

# Transport Committee

## Oral evidence: [Major transport infrastructure projects: appraisal and delivery](#), HC 24

Wednesday 7 July 2021

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Members present: Huw Merriman (Chair); Mr Ben Bradshaw; Ruth Cadbury; Simon Jupp; Robert Langan; Karl McCartney; Grahame Morris; Gavin Newlands.

Questions 127 to 203

### Witnesses

I: Rt Hon Grant Shapps MP, Secretary of State for Transport; and Nick Joyce, Director General, Corporate Delivery Group, Department for Transport.

Written evidence from witnesses:

- [Department for Transport](#)



## Examination of witnesses

Witnesses: Rt Hon Grant Shapps MP and Nick Joyce.

Q127 **Chair:** This is the Transport Select Committee's final evidence session in our inquiry, "Major transport infrastructure projects: appraisal and delivery". We have one panel before us. Could I ask the two witnesses to introduce themselves?

**Grant Shapps:** I am Grant Shapps, Secretary of State for Transport.

**Nick Joyce:** Good morning. I am Nick Joyce from the corporate delivery group, Department for Transport.

Q128 **Chair:** Good morning, Secretary of State and Mr Joyce. Thank you very much for being with us. We have had an interesting set of evidence sessions and, indeed, a lot of evidence during this inquiry. We have looked at the Government's transport infrastructure priorities; the impact from coronavirus on transport usage and, therefore, perhaps levelling-up projects and what transport can do to that agenda; and how those projects and transport spend will co-exist with the commitment to decarbonise and get to net zero by 2050. We have looked at the Department's skillset and what is required, and at work with the private sector.

There is heaps for us to get through with you this morning. I will start with the Government's national infrastructure strategy, which has so much of transport within it. Secretary of State, or indeed Mr Joyce, what proportion of the transport projects in the national infrastructure strategy do you believe will be deliverable by the end of this Parliament?

**Grant Shapps:** Thanks very much. Actually, I will turn to Nick Joyce on this first one.

**Nick Joyce:** The Government's spending review set out £62.5 billion of capital spending across a range of transport modes to be delivered by 2024-25, which included long-term settlements for the second road investment strategy; the conclusion of control period 6 for Network Rail; long-term funding for High Speed 2; and elements for electric vehicle infrastructure and for cities across the country. There is a very significant forward commitment for capital spending over that period.

On the elements for the road investment strategy and for Network Rail in CP6, the deliverables are set out for those control periods at the start of the control periods. They will be delivered in line with those regulatory processes.

Q129 **Chair:** As a Committee, we have looked before at RIS 1 and the reasons why all the amounts were not delivered when they were supposed to be delivered by the end of that period. Are there any risks that you have identified with regard to the successful and timely delivery of the major transport projects you have just listed for this Parliament?



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**Nick Joyce:** If I was to sit here and say there were no risks, I think you would quite rightly raise an eyebrow.

Q130 **Chair:** You are right. Perhaps I should rephrase it. Have you identified any major risks that are currently on your watchlist?

**Nick Joyce:** We are looking at these projects as a portfolio. We are very keen that one of the key lessons from RIS 1 particularly that is being taken forward into RIS 2 is to look at the individual projects as a portfolio and manage the risks as a portfolio, particularly the financial level risk. There will always be issues on particular projects. Highways England takes the financial risk across that and manages that across the whole portfolio.

There will be issues around planning on particular projects. We are keeping a very close eye on supply chain capacity and the ability of the supply chain to deliver and be resilient. It goes without saying that we are still also making sure we understand fully the impact Covid has had in disruption, both on the ground and on the supply chain.

Q131 **Chair:** We will come to the Covid impact shortly. Do the Government as a whole have a delivery plan for the national infrastructure strategy? We obviously have the strategy, but is there a roll-out plan as to how it gets delivered?

**Nick Joyce:** Shall I take that, Secretary of State?

**Grant Shapps:** Yes, carry on for the moment.

**Nick Joyce:** From a transport perspective we focus across the modes, particularly looking at the markets we face. Highways England therefore has a delivery strategy for implementing RIS 2 and Network Rail for the projects in CP 6. We are working through the things that sit outside that, whether that is part of the levelling-up fund, the Transforming Cities fund, or elements of decarbonisation.

At the Department level, we look at that as a single delivery portfolio. It is a large delivery portfolio with a lot of big, major complex projects. We test, on an individual and a portfolio basis, the deliverability of each element of that programme for the large projects, both at the key decision points and at inception. We review those through live, to make sure that we continue to understand the risks of delivery.

Q132 **Chair:** Is there a sense that you have the national infrastructure strategy and then the individual projects? Perhaps the delivery plan is put together by Highways England, if it is a Highways England spend. Does the Department see itself as the project manager from that perspective, or does Highways England have that role as well?

**Nick Joyce:** The primary accountability rests with Highways England. That is why we have it as an entity, and that is why it was set up in 2016. It has licence obligations. That is not to say that we leave them to



it. We absolutely actively manage the delivery of the portfolio. We get regular portfolio reporting. We intervene on projects when there are issues. We help and support Highways England in the management of the portfolio risks.

There are a number of other elements of the national infrastructure strategy that are worth mentioning. It is not just about what is being delivered but about how as well. That is really important both in looking at the way we appraise and assess projects and in how we contract for them and use commercial opportunities to drive innovation and management of risk.

Q133 **Chair:** I want to ask about the role of the National Infrastructure Bank, which has been set up to deliver projects. Indeed, local authorities can bid for projects, and, therefore, bid for transport projects. How does the Department for Transport interact with that bank?

**Grant Shapps:** Essentially, investment in transport infrastructure is critical to the UK Infrastructure Bank. It has dual objectives. One is driving regional and local economic growth. The other is helping to tackle climate change. UK Infrastructure Bank support will really help to facilitate transport projects where there are risks that can make existing large investors much more wary—for example, those in their early stages of the investment cycle, or where technology is developing quickly, as in zero emission transport and hydrogen. It is those sorts of areas.

To answer your question, it is very crucial, and DFT will be working with the UKIB, the Treasury, local bodies and the market to help target support where it can make the most difference through the bank.

Q134 **Chair:** Is there a danger, therefore, that there might be certain projects that a local authority might want to advance and borrow from the bank, but the Department feels there is a better solution and is already pursuing that? Is there any danger of duplication? How will you ensure that the Department can rule that out?

**Grant Shapps:** My experience as Secretary of State has been that I have a conversation with a local authority or a Mayor, for example, and we often find that there are various routes to market and potential funding streams or pots. Usually, what you find is that a particular funding stream is most appropriate for a particular area. It might be because it is a city and there are the intra-city transport settlements. It might be because there is a levelling-up fund approach. It might be because it is quite innovative and, as I described with the bank, at an early stage and therefore investment through the bank would be best.

What we try to do with all of the different requests and projects that come in is help to guide local authorities and other leaders to the most appropriate sources of funding that are likely to best match their objectives and, of course, the overall national infrastructure strategy.

Q135 **Chair:** Thank you. In the national infrastructure strategy, it is asserted



that “better monitoring and evaluation” is required for the successful delivery of infrastructure projects. What aspects of monitoring and evaluation do you believe need to be improved?

**Grant Shapps:** There is a pretty rich history of looking at projects and trying to improve on them. I think we have made some steps in the right direction. Classically, of course, the A14 was a mega project. It cost £1.5 billion and was delivered under budget and eight months early. The learnings from that, plus, it has to be said, the many more projects that in the past have not been delivered on time and to budget, have led to four different improvements to our delivery approach.

One is that there was a 2019 publication—the 24 “Lessons for transport for the sponsorship of major projects”—where we are now embarking on the second phase of the DFT’s project delivery improvement programme. There are lots of learnings from that. Secondly, there is the establishment of the portfolio and project delivery directorate, which is led by a new chief portfolio officer. Thirdly, there is the project delivery improvement programme, which has transformed the way the previous investment committee operated.

Lastly, it is worth saying that all of this is working to quite an impressive degree. The Department is well resourced, and very experienced with delivery. A high proportion of its projects are now green rated as assessed by the Infrastructure Projects Authority—the IPA. We have been making progress. It is the third highest proportion of a Government major project portfolio, and the highest of all the major delivery Departments.

To answer your question, we have been learning from what has gone wrong in the past, and one or two things that have gone spectacularly right, and put in place a framework—certainly during my time over the last couple of years—where we are endeavouring to use that information to improve our performance in the future.

Q136 **Chair:** My last question is quite an open one. I didn’t ask it right at the start because it would probably have taken up the whole session.

Secretary of State, you made it your mission before you came into government to really look at infrastructure, so this is obviously right up your alley. Why do you think, looking at it historically, that we seem to get into overspends and outside time delivery quite drastically? Do you think it is a question of politicians sometimes over-promising what can be done, or do we have a more fundamental problem with our infrastructure delivery from those that provide it?

**Grant Shapps:** There are several things. First of all, you can take a fairly simple project like the Restoring Your Railway fund and invite people to bid on taking a one-track and turning it into a two-track or running passenger commuter trains on what might be a freight line, and before you know it the entire project has become gold-plated. The kinds of additions bolted on to the side of it create enormous expenditure which



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then, in itself, prevents the thing from happening. That is one very important lesson.

What we have done with Restoring Your Railway is to keep going back and saying, "No, let's look at what we were trying to achieve here" and to stop treating it like something you can bolt everything but the kitchen sink on to. I think that is very important.

Secondly, the A14 project is an excellent example. I went to see it for myself. The reason it worked is that everybody worked together as a single team. One of the most important things we have learnt is that, rather than have procurements over here and the quantity surveyors over there and so on and so forth, you bring everybody and all the agencies involved in a project into a single unit. That sounds very simple, but it made an incredible difference and saved months off the timescale.

There are many other things, including the extent to which computerised design is used not just in design but in fulfilment of procurement, and so on. It is all integrated. Nick may have some wise words on this as well.

**Nick Joyce:** The point I would add on everyone working together is that, when a problem comes up on the project, you do not have people reaching for "What is my role?" It is a team solution. Particularly on the A14, when you talk to the different people involved, that worked through for the benefit of the project as a whole. It was a hugely important way of keeping the project on time. Things come up and issues will arise. It is how you manage them when they happen that is really important.

**Chair:** Thank you very much indeed for the opening. We are now going to move through the sections. The first section is recovery after Covid-19. This was going to be taken by our colleague, Greg Smith, but he had a more important and pressing engagement. His wife gave birth to their son, Rupert Daniel Edward Smith, at 7 o'clock this morning. Congratulations to Greg and his wife.

Secretary of State, that means there might be fewer references to HS2 in these questions, which are going to be taken by Grahame Morris instead.

Q137 **Grahame Morris:** Thanks, Chair, and good morning, gentlemen. Mr Joyce touched in his earlier answers on recovery after Covid-19. Perhaps I might press a little further. You may have seen the highlights from the Public Accounts Committee report today into HS2. Has the Department reassessed the priorities set out in the national infrastructure strategy, which we were just talking about, as a result of the spread of coronavirus since the strategy was first published?

**Grant Shapps:** First of all, I would just like to put on the record, since he is not here, our congratulations to Greg; I briefly congratulated him this morning on the birth of his third child. He will be busy, I am sure, for the next few days and weeks.



