

Transport Committee

Oral evidence: HS2: Update with Allan Cook CBE, HC 1999

Wednesday 13 March 2019

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Members present: Lilian Greenwood (Chair); Jack Brereton; Ruth Cadbury; Ronnie Cowan; Huw Merriman; Graham Stringer; Daniel Zeichner.

Questions 1 - 80

Witness

I: Allan Cook CBE, Chairman, HS2 Ltd.

Examination of witness

Witness: Allan Cook CBE.

Q1 **Chair:** Welcome, Allan. Thanks for coming along to give evidence today. Before we start our proceedings, could you introduce yourself for the benefit of our recording? We are live on BBC Parliament today.

Allan Cook: Good morning, everybody. Thank you for the opportunity to present to the Select Committee. My name is Allan Cook. I am an engineer and a businessman. My whole career, spanning probably about 50 years, has been involved in engineering, predominantly aerospace and defence infrastructure. I have the privilege of being the very recently appointed chairman of HS2.

Q2 **Chair:** It would be helpful if you could just explain to us how you came to be appointed, after Terry Morgan's resignation. Was it a role that you applied for when it was advertised early in 2018 or were you approached? Can you set that out for us?

Allan Cook: Certainly. I was approached by the headhunter running the process for the Department, Russell Reynolds, and asked if I would be interested in being considered for the position of chairman of HS2. That was back in the early summer of 2018. I immediately said, "Absolutely." It would be a fantastic opportunity for me, building on my career with Atkins and of course my involvement in engineering. From my point of view, it was a great opportunity.

I filled out the requisite forms and submitted them to Russell Reynolds. They went through a process, eventually ending up with a panel interview with the Department and other external people. They shortlisted from four people down to two people. I had a meeting with the Secretary of State, where the decision was taken, at that point in time, to appoint Sir Terry Morgan.

Q3 **Chair:** You were the runner-up on that occasion.

Allan Cook: I was unfortunately the runner-up. I know Terry very well from my background in BAE systems and the work I had done on high value manufacturing with him. I rang him and said congratulations and that, if there was anything I could do to help in HS2, I would be delighted to do so.

Q4 **Chair:** When were you approached again?

Allan Cook: I was approached towards the end of November or the beginning of December and asked to meet the Department. They explained that there were some challenges associated with Crossrail and asked whether, if the circumstances changed at all, I would still be interested in taking on the role of chairman of HS2. I said, "Absolutely."

Q5 **Chair:** I know that you have had a very long career in the industry. Can you tell us why you accepted the job and what particular skills you think



you bring to the role?

Allan Cook: From my point of view, it was an opportunity to work on the largest, most complex innovative programme in the UK, and perhaps even in Europe. From an engineering and a business point of view, the opportunity to help to guide HS2 through the various stages—through phase 1, phase 2a and phase 2b—and to be a part of that iconic programme was a fantastic opportunity.

From my point of view, it was using the skills I had developed over many years in engineering. Within Atkins, I had been involved in the infrastructure part of the Olympics—the rail programmes that Atkins were involved in—and I had run businesses in my executive career. I thought that I could bring to bear some of those skills in dealing with large and complex programmes. I think I am very much a person who works in teams. I am very collaborative. There are a number of stakeholders involved. Obviously, there is the Government, but there is also our supply chain. The people we are working with, the community, are a really important part.

From my point of view, it was the opportunity to help in the north. You can probably tell by the accent that I am from Sunderland. I was born and raised in Sunderland, and I live in Scotland. I have seen at first hand some of the challenges we have in infrastructure and in transportation when moving people around the region. The opportunity to help to improve that situation was, from my point of view, a great opportunity.

Q6 **Chair:** There have been a number of changes at the top of HS2. David Higgins was there as chair for quite a lengthy period. Sir Terry Morgan was only there for a matter of months before you came. There have been a couple of changes of chief executive. What sort of impact has that change at the top had on HS2 Ltd and its ability to deliver the scheme, or on staff morale? What have you found in the couple of months you have been there?

Allan Cook: I have met Sir David Higgins, and I have had a number of meetings with Sir Terry Morgan. I think the transition from Sir David to Sir Terry was very smooth and very professionally handled. There was a succession plan. David had indicated that he was stepping down after at least two three-year periods—maybe even more than that, actually. The transition, from that point of view, was well publicised and the succession plan that HS2 had in place was very effective.

The situation with Sir Terry made it slightly more difficult, but we have a stable executive. Mark Thurston has been there for two years, and he has built his own highly skilled team of executives. In the eight weeks that I have been at HS2, I have spent a lot of time not only with the communities and our supply chain, but with the people who are making HS2 a wonderful programme, and I can say clearly and openly that morale and the desire and passion of people in the organisation to make HS2 a success for the taxpayer is absolutely clear and paramount



throughout the organisation. That is for everybody I have been involved with, from the people working in Curzon Street and Euston to the people I have met in the supply chain—the small and medium enterprises—in the Nottingham area, the east midlands, Leeds and Birmingham, right the way up the coast, I hope, to the north-east.

The impression I get is that people are excited and delighted to be working on the programme. I think everybody understands what happened with the change of chairman in HS2 and my appointment. As I said earlier, with Sir David there was a very well-managed process for David stepping down and Sir Terry moving into that position. The impact has been minimal.

Chair: We would like to explore a bit more some of the challenges you have spotted.

Q7 **Daniel Zeichner:** I want to pursue some questions about the company itself rather than the actual scheme. You have been there a couple of months. Are you satisfied with the governance and accountability systems and processes within HS2? What would you bring to it? What would you change?

