the north portal to be stored at the Stoke Mandeville construction site and' – we go to the next page – 'exported by rail and not road, increasing adverse impacts'. Those are HS2's words. Mr Osborne, did HS2 rule out the potential for rail removal of spoil because of a lack of paths on the Chiltern line, or did they say there was a potential for it?

363. MR USBORNE: They appear to say here that there is potential, and one must assume they feel there are adequate paths to remove it.

364. MR KINGSTON QC: Thank you very much.

365. CHAIR: I think we will have a two-minute break.

*Sitting suspended*

*On resuming—*

366. CHAIR: I plan to have a break just before five and come back at 6.30 for Mr Kingston's final witness and the response.

367. MR KINGSTON QC: The next witness is Mr Richard Hindle who is a director of SQW. The next slide should have on it his credentials. If you cast an eye over this, perhaps I could just ask Mr Hindle what he is dealing with in his evidence before the Committee. Do you have lots of experience with it over the years?

368. MR HINDLE: Not directly with the Committee but in formulating business cases and economic impacts assessments in various forms. Much of my career has been spent in some variation of applied economics and what I would regard as real-world situations.

369. MR KINGSTON QC: So you have not dealt with any Treasury forecasts?

370. MR HINDLE: I do not deal with the macro side. I was supported in this work that SQW conducted by a team within the firm, including other economists and specialists in property appraisal, and had a range of expertise, wider than my own, to draw on.

371. MR KINGSTON QC: You have taken into account both business development and tourism impacts and things of that kind?

372. MR HINDLE: Indeed.

373. MR KINGSTON QC: Turning to the next one, can you talk us through your remit and the process, please?

374. MR HINDLE: We were asked to review whatever information was already there, and what evidence was out there, and assess and integrate that where possible. That was concerned with the relative impact of the existing HS2 proposal for tunnelling and the schemes for tunnelling in the AONB which had been developed. I suppose the stimulation for and purpose of our work and why it was commissioned was the absence of cost benefit approaches at the level of the Chilterns. The work was, therefore, sponsored by a wide group of organisations, some of which have already appeared before you, as well as CRAG from south Chilterns and the Chilterns Conservation Board. The local authorities, the district council and Buckinghamshire County Council, were also supportive of the work. I understand that some groups – Wendover and the Chilterns Society – have already referred to our work. We were asked to look at the impact of the various proposals for tunnels: T3i, which we have heard a lot about, CLT and the REPA short tunnel. but today I am focusing on T3i as the CRAG proposal. I know that REPA will refer to our work tomorrow.

375. MR KINGSTON QC: The Committee have your full report as A1, 2, 3 and 4, starting at 1. Is that right?

376. MR HINDLE: Yes.

377. MR KINGSTON QC: Take us through the next slide. This is your approach to quantifying the HS2 impacts.

378. MR HINDLE: We looked at six areas, which I should probably mention: the environment and landscape; property blight; traffic and transport; tourism; health and wellbeing; and business productivity. The first four, but not the last two, we quantified. Our starting point for the quantification was HM Treasury's green book, which is the normal form with which the company I work for, SQW, is familiar. Indeed, at one point it helped to revise some of the guidance for it in the magenta book. We focused on the four areas I mentioned because they were the ones where there was both substantial expectation of impacts and also some basis, method and evidence for quantifying the

effects. What we were trying to do in the work was put things, as far as possible, on a common basis. Mr Kingston has already referred to the limitations of that sort of work, and that it has to be seen in the wider context, which we fully endorse, but the scope was to try to measure it in pounds and produce economic value measures through discounting, following Treasury guidance, and arrive at present value, and consider that against costs, which obviously is the other important factor, to arrive at a net present value.

379. Clearly, in this sort of work assumptions are needed and critical and judgment may differ on what comes out of it, but we felt we went through a reasonably rigorous process within the team, with the client group who, as you have already heard, have been working on this for several years and bring a lot of expertise of their own, and also some other experts who have been involved in providing reports and inputs to the process. We feel that we have explored the available evidence as it came to us in detail and been able to take in additional evidence as some of that became available.