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In terms of coronavirus and the projects, and the point of the projects, it is very important to address the question that Greg would have asked had he been here. Is it still worth developing? Absolutely and unequivocally, yes. If you think about other railway lines that were built 150 years ago, such as the west coast and the east coast main lines, neither the two world wars, the recessions and depressions or the Spanish flu—none of these things—stopped the inexorable growth in the need, ultimately, for people and goods to travel.

To answer your post-coronavirus question, when we are post coronavirus there will be a need for the projects themselves, because they are so long-term. We are not talking about what happens in the next five or 10 years because they will only start to be rolled out during that time. We are talking about the next 100 or 200 years. I think that is unequivocal.

In terms of actually building the projects, yes, of course there has been an impact. It could not not have had quite an impact. I might turn to Nick to talk about that, with some of our larger infrastructure projects in mind.

**Nick Joyce:** In terms of the direct impact on construction, clearly there was an element of disruption, particularly earlier last year. That manifested most obviously in Crossrail, which was the project that had the largest impact. If you think about the nature of what was going on in London and the types of working environment that the Crossrail project was in, that had an early impact on the ground activities on Crossrail. What I think was very impressive was the way that all the teams around the designers could keep going in a remote and dispersed way.

Looking across the other sectors, particularly HS2, Network Rail and Highways England, there was an element of disruption. What was very impressive was the way they adapted their working practices; the way they set up the sites; and the way they separated staff and the measures they put in place to enable progress to continue, albeit in certain instances at a slightly lower rate to start with, but keeping sites open and work going. In some cases, particularly in Highways England, they took the opportunity to do slightly more work on the network while demand was lower. That was really good, but undoubtedly there was an element of impact, particularly on the multi-year programmes. We are still working through what the ultimate element of that is, but that will be managed alongside all the other risks in those projects.

Q138 **Grahame Morris:** Secretary of State, in your earlier response, you talked about other historic projects and the philosophy of the “build it and they will come” idea. In your written evidence, you indicate that there is an evidence-based understanding of the impact of the pandemic. Clearly, there will be a major impact. Many individuals and companies will be working from home and travelling less. How are you factoring that into the assessment of these large-scale projects?

**Grant Shapps:** Again, if you look at something like HS2, we are not building it for what happens this year or next year. It will not even be up



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and running until the end of the decade, or early in the next decade, for the first section, and much later than that for the whole thing. It is like when you look at one of those charts for the depression and the stock market falling off the edge, or the 1987 crash or whatever you want to take; when you stand back and look at it from a long-term perspective, it becomes quite hard to even identify on the chart because economic activity then picks up again.

You ask a very crucial question. We are all on Zoom this morning holding this meeting. Transport is not just about transporting people. It is about transporting goods as well. One thing that has happened while we have all been sat at home behind these screens is that people are doing a lot more home delivery. Far and away the most efficient and most climate-friendly way to get goods around the country is by rail. We will have a big opportunity to clean up some of the local lines and deliver more things via rail or move things round the country.

I have absolutely no doubt whatsoever, for a whole variety of reasons, that we will need increased transport capacity. Apart from anything else, we all know that being behind a video screen is a poor imitation of meeting people. People need to meet for different reasons. As people become more efficient and have more meetings a day, the economy grows, and as the economy grows, people need to travel for other reasons as well. I have absolutely no hesitation in saying that I think that, when we stand back and look at this over the decades, we will still be very pleased that we built it, not just for ourselves but for future generations, as we were very pleased that the Victorians bothered to build the infrastructure for us.

**Q139 Grahame Morris:** Thanks. If I might press you on that, Secretary of State, surely it must be more than a feeling. There must be some empirical basis on which we are planning large infrastructure projects. When do you think you will have a more complete understanding of behavioural change? While the Department is doing that work, wouldn't it be sensible to pause the future work programme until that evaluation and research is complete?

**Grant Shapps:** It is a great question, but the answer is definitely no. Before the crisis, before the pandemic, increases in rail were 4% compound a year on the west coast main line. As you know, once you compound something it is remarkable how quickly the capacity is used up.

You are right, of course; there will be a change. I have already mentioned that we will see more freight moving by rail, partly because there is just more freight moving around, but, secondly, because the transport decarbonisation plan, which we will be publishing very shortly, is incredibly ambitious. It is the most ambitious in the world, and it calls for a switch to rail from road.



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In a sense, while accepting your challenge of “Show us the evidence that it has happened or is going to happen,” the only way we will really know is after it has happened. Unless the Department for Transport invents teleportation technology in the next few years, people are going to want to meet and visit people. I do not think that will change. What will change are hours of work. We are already seeing in the return to some of the railway network, even before stage 4 of the unlock, busier weekend trains than we had previously. I think the timings of travel and flexibility will change, with perhaps more daytime travel, but—over the vast sweep of history is a bit much—over the decades, and even the centuries, there is no doubt at all that people will want to continue to move around. The format that we are using today, and that people are using every day, may be so efficient that more meetings are held, the economy grows faster, and therefore there is even more reason to travel.

Lastly, to answer your point about why we should not pause it, I notice that the Mayor of London, against Government policy, issued a safe stop order on 24 March 2020 on the Crossrail project. That lasted for nine weeks. According to the NAO, it cost the project something like £228 million. There was a vast cost attached to stopping.

Imagine that you took a multibillion pound project like HS2 and now, because of the perceived uncertainty, said, “We’ll just sit on this for a few years.” You would have to tell the main contractors to stand down. You would have to lose all the people who are skilled for the jobs and tell the apprentices to go away. For what? To mothball a project that you would, in any case, inevitably end up going back to building. In the meantime, you would create a lot of blight along the line—even more blight along the line. I just do not think that is a sustainable thing to do. If anything, building this while the transport network is a little bit quieter may help with the build over the next few months. There are places where there are crossovers with conventional rail and the like.

No, we absolutely need to get the job finished. I will very happily return to the Committee in 15 years’ time just to have a look back and see if we were right.

**Grahame Morris:** Thank you.

Q140 **Chair:** I want to focus on one part with regard to HS2, Secretary of State. As a Committee, we do not have a view on HS2 but we follow its progress every six months and look to hold it to account. We are due to go up to Birmingham next week to do just that with the Mayor, Andy Street.

I would like to ask you about one point. There is a study that showed that, if there were to be a 16% fall in rail passenger numbers, that could put the benefit-cost ratio measure for HS2 down to between 0.7 and 0.9, which would indicate very poor value for money. Notwithstanding what you have just said about the need to invest, particularly at this time, are you concerned that the Treasury will look at studies like that and may not



support going beyond the west midlands?

**Grant Shapps:** No, because we are already well developed with 2a, which is Birmingham to Crewe. Primarily, if you look at the BCR—Nick will correct me if I am wrong—it takes a view over 60 years. I am just having a look, and they started to build the west coast main line in 1837. We are still using it now. BCR and Green Books do not allow us to take a view over 80, 100 or 150 years-plus, or even 170 or 180 years. If you were to do that, then very clearly, over the longer term, this project, which is well under way and already employing in its supply chain 16,000 jobs and thousands of apprentices, is going to have a very generous repayment.

I do not think that stopping a project halfway on the basis of a short or medium-term interruption for the pandemic, during a time when we are not using the line because it is not built yet, and will not be built until I hope we are well out of this pandemic, would be wise at all. Nick, have I missed anything in that response?

**Nick Joyce:** I would add, Secretary of State, that of course the overall appraisal of schemes such as HS2, as you say, looks many decades ahead, but also goes beyond the benefit-cost ratio and looks at the wider economic impacts that are not quantified in the benefit-cost ratio. Particularly for projects like HS2, which have a more transformative set of outcomes, that is a very important point to bear in mind, rather than just the calculated benefit-cost ratio.

**Chair:** Thank you both. Moving on to levelling up, we know that in May the Government announced that a White Paper on levelling up would be delivered later in 2021. We are keen to ask you what that will mean for transport, and Simon Jupp will do just that.

Q141 **Simon Jupp:** Good morning, Secretary of State and Mr Joyce. Thank you for joining us.

Levelling up is a phrase that we have heard quite a lot over the last 12 months and beyond. If you were asked what levelling up means by one of my constituents in the street in East Devon—levelling up transport in particular—how would you respond, Secretary of State?

**Grant Shapps:** It is about making sure that your constituents in Devon have reasonably comparative opportunities, in transport terms, to move around and travel as if they were living in London and the south-east. That means that buses are so reliable that you barely need a timetable. It means that railway lines are reopened, and some of the improvements around train stations that can help to regenerate and improve town centres take place. I suppose the answer to your constituents is that it should be things that they notice. It should be things that they feel make the quality of their life, their work and social environment better because they are able to get around their town or location better.

Q142 **Simon Jupp:** Thank you. Is the levelling-up policy agenda for your Department defined by a definition or a set of metrics, looking at the



outcomes and everything else from a whole perspective?

**Grant Shapps:** Yes and no. There are elements of it that are really quite systemised—for example, the levelling-up fund. I am pretty sure there is an Exmouth bid in for the levelling-up fund. These are measured on metrics that look at how communities can be better connected and so on and so forth. There is a systemised approach, of course, because you have to have that to compare one bid with another. That is published in the levelling-up fund detail.

There is also a sense of what levelling up needs to mean as well. I am thinking about many of the smaller forgotten and left-behind towns—the sort of places that got cut off by Beeching when the axe fell. If you happen to live in one of those places, and literally the only option for you to have a bright future is to leave and go to a bigger city, and levelling up prevents that, that is hard to quantify but it is very much at the heart of what we mean by levelling up the country. We think that people should not necessarily have to leave and come to the big city. All areas deserve a decent shot, and transport infrastructure is a very critical part of making that happen. Again, I defer to Nick if there is further explanation he wants to add.

**Nick Joyce:** The evolution of the Green Book, the Treasury appraisal guidance, has really helped with this. It helps us to draw out some of the other factors that may not necessarily always get captured in a quantified benefit-cost ratio. Those will help us to look more broadly at the opportunities for levelling up.

Q143 **Simon Jupp:** Thank you. Hopefully, you will not have to come back to the Committee in 15 years to answer this question, but it is a tricky one. How will you know when you have levelled up the UK, in every region and every nation?

**Grant Shapps:** I think it would be if people said, to use a local example—this is not a hint as to whether bids are successful or otherwise; I have not looked at the detail—that it was easier to get around their own town or community and that had led to regeneration. If you ask people what makes their area very liveable, it is the fact that they are able to go into town and get out again in the evening or at the weekends when bus services often do not run, or that the extension to a railway line has helped the local station to create a community and a hub around it and so on.

The answer would be that your constituents said to you, if you were successful in the Dinan Way extension, “This feels better than it used to feel around these parts.” You and MPs around the country would strongly get the sense that things had improved in their town or community. I think that would be the best measure of all, especially with the Beeching reversals. I have been struck by the extent to which MPs across the House have endorsed and backed their communities. Where those are successful and go ahead, MPs will report back on the happiness of their



constituents and the success of the levelling-up programme in their area. Of course, transport is only one element of levelling up. Opportunities, jobs, education and housing are very key elements of levelling up as well.