Allan Cook: In the two months I have been with the organisation, I have seen a level of scrutiny and governance that I have never really experienced. It is very well controlled. The scrutiny we have from the board, and indeed from our client holders through the Department, is very strict. It is very mature and very robust. We have in place a strong governance procedure and a strong Government mentality to recognise that we are dealing with taxpayers' money. Effectively, this is all about providing value for the taxpayer. Everybody I have spoken to—my non-exec colleagues, the executive team and the people involved through the Department for Transport—recognises that one of the most important aspects of the programme is clear and transparent governance of the programme itself.

Q8 **Daniel Zeichner:** You are happy with the current make-up of the board and the executive team.

Allan Cook: I am very happy with the make-up of the executive. As I said earlier, in Mark we have a very experienced, talented and skilled engineer and businessman. He has, over the two years, made it a priority to build a team that is fit for purpose, with remarkable experience across a number of disciplines. It is not all about engineering. We have people very skilled in commercial areas and procurement, and in community engagement, which is, of course, very important. Mark Thurston has, over the two years, developed a very strong and capable team, as I have seen over the last two months.

Q9 **Daniel Zeichner:** Have you done any analysis of the diversity of the senior levels of the HS2 teams?



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Allan Cook: Our diversity could be a lot better, certainly at senior levels. I am a very strong supporter of diversity and inclusion. I have spent the last five or six years with the royal academy heading their diversity and inclusion committee. I strongly believe that diversity and inclusion is an important fact of business, for the right reasons. It brings diversity of thought as well as bringing into play different ways of thinking. Diversity for me is really important.

In HS2, 36% of our employees are female. That is a very high proportion in comparison with the average in the UK for engineering and manufacturing, which is probably about 12%. What we do not have, and what I am trying to address now, is diversity on the board. I am in the process of recruiting two new non-exec directors. I have made my recommendations to the Department and to the Secretary of State. I hope that with the successful conclusion of that process we will have a more diverse board in place, which will add significant value to what we are trying to do. I have been encouraged by what I have seen in the organisation. I have been talking to various people at all levels in the organisation about how engaged they are, right the way from Mark, through his executive team to the programmes.

Q10 **Daniel Zeichner:** The 36% is not necessarily at senior levels, is it?

Allan Cook: No, and that is the problem. The 36% covers the whole organisation. Obviously, to get to 36% you have a higher proportion at low levels in the organisation. When you get to the higher levels—the executive team—it is very good that we have three female executives in Mark's senior leadership team, but it is not only about gender. We are talking about ethnic minorities, disability and LGBT. It is the whole aspect of what we can do with a more diverse and more inclusive organisation to help us to address some of the challenges we have, and will have, in HS2.

Q11 **Daniel Zeichner:** It is not just an engineering challenge, is it? It is very much under public scrutiny. That leads me to this question: who do you think is the public face of HS2?

Allan Cook: I hope that I am and that Mark Thurston is. We have a joint responsibility to provide the openness, transparency and leadership part of the public face for HS2. I see it as absolutely one of my main responsibilities to work with the community, and leaders in the community, to make sure that we make HS2 the success that I believe it can be and should be.

Q12 **Daniel Zeichner:** I am not sure that you can have two public faces, but let's move on from there. Part of the problem with the industry is that it is very much the same people. They work for the same companies that then end up being subcontractors and so on. Given that so much of this is about trying to restore public trust, the fact that you have been involved with Atkins, and others have been involved with other subcontractors and there are large sums of public money, people might think it all looks a bit



narrow. How do you restore trust with the public?

Allan Cook: It is about balance. We need to be balanced about the skills and expertise we bring to the organisation. That needs to be balanced against the fact that this is an inclusive club, if you like, in terms of the same people being involved. Within our supply chain, we have some highly skilled international organisations that form joint ventures and IPTs. We rely on them, their skills and their expertise to deliver what we want to do from the organisation. The balance is in how we can bring to bear their experience.

All the time, of course, we are refreshing. People reach maturity in their career. They retire and move on. We have a fantastic record of bringing in apprentices, graduates and technicians who can refresh and provide the level of skills. Within our programme even now, we have over 250 apprentices working in HS2 and on programmes in our supply chain. That is a fantastic opportunity for youngsters from all sorts of diverse backgrounds to see engineering programmes as a fantastic career opportunity.

Q13 **Daniel Zeichner:** In your time on the board, what have you been able to do to assess the competences of HS2 teams and staff in general to assure yourself that you have the right mix?

Allan Cook: It is obviously limited. I have chaired two board meetings. I have had extensive personal interviews with each of my non-exec colleagues, some of whom I knew already and some of whom I met for the very first time. As you would imagine, they bring diverse experience of certain capabilities. I have been able to assess their contribution at first hand during those two meetings. Some of those non-execs are also part of the audit and commercial committee and part of the remuneration committee. They are part of the nomination committee that I personally chair. They form an integral part of the organisation.

I am very pleased with what I have seen so far and very excited about it. We are going to refresh the board, as I mentioned earlier, and we are going to bring in new talent, new skills and new capabilities that will help us to take the programme to the conclusion we are looking for.

Q14 **Daniel Zeichner:** From what you have seen so far, does it give you the confidence to be able to tell us that you have the right team to deliver the project on time and on scope, which is a pretty big ambition?

Allan Cook: It is a huge ambition. From what I have seen so far from the board and the executive, and with the refresh I spoke about earlier, I think we will be able to bring the programme in with value for the taxpayer.

Q15 **Daniel Zeichner:** Let me go back to a point I touched on earlier. This is slightly different from just a big engineering project. It is also about maintaining public confidence. It is indisputable that there has been public criticism, whether you feel it is justified or not. How confident are



you, from what you have seen, that you have the right structures and processes to make sure that what has happened in the past does not happen in the future, in terms of some of the negative publicity around HS2?