380. MR KINGSTON QC: As your slide indicates, the results are not just what the model produced but are a sense check against your own experience. Is that right?

381. MR HINDLE: Indeed.

382. MR KINGSTON QC: We have got quantification with regard to environment and landscape; property blight; traffic and transport; and tourism. As to the last two you referred to – health and wellbeing and business productivity – you have not quantified them.

383. MR HINDLE: I will say something about that in due course.

384. MR KINGSTON QC: Talk us through the next one, which deals with issues in valuing landscape and the environment.

385. MR HINDLE: Clearly, this is a subject of central concern both to the clients and, from what I have seen, the deliberations of the Committee. The key question, which is really a tricky one, is how best to assess the costs of damage from major infrastructure construction which goes beyond allocating price-based losses to an economic asset. The economic techniques, known as shadow pricing, are based on proxies, estimating by

analogy and trying to find some way of providing a sensible basis for this; or indeed asking people what they pay either to retain the benefit or continue to use an asset. There are certainly caveats on this approach. The slide and sub-bullets under the main bullet 2 highlight some of those caveats in terms of taking account of future generations' use of it, their interests and what they would pay for and value. There are also those with a less direct stake, not just residents and visitors, who would value the landscape, even though they may not be direct users of it. To some degree, there is even the ecosystem perspective: how natural systems contribute to the way in which over time society and people use resources and take advantage of them.

386. In general, the approach is more robust if it is based on as wide an evidence base as possible. In this we were mindful of the DCLG analysis of land types adopted by DfT, which draws on a pretty wide range of other studies.

387. The other point we make here is that the policy context given this wider view is clearly important; that is, what government and society have evidenced and decided is important through other policy. The designation of the Chilterns as an AONB is clearly an important consideration. I am also aware of discussion in the Committee about the elements of the national planning policy framework. That is also relevant and points towards cost but also says there is a requirement to consider other ways of doing things.

388. MR KINGSTON QC: Judging by the transcripts, one of Mr Mould's more favoured bits of government guidance is paragraph 116 of the national planning policy framework, because it has the word 'cost' at the beginning of the second bullet point. It says that applications for development in AONBs should include an assessment of the cost. I do not think you or these petitioners dispute that cost is a relevant consideration. Then it says 'the cost of and scope for developing elsewhere outside the designated area.' It is not our case that we should be outside the designated area, but the last phrase of that bullet point tells us 'or meeting the need for it in some other way'. In your view, how is that relevant to, for example, tunnelling rather than surface development?

389. MR HINDLE: It is precisely that. It is valid to look at the different ways of doing things within the approach NPPF put forward. That points to a consideration of options. In our view, a cost benefit-based approach is an entirely valid way of looking at options for exploring how things can be done most effectively and to get greater value for

money at the level of an area such as the Chilterns.

390. MR KINGSTON QC: The next slide is the economic impact review. It deals with environment and landscape.

391. MR HINDLE: Indeed. We go through a similar slide for each of the topic areas we looked at in detail. On environment and landscape, the key point from which we start is to say that we worked with the DfT methodology and from the central case they used, but we were also very mindful that, as I think has already been discussed here, there has been a considerable effect from changing the base calculation and reducing the MPB of landscape damage for the whole line from £4.3 billion to just under £1 billion.

392. Particularly in relation to the Chilterns, the effect on the Amersham Chilterns northern edge section was even more stark, in that the damage figure was reduced from £992 million to £115 million, almost eightfold, and double the average for the line as a whole. We are aware that this relates to a change in land use classification.

393. MR KINGSTON QC: Pausing there, what DfT did was value the landscape using one category, starting off with £4.3 billion worth of landscape and, at a later stage, said, 'No, we won't put the AONB into that particular category; we will change the category', which produces a dramatically different result in terms of the landscape value. Is that right?