**Q144 Simon Jupp:** Of course. Thank you, Secretary of State. I wish we could open more train lines in East Devon, but sadly we have built houses along the route.

How will the Government's levelling-up policy agenda improve and focus productivity and economic growth nationally and within regions? I think that is a crucial question because it has to deliver on those things in order to be an effective policy, doesn't it?

**Grant Shapps:** I will give you the big picture and then I will hand over to Nick.

Big picture: in the UK, if every region was as productive as London and the south-east, thanks in no small part to its transport network, we would have the biggest economy in Europe. To answer your question in a very blunt way, we are underperforming economically because we have not focused on levelling up sufficiently over many decades. It is not just about money and economic benefit. When you are more successful as a country economically, you can provide better services. You have better education and better healthcare, and you can afford to do more. You can provide more opportunities for your citizens.

Levelling up is really important to ensure that we do not underperform our potential. I am Northern Powerhouse Minister. If you have ever taken the transPennine line from Manchester to Leeds, you will know exactly what I am talking about. It is a winding, slow and inefficient way to travel between two great northern cities, Manchester and Leeds, and others, Hull, Liverpool and the rest. We do not have to live with that. Levelling up would mean that those connections would be of the efficiency that you might expect if you were in the south-east. If they were, the productivity of those areas would dramatically increase. It is not that the skills and the desire is not there. That is the big picture. I am going to ask Nick to give you the detail.

**Nick Joyce:** We need to make sure, in terms of interventions, that we do not just look at transport. As the Secretary of State said, the benefits flow from a much wider series of interventions. That is why the levelling-up fund is across Government. For example, taking transport interventions combined with housing and education to unlock skills, it is the combination of those that will have the effect that you are describing. That is much more likely than looking at particular interventions in isolation.

**Q145 Simon Jupp:** Is there a risk that if we introduce a set of interventions in less economically active or viable areas, or less economically productive areas, projects that offer greater value for money in places that are more economically active in the country—for example, the south-east—could



be sidelined as a result, which harms overall productivity in the country?

**Grant Shapps:** When we talk about levelling up, we do not mean that we are levelling down London or other productive areas to achieve a more level society. That would be crazy. We absolutely back London and the south-east, and the areas that have traditionally had the highest levels of productivity.

To answer your question, it is fundamentally not my belief, or the belief of this Government, that the reason why we do not have the productivity in other regions of this country is that they are lost or no-hope areas that would not perform, if they did. It is quite the contrary. We absolutely believe, as the PM has said many times, that skills, ambition and ability are spread equally around the country. What is not equal is people's access to the markets, literally sometimes, because transport is missing, or it can be education, housing or job opportunities, much of which are built around the infrastructure that is available.

The Green Book has a lot to say about this. You will recall that the Treasury's Green Book was reviewed. I spent an interesting weekend a year and a half ago reading the Green Book, and I was quite surprised because it did not say what I had anticipated. I thought it literally backed your argument that £1 would be better spent in the south-east than in the north-east, or the south-west, in your case. That is not what it says at all. It says that £1 spent in Blackpool is the same as £1 spent in Brighton.

It is the way that we then interpret the opportunities that come about through spending that money. There is transport analysis guidance—TAG I think it is called—that we tag on to the Green Book, which has enabled us to take a broader view and think about the other benefits of building. As Nick mentioned, there are social and environmental benefits as well as levelling-up benefits, literally.

We think that if everyone had the same opportunities we would get the same productivity. There is no difference between the people; it is the opportunities that people have. We do not view it as an either/or situation. When there are great transport projects built in the south—the Elizabeth line being a good example—there are huge economic benefits that extend way out of the south-east to other parts of the country, not least in the construction of trains and the rest. We see this as a much broader balancing act. Nick, is there anything that you want to add?

**Nick Joyce:** No, but I would reinforce the point you made, Secretary of State, about the appraisal being blind. For example, in transport, the nuts and bolts appraisal looks at journey time savings and things like that. Those do not get valued differently in different parts of the country. There isn't a bias in that sense.

Q146 **Simon Jupp:** We have talked about the big picture and what levelling up means from your point of view, Secretary of State. Can you point to an



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example of an infrastructure intervention project in one of the regions or one of the nations that you think has levelled up that part of the UK?

**Grant Shapps:** I can certainly see some coming down the track, so to speak. In particular, what sticks in my mind is when I went to Blyth and saw the line that is already there that runs from Ashington to Newcastle. I met people along the route. In one quite small location—I think it was Newsham—there is a station that will go there where freight already runs through, which, remarkably, has the capacity to reach tens of thousands of people. In other words, tens of thousands of people would be in the immediate catchment area of that station. I was talking to people who were telling me how life-changing that will be.

In another example—I'm afraid I cannot remember the name of the town, a very small location in the Nottinghamshire area; it was one of the Beeching reversal lines—a woman came up to me and said that if the line was built, "My daughter, who has Down's syndrome and is not able to drive, will be able to take the train to a job that she has been offered in the nearest town." You hear these stories, and it turns Whitehall rhetoric into real-life changes. I think it will be incredibly transformational for a lot of places. There are stations that I went to see at the start of the dig and they are now open. I think the station is called Horden Lee or Peterhorden Lee. I am not sure of the name. Nick might remember what I am talking about. That station is open and has a massive ability to re-link that area. It was a Beeching cut. I will recall the name of the station before I finish.

There are very practical examples of big projects like stations and lines, but often also, as you may have seen in your own constituency over a period of time, it is just when you get a bus service running again. A simple bus reappearing or starting for the first time, particularly in more rural areas, can be transformative. That is what I call real levelling up, and it is not that difficult to do.

Q147 **Simon Jupp:** In the remaining time I have left, I want to point to one example of a major intervention that has been completed, and that is the construction of the Humber bridge. People have questioned the effect it has had on the area it serves, and the intervention and the cost that has accrued to the taxpayer. For something that large and that important, what do you think its effect was on regeneration and economic growth in Hull and the surrounding area?

**Grant Shapps:** I am not an expert on that project. I do not know if Nick, who predates me, has any insight.

**Nick Joyce:** Apologies, but I am not familiar with that project. Without sounding like I am answering the wrong question, with something like the Mersey Gateway bridge, which opened four years ago, connectivity for areas separated by a major river opened up opportunities. People who live on one side can get more easily to the opportunities on the other, and families are not disconnected. There is the potential to change the



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areas that people can access. I would point to something like the Mersey Gateway bridge as one that has enabled different things to happen that previously would not if that bridge was not there.

Q148 **Simon Jupp:** Okay. I will leave it there in the interests of time—

**Grant Shapps:** For the purposes of the record, the station is called Horden and it is in the Sunderland area. I went to start the platform digging there.

Q149 **Chair:** Grahame Morris has just informed us that it is actually in his constituency.

**Grant Shapps:** Brilliant. Perhaps he can tell us if it is making a difference. I believe it is now open.

Q150 **Grahame Morris:** It is, but the problem with it is that there is only one train an hour with two carriages. At peak times, particularly at weekends and in the evenings, the demand is such that you cannot get on a train.

**Grant Shapps:** Ah, you build them and they will come.

Q151 **Grahame Morris:** I have written to you and to your colleague about that. We have an excellent, world-beating, self-charging battery train manufacturer in the constituency that would be only too willing to provide more rolling stock.

**Grant Shapps:** I know it was one of my last visits before coronavirus hit. I saw that the station had been opened subsequently after I went along to do whatever we were doing—turning the first turf, or whatever it was. I look forward to coming back and seeing it. I hope it will help to solve some of those problems. It is good to hear it is busy.

Q152 **Chair:** There is a trip in the offing, Grahame.

I want to come back very briefly, if I may. I can give a little more detail on the Humber bridge project. It is quite fascinating. Back in 1966, without wishing to be unkind, Harold Wilson was faced with a by-election defeat in Hull and a new Humber bridge was promised. It took 15 years to deliver and cost £330 million in today's money. When it was opened in 1981, Hull had one of the highest unemployment rates for a city. I have just looked, and back in August 2020 Hull had the highest unemployment rate for a city.

George Osborne ended up writing off about half of the loans and dropping the toll fee. The traffic is still considered, for a bridge of that size, to be relatively light. There don't seem to be any studies showing what economic benefits the bridge has delivered. I am not saying it is not welcome to the local population, but it comes back to the point of how we identify whether something really does level up. Are we looking at case studies? Is the wider taxpayer who contributes to these areas getting value for money?

I wanted to throw that into the mix. Will you be looking at these projects



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when you evaluate whether you really can deliver proper, economic value for money for those communities and the wider taxpayer?

**Grant Shapps:** I will ask Nick to come in, but I would make this comment. I imagine the answer is revealed in your 1966 point. I hope we are going to be talking about 1966 a lot later today. It may not have been built with the right reasons in mind; I do not know.

Interestingly, going back to Grahame's station at Horden—I think it is called Horden Peterlee, which is the reason I had Peter in my mind—that has been built, properly assessed in advance and, from the evidence we have just heard, it is incredibly busy all within the space of months. If you get these projects right, the levelling up can be profound. If you build them for the wrong reasons, not scientifically based, then perhaps the opposite is true.

What has been very good about levelling up via the Beeching reversal Restore Your Railway fund is that we have rejected applications that have been made without the support of the local MP. That means that the local MP would not be interested or bothered unless constituents were saying, "Hey, I would really like to use the railway line and station that was here." I think there is quite a lot to learn about serving communities through their elected representatives, because there is a proper process in place to demonstrate the requirement for this infrastructure. I think that is how levelling up should work. We will have the Horden Peterlee example against the Humber bridge, from what you are saying.

**Chair:** Thank you. Grahame, I was going to ask if you wanted to come in anyway, but not necessarily about your own railway line. Was there anything more you wanted to come in on?

**Grahame Morris:** I think we have touched on it, so in the interests of time I will pass.

**Chair:** We are all looking forward to coming on a train trip, if we do not further increase the passenger numbers inadvertently. Let's move on to decarbonisation and the impact that the net zero challenge has with regard to some of the major transport infrastructure projects. Ben Bradshaw will lead us on this.

Q153 **Mr Bradshaw:** Thank you, Chair. Secretary of State, transport accounts for more than a third of the UK's carbon emissions. The National Infrastructure Commission and the Treasury review both criticised the system for how it appraised schemes, saying that they did not take net zero goals into account. Has the framework system now been changed to address those concerns?

**Grant Shapps:** Thank you. We are about to launch the transport decarbonisation plan. I do not want to overhype it, but I don't think any other country in the world—certainly no major country—has ever tried to do something as ambitious. You are absolutely right that up to a third of all emissions—perhaps more accurately, 30%—are from transport. We have seen transport overtake other traditional sectors. Energy has



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decarbonised rather more rapidly since 1990, but we have not seen much change in transport.

We recognise and accept the scale of this incredible challenge. Without transport reacting, we cannot possibly meet our 2050 target of net zero. I do not want to pre-empt it, but we are about to publish a plan and a series of consultations that go into enormous detail on this.