Allan Cook: You are absolutely right. Certainly we have our critics of the programme, but we also have a high degree of support from a number of areas right across the UK, from the home counties through the west coast to Birmingham, the midlands, the east midlands, the north-east and of course the west midlands.

We recognise the criticisms. We try very hard to address the criticisms and explain clearly and concisely that the programme is about rebalancing the economy, utilising skills and helping people to communicate and commute more effectively in all parts of the UK. We believe it is the backbone of our communication infrastructure within the UK. We try very hard through our community engagement and through my work with leaders of various parts of the country to make sure that that is indeed the case. There is a constant effort on our part to make sure that that message gets across clearly and concisely. With regard to building public confidence, we have an ongoing challenge. We recognise that it is a challenge. We will be judged on whether or not we are actually capable of addressing the challenges we have.

Q16 **Daniel Zeichner:** In your past career, can you give me an example of anything where you were in charge that came under this kind of public scrutiny and gaze, and you found a way of dealing with that kind of criticism?

Allan Cook: Yes. I can give two examples. The first, of course, to go back recently to the work we did in Atkins on the Olympics, is that we were a major sponsor and participant in the Olympics. That was very high profile. There was very detailed programme management. We had to deliver not only to cost but to a very tight deadline. That was open to scrutiny from a number of stakeholders, as you would imagine. History tells you that we delivered—not only Atkins, of course, but with our partners—a very successful Olympic programme.

The other one I would cite was in my career in aerospace and defence, where for a period I was responsible for the Eurofighter Typhoon. That was a four-nation programme, and we had scrutiny not only from the UK MOD and the RAF, but from Germany and Lufthansa, as well as scrutiny of the work we were doing in Italy and in Spain.

The Olympics were clearly a success. Eurofighter Typhoon is now the best and most capable aircraft in the RAF asset base.

Q17 **Daniel Zeichner:** You will know that there are people who oppose the scheme who scrutinise ever so closely everything HS2 does. There have been press reports and parliamentary questions about some things that certainly look to some people, on the face of it, like unnecessary



spending. How are you going to stop that?

Allan Cook: The only way I know of stopping it is to constantly communicate and be as open and transparent as we possibly can. There are certain restrictions on what we can say from a commercial point of view, but it is about the whole aspect of openness and transparency. I have built my career as an engineer and a businessman on being open and transparent. I have no intention of changing that approach. We have to prove more effectively that we have a handle on what we are spending. We recognise that we are spending taxpayers' money. We have to provide value. We are open to the scrutiny of our board, and the Department and the National Audit Office are very much involved in what we do and how we do it. I am confident, going forward, that we will continue to be as open and transparent as we possibly can. It is a key tenet of my involvement as chairman of HS2.

Q18 **Daniel Zeichner:** I have one further question on a specific issue. The National College for High Speed Rail is something we would all support, but do you think the current investment in it represents good value for money? I am told that so far 48 students have graduated.

Allan Cook: Correct.

Q19 **Daniel Zeichner:** Are they working for HS2 at the moment?

Allan Cook: They are working for HS2 and the supply chain. I have visited the facility in Doncaster. I have a visit organised for Monday to the facility in Birmingham, and I will be meeting Clair Mowbray, the chief executive of the college.

What I saw in Doncaster was very impressive. The work they are doing on technology and how they are interfacing with their sister facility in Birmingham was very impressive. I have not yet understood exactly how the awarding process works. I will get a better idea when I visit Clair on Monday and when I see the facility in Birmingham.

I have spent a big part of my career trying to influence skills of all diversity in engineering and associated programmes. I was chairman of Semta. With my background as an apprentice, I know that it is a great way of earning and learning at the same time. It provides an excellent opportunity for youngsters to enter the world of High Speed 2 and other areas. It is not only about High Speed 2; it is about the work that is going on in the rail industry too. What I saw in Doncaster was very impressive, and I am looking forward to what I can see when I visit Birmingham on Monday.

Q20 **Daniel Zeichner:** With no disrespect, we all visit places and we all get shown the things people want us to see. What mechanism do you have for finding out the bits that people do not necessarily want you to see? Do you meet trade union representatives, for instance?



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Allan Cook: I think it is called experience. I did not meet the union representatives. I met the Rail Advisory Body. I spoke to them and participated in their programme. I spoke to the apprentices. I spoke to the people who were doing the courses. I am not being immodest, but having spent 50 years and more in engineering, and from working in two rooms right the way through to laboratories and then in software, I really think that with my experience I can gauge whether or not we are getting real value from what we are doing.

Daniel Zeichner: Thank you very much.

Q21 **Ronnie Cowan:** I meant to raise this earlier, and I was a bit slow on the uptake. My office raised the point with your office. Earlier, you said that you had systems that were mature and robust. You also said that you were skilled in procurement. HS2 subcontract their cloud system through Capita. Part of their company is called KnowledgePool, who subcontracted it to iTrain, who had subcontractors to do the job. That contract got killed very early on. I now have people subcontracted to iTrain who have not been paid. They are out of pocket for travel and subsistence, and they say to me, "Where do I get my money from?"

Allan Cook: Yes; I know about this. I found out about it this morning when it was raised with me. I am aware of it. There are no invoices from our point of view outstanding with KnowledgePool. We have an agreement that they will return the laptops they have that are our laptops. They are returning them. We are dealing with the chain, which is, as you pointed out, quite convoluted in overall terms; there is the major contractor and it goes down through the next level and down through the next level, eventually doing work for HS2. Having been made aware of it this morning, we will take it up, and we have already taken it up, in terms of trying to establish who actually owes who.

One of the things I have seen so far in HS2 is recognition that the supply chain is not only about the large organisations we deal with, but about the small and medium enterprises. I visited Bridgeway, an organisation in Nottingham, which is doing work for us in Euston. It is a small organisation doing soil sampling and employs just over 100 people. Those small and medium enterprises are the lifeblood of what we are trying to do, and we utilise their skill and their expertise.