394. MR HINDLE: That is correct. We then moved back to the original typology, and on our basis we calculate that the £115 million rises significantly to £274 million, but that figure needs to be reduced also because they took Amersham at Chilterns north edge and it needs to be pro rated down for an allowance for part of the line to Mantles Wood that will already be tunnelled. On that basis, we reached a figure of £206 million, which we then reduced further in terms of the cost of the savings for the long tunnel to a figure of £196 million.

395. MR KINGSTON QC: Or for T3i £185 million?

396. MR HINDLE: For CLT and T3i, it is £185 million as you say.

397. MR KINGSTON QC: What the Committee is looking at in this slide is the effect simply of, as you put it, correcting one input to the calculation from DfT's approach and

you more appropriately you would say valuing the Chilterns landscape. That has the effect which the slide is indicating. Is that right?

398. MR HINDLE: Indeed – while maintaining the other elements as DfT have done.

399. MR KINGSTON QC: Absolutely. We have provided the Committee with a note on the history of the valuing of the landscape. It is A1233. You need not look at it now, but it explains what happened to the figure. I will not say it is a sort of hokey cokey because it never went up again, but it started off at £4.5 billion briefly; became £4.3 billion and then dramatically reduced. The dramatic reduction was the product of saying that perhaps the AONB landscape is not worth as much as they originally thought it was, but that is a process which is explained. Is there any more on that slide, Mr Hindle?

400. MR HINDLE: No.

401. MR KINGSTON QC: The next one, please. As to property blight, can you explain what is going on here?

402. MR HINDLE: This is another area central to arguments that have been brought before the Committee. We start off by emphasising here that in our calculations it is not a subset of damage to landscape and environment; it is based on a rather different and quite specific calculation. Elsewhere has been flagged the PWC work commissioned by HS2, which we took as the starting point and we understand also involved professional guidance from RICS, mortgage lenders and estate agents, the national association as well CBRE. I think this is being discussed tomorrow. We worked on considerable work that had been done by HS2AA in developing their options and spreadsheets for this. We looked at this and examined it very carefully in our own terms. It does seem to be a fairly conservative estimate on the extent of blight, given that there is plenty of other evidence from the market that shows blight going beyond the 1 kilometre assumed here. The assumptions on things like real house price inflation appear to be fairly conservative.

403. It is worth saying, as I am sure others have said to you, that blight relates partly to fears and uncertainty, and the impacts are already felt before the construction process, as well as during it when there is an obvious blighting. But the market expectation is that

some blight will persist into and through the operational period of HS2.

404. MR KINGSTON QC: Is there ever a complete recovery to pre-construction of HS2 levels, or is there an ongoing blight?

405. MR HINDLE: I think there is an element of ongoing blight from the evidence we have looked at. It will never recover, because there is always something there which has detracted from it and it does not allow it to recover fully.

406. MR KINGSTON QC: We can see what your savings for the long tunnel, CLT and T3i are.

407. MR HINDLE: It is £100 million for T3i.

408. MR KINGSTON QC: Can we have the next slide, please? This is road transport. What is going on here, please? We have a total cost figure for HS2 of £25 million and savings with the long tunnel ranging between £4 million and £19 million.

409. MR HINDLE: Yes. As we have heard from discussions about construction, it is not easy at this point, for understandable reasons, to assess and quantify in detail the scale and persistence of delays and congestion during the construction period. Nevertheless, we did try to put some numbers on it in a fairly conservative manner. I think it is recognised that there will be significant impacts from HS2 construction in whatever form, and we fully accept that some of these effects will be felt with a long or, for that matter, short tunnel. We felt in this particular case that we wanted to explore the range. We took two approaches. One was based on traffic modelling that had been done by Oxford Economics for Buckinghamshire County Council, where they tried to run a traffic model to show the impact of HS2 construction. On a fairly basic pro rata-ing of the work that had been done to bring it down to the Chilterns, we reached a saving of £19 million against a £25 million cost.