It should be said that, of the 30% of the economy that is transport CO<sub>2</sub>, the vast majority of it—perhaps 70% or 80%—is road transport related. That is where most of the CO<sub>2</sub> comes from. Fortunately, in road transport the solution is already there. The technology is there at least in no small part. I have driven an electric car for a couple of years. It is brilliant and there is really no disadvantage at all. Of course, we have to build out the infrastructure further, but we are making much more progress than most people recognise. For example, we have more rapid chargers on our major road network per 100 miles than any other country in Europe. We are making good progress with it.

Then you come into the harder zero carbon parts of transport, of which aviation is the hardest of all. The Committee will be interested to hear that it is also the area that we are putting some of the most energy into, through the Jet Zero Council. We will have more to say about that as well with the transport decarbonisation plan, which is due out very shortly.

Q154 **Mr Bradshaw:** Can I press you on this? I am not quite clear. Does your appraisal system currently take into account the zero carbon goals, or is it something that is going to happen when you publish the decarbonisation plan?

**Grant Shapps:** Bear in mind that there has been a shift. It is not long since Parliament first legislated for 2050 and net zero. We then had a progression of thinking. For example, we have already said that all pure petrol and diesel cars cannot be sold after 2030—

Q155 **Mr Bradshaw:** But it is specifically major infrastructure projects that I am talking about.

**Grant Shapps:** On major infrastructure, HS2 was not initially conceived as a zero carbon railway. It was always supposed to be environmentally friendly, but never zero carbon. We have just set zero carbon on the new sections being built; 2a and 2b west will be net benefit. We are really pushing ourselves on the structure of these projects.

HS2 already has a 50% carbon reduction target against the construction baseline for phase one, but, as I say, as we go through the other phases we are actually getting to the point where it will be net beneficial in the end.

Q156 **Mr Bradshaw:** Nick, do you want to add anything?



**Nick Joyce:** I would just add, to be clear, that the appraisal guidance for individual interventions clearly looks at the carbon impact and the broader environment impacts, both during construction and through life.

Q157 **Mr Bradshaw:** But already, and reflecting the new zero carbon target.

**Nick Joyce:** On the intervention level that is there, so it shows what they are doing.

**Grant Shapps:** I can give a practical example. The design of the Curzon Street station in Birmingham is set to reduce the whole-life carbon emission by 55% and be net zero in operation. That would not have been the thinking right at the beginning of HS2.

To answer your question, I get where you are getting to. The answer is, yes, we are already doing a lot of things. We have zero carbon cars, and HS2 being switched to not just net zero but positive over a period of time as we build out the further section; but there is more to come, to answer your question.

Q158 **Mr Bradshaw:** That is really helpful. When you publish the decarbonisation plan and you adopt a new appraisal framework to reflect the zero carbon target, is it possible that you may have to change some of your current proposals and/or scrap some completely?

**Grant Shapps:** The proposals will change. I should just explain in terms of the framework that we will have the transport decarbonisation plan and a series of different consultations on that at the same time. For example, we are going to look at when to phase out HGVs, which are not zero carbon. We will look at how to treat the carbon generated from aviation and maritime. There are many different aspects of this. Of course, the big framework is zero carbon by 2050, and within that are carbon budgets; CB4, 5 and 6 are the guiding principles. Of course because we are hosting COP 26, we are determined that we will be the country leading by example.

I must stress the extent to which this is incredibly stretching. No country in the world has done this. Even when you look at individual elements—a very good example being car manufacture—we have 12 or 15 car manufacturers in this country, and yet they have signed up to some of the world's most ambitious targets to get to zero carbon. They are not just targets; it is the law, so we will have to get there. We have seen some great developments just last week at Ellesmere Port and in the north-east at Nissan. I have been impressed by the way that the sector is coming along with this vision. We are certainly going to be providing a lot of leadership, to answer your question.

Q159 **Mr Bradshaw:** Thank you, Secretary of State. Are the rumours correct that the plan is going to be published next Wednesday? If so, will you or another Minister make a statement on it to Parliament?



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**Grant Shapps:** I would not want to confirm a timetable, other than to say they will be coming out soon. I will confirm that I will absolutely lead that, front and centre.

Q160 **Mr Bradshaw:** One of the things you are going to have to do in the short term is to get people back on public transport, and confidently so. Did you have any concerns about the Government's decision to scrap the mandating of the wearing of masks on public transport and the impact that might have on the public's confidence to get back on the tube and back on buses?

**Grant Shapps:** We are not scrapping it entirely. We are issuing it in guidance rather than in law, which is a slightly different matter. I travel on all types of transport and on all types of trains. If you are travelling on the underground and it is pretty packed, wearing a face covering may well be helpful and increase confidence. If I was standing right next to somebody, I think that is something I would want to do. Transport operators are free to require it. We have seen airlines do that, and we may see some transport services do that. On the other hand, if you are travelling in a pretty empty carriage at an unpopular time of day for three hours on a main line, it is pretty pointless in that circumstance to potentially be sitting there on your own wearing a mask.

We are shifting to the next phase where people use common sense and personal responsibility to decide these things. I think that is a sensible way forward. To answer your question, I back the approach. I think it is entirely sensible. There will be transport situations where it is sensible to wear a mask and where it may even be a condition of carriage. There will be other locations where it makes no sense to do that.

Q161 **Mr Bradshaw:** I have been contacted by constituents, as I am sure we all have, who say they would be very concerned about going back on a bus or a crowded tube if masks were not mandated, but you would support individual transport organisations if they wanted to mandate it themselves, would you?

**Grant Shapps:** Yes. If organisations require it to be a condition of carriage, I am very relaxed about that. It is up to them to do it. It is still in guidance, obviously—

Q162 **Mr Bradshaw:** Would it have any legal status—status in law?

**Grant Shapps:** Yes. An operator can set their own conditions of carriage, and they do it all the time. For example, operators will say as a condition of carriage that you cannot drink alcohol. That already exists.

Q163 **Mr Bradshaw:** If Sadiq Khan was to say that should happen on the London tube, would you support him?

**Grant Shapps:** If he wants to implement a condition of carriage of that nature, that is definitely a decision. I am very relaxed about that. The most important thing, as you rightly said at the beginning, is to reassure



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people that it is safe to travel, which it is. As it happens, our transport network is very well ventilated. It has been superbly well cleaned, with all sorts of different cleaning regimes in place, using products that prevent coronavirus on surfaces. The ventilation is typically very good on our transport services because we have invested so much in our transport services. There is a lot of modern rolling stock for trains and buses around.

We want to reassure people that it is safe to travel by public transport as we get to 19 July. We are not looking to get into any fight about it. We think they should do what is right in given circumstances. Clearly, on a crowded underground train it may feel right to be wearing a face covering for the next period. On an empty line—choose your time, day or night—it could be seen as pretty pointless. We want to have common sense in place.

Q164 **Mr Bradshaw:** You mentioned 19 July. With your indulgence, Chair, I will ask a final question on that.

*The Sun* has reported today that that is the date when we are going to get some of our foreign travel freedoms back finally, and you are going to start vaccine passport quarantine-free travel. The Speaker does not like these stories appearing in the press before they are confirmed to Parliament. Would you care to confirm that that story is accurate to Parliament now?

**Grant Shapps:** No, but I will return to Parliament in order to provide an announcement first to the House. I will do it on the Floor in the Chamber. I can confirm that we have not had the final meeting or discussions yet. As ever, it is usually best not to entirely rely on what is printed in even the most robust national journals of record. We need to have those final meetings and make final decisions. I will return to the House to announce it.

Q165 **Mr Bradshaw:** Tomorrow?

**Grant Shapps:** In due course. It won't be too long.

**Mr Bradshaw:** Let's hope that you persuade your fellow Ministers, and that the story was true.

Q166 **Chair:** We won't go too much further off piste because this is obviously all about infrastructure, but given that Ben has just tempted me a little I want to return to the face coverings point, Secretary of State. The statement a couple of days back referenced that face coverings will only be guidance-based in crowded or enclosed spaces on public transport. You have just referenced that, if operators wished to go further, they would be entitled to do so.

The message seemed to be that we needed to wear face coverings because we did not have a vaccine, but that now we have a vaccine, we need to get back to normal and rebuild our services and demonstrate that it is safe. Are you concerned that, if the transport sector does something



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beyond what the Secretary of State for Health announced, the transport sector will be stigmatised and will appear not to be a safe setting, whereas concert halls and retail shopping arcades, where people are not required to wear masks, look like they are safe settings?

**Grant Shapps:** No, I am really not. No one puts that argument forward when easyJet, British Airways or Ryanair say they are going to ask people to wear face coverings. In fact, I think people take it as a point of reassurance. I think the same applies to travel and transport.

The reason we are removing it from law is that we recognise that, thanks to the extraordinary roll-out of the vaccine, most people are vaccinated, and we are moving to the next stage. I do not think that people need to over-read into it, if easyJet or a transport operator of any type, or any other location says, "For the time being we would like you to do X, Y or Z," and applies some common sense to what may be particularly crowded situations. I am very relaxed about this. Over the period to autumn, we may see measures that remain in some places, not by law but by individual choice or because it is a condition of carriage.

Q167 **Chair:** I can understand that when it is a pure commercial bargain between a private operator, such as easyJet, and their passengers. They can decide whether they wish to travel under those conditions of carriage or not. What if it is a train or a bus operator, who gets a huge amount of Government subsidy—in fact, on the train, pretty much in its entirety? Would you take the same approach—that it is entirely down to the train operator to mandate face coverings, even if the carriage is 40% full?

**Grant Shapps:** Of course, as we move through rail reform and because we are also, essentially, supporting those operators to operate right now, that would rightly come to the Secretary of State. I will look carefully at any representations from any train operating companies who say, "Hey, our route is particularly busy and we'd like to propose this, that or the other."

I am not planning to issue blanket instructions to the train operating companies because they are so different, depending on the routes across the country. As I say, there is pretty much an artificial line being drawn here. Not a single person has contacted me concerned that airlines have said it is a condition of travel. There will be places where it is appropriate because the service is known to be particularly busy, and they want to recommend, ask or even make it a condition of carriage on that network.

I am very relaxed about this. I think that most people will feel the same way. Where it is helpful, provides reassurance and brings people back to the network faster, it can happen. Where it is not required, it is clearly nonsense to be sitting for a long period of time trying to eat a sandwich and having your mask half on and half off if there is no one else on the train. You do not have to continue with that, either.

Q168 **Chair:** Thus far, you have not been approached by a train operator or



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bus operator who has asked to go further than the lines that the Government announced a couple of days ago.

**Grant Shapps:** No, I have not had any conversation personally on it. I have not received any note. Nick, have you heard anything?

**Nick Joyce:** I am not aware of anything, Secretary of State, no.

**Grant Shapps:** As I say, we are still setting it in guidance. We are not telling people, "Do not wear masks." In guidance, it says that in a crowded area it makes sense to do it. There is a distinction between public transport that people may need to take and other locations that people might go to, with nightclubs reopening and that sort of thing, which is a much more discretionary activity and clearly where people will not be wearing masks.

Q169 **Chair:** You talked about issuing guidance. Will there be guidance on what is an enclosed space and what is a crowd, or are you just leaving it to people's discretion? Is that pretty much it?