It is in our interests to make absolutely certain that we are dealing with small and medium enterprises effectively, making sure that we provide payment on time per the terms and conditions in the agreement. I found out about that situation this morning, and I absolutely assure you that we will be taking steps to make sure that the small organisations you were speaking about will not be compromised in any way.

Q22 **Chair:** Allan, there are a couple of issues I want to pick up from your responses to Daniel. First of all, you mentioned the need to strengthen the board. When do you anticipate that the appointments to the board will be made? What is holding that up?



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Allan Cook: I am expecting and anticipating that those appointments will be made public by the end of March. The Secretary of State has already approved the panel's recommendations. The process was through a panel. I chaired the panel, and the panel made recommendations to the Department and subsequently to the Secretary of State. Those recommendations and approvals have now gone through to the Cabinet Office. My understanding is that it needs prime ministerial approval for the appointments.

Chair: She's not doing much.

Allan Cook: I am absolutely hoping that we will be able to get that. There is a very regular process of refreshing the board. People come up to their term of office on the board, and we have a succession plan in place to refresh the board on an ongoing basis. At the moment, we have approval from the Secretary of State for two people to be appointed to the HS2 board.

Q23 **Chair:** You rightly pointed out the importance of keeping public trust and confidence. Part of the reason why you are in the job is what happened at Crossrail. The leadership of Crossrail was very fond of saying that it would be delivered on time and on budget. The Elizabeth line should be up and running, and it is not. That failure to deliver on time and on budget seemed to take some people by surprise, including the Mayor of London.

How confident are you that HS2 can avoid the mistakes made on Crossrail? There was clearly a disconnect between board oversight, engagement with key stakeholders and what was happening on the ground. Somebody must have realised that it was getting behind, that the stations were not going to be ready and that they had not done the testing. How can you be confident that HS2 will avoid those mistakes? What gives you the confidence that you will?

Allan Cook: There was a Public Accounts Committee last week on Crossrail, with Bernadette Kelly, Mark Wild and Tony Meggs, the chairman of Crossrail. In front of the PAC last week, they explained quite clearly and explicitly where they believed the challenges were with Crossrail. Some of the lessons learned? Effectively, they were talking about the programme being compressed, the fact that the systems were too separate and that it was not an integrated approach.

The new CEO of Crossrail, Mark Wild, carried out an interview with *New Civil Engineer* in January and explained more about what he believed the problems were. There is a significant difference between Crossrail and HS2. We have only one stakeholder, and that is the Secretary of State, whereas in Crossrail they had Transport for London and the Department. From our point of view, the lines of communication are more straightforward. It is very clear who our stakeholder and sponsor is on HS2.



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To answer your question about how confident I am, I have prided myself in my career on openness, transparency and making sure that I am aware of what is going on in programmes. I rely not only on inputs from the chief executive and his executive team but on external support and, in addition, the members of my board. From what I have seen so far in my two months in post, I am very confident that Mark has a very experienced and talented executive team.

We communicate regularly with Crossrail executives. I have met Tony Meggs as chairman of Crossrail at least twice in the short period he has been there. We are committed to understanding more about what the problems were in Crossrail and, where appropriate, applying that to HS2. It has been a salutary lesson for Crossrail. I watched the whole process in the PAC last week. They were very apologetic about the situation they found themselves in. We will absolutely learn, where appropriate, from some of the things that happened in Crossrail.

Q24 Chair: Finally, I want to ask about capacity in HS2 Ltd. On the one hand, you are dealing with some of the preparations for phase 1, and, as members of the Committee, we know, because they contact us about it, that people are unhappy about property valuations, compensation, community engagement and engineering challenges. There are complaints and legal threats. At the same time, you have to do the detailed work around phases 2a and 2b. Does HS2 have the capacity to deal with all the challenges coming in your direction?

Allan Cook: We have close on 1,700 people in our organisation. In the programme as it stands at this moment in time, we have over 3,000, and that includes people working in the supply chain. In that organisation—the almost 1,700 people—we have a range of skills. As was pointed out earlier by a Committee member, this is not just an engineering programme. It is not about engineers getting really excited—as they do, of course—about the opportunities and the fact that they are working on such an iconic programme. Naturally that is the case, but we also have people who are skilled in procurement, skilled in community, skilled in commercial, skilled in governance and skilled in dealing with various parts of the programme. The responsibility of Mark and his executive team is to make sure that we have the bandwidth and the skills in place to do that.

It is an ongoing process. There will be periods of time when people working on phase 1, as an example, might not necessarily move on to phase 2a or indeed phase 2b because we may well need different skills in those areas. Dealing with a professional organisation that clearly understands the challenges we are trying to deal with on an ongoing daily basis means that we have to assess what the requirements are, what we are trying to do and the cost envelope we are working to—it is very clear what that is—and then provide the skills.

We have been very fortunate, from what I have seen so far. People are very keen and enthused to be working on the programme, or to want to work on the programme. As you know, in the engineering and



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infrastructure sector there is a constant challenge to bring in the right skill levels needed to deliver the programmes on time, on schedule and within the scope we have agreed.

Q25 Graham Stringer: What are the biggest obstacles and challenges to bringing the project in on time?

Allan Cook: We have a number of challenges, some of which are technical and some of which are from an engineering point of view. Some of them are dealing with our supply chain and, of course, others are involved in the interfaces we have with the community.