410. A still more conservative view of that would be to use, as we did with our clients, the data in the environmental statement to make a comparison, based on a more detailed assessment of impacts on a particular junction. That gave a 15% saving against £25 million, so it is approximately £4 million. That was a fairly conservative basis. I know it is less than some estimates that have been brought before the Committee, but it

is there and there will be some effect.

411. MR KINGSTON QC: Do your key assumptions for the long tunnel option include a railhead at the new north portal?

412. MR HINDLE: Yes.

413. MR KINGSTON QC: The Committee has heard what HS2 have said about that. There is some potential and they do not rule it out. The other thing you note on the key assumptions at the bottom right of the slide is that the removal of the Hunts Green sustainable placement location has not been included in the HS2 proposal you have costed. Is that right?

414. MR HINDLE: That is correct.

415. MR KINGSTON QC: Therefore, you think that your figures are underestimating the savings?

416. MR HINDLE: They are slightly underestimating it in that respect.

417. MR KINGSTON QC: Next, we come to the issue of tourism. What is going on here?

418. MR HINDLE: We looked at tourism in some detail, partly because there was already quite a bit of existing work, but also because it is an important economic driver nationally, but also locally in the Chilterns. I understand that the Chilterns AONB is most visited in the country. Reference has already been made to its proximity and access to London. It is also worth bearing in mind that it has a substantial offer spanning informal and formal recreation and leisure attractions. Figures that TSE Research produced show of the order of 2.3 million visitors a year and 400 million visitor nights. If you take a slightly wider corridor with the key settlements impacted by way of tourism returns, there is a spend of £106 million per annum and total jobs of 2,750, which represents a fifth to a quarter of the AONB as a whole. That is the figure at risk. We are certainly not saying all that is lost, but there is a significant impact on that spend, which is a concentration of activities: hotels, attractions, clubs, cafes and restaurants. All these things offer spending opportunities and also significant employment. Although it may not often be the best paid employment, it is quite significant employment to local



areas. It is part time; it allows more flexible patterns of working than some other things.

419. MR KINGSTON QC: Just to be clear about that, you have not set out to say that it is going to impact the whole of the AONB. You confine it in the way you indicate. You have some key assumptions which the Committee can see on the slide. You have assumed transfers elsewhere and that people do not come here because of HS2. They will still visit the Chilterns and go somewhere else.

420. MR HINDLE: That is an absolutely critical assumption. It is sensible to assume that a significant number of people would spend money in Wendover. They may still come to the Chilterns but they will go somewhere else to spend money.

421. MR KINGSTON QC: In order to make the calculation robust, you give the 50%, and the other figures the Committee can see. What we end up with in your summary table at the top in terms of the cost of the HS2 corridor is £271 million, and then the savings with the CLT and T3i of £210 million and £198 million.

422. MR HINDLE: For the corridor, yes, obviously netted off.

423. MR KINGSTON QC: You net off the 50% local transfer which produces a halving of the figures. What is the job impact at peak construction?

424. MR HINDLE: At peak construction – you recover somewhat after that – we would estimate that of the 2,750 jobs at risk it may well be that with the HS2 proposal approaching one tenth of those would go, although there would be some recovery, and most probably 80% or so of those would be saved with a long tunnel. There would still be an effect with the long tunnel on the tourism spend and jobs, but a much smaller one.

425. MR KINGSTON QC: The next slide is health and wellbeing. As you explained at the beginning, you have not set out to put values on this, or monetise it. Tell us what conclusions you are reaching, and why you think the Committee should have regard to them.