**Grant Shapps:** Overall, the plan is to issue much slimmed-down guidance. We have seen huge documents, quite detailed, in every different area of life, not just transport, over the last year and a half. We intend to slim that down to some pretty straightforward common-sense guidance. Everyone understands what this virus is about now. We will provide a lighter touch, common-sense approach and ask people to use their good judgment, which I think most people will.

**Chair:** We look forward to seeing what the definition of a crowd is. It could require quite a lot of lawyers to get involved. We will go back to infrastructure, because that is what we are all about today, and move to the next section, which is building a strategic framework for decision making. Back to Grahame Morris.

Q170 **Grahame Morris:** Thanks, Chair. Just considering major transport infrastructure projects, what are the potential merits and demerits of moving away from benefit-cost ratios in the appraisal of major projects? In an earlier answer, Secretary of State, you spoke about the need for political support in respect of particular schemes going forward. Could you give us your view on the pros and cons of moving away from benefit-cost ratio to a different system?

**Grant Shapps:** It's not that we are not going to use BCRs—benefit-cost ratios. I will bring Nick in on this as well. BCRs are important, but, as I pointed out before, it is already the case that £1 spent in the north or the south is judged the same when it comes to, for example, saving a minute off a journey. The Green Book will use that in the same way, whether the minute is removed from the south-east or the north-east.

There are many other aspects—for example, looking not just at the monetisable impacts but impacts on landscape, biodiversity, water environment, quality of life and many other things. Our transport analysis



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guidance, or TAG, seeks to take that modelling and appraisal into account as well, and perhaps gives Ministers a broader view of what builds a good transport business case. Nick, can I turn to you on this?

**Nick Joyce:** The impact will depend more on what the scheme type is. For example, if you were looking at a very direct and very tactical intervention on a particular network, and we are talking about the performance improvement of that network—say, a junction improvement on the roads—it will probably still rely quite a lot on the benefit-cost ratio, where it is easy to spot the majority of benefits, such as the performance of that network, journey time reliability, journey time savings and the related benefits that flow from that.

It is when you look at the more potentially transformative interventions that the non-quantified elements and the wider benefits the Secretary of State mentioned become more important. You asked for merits and potential demerits. What that does is give you a framework that enables you to look more holistically at the result of particular transport interventions and genuinely work out which elements will really be unlocked by the transport intervention.

The potential demerit is that it is a qualitative judgment, and therefore you have to be able to look at it and weigh up the proportionality of those benefits against the actual cost and any other negative impacts from the intervention itself.

Q171 **Grahame Morris:** I am sure you are aware of the charges of pork barrel politics, where spend is directed to particular constituencies and areas for political benefit. If we are to have a definitive set of metrics—something that is quantifiable and objective in assessing the benefits of a project going forward—is that what the Department is working on now? The Secretary of State mentioned a variety of factors, environmental and so on, but is there a set of objective criteria, perhaps addressing levelling up, social cohesion or connectivity? Is there a set of factors or metrics that you are working on to assess this?

**Nick Joyce:** We have been working very hard to develop and broaden out what that framework looks like and what those elements are. We have been working with lots of economists and people who develop business cases to share what we think “good” looks like, particularly in what a strategic case that will sit alongside the quantified case could have in it.

I think that has been really helpful to people, particularly those people who were originating, and trying to weigh up, the pros and cons of different options. We continually evolve the guidance. We have done updates recently, and I am sure there will be more to come. I think there is also lots of feedback that we need to draw in to keep looking at that.



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To be clear, and where your question started, we look at wherever the benefits and the disbenefits turn up. They are treated equally, as the Secretary of State said.

**Q172 Grahame Morris:** Is there a magic number that the Department works on in relation to the cost-benefit analysis?

**Nick Joyce:** No, because we do not look at the cost-benefit analysis in isolation. As we said, there are a lot of non-quantified benefits that get brought in alongside the benefit-cost ratio. If we did that, I think we would end up with a very narrow set of appraisals.

**Q173 Grahame Morris:** Thank you. I am grateful to you for clarifying that. I want to ask how the Department decides to allow schemes that have a long asset life. I do not know whether the Humber bridge scheme would come into that category. It concerns the sensitivity tests, where benefits and costs are extrapolated beyond 60 years. I do not know whether I should put that question to Mr Joyce, or whether the Minister could give his view. It is rather technical.

**Nick Joyce:** It is. Bear in mind that the appraisal system looks not only at the absolute assessment and viability of particular interventions, but at comparability between different ranges of options to solve a particular problem or realise a particular opportunity. We tend to set consistent timeframes for appraisal. As you said, it tends to go out 60 years.

What that enables us to do is a like-for-like comparison between schemes and to look at those. As you say, there is an element of predicting the future over timeframes like that, in terms both of benefits in demand and of costs—maintenance costs and so on. As you recognised in the question, we address that through looking at sensitivities and understanding how the case stands up as you make different assumptions on those factors.

**Q174 Grahame Morris:** Is there an established and proven mechanism for making that assessment or that analysis?

**Nick Joyce:** Yes. It is set out in the transport appraisal guidance.

**Q175 Grahame Morris:** Can you give an example of a project with a 60-year window?

**Nick Joyce:** All of the major projects would look out over those timeframes, particularly at where the asset life goes out. HS2 looks out there and, as the Secretary of State said, we try to understand what happens beyond that. That is the standard. I think we would try to understand the benefits that flow from the interventions.

The extensions to Metrolink in Manchester would clearly be looked at over those types of timeframes. You would clearly need to factor into the whole appraisal the uncertainties of forecasting demand over that period, and the need for lifecycle replacement of rolling stock and other things.



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**Grahame Morris:** Thank you for clarifying that.

Q176 **Chair:** I had a note that I was supposed to bring Greg in, but I won't be doing that.

Mr Joyce, would you concede that as we move away from what can actually be quite a crude benefit-cost ratio, which is all about return to the taxpayer, and to more general concepts such as what it does towards decarbonising and regenerating, there is a risk that the taxpayer will not get as great value for money in the return?

**Nick Joyce:** First of all, the return and the benefits are to the economy and individuals as a whole. It is not cash coming back to the taxpayer. This is benefits to society for the users of the system and the businesses and communities that benefit. That breadth is there already.

I do not think it is about diminishing the benefits, if I have understood the question correctly. It is recognising that there is a broader set of benefits that we have to try to capture and make sure we recognise in appraising the case for a particular intervention.

Q177 **Chair:** Yes, and I am not knocking that as a concept. Referencing Greg, in his constituency in Buckingham between Oxford and Cambridge, you can see that it might give the biggest bang for the buck, but perhaps they already have the development that is needed there, arguably too much, whereas down near me in Hastings perhaps we do not have the best economic case, but it would deliver greater outcomes because it is a disadvantaged town.

I am not disagreeing with the concept. What I am asking, from an economist's perspective, is whether there is a danger that it is quite hard to measure certainly the economic benefits accurately, in which case isn't there more opportunity for waste to occur? What are you going to do to add additional project management and coverage to ensure that these projects really deliver value for money and are not like the Humber bridge in terms of economic return?

**Nick Joyce:** I do not disagree that some of them are harder to measure, but just because they are hard to measure, we should not exclude the effect from the appraisal. I think that would be a worse place to be, because we would not really be understanding the true intervention.

As we said before, what is important is to assess where it is subjective and look at what the variability could be. Let's understand, in an optimistic case or a pessimistic case, the range of outcomes, so that you can then start to calibrate what the degree of subjectivity is, how broad it is and how much the case depends on, "Build it and they will come," or whether there is a reasonable amount of demand there anyway that justifies it under most reasonable scenarios, if that makes sense. I recognise the fact that there is the potential for more subjectivity, but I am not sure that that should automatically lead to waste.

Q178 **Chair:** The question is whether, because it is harder to measure, you will



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have to put a lot more in place to be confident that you are measuring it with the return in mind accurately.

**Nick Joyce:** I agree that we have to be clearer. Without sounding flippant, it is very easy to write a business case that goes, "This will be transformative." What is it going to transform? How is that going to get transformed?

To link back to the earlier point, it places a huge weight also on the evaluation that we were talking about, and understanding, after the effects, what effects turned up. How good were we at estimating that? What has actually happened? We have a very detailed programme of evaluation across road schemes, local transport schemes and others that look at what have been the effects, which often take many years after opening, particularly when you are looking at modal shift and land use change. We need to take that and feed it back into the appraisal system for the next generation of schemes.

There is lots of information on things like Croydon Tramlink and the Jubilee line extension. We are working through things like the Manchester Metrolink and the Nottingham express tram. There is a very open programme on the roads of learning from those appraisals so that we can then inform. Quite often, you are picking up effects that you did not realise were going to happen and things that have been unlocked. They are more likely to be the types of things, as you mentioned, that are in the more subjective area.

I am not saying it is easy, and I agree that it is important, but we are working very hard at it.

Q179 **Chair:** Do you have anything to add on that front, Secretary of State?

**Grant Shapps:** No. I think that Nick has done a very comprehensive job on that, so I do not think there is anything I want to add to it.

**Chair:** I was not suggesting that for one moment, either. That was really helpful, Mr Joyce.

Let's move on to the section about barriers and the recurring challenges with the delivery of major transport infrastructure projects. Robert Langan and then Simon Jupp.

Q180 **Robert Langan:** Good morning, Secretary of State. The chief executive of the Infrastructure and Projects Authority told the Committee that the infrastructure sector has "languished" compared with other parts of industry in introducing modernisation and digitisation. Secretary of State, how would you respond to that assessment?

**Grant Shapps:** I spent quite a bit of time talking to the IPA about what lessons can be learned from the past. It is true that there have been periods of time when, for example, the adoption of new methods of building in construction and infrastructure has been very slow.



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If I go back to my halcyon days as Housing Minister 10 years ago, I would go round factories that were able to produce beautiful-looking homes, literally conveyor belt style, with pre-built sections. If you went to a building site the only thing you would ever find, and still would for the most part, is people starting from scratch, building one brick at a time and doing it in location. It is quite hard to take on what could be more modern approaches to build, certainly approaches that could be more efficient, higher quality and built in a factory, and more environmentally friendly. It is quite hard to shift an entire baked-in approach to modern techniques.

I have strongly felt that the same issues may well apply in construction, and I think that is the point that the IPA has been getting at. Having said that, when I talk to the IPA they tell me that, for example, Highways England is one of the most innovative organisations they have ever come across with regard to using, or having now adopted, modern approaches in computerised design. Nick will probably have more to say on this. It does not just design a new road on what is called a CAD machine. That design also links to the quantity surveying and the ordering of materials, and much else besides. It becomes a much more integrated system. I know that Highways England is doing some of these things very well, as is Network Rail. I am going to ask Nick to come in, with his greater extent of knowledge of DFT for a longer period of time.

**Nick Joyce:** There are some really good examples of benefits being delivered through more innovative and more technologically based approaches. The Secretary of State mentioned Highways England, where they have taken something called the rapid engineering model, which is where you look at doing the initial design stages for a new road, and have effectively automated it through machine learning. That takes the initial design phase down from months to weeks and gives you the base design. It then enables you to do the value add from the normal, technical design looking at the initial design rather than spending weeks and months coming up with that initial design.