If I take them backwards, from a community point of view one of the challenges that we absolutely face is to make sure that we deal sympathetically, and with great empathy, with communities in what we are trying to do in developing this railway system throughout the UK. We are very aware of some of the challenges we are creating for individuals and communities. We have a team of over 100 people working with the community, going out and explaining what we are trying to do and what the impact will be. We deal with that aspect on an individual and community basis. We are very much aware of that, and it is a challenge that we face openly. We need to be very sympathetic and aware of the challenges we are creating there.

The second is in terms of the supply chain. Mark Thurston has gone on record very recently saying that there are a number of cross-challenges that we are working on with our supply chain. We are trying to use the best technology we have, thinking innovatively and working in integrated teams, to get the best out of our supply chain. We recognise that we are working to a complex and challenging programme, so working with the supply chain is clearly one of the challenges we face.

The ultimate challenge is to be able to deliver the programme in terms of the agreed cost, schedule and scope. The whole parameter of HS2 was set in the spending review of 2015. It was £55.7 billion. The challenge we have in HS2 is to deliver, using our supply chain. I see it as my responsibility as chairman to assess the programme regularly and provide input to our board on an ongoing basis, and subsequently to the Department, about what we are doing in the programme and how we are performing against the schedule we are tasked to deliver to.

Q26 Graham Stringer: The first item you mentioned, which we did not really go back to, was the technical obstacles and challenges. Have you decided on fundamental issues like the kind of track, signalling schemes and rolling stock you will have? Have all those fundamental decisions been taken?

Allan Cook: Yes. Trackside, we are going with slab track, for a number of reasons. The signalling systems are clearly specified. We are looking to place contracts for rolling stock towards the end of 2020.

Q27 Graham Stringer: You mentioned that you have one client, who is,



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effectively, the Secretary of State for Transport. How often do you meet him?

Allan Cook: I have met the Secretary of State in my two months as chairman five times, and I have had two telephone calls.

Q28 **Graham Stringer:** Do you expect that schedule of fairly frequent meetings to continue?

Allan Cook: I hope so, and I expect so. He has certainly given me an indication that he wishes to see me to update him personally on the programme on a regular basis.

Q29 **Graham Stringer:** Have you talked to him about the parliamentary capacity for getting both the current hybrid Bill and the next hybrid Bill through the Commons and the Lords? There are rumours that the schedule has been put back, particularly on the Bill from Crewe to Manchester and Crewe to Leeds. Have you talked to him about that?

Allan Cook: Yes, I have. In fact, I have talked to the Secretary of State about all aspects of the programme. In addition to my meeting with the Secretary of State, we have a client board that has direct interface from myself and Mark Thurston to the Department and the two major civil servants, Nick Joyce and Clive Maxwell. In addition to my regular meetings with the Secretary of State, we have regular meetings with the PS, Bernadette Kelly, and of course with the other client board.

Q30 **Graham Stringer:** Has he indicated whether there will be delays in the hybrid Bills—the one that is currently before the Commons and the next one, which has not yet had its First Reading? Has he indicated whether there is any delay in that schedule?

Allan Cook: No, he has not indicated that.

Q31 **Graham Stringer:** Have you asked him?

Allan Cook: We have gone through the schedule and he has not indicated that there will be delays in parliamentary terms to the schedule.

Q32 **Graham Stringer:** If there are delays—there are rumours that there are delays—is it possible for you to put a cost on delays in the parliamentary timetable? Will that end up being a cost in your budget?

Allan Cook: We could certainly do some analysis, but first of all we would need to understand what that delay would likely be—and I have no indication that that is indeed the case. Clearly, with the expertise we have in the organisation, we could start to model what the impact could be of delays in the parliamentary process.

Q33 **Graham Stringer:** Daniel asked you about public support. There have been a lot of statements from very senior Conservative politicians expressing scepticism about the HS2 project. The Leader of the House, Andrea Leadsom, has said that. Michael Gove has expressed reservations. How concerned are you about those reservations?



Allan Cook: Obviously, we take them into consideration. It is not to be taken lightly. There are people who are absolutely 100% supportive of HS2 and the need for HS2, because it is going to balance the economy; it is going to be able to do the things we expect it to do in providing access to skills. It is part of the industrial strategy.

We see it as an integral part of the industrial strategy that Greg Clark has rolled out over the last two years. We definitely see it as doing that, and our responsibility, working with the Department, is to make sure that we take those considerations, and the criticism and scepticism, on board. When the Bill went through Parliament, across all parties, the majority was 270 against 12, with a number of abstentions. There are people who are less convinced about the need for HS2 than we are, or some of our colleagues are, but we believe that we will be able to prove conclusively that it is an absolute necessity for the country in balancing the economy and improving transport systems.

I have personally travelled in the north, as I am sure most people have, and there is a real need to improve connectivity. It is about trying to move people from their place of work back to home, and access for parents to children at school and access to grandchildren—all those sorts of things. HS2 will provide the backbone to improve the transport system in the north and help us to rebalance the economy within the UK.

Q34 **Graham Stringer:** Going back to your discussions with Chris Grayling, have you asked him directly if Cabinet support in the Government is solid and going to remain so?

Allan Cook: I have not asked him that specific question, but I note that two weeks ago there was a question put to the Prime Minister at Prime Minister's questions, about her Government's support for HS2. Her response was unequivocal: absolutely complete and total support of the need for HS2.

Q35 **Graham Stringer:** You mentioned that there had been large parliamentary majorities for HS2 in the different votes. Have you had meetings with Andy McDonald—Labour's shadow Transport Secretary—and other Transport spokespeople from different parties?

Allan Cook: I met Andy McDonald yesterday. I met him last week and I met him yesterday. We obviously share enthusiasm for the programme. He was keen to impress on me the need to work with Transport for the North, Northern Powerhouse Rail and other interested parties in the west midlands, the midlands, Birmingham, the east midlands and the north-east, leading into Scotland. We are delighted to do that. It is an important part of my responsibility to make sure that we keep all parliamentary parties aware of and up to date with the current programme. We are committed to working with Northern Powerhouse Rail and Transport for the North because we and they believe that HS2 is an integral part of their strategy too.