426. MR HINDLE: We have not quantified it, partly because of the difficulty of formulating the case in numbers and partly because of the risk of double counting with other things, but there is a wide recognition, based on academic research and reflected in government policy, of the adverse effects of ill health on economic output and

productivity, and stress is an important contributory factor to ill health. There have been local surveys of health run by some of the people who sponsored our work which have pointed, albeit on a small scale, to substantial issues already in the pre-construction period and respondents' expectations that these have become more acute as HS2 are built. Some of the efforts by academics and others to try to identify health and wellbeing effects and the benefits of open space and woodland I find a bit tangential. I have sympathy with the basic argument, but it is very difficult to put numbers on it. We have noted that HS2 is proposing extensive planting in mitigation, but, frankly, it does not seem likely that this would come through in any way to have an effect on health and wellbeing during the construction period, which is a critical thing for us, but, as I say, we have not put numbers on it ourselves.

427. MR KINGSTON QC: You simply point out at the bottom right on the slide that the greater benefit from a long tunnel than a short one is not easily or reliably monetised, and you invite the Committee to take that into account based on, among other things, the local survey work. The next slide, please.

428. MR HINDLE: This is productivity which we also considered. It is very difficult to assess wider productivity impacts from this sort of activity. We are aware, going back partly to the point about tourism, that there is an integrated local economy, with visitor and resident spend and businesses around serving that and the wider areas at risk of being damaged through this process. We have noted that other people who have prepared evidence and reports relating to HS2 and the tunnel proposals have highlighted this through business surveys. Some work has been done on indirect business losses. There is a huge danger of double counting with our estimates on tourism, which is one of the reasons we have not pushed this further. There is also the difficulty of assessing what happens, but there is a factor of disruption. We think that disruption factor is nevertheless worth noting. We believe it makes businesses less likely to invest in the short term, possibly in the medium term. There may be impacts in discouraging start-up businesses and damage to the reputation of the area as a business base. These effects will not necessarily in all cases be replaced by opportunities in other locations. Some of them may have a detrimental effect on wider productivity. We are aware in the background that HS2 is predicated on the economic benefits it will bring, but I think the economic benefits are focused very much at the city level. Although it may be relatively

small in the bigger scheme of things, it is worth bearing in mind that there is potential for disbenefit to some of the areas it passes through.

429. MR KINGSTON QC: In essence, as HS2 are aware, there are all sorts of good things further north that I have been pressing on the Committee in a different context, but, as far as the AONB is concerned, that is used essentially as a means of getting further north. In your view, does it do anything positive in this context with regard to business productivity, business confidence and investment decisions? Is it doing anything positive for the AONB, or is the essence of what you are telling the Committee that this is essentially a negative matter and should be taken into account?

430. MR HINDLE: It is a negative effect.

431. SIR PETER BOTTOMLEY: That is quite reasonably ignoring the general effect on the national economy if we make progress.

432. MR HINDLE: Indeed. I preface it by saying that at city level and for the bigger agglomerations clearly there is potential.

433. SIR PETER BOTTOMLEY: We are in agreement.

434. MR KINGSTON QC: We are. The only point we would make is that you can achieve the same national objectives very easily with a tunnel that protects the AONB in the way described, but we will not rush to the end before we have enjoyed the middle. Let's have the next slide and deal with the quantified impact. I must say of net value and net present value that, if there is ever an opportunity to doze off or glaze over sometimes, this must be it.

435. SIR PETER BOTTOMLEY: We like numbers.

436. MR KINGSTON QC: Oh, good! In that case, please tell us what this is about? What is the quantified impact and net present value of T3i? What is it about, please? Why does it matter that we know the net present value?

437. MR HINDLE: I thought you were asking the Committee. It matters because we have looked at each of these areas and tried to put it on a common basis, for which we use the term 'present value'. We demonstrate the wider benefits in the four areas that we

have attempted to quantify. These are summarised in the table in terms of the T3i proposal. This gives us an overall saving or net effect of £400 million, or of that order. I emphasise that this is a present value figure and therefore is discounted over time, and it is the same as the £250 million to £350 million.

438. MR KINGSTON QC: So it is £204 million to £286 million.

439. MR HINDLE: Yes.

440. MR KINGSTON QC: That is the discounted value of the £250 million to £350 million that Mr Hendrick was asking about earlier. Is that right?