The thing that struck me when I went through that was that the people who did that and came up with that idea were not engineers or designers; they were data analysts and machine learning folks. They were into automation. It was bringing those skills in from different sectors and combining them with the engineering expertise that started to give examples where real benefits flow.

I know that Mr Smallwood from the IPA is quite rightly championing this. They are using digital technology not just to look at construction and ways of construction, but actually working out how we make assets more easily maintainable. At Crossrail, they have done lots of work on creating digital representation of the assets and the systems that exist. Once the project is open, it is enabling them to think through the designability and operability of the systems before they start constructing.



We have spoken to other sectors where we know it is going on. There is really good practice in the water sector. We need to make sure that we keep that transfer of ideas between the different infrastructure sectors. It has the potential to really increase productivity and make schemes more efficient and more effective in use, in particular.

Q181 **Robert Largan:** Thanks for that. It is interesting to hear the assessment of Highways England in particular and how they have modernised and led with digitisation. Based on the comments of the chief executive of the IPA, presumably that means that there are other parts of the infrastructure sector that are perhaps not as forward-thinking as Highways England. Are there any other organisations—perhaps Network Rail—that you think are a bit further behind? Is there anything that the Department is doing specifically to help support and incentivise digitisation or modernisation in the parts of the sector that are languishing?

**Grant Shapps:** On my comments about Highways England and the chief executive of the IPA, I was challenging Highways England specifically on projects like the A66, which, as you know, is a transPennine route that is receiving a billion-pound plus upgrade. It is a very long, winding and difficult to travel along road. I wanted them to do it faster. I was saying, "Come on, we're not using the best, the most modern or the most forward-thinking techniques here. Tell me what I need to do with Highways England." I was saying this to the chief exec of the IPA: "You look at all these examples around the world. Tell me what I need to do," to which he responded, "Actually, I've looked at what Highways England are doing, and they're leading the world on this stuff. They have a really forward-thinking view."

I have not had this conversation in quite the same context with the chief exec of the IPA, but when I look at some of the developments on railways it may surprise Committee members. It is a bit like the Committee, in that the Chair mentioned that the Committee is neutral on HS2 but is tracking its progress. With regard to HS2, that is exactly how I approached it as Transport Secretary. I was neutral on the project. What do we need to do, and so on?

They placed a bridge over the M42, I think—Nick may correct me—in 48 hours. That was the first of hundreds of similar pieces of construction. I think previously it would have led to the closure of the motorway for many days, even potentially stretching into weeks to build this thing over repeated nights. They did it over a weekend using very modern approaches. Of course, because they have to do this many times over, the trick is to replicate that across a whole series of bridges that they need to build. If you can do that, you are getting into a more modular build approach, and that would be a very modern way of doing things. Nick, you may have an example.

**Nick Joyce:** The point I would add, Secretary of State, is that we are at a moment now when the supply chain has lots and lots of really good and



innovative ideas on this. We can bring in ideas from other jurisdictions and other sectors. The point you are getting at in that question is how we make sure that we create the right environment, as sponsors of projects and procurers of them, to allow that innovation to come through.

That is something “The Construction Playbook”, which the Government published recently, sets a really good framework for. We are taking that through with all of our delivery organisations and saying, “Look, we’ve got the ability actually not just to make benefits on our individual projects but, because we are a serial purchaser in those sectors and a material purchaser in the infrastructure sector as a whole, we can shift that sector for the good of the economy.” We are really keen to try to seize more of those opportunities and use the procurement route.

For example, the Construction Playbook encourages multi-project framework agreements with contractors, where they can build in and try innovation on project one that will show benefits on projects two, three and four. I know that Highways England do that on a number of their road interventions. Network Rail is looking at it, and HS2 does it across a series of things, like bridges, as the Secretary of State said. I think there is real opportunity. We need to make sure that we keep creating the environment for them to do it.

**Grant Shapps:** Just for the record, that bridge is over the M42 and A446. It was modular-built away from its installation location, which allowed for very quick installation. As I say, it prevented an enormous amount of disruption on the existing road network.

**Robert Largan:** Thank you both for the answers. They were very useful and interesting. I will hand over to my colleague, Simon Jupp.

Q182 **Simon Jupp:** The acceleration unit was established in October 2020. Secretary of State, which gear is it currently in?

**Grant Shapps:** If we assume that it has five gears or, like a very modern vehicle, six gears, I think we are running now in fourth gear. I say that because we now have practical examples of work that the acceleration unit has done that has led to real benefits on the ground.

They are now monitoring 112 different projects on a dashboard for the Northern Transport Acceleration Council. I can go to them at any given moment, and they will tell me exactly where it is up to and what they are doing to speed up the progress of that project. They are worth their weight in gold. They are doing terrific work. It is a very small unit. It is not vast numbers of people. I think it is less than half a dozen people.

They do what my kids did when they were younger. They just say, “But why?” You answer and they say, “Yes, but why?” It leads you to keep looking at projects and seeing what you can do to speed them up. An example would be that they have cut the delivery time of the Dartmoor line and £16 million off the forecast cost of it by asking, “But why?”



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Q183 **Simon Jupp:** What are the barriers, do you think, for the acceleration unit to get over in order to get into fifth gear, to use your analogy, but also just to crack on with stuff? Asking why is brilliant because it is obviously asking civil servants to think outside the box, and engineers and everything else, but what are the key barriers that you currently face?

**Grant Shapps:** Whitehall is a big and complicated place. It involves other Government Departments. While they can speed things up at DFT, sometimes they come across a barrier that is beyond their or our direct, and even indirect, control. For example, it might revolve around an external agency like Natural England or something like that, where they are trying to get a more rapid delivery time but are being held up by things that are well outside their traditional control.

What would need to happen? It is a great question. I think we need strong and reliable escalation routes, to use that example. What often happens in any given Department is that you get to a problem that is beyond the Department, and the machinery of government—the civil servants in the Department—say, “Ah well, that’s it. That’s a brick wall we’ve just hit.” What needs to happen is quick escalation up to Ministers and even Secretaries of State to resolve the issues.

The acceleration unit has not been in place for a very long time. I think it will just get better and better at doing those things. I think I am right in saying that the acceleration unit began in October 2020, so it is not even a year old. I predict that by its first birthday it may be running in fifth gear. I do not know if there is a sixth gear really, but let’s assume there is always something better you could do.

Q184 **Simon Jupp:** How important are reforms, for example, to planning laws in the country integral to the future of the acceleration unit and being able to crack on with key projects? Do you think that the planning laws and reforms will enable further speeding up of projects?

**Grant Shapps:** Yes. This is not really so much an acceleration unit issue per se, but we have a problem in this country. We elect our politicians to make the decisions and for Parliament to endorse them. Then we allow incredibly complex machinations through things like judicial review to sometimes second-guess the role of Parliament and the Executive. Doing so, more often than not delays projects costing the public purse millions of pounds, sometimes hundreds of millions, for decisions which have already been democratically arrived at.

The judicial review system needs to be corrected to do what it was initially intended to do, and not to try to make policy or second-guess Parliament, which is I am afraid what it does too much. As I say, that is a very inefficient way of building infrastructure and doing much else. Government have said in their manifesto that they intend to do something about it, and we will.



**Q185 Simon Jupp:** I am sympathetic to what you are saying about Parliament and political decision making, but that also goes down to local councils, county councils and district councils, which may or may not want a specific transport project that stretches across their area, into their area or nearby. Do you think that those reforms and the acceleration unit take into account the needs and wants of local people, who may not yet see the benefit of projects that perhaps you, your Department and Parliament may want to push ahead with?

**Grant Shapps:** It is always a balance. There is a societal balance between providing the greater good, whatever that is, for the entire country and local need. As a Department, we try to focus on both areas. We have clear national projects. Rightly or wrongly, for or against, this country has democratically decided it is time to build a third major railway line, north to south. It has made that decision and it is not going to benefit everybody, but as a country, as a people, we have democratically made that decision.

Because that decision is made, maybe, and regardless, in any case, of all the reasons for levelling up that we were talking about earlier, I am absolutely passionate, as is DFT, about delivering the on-the-ground improvements that you, your constituents and colleagues across the House will see across the country. Those are often very localised. It can be to do with a bus service, which is why our bus strategy is so important. It can be to do with active travel, which is why our active travel strategy is so important. It could be to do with relieving a pinch point, which is why the levelling-up fund is so important, or bringing back a railway, which is why the Beeching Restore Your Railway is so important.

All of these different localised projects are incredibly important, and maybe even more important because of course there will be national projects that do not necessarily benefit local areas but may well impact on those areas. We have to particularly recognise that, and that sometimes not everything will benefit everyone, but there is always a project in each individual area that will benefit that particular area.

**Q186 Simon Jupp:** The acceleration unit is something that you have introduced. How widely does it work with other Departments on issues that are cross-departmental? When it comes to MHCLG and loads of other Government Departments, how does the acceleration unit work with those other Departments to overcome any issues and obstacles? Is it a blueprint for Government across the board?

**Grant Shapps:** Really well, actually. I think our relationship with MHCLG is pivotal. I meet regularly with the Secretary of State in MHCLG to discuss how transport infrastructure and, for example, housing fit together. I meet regularly with the BEIS Secretary of State to discuss how transport and business and industrial development slot together.



We were talking about how the acceleration unit gets from fourth to fifth gear. For an organisation that has only been going less than a year, as it makes connections throughout Whitehall it just naturally becomes better at doing that interdepartmental work. I know that more than one other Department is studying setting up similar acceleration units for its own departmental business. It is a model that potentially will be widely replicated and only grow in strength in interdepartmental work. Nick might want to comment on that as well.

**Nick Joyce:** I have two quick points. The acceleration unit is adding real value by just asking questions: "Why are we doing it this way?" Quite often, they get the answer, "Well, that's the way we did the last one," or, "This is the safest way." They are drawing out choices and giving people the confidence to put them forward and say, "Well, there is a different way of doing it. We could do it this way." That might mean putting a little bit more money up front, doing some things in parallel or being more ambitious, but it is really important because there is an absolute value from the project that the acceleration unit is looking at. The other thing I am talking to the acceleration unit about is how I systematise those benefits and how I get that base thinking and the base ways of doing it folded into all projects and not just the ones they are looking at.

On the broader point around planning, there is a slightly different point that I would add. It is also about making the process simpler. There is a lot of overlapping legislation and things that ask you the same thing in different places. That is an inefficient way of dealing with particular issues. When we look at choices, we need to look at whether we do things absolutely in a linear fashion, or whether there is a benefit to doing elements of the process in parallel.

**Simon Jupp:** Thank you both.

Q187 **Chair:** If it is the case that judicial activism, as it is broadly termed, is causing delays, and therefore cost overruns, on big Department for Transport infrastructure projects, is the Department feeding into the Ministry of Justice review of the legal process and whether reform is needed, in order to ensure that the mandate from Parliament is delivered without interruption?

**Grant Shapps:** Yes. I think I am right in saying that in the Queen's Speech the intention was signalled to do something about it. Power should rest with Parliament and the Executive. We should not have constant second-guessing. My view is that, if you want to change these decisions, get yourself elected and make the decisions. These questions have to be open to challenge to make sure they legally fit with what Parliament and Ministers said, but otherwise they are too often, in my view, being used simply to try to create law, and sometimes precedent, by other means. That is not the way our constitution is designed.