- Q36 Ruth Cadbury:** In terms of stakeholder engagement, there have been a number of concerns, from the phase 2a Select Committee, for instance, and specifically the independent Residents' Commissioner, on the quality and process of HS2's engagement with communities, property owners and so on. This has been going on since 2015, and I see that even her recommendations in October 2018 seem to be to implement things that seem fairly basic like a booklet on the CPO procedure and adequate engagement officers for property owners.

I see the HS2 response to that, but there do not seem to be any timescales. How confident can those people be, who inevitably are going to be affected by this very major infrastructure scheme? Do you have timescales for the improvement of communication with those affected?

Allan Cook: We have improved our community engagement, certainly over the last 12 months. We have actually engaged with over 2,000 people in the community.

- Q37 Ruth Cadbury:** Could you specifically pick up on the recommendations she has made and say when they are going to be implemented?

Allan Cook: The answer is that they will be implemented as soon as we possibly can, dealing with the individual people involved and the communities involved. If there are specific areas that have specific requirements, I am more than happy to take those requirements away and come back to you with a firm and definitive answer.

- Q38 Huw Merriman:** I want to ask whether we have somewhat lost our bottle in terms of delivering big infrastructure projects in this country. We are now so taken over by lobbyist court action that it seems incredibly difficult to deliver big projects for the long term. Would you agree with that? If you do, is there a concern that this project will never, ever get delivered?

Allan Cook: I do not agree with that. Over many years, this country has been responsible for delivering some fantastic programmes very successfully: HS1, Eurotunnel, extensions to the motorway and infrastructure areas and the Olympics—big, complex programmes. I do not think we have lost our bottle. We have a very talented workforce and skill base. In many areas, the UK is held up as an exemplar. If you travel extensively internationally—I do a lot of work in the middle east and the far east—and see what is being done in those regions, you will see a high proportion of companies and people from the UK involved in those programmes. I do not think we have lost our bottle at all.

Undoubtedly, the investment we make in this programme, HS2, over the next decades will be transformational over generations. I do not think anybody should be under any illusions; the investments we make now will be transformational for generations to come, and we will see that.

I happen to live in North Queensferry, and every time I am there, which is a lot, I look out and see the impact of three centuries of bridges being



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built over the Firth of Forth. There is amazing technology, engineering and commercial capability. I was intimately involved with the Eurofighter Typhoon. When I see the work that has been going on with the aircraft carriers and in infrastructure, I do not think we have lost our bottle. It is probably the most ambitious programme, but the prize at the end of it will be absolutely fantastic. It is going to rebalance the economy within the UK. The estimates are that we will add somewhere close to £93 billion to the UK economy. From my point of view, and being involved in that side of it, I certainly have not lost my bottle.

Q39 Ronnie Cowan: Earlier, you outlined the benefits of connectivity that HS2 will bring to the north. I am delighted to hear that you are now living in Scotland. You have engaged with Andy McDonald, but have you engaged with the Scottish Parliament at all?

Allan Cook: We have not so far, but it is on my list. I have lived in Scotland for over 40 years. Although my accent is north-eastern, I have lived in Fife for over 40 years. My daughters were educated and live in Fife, and went to university in Fife. That is where my home is. It will be my great pleasure to engage with the Scottish Government. They are enthusiastic about the programme because they see the benefits that will come through in Berwick, Glasgow and Edinburgh. Eventually, we will see the benefits of improved connectivity there.

Ronnie Cowan: I am sure Michael Matheson would be delighted to talk with you.

Allan Cook: I am sure he would.

Q40 Ronnie Cowan: You've got to stop referring to Sunderland as the north—there's an awful lot north of it.

Allan Cook: I am very much aware of that, because I live further north. By definition, Sunderland is in the north-east of England. I happen to live in east Fife.

Q41 Ronnie Cowan: Are you hopeful that HS2 will find its way all the way to Glasgow or Edinburgh, the central belt of Scotland?

Allan Cook: Eventually, there is a real desire to improve connectivity, certainly if you speak to people in Scotland. I travel extensively in Scotland by rail. I think it can be improved and HS2 can help to make that improvement. The question is, what would be the timescale and the appetite for the investment that will be necessary to make the continuation? Undoubtedly, even taking it, through 2b, to Sheffield and Leeds on the eastern leg and into the east midlands will help communication in the north-east, and help the situation and communication in Scotland through Edinburgh and Glasgow.

Q42 Ronnie Cowan: You mentioned the South Queensferry crossing as well, which is a Scottish Government project.

Allan Cook: Yes.



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Ronnie Cowan: It is funded by the Scottish Government and is on time and on budget.

Allan Cook: I know.

Ronnie Cowan: Brilliant. We can do it.

Allan Cook: Absolutely. That is why I am certainly not of the opinion that we have lost our bottle.

Q43 **Chair:** Is it important, Allan, that we connect up the east coast as we do for the west coast? I have seen some maps that suggest that the main benefits are up the west coast and off that edge. Shouldn't we also be looking to strengthen connectivity through the east midlands, Leeds, Newcastle and Edinburgh?

Allan Cook: Somebody reminded me this week that if you look at an aerial photograph of the UK taken during night time—you can do that through Google—you see that the conurbation that exists on the east coast has a higher density of lights. Basically, the work that goes on in Middlesbrough, in Teesside, on Wearside, in rejuvenated Newcastle, right the way through to Berwick and up the coast to Edinburgh, into Fife through Dundee and then to Aberdeen shows that there is a real desire to work on both sides. We need that connectivity on the east coast, through the east midlands and Nottingham and into the north-east of England, leading into those sorts of areas. There is a real need to see that develop. That is where the work we are doing with Transport for the North and Northern Powerhouse Rail is crucial to what we are trying to do with HS2.