441. MR HINDLE: Yes.

442. MR KINGSTON QC: This is all on a consistent basis. You have then inputted your figures for the landscape and environment, property blight, transport and tourism. Where you have got a range you have given it. Just explain the result, please.

443. MR HINDLE: Taking that range – I know the cost figures are going to be looked at in more detail tomorrow – if we did take the midpoint of the £250 million to £350 million discounted to £204 million to £286 million and used that against the midpoint of the overall savings, we get a net present value from investing in T3i of £150 million by way of economic benefit.

444. MR KINGSTON QC: How robust is that figure? From the Committee's point of view, clearly we would like them to say, 'For T3i, let's have good balance. Compromise in some areas but we want a balanced overall approach.' How robust is the figure you have just given them in terms of the confidence they can have in it?

445. SIR PETER BOTTOMLEY: I think you can ask: how robust is the range he is giving us?

446. MR HINDLE: I think we are talking here about a realistic view of what we have looked at in some detail in each of these areas. In all these areas you could come to very wide ranges at the end of the day. What we have tried to do is narrow this and say that on the basis of what appear to be present information and sensible assumptions, this is as robust as we believe it is possible to get at the moment.

447. MR HENDRICK: Surely, when you get a range as wide as £102 million to £199 million, it is like plus or minus 100%. What you are talking about is far from an exact science. When you have a possible variation that big, surely 'robust' is hardly the right word.

448. MR HINDLE: It is robust in the case of the information as it is at the moment. We have had a discussion earlier this afternoon. The key factor in making the difference between £102 million and £199 million on that table is the cost side. The range of benefit is quite small, as it is shown here. You could query some of those as well, but the key thing is: how robust is the engineering cost and what figures are we using there. because that will determine where you are in that range.

449. MR HENDRICK: Surely, there is a big difference? You know the cost of a bag of cement or the cost of a drill to go through the ground. What you are trying to quantify in some of this are much less tangible things in terms of landscape, valuation and a lot of fairly new concepts. You are trying to quantify something which is qualitative to a great extent.

450. MR HINDLE: It is problematic, and we have tried to say that as we have gone through. Nevertheless, techniques and approaches have been developed. There is an accepted way of showing these things. HM Treasury want them to be shown in this way, respecting that they are quite difficult to pin down, and you have to work on the basis of as good assumptions as you can make.

451. MR HENDRICK: That may be the case, but it does not make them any more precise or exact. The way in which it is being presented gives the appearance of it being scientific when it is far from scientific.

452. MR HINDLE: In the end, these provide assistance to making decisions. The decisions are informed by these approaches, but they are not a substitute for the decision that has to be made, and the decision has to take into account a wider context.

453. MR HENDRICK: They are indicators, are they not?

454. MR HINDLE: Yes.

455. MR KINGSTON QC: To take Mr Hendrick's point, this is clearly not an exact

science. The Committee want to understand, for example with regard to landscape and environment, whether you have gone off on some frolic of your own to arrive at the figure of £185 million, or you have adopted an approach consistent with a DCLG green book approach that looks to value landscape. I think the DCLG study that produces these figures is in turn based on 46 other studies. Have you departed or, as I said, gone off on a frolic of your own, in arriving at the figure, or have you tried to apply faithfully figures that emerge from government guidance? What have you done?

456. MR HINDLE: We have followed government guidance as far as we could. In that particular case, as we discussed, the variation has been on the typology of land which appeared to have been changed for reasons that have not been fully explained.

457. MR HENDRICK: I am sure you have attempted to be objective and follow all the government guidance, but because some of the techniques of this valuation are fairly new, albeit there may have been lots of studies to come to these methods, to use the word 'robust' essentially in trying to make a science out of something that is quite qualitative rather than quantitative is not necessarily correct. I do not think it is giving a comparison where you are calculating the actual costs of construction and many of the other more formal techniques that are used in looking at the cost of a tunnel or another project.