**Chair:** Our last section, before I ask Karl McCartney and Gavin Newlands if they want to come in, is on skills. That means we bring in Ruth



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Cadbury.

Q188 **Ruth Cadbury:** I want to pick up on that last point. Surely, some examples of what the Chair calls judicial activism are actually people highlighting and challenging decisions that go against laws that Parliament has already made, such as on climate change.

**Grant Shapps:** I want to clarify. I am not saying that there should be no judicial reviews. You are right that the purpose of them should be to challenge laws that Parliament has already made, and perhaps Ministers have misunderstood, overstepped or what have you. That is all fine.

What I am talking about is where—infrastructure is a very good example—it is merely a difference of opinion being prosecuted through legal routes that are, rightly, settled by you and me because we have been elected by the people, and are the representatives of the people. I do not think we should just allow that to continue unabated, particularly when there are vast costs to the public purse in what are, ultimately, usually just frustration tactics designed to delay by six months or more projects that will in the end go ahead. Many times, they are used as protest mechanisms rather than actually to stop things. It is very costly to the public purse and anti-democratic.

Q189 **Ruth Cadbury:** Obviously, in the case of net zero, if, as you said at the beginning of this session, decisions on national infrastructure are made in the context of the law on climate change and achieving net zero, hopefully, in respect of those kinds of challenges, there will be fewer of them.

I will move on to the issue of skills in the transport sector. The chief executive of the Infrastructure and Projects Authority, Nick Smallwood, has said that in the middle of the decade we will see a shortfall in key skills compared with the current skills landscape, particularly in craft and in engineering, but also in leadership and project management. What steps is your Department taking to address the skills gaps?

**Grant Shapps:** First of all, we definitely recognise the skills gap. Last week, I was at Old Oak Common where HS2 is digging the biggest ever station to be built in one go in Great Britain. I met some very impressive apprentices. They are some of the hundreds, and ultimately thousands, who will be working on the HS2 project. I was talking to them about what got them into this and how they saw construction infrastructure as their future.

You asked what the Department is specifically doing about it. A good example would be the work that we are doing with the Department for International Trade and the University of Derby to develop a UK rail supply chain capability map, which will enable us to assess rail sector export strengths and weaknesses.

All of which is to say that you start by mapping out where the problem actually lies and where there are shortages in the supply chain. Then you



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try to address them. We have been working with the strategic suppliers and the supply chain for these very large projects—HS2 and Network Rail projects in particular—to ensure that we map what is required and therefore are in a better position to try to encourage people into the sector.

To go back to those apprentices, it was fascinating to talk to them about how they had been attracted into helping to build Britain's infrastructure. It might be worth bringing Nick in on this.

**Nick Joyce:** An interesting mirror to your Old Oak Common point, Secretary of State, is that when I went to the A14 construction site, yes, there is a great infrastructure project there, but actually talking to the apprentices who are starting their careers and saying how much they are enjoying working on that and how much they want to move on to the next railway project and the next infrastructure project is really powerful.

Some of the other things we are doing are similar to the point we talked about before. It is about engaging with the supply chain. It is important that we give visibility through the infrastructure pipelines that we publish with the IPA around the forward work bank, so that industry can look to take people on with confidence through longer-term contracting, and build up their skills as employees and invest in those skills.

They can use those contracts themselves, requiring investment in skills as part of that contract, with a significant proportion of spend going through to SMEs. There is a lot that we are doing, but there is a lot more still to do.

Q190 **Ruth Cadbury:** Thank you very much. There are a number of tools that Government commissioning Departments like yourselves have to address skills shortages. You mentioned apprenticeships and your experience of meeting apprentices. There are also other kinds of training programmes and skills-based visas. All of these are generic opportunities, and you are dependent on other Departments, not least Education and the Home Office. What are you doing to use those three tools and extend them to help address the skills gap in the sector?

**Grant Shapps:** I would extend that list to the Department for Work and Pensions as well. I have spoken to all three of those Secretaries of State in the last week on exactly that issue. It is probably worth mentioning that later in the year we intend to publish a transport, labour market and skills discussion paper, which pretty much covers your question in considerable detail. That will set out the labour market key skills and skill challenges across the transport sector, and talk about how current employment and skills initiatives can help to bring more people in.

If I may, there is one other aspect that I am quite exercised about, which is the gender imbalance in construction. I see it quite obviously. There has been an improvement, but it is glacial. On the railway workforce, for example, it has moved from 8% to 16%. Again, I am really interested



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when I talk to young people, in particular the young women who have decided to work in transport, about the influences: “How did you end up here?”

The question is really more to the people who have decided not to come into the sector. What is it about the stereotyping or the ultimately career-limiting broader atmosphere that prevents more people from coming into the sector? I talked to my own daughter about it, who is 17, and asked her which careers would be of interest to her and what influences her.

We are going to be doing more work on all of that—technical engineering and apprenticeships. To return to your question, that is why I am working with the Secretaries of State at Education and the DWP. It is extremely important.

Q191 **Ruth Cadbury:** Thank you. As chair of the APPG for women working in the transport sector, I hope we will pick this up and have a meeting before too long.

I have another couple of questions on this area and then one other. We think of the skills gap in terms of the companies delivering, but the 2020 Green Book review and Nick Smallwood have highlighted the skills gap in commissioning and project management across Government, including your Department and your arm’s length bodies. What are you doing about that area of skill?

**Grant Shapps:** We are working with the implementation and delivery unit across Government on this, looking at how to improve delivery and accelerate the sharing of insights from across Whitehall. We are not the only Department that has these issues and is looking at the skills thing. For example, we are working with the BEIS delivery transformation board for insights to assist with our programme. Nick, do you have any comments?

**Nick Joyce:** The Secretary of State referenced earlier something we called the project delivery improvement programme, where we looked at previous experience from delivering transport. We did that jointly with the Infrastructure and Projects Authority. One of the strands of that was around capability.

I think we have made a huge investment in further skills in the core Department in the last two years. We have created a whole new group headed by a very experienced transport professional on rail infrastructure. We have created a central portfolio office headed by a portfolio director, and three further project directors are responsible for major programmes. We have a series of project delivery skills and development programmes, including for senior responsible owners’ accreditation systems to be responsible for those programmes, to really build the skills capability.

I think we have done a lot. We still have more to do. The portfolio continues to get bigger and more complex. We are very grateful for the



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IPA's support. I think they acknowledged the steps we have taken in the evidence they provided to the Committee.

Q192 **Ruth Cadbury:** Thank you. I think you said that the transport infrastructure skills strategy is going to be refreshed quite soon. It was due in spring this year; I am not sure whether we are still in spring. Will the skillsets highlighted include generic skills such as project management?

**Grant Shapps:** I think the transport infrastructure skills strategy is the 2016 paper.

**Ruth Cadbury:** Yes.

**Grant Shapps:** Nick, do you have any word on that? I am not familiar that we were about to—

**Nick Joyce:** It is the discussion paper that you referenced earlier, Secretary of State.

**Grant Shapps:** I see. It actually turned into the discussion paper. Sorry.

**Nick Joyce:** Yes. That will give the update and the assessment of where we are and where we see the priorities. I would be very surprised if it did not focus heavily on project management. I have talked about what is going on in the Department. It is very important in our delivery bodies. It is important in local authorities, as well as in the supply chain. I think we need to look at all those levels of the system.

Q193 **Ruth Cadbury:** You think you will, or you will.

**Nick Joyce:** I am expecting it to. I am sorry, I am not close to the drafting. I would be very disappointed if it doesn't. How's that?

**Grant Shapps:** It might be worth us dropping a note to the Committee on the precise timing or with more detail on that.

Q194 **Ruth Cadbury:** As I say, it was due and we were expecting it this spring. I think most people would agree that we are now in the summer, although I know that the Government wording for spring is different from the real world.

Chair, I had to dip out, so, if I may, I would like to come back on a question that I did not get a chance to ask earlier. Secretary of State, you picked up on zero emission vehicles earlier in answer to a question about national infrastructure.

A number of witnesses to the inquiry that we are just finishing on zero emission vehicles and their roll-out raised concerns about the roll-out of the charging network, and how we seem to be behind equivalent countries on that. They suggested that the charging network for electric vehicles should be defined as within critical national infrastructure. Do you agree? I know that you are very keen on the roll-out of electric vehicles.



**Grant Shapps:** I keep hearing that being said. I understand it as a concern for the future because, clearly, if no petrol or diesel cars are going to be sold from 2030, and from 2035 no hybrids, we have a big challenge to provide all the charging, but, as I mentioned earlier, we actually lead Europe in the number of rapid chargers per hundred miles of major road networks. We are already at the top of that list.

Last week, I announced in Parliament that this month we are going to hit 25,000 publicly available charging locations. We now have more charging locations than petrol stations in this country. People say, "Ah yes, but they take a long time to charge." That is true, but two thirds of people in this country have a driveway, and there are well over 200,000 private charging locations. There are millions if you take into account 13-amp plugs, but most people would not want to charge them that way. Then, of course, there is the road network where people who do not have driveways need to be able to park their car overnight, on a road or wherever they park, in order to make sure that it is charged by the morning.

Every single motorway service station in this country has charging. That is going to be upgraded in pretty quick order to rapid charging. I really think that we are motoring on this subject. Far from being laggards, as I often hear said, we are leading the world. I do not need to say that as the Secretary of State. I say it as an electric car driver for the last two years, when there were not so many around. I notice that one in 10 cars sold now is electric, and plug-in cars are outselling diesels regularly. There are many more charging points around, and I notice the difference.

We are absolutely going to get there. Of course, we have to speed it up. We are putting in, I think, £1.8 billion to the infrastructure network. Lots of private money is coming into it. We need to be careful not to replace the private money because that does not help anybody. We need to make sure that we are working together on this. I am absolutely confident that there will be charging available for everyone. As I say, there are already more places to charge than to go and fill up your car.

Q195 **Ruth Cadbury:** Thank you, Secretary of State. The concerns were not so much about numbers. You do not need a national strategy to deliver numbers. The charging points will get delivered where the market demands. The two places with the highest amount of charging capacity are London, which is probably market led, and Scotland, where there is a national strategy.

There is concern, particularly for zero emission commercial vehicles, that there is consistent accessibility and availability across the network, and particularly for rapid charging. That is why the market alone cannot deliver that quickly enough, and why the industry is seeking that this is considered within critical national infrastructure.

There is also the issue of housing developments, both existing and new. It may be that there will not be enough electricity capacity if even a



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handful of households are charging on their forecourt. That could be a concern as well, particularly in the drive for the new housing that we need so badly in this country.

**Grant Shapps:** It might be helpful for the Committee if I drop a note back with some further detail. There are a couple of things that I would highlight.

First, we have already taken action, and in fact have already taken powers, on something that is very confusing and complicated at the moment, which is when you turn up at a charger and find you have dozens of different membership cards and lots of different things you are supposed to do in order to be able to pay for it. All you want to do is put a bit of power in your vehicle. We are creating a situation where all chargers, particularly the rapid chargers, become contactless, meaning that you no longer have to sign up to X, Y or Z apps.