Q44 **Ronnie Cowan:** It is fair to say that HS2 has been challenging. It has been accused of being a waste of money and of making promises that it cannot fulfil. How much support would you say that HS2 has from the public, local authorities and businesses?

Allan Cook: There is a strong level of support. Like many things, it varies, but generally the level of support that I have seen, and the organisation has seen, has been very supportive.

Q45 **Ronnie Cowan:** The public are not very supportive. A ComRes poll showed that two thirds of British adults do not think that HS2 will benefit them personally. Three in five British adults think that HS2 is poor value for money, and four in five British adults think that HS2 will end up costing more than the projected £56 billion.

Allan Cook: We have a lot of work to do to persuade them that they are not correct in their assessment.

Q46 **Ronnie Cowan:** Why is there such a bad image? Is this place partly responsible?

Allan Cook: Parliament?

Ronnie Cowan: Yes.



Allan Cook: As with any complex and challenging programme, it is a large sum of money; £55.7 billion is a huge amount of money, but the cost benefits are clear for everybody to see. For every £1 we invest, we get a return of £2.30. The economic benefits are there, and maybe we just have not done a very good job in selling to the public the benefits of what HS2 is going to do, not only for Nottingham, Sheffield, Newcastle, Manchester and Birmingham but for the whole of the UK.

One of the things that HS2 will do is provide the opportunity for people to move their place of work from the home counties to other parts of the UK. We already know that London is overheated. We have 8 million people in London, likely to grow to 10 million in the next decade or two decades. The infrastructure in London is already under stress. This is an opportunity, and part of the solution is by utilising the skill base and innovation in other parts of the UK.

Q47 **Ronnie Cowan:** The alternative argument has been made that HS2 has been built to service London, and that all it will do is bring people within commuting distance down here to work.

Allan Cook: If you speak to people in Birmingham, the midlands and the east midlands, they do not see that at all. What they see is an opportunity to bring people from the home counties into the area and make it easier for businesses to develop.

The economic benefit generally in the regions is probably close on 500,000 new jobs being created in Birmingham, the east midlands, the west midlands and the north-east. It has economic value. If we take a look at Leeds, for instance, and their strategy for growth, we are talking about something like £45 billion of economic benefit created by improved connectivity by 2050. HS2 is part of that solution. Leeds Council and the Mayor of Leeds see HS2 as an integral part of their strategy for growth.

Q48 **Ronnie Cowan:** In terms of keeping the public happy, you have upset my friends in the cycling lobby because you have rolled back on a legal commitment to provide cycle crossings along the route.

Allan Cook: I am unaware of that. I will certainly take that away and look at it. We have already set aside, within the funding envelope, millions of pounds for improvements in road safety, which includes cycle paths, and so on, to improve the environment.

Q49 **Ruth Cadbury:** I am surprised that you were not aware that there is a reining back of the cycle provision, both along the route and across the route. The benefit cost with the cycling facilities comes out much, much better than just HS2 itself. Do you see HS2 as a piece of infrastructure in itself or as an integrated part of our transport network? If it is the latter, surely HS2 needs to ensure that the investment is there for all forms of interconnecting transport.

Allan Cook: It is undoubtedly the latter. It is not the former. We see it as part of the integrated network. In fact, we recognise that we need to



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work closely with communities on providing alternative means of transport. We are absolutely committed to doing that.

- Q50 **Ruth Cadbury:** Can we ask you to ensure that the project is not de-scoped in terms of cycling and the other forms of transport that connect with it and run along it?

Allan Cook: I would like to give a commitment that we will look at that area very closely. I need to take this away and understand it exactly. I will come back to the Committee with a firm answer on that.

- Q51 **Ronnie Cowan:** The notice to proceed with phase 1 of HS2 needs to be triggered this year. Can you explain to us what that is?

Allan Cook: Yes. It means that we can actually then let the contract for the main construction works that need to go on in phase 1. Getting approval for the notice to proceed means that we can let contracts with our main suppliers, to ensure that we deliver the programme against the schedule we are committed to.

- Q52 **Ronnie Cowan:** My understanding, thanks to our very well-prepared brief, is that there are three main tests you have to pass: management capability, affordability of contracts and robustness of the revised business case. Are you confident that you will pass all three?

Allan Cook: Yes, absolutely.

- Q53 **Ronnie Cowan:** If HS2 were not to proceed, how much of what you have spent of the estimated £5.5 billion could be recouped?

Allan Cook: To date, we have spent £4.6 billion. I do not think it is a case of whether HS2 will proceed. I think it is a case of how HS2 will proceed. From my point of view, I have not done any analysis of how much of that money can be recouped, and I do not believe my team has. Some of it is indirect costs. Some of it is down to evaluations of the land we are involved in. Some of it is involved in land and property. At this point in time, it would be very difficult for me to give you a specific answer as to how much of that investment of £4.6 billion we would be able to recover.

Ronnie Cowan: But you have signed contracts for the construction phase.

Allan Cook: Yes.

- Q54 **Ronnie Cowan:** Could that be recouped? I am thinking of Carillion. Carillion seemed to have the attitude that they were too big to fail.

Allan Cook: We are obviously aware of the situation with Carillion. With the partners we have now—they are joint venture partners—we are very confident that we have the strength and the supply chain to be able to address those issues.

- Q55 **Ronnie Cowan:** Earlier, we touched on procurement. Are you confident



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about HS2's procurement practice, given the legal challenges by Talgo over the train contract and by Bechtel over the Old Oak Common contract? Do you have concerns about future contracts?