458. MR HINDLE: It does not seem as though the construction costs, at the moment anyway, are fixed either. In one sense, I take your point. There is a limit to this. What we have done is perhaps a reasonably rigorous approach with the information we have rather than a robust one in the sense of coming to a single definitive conclusion. You are right, in the sense that different interpretations could be placed on some of this. What I would say is that we have been involved in working on this in different ways directly for central government and others. It is not something we have just made up for this study.

459. MR HENDRICK: Far from it.

460. MR HINDLE: It is a set of approaches that has been tried and developed over several decades; it is not something that has come about in the past two years.

461. MR KINGSTON QC: You have already made the point but, just to be clear, referring to the tables that the Committee have on the slide in front of them, the overall

saving of £388 million to £403 million are rather less than 5% in terms of the variation there. The big variation is in the additional engineering cost. Is that right?

462. MR HINDLE: That is how we have summarised the conclusions, yes.

463. MR HENDRICK: Could I suggest that, rather than showing it as £102 million to £199 million, you put something like £148.5 million plus or minus £50 million, or 50%?

464. MR HINDLE: As I said in summarising it, if you take the midpoint you come to a positive value of £150 million. As you rightly say, there is a range around that, depending on what the cost figures are.

465. MR HENDRICK: When you give it as a plus or minus percentage it exposes the use of the word 'robust' where there is such a huge variation.

466. MR KINGSTON QC: Mr Hendrick, I will swap it for 'rigorous'.

467. MR HENDRICK: 'Rigorous' is a much better word. It gives you a greater indication of the variation in the accuracy of what you are trying to quantify.

468. MR KINGSTON QC: I think the point, Mr Hindle, is that the variation is in the engineering cost. The top of the range is £286 million, which is HS2's figure.

469. MR HINDLE: Yes.

470. MR KINGSTON QC: That is a figure which we know is not complete because there are other things to come. The £204 million is the figure which Mr Osborne spoke to. Is that right?

471. MR HINDLE: Yes.

472. MR KINGSTON QC: Let's have the last slide.

473. MR CLIFTON-BROWN: Before you go off that subject, these are 2011 figures. Did you not think to update them, because property prices have certainly increased beyond your core inflation figure of 1.46 in the last several years?

474. MR HINDLE: I should have made clear that they are based on spreadsheets run from, as far as possible, a common price base in 2011, but they allow for some inflation

of property prices and spend as you go through.

475. MR CLIFTON-BROWN: What do they allow? You have quoted us in slide 24 a core inflation figure, on which you made your assumptions, of 1.46%. I suspect that property prices in London and the Chilterns have inflated considerably more than that in the past four years.

476. MR HINDLE: Indeed. In that case we did use that because that was the figure built into the spreadsheet as a conservative figure. I take the point entirely. I think that in the slide we refer to surveys of long-term property rises nationally, let alone in the Chilterns, which show a figure of 2.9%, so this is extremely conservative in that respect.

477. MR KINGSTON QC: Referring to Geoffrey Clifton-Brown's question, have you overegged the pudding in terms of the blight effect, or, if anything, have you potentially under-egged it?

478. MR HINDLE: Under-egged it.

479. MR KINGSTON QC: Turning to the last slide, we come to your conclusions. Is there anything there that you particularly want to draw attention to which perhaps captures the essence of what you have been saying?

480. MR HINDLE: We have acknowledged that there are difficulties in quantifying some of these areas. We have taken a rounded view of potential benefits where economic impacts are expected. I think that on the whole these have been done on a conservative basis. They have been done relative to cost; they take into account cost information that we had. We have explored more possibilities and sensitivities than we have shown here, because of the need to reflect back as simple a set of messages as possible. What we are finding is that, even against a relatively limited range of monetised elements, substantial economic benefit could be delivered through T3i. There are other factors that have not been quantified that we believe would, on the whole, have the effect of increasing the benefit.

481. CHAIR: Thank you, Mr Kingston. I think we will adjourn now and come back to Mr Mould's questions at 6.30.