To answer your first point, we think there is a role for Government. We are not non-interventionist in this. We want to see standards where people can not only pay contactlessly but easily compare the price, one to another. We are providing the template for all of that. We want to go further. We are involved in launching a design competition so that we can have the best designed chargers in the world as well. We recognise that requirement.

We also recognise, within our £1.8 billion investment in building the network, that we do not want to trample over the ability to bring in private capital that will help to leverage the amount of taxpayer money even further. It has to be built out in such a way that it is eventually a profitable thing to do, just as it has always been profitable, I assume, to sell petrol in petrol stations. The state has never involved itself, as far as I am aware—or at no time recently—in selling petrol.

With regard to what happens in new homes and the like with power, again there is very close work between us and MHCLG on new planning reforms which, for example, require charging to be built. If there is a block of flats being built or something, there must be provision for power. I work very closely with BEIS on the energy front. We regularly meet with the power infrastructure to make sure that they are keeping up with it. Nick may have more to say on this.

A lot of people say to me, "But surely there will never be enough power available to charge all these cars," or, "There will be a massive gap." Of course, we need to make sure that the power network is constantly upgraded. What a lot of people do not realise, who do not already drive electric cars, is that primarily they are typically charged during the night. It is while the power network is often shedding power because people have gone to bed. The technology is very helpful because it operates at a different time of day for the primary charge for a lot of people who drive the car during the day and then just plug it in overnight when there is excess energy available.



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I am looking to Nick to see if there is anything I have missed. I would welcome the opportunity to write back with some more detail to answer your questions as well, Ruth.

**Nick Joyce:** It is sensible for us to pick it up in writing, Secretary of State, particularly around the specific designation as critical national infrastructure and what that brings with it in a technical sense, to make sure we can cover that properly. On the last point, I know that we are having very ongoing conversations with the energy regulator, and so on.

**Chair:** We had some excellent evidence in our zero emission vehicles inquiry last week. We heard from the Minister about regulations and interoperability. We would obviously welcome further information as well, but that was very much last week's session.

I am very conscious of the time. It has gone half-eleven, and there are two Members who have not made a contribution yet. I would like to give them the opportunity to do so, if I may. We will start with Karl and then go straight on to Gavin.

Q196 **Karl McCartney:** Thank you, Chair. Secretary of State, I have two questions. The first is on the subject that has just been covered. We could spend two and a half hours with me questioning you because I am not quite as bullish as you. I am perhaps more sceptical and realistic about 33 million vehicles being charged overnight in the UK.

In the letter that you are about to write, could you confirm that you and your Ministers have looked at the potential for other forms of powering vehicles? I have questioned some of your Ministers and not really had much acknowledgment of the fact that Siemens and Porsche are working together on an alternative to petrol/diesel. Are you aware of that? Has your Department looked at it? Basically, what are your thoughts?

**Grant Shapps:** First of all, I nearly said in answer to the previous question that we are neutral about the technology. All we are saying is that it needs to be zero carbon at the tailpipe, if indeed there is a tailpipe. There are not on electric cars but there will be on hydrogen vehicles, but water is all that is produced. I think we saw Prince Charles yesterday driving a hydrogen vehicle.

We are very keen on enabling that kind of technology to be developed. In fact, I have assigned the country's first hydrogen hub to Teesside. One of the things I recognise with hydrogen is that we are not going to get there if we focus on just one form of transport. It requires massive research and investment. We need to think about it being used across all different modes of transport.

Q197 **Karl McCartney:** I am pleased to hear that. Porsche and Siemens have, I believe, a joint venture in Chile where there is obviously lots of wind power to power the plant that is going to produce that type of fuel.

I am conscious of the time, so I am quite happy to go on to my next question. Earlier, and this will not surprise you, I believe some of your



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comments on masks could perhaps give transport unions the green light to act in the same negative and disruptive manner that the education and teaching unions have. I do not know what your thoughts are on that. Masks were brought in only after the first lockdown, for the optics, to entice people to shop. They were brought in in the House of Commons Chamber in December 2020 and only in recent weeks in the Lords Chamber, despite the fact that many MPs pointed out the anomaly and did not think they should be required in the House of Commons.

Are you expecting train companies to specifically cite what evidence they are going to rely on for the fact that masks are required to assist in lessening transfer incidents, or will it still be all about the optics? Do you think, as you said, that it should just be down to common sense on 19 July?

**Grant Shapps:** First of all, I think you are right to point out that certainly earlier in this pandemic there was a lack of a body of scientific evidence on masks. I think I am right in saying, but I leave it to SAGE and others to inform us, that we now have a much better understanding on masks than we did before. We know that in order of priority, for example, when it comes to not spreading coronavirus, social distancing is more important, and then probably ventilation, with masks being third. I think I am right in saying that.

I do not entirely dismiss the comfort factor, particularly when people are packed into smaller places. After all, what we are keen to do is to help rebuild reliance on comfort in transport. I do not think it is a bad thing in itself if people feel reassured in a packed carriage by other people wearing masks. If that brings more people back to the transport sector, then so be it.

As ever, essentially, I look to the science on these things. People will always point out anomalies, and quite rightly. If we are going to open pubs and clubs, which we are, subject to a decision next Monday on all of this, people are going to be close together. They will rightly say, "Why don't I need to wear it there but I do in a train?" As ever, the answer to all these questions on coronavirus—we all know how this works—is that you have a certain budget and you can spend it in different ways. Society has to come to those decisions.

We have come to the conclusion across Government that on public transport we will no longer require it in law. We consider putting these things in law to be quite extreme things to do. We want to be able to rely on people's judgment and common sense. As was discussed at length before, we also think it is perfectly reasonable that individual carriers of different types—air, ground or what have you—are able to come to rational decisions about how busy their own transport network is, the ability of people to social distance, to provide ventilation and the rest of it, and provide stronger requirements to wear masks, if they require it as a condition of travel. We are not looking to have arguments about it. We are looking to do what is rational.



Q198 **Karl McCartney:** That is partly reassuring. I cited train companies. I am thinking of bus companies as well. Many of us will see our pupils in schools being mask free, but they will not be mask free if they are forced by the bus company that transports them to school to wear a mask when they are mixing with the same pupils on the school bus as they do in their school classrooms, assemblies or playgrounds.

**Grant Shapps:** The only thing I would say is that we are talking about 19 July, and most schools break up the following week. We then have quite a gap until September, and we may well be in a different coronavirus world again by then. These things may become a lot more obvious, given the passage of time.

Q199 **Karl McCartney:** A post-Covid world, hopefully.

**Grant Shapps:** Hopefully, yes. There has to be an advantage in being one of the most vaccinated countries in the world.

**Karl McCartney:** Definitely.

**Grant Shapps:** We haven't done all of this for nothing. It means that we can start to shift our laws and take this cautious approach out.

**Karl McCartney:** Thank you, Secretary of State.

**Chair:** Our final Member is Gavin Newlands.

Q200 **Gavin Newlands:** Thank you very much, Chair. Apologies for missing most of the session. It was due to a Westminster Hall debate on regional air infrastructure.

The Union connectivity review is clearly an important part of the Government's infrastructure plans. It has still to report fully, but I am curious as to how you and the Department are going to be able to appraise the merit of projects and deliver them, if you are doing so against the wishes of the relevant devolved Government—certainly the Scottish Government—who have responsibility for all areas. Both the Welsh and Scottish Governments have said that they do not want the UK Government to stray into devolved responsibilities. Mark Drakeford has accused the UK Government of being aggressively unilateral. In that context, how are you going to appraise projects and deliver them?

**Grant Shapps:** The first thing we are going to do is work very hard to persuade the political leaderships of the devolved Administrations that their officials should work with the UK Government for the greater good of all our citizens. It is undeniable that there is a small but significant gap in our transport network across the United Kingdom. It is the sort of gap that used to be filled in part by the European Union's TEN network, which was its transnational network. As far as I am aware, no devolved Administration ever objected to the principle that there were major routes in and out of different EU states and within EU states.

Now that we are no longer in the EU, the UK Government see their role as making sure that there is good connectivity between all four



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constituent parts of the United Kingdom. I think that, on balance, we should all be able to agree that it is a good idea to be able to get people and goods about between the islands of the UK and between the different devolved areas. We will work constructively to do that. We look forward to great co-operation with the devolved Administrations.

**Q201 Gavin Newlands:** I would love to delve a bit deeper into that issue, but I suspect we will have to come back to it when the report is published.

Do you yourself support a bridge or a tunnel crossing to and from Northern Ireland? If so, is it going to involve Scotland?

**Grant Shapps:** First of all, I think there should be nothing controversial whatsoever about connecting the different parts of the UK. After all, no one blinks an eyelid now, although I recall that they did beforehand, when it was proposed that there would be a tunnel between Great Britain and France, an entirely different country. There should not be anything controversial about linking up our country.

**Q202 Gavin Newlands:** Is that a yes?

**Grant Shapps:** It is a yes. I just do not see why it is a controversial notion at all. By the way, if you live in Northern Ireland and you are worried about ensuring that goods and people can flow as easily as possible, I think you would welcome it as well. Yes, absolutely. Why would we not want to connect the four parts of our Union? It is a great idea.

**Q203 Gavin Newlands:** We will definitely come back to that one, I suspect, Secretary of State.

My last question, very briefly, is on the rail network, which is a crucial piece of transport infrastructure. In previous years—I think I have asked you this before—electrification projects have been cancelled when tested by previous cost-benefit analysis criteria. The Williams-Shapps review said that new English electrification projects would be announced shortly. Where are they? In Scotland, we are getting on with East Kilbride and Levenmouth. Where are these projects?

**Grant Shapps:** I think, off the top of my head, we have added over 1,100 miles of electrification in our years. I never tire of reminding the Committee that the previous Government managed about 63 miles. That is a figure off the top of my head. I might have the number wrong. I will write to the Committee and confirm the exact numbers.

Electrification is ongoing. For example, the midlands main line is enjoying the benefits and improvements to electrification and signalling on the east coast and elsewhere. We are also building more electrified miles right now, or are about to, than ever in our country's history by creating an entirely electrified new railway south to north with HS2.

I hear your call. I imagine I might be right in saying that there has never been a time in history, although I will fact-check this and write back to



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the Committee, when more electrification has been carried out in one go. I should fact-check that before I put it on record.

**Gavin Newlands:** Possibly so. I am conscious of time, but I never tire of reminding the Secretary of State that the scale of electrification in Scotland has been at twice the rate of that in England over the last 20 years. On that note, back to the Chair.

**Chair:** Excellent. Thank you very much. It is always good to end on consensus, if not when it comes to bridges and tunnels.

Secretary of State and Mr Joyce, thank you very much indeed for giving us a huge amount of evidence. Most of it was on infrastructure and will help us in our report. There were a few other matters where we went off piste, and you were very kind to address those as well.

I compliment you on the way that you dovetailed so well with each other. It does not always come across, but it is quite clear that the political and civil servant sides of things are working seamlessly as one team. Thank you very much indeed for a really good presentation. I wish you both well, and we look forward to getting our report on to your desk with our recommendations.