Allan Cook: No. I am very confident that we have robust and solid procurement processes in place. It is not possible for me to comment on specific cases because, obviously, there would be legal implications, but I am certainly confident about the procurement processes that we have in place across the HS2 community.

Q56 **Ronnie Cowan:** If you cannot comment on a particular contract, can you comment on a particular process for you to power the line via specially constructed wind farms?

Allan Cook: We looked at all possibilities to improve energy consumption and the efficiency of the system. The conclusion was that providing energy from wind farms would not meet the requirements of the system.

Q57 **Ronnie Cowan:** When do you expect to award contracts for the track and overhead system works, the tunnels and the lineside mechanicals?

Allan Cook: I think it is down to when we actually get the notice to proceed.

Chair: We want to look at questions around scope and costs.

Q58 **Jack Brereton:** First, I would like to ask a bit more about integration. The Secretary of State and the DFT have recognised the importance of classic-compatible services to serve a number of locations, particularly my own area of Stoke-on-Trent. What work have you been doing, and what are you going to do, with Network Rail to ensure that the classic network is upgraded to a standard that will ensure that those services can proceed?

Allan Cook: We have a tripartite agreement with the Department, Network Rail and ourselves. We have regular meetings and discussions about how integration for HS2 works with the rest of the Network Rail organisation. I am confident that we have in place the processes and procedures we need, through that tripartite agreement, to make sure that we interface correctly with Network Rail.

Working with HS2 on a stand-alone system is only one part of the answer. It has to be integrated with the rest of the rail system. That of course means that we have to work very closely with our colleagues in Network Rail.

Q59 **Jack Brereton:** What scale of work do you think could be needed to carry it out on the rest of the network? Are you concerned that there might be other consequences, such as moving bottlenecks from one area of the network to another if it is not integrated properly?

Allan Cook: I can give an example. We have already started work in Euston. We have a joint integrated body with Network Rail to make sure that when HS2 trains arrive at Euston they are fully integrated with the



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work that is going on through Network Rail. That is an example of the work that is going on.

I anticipate and expect that. Indeed, there is already a lot of work going on in the area in collaboration and co-operation with Network Rail. It is an ongoing and important part of the programme.

Q60 Jack Brereton: Are the reports true that the number of platforms to be constructed at Euston as part of phase 1 is going to be reduced to six?

Allan Cook: Within the scope, we have agreed on the number of platforms. That is what we have in the programme. That is what we are working to now. I met Sir Peter Hendy from Network Rail about three weeks ago. There are ongoing conversations at a very senior level about what that work needs, and what we need to be doing with Network Rail.

Q61 Jack Brereton: I recently met the Rail Freight Group, who have raised particular concerns about the impact on their freight paths as a result of HS2, particularly how the network will integrate in the north with the conventional network. What work have you been doing to look at potential bottlenecks, where it integrates in the north, to ensure that we do not lose future freight paths?

Allan Cook: We have a dedicated team working on 2a and 2b, which incorporates the freight network as well as the passenger network, as you would imagine. We are working very closely with the rail franchises to make absolutely certain that the systems we have in place meet the requirements for them. One of the advantages of HS2 is to improve not only the passenger experience but the freight experience too, with more freight on the network and more freight being transferred north, south, east and west; and trying to improve the situation on the road systems.

Q62 Jack Brereton: I want to move on to issues of cost and delivery. When your chief executive spoke to the rail APPG, he suggested that you do not yet have a scheme that can viably be delivered within the agreed budget envelope. How do you project that you are going to address the issue of overspends in the budget?

Allan Cook: It is absolutely clear that the budget agreed in the 2015 spending review was £55.7 billion, with the schedule and the scope that goes with that. The challenge that Mark Thurston referred to was in terms of how we could work with our supply chain to make sure that we were working within that envelope.

My responsibility, as chairman, is continually to assess where we are in the programme and then feed back to the board and subsequently to the Department about where we are in the programme. The ongoing assessment that I carry out is absolutely natural in any professional organisation dealing with large programmes with a degree of complexity. It would be expected that we would continue to assess whether or not we are actually providing value for the taxpayer in delivering HS2. It is absolutely clear that the 2015 spending review laid down £55.7 billion as



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the envelope we were working to. That is the challenge that HS2 faces; that is the challenge we are dealing with now.

- Q63 **Jack Brereton:** Your predecessor, Sir Terry Morgan, told the House of Lords in January that “in the triangle of scope, cost and time, something has to give.” What would you suggest is going to give to keep you within that budget envelope?

Allan Cook: The triangle is correct, but we are very clear about the demands laid on us from the taxpayer, and indeed from the Department. We have a very clear mandate for the cost, the scope and the schedule. There is an ongoing process of assessment of where we are. Those three are absolutely interlinked. In addition, we are making sure that we are delivering a reliable programme and a reliable system for the UK taxpayer.

- Q64 **Jack Brereton:** But you acknowledge that something has to give to keep you within that budget envelope.

Allan Cook: As I said, there are three aspects. At this particular moment in time, we are working within those three parameters; cost, schedule and scope are completely interlinked. At this moment in time, taking on board the assessments that are carried out on a regular basis, that is the scope, schedule and cost that we are working to.

- Q65 **Jack Brereton:** If those changes are made, obviously it will have an impact on the benefit-cost ratio, which is already pretty low on phase 1—1.4 without WEIs—so it will be pretty poor value for money if there are further reductions. What would you see as the impact of changing that scope?

Allan Cook: I think £2.30 for every £1 of investment is very good value for the taxpayer. Of course, as the Secretary of State said, the option of doing just phase 1 and not doing phase 2 would be a complete betrayal. What we are looking at in the programme is the entirety of the programme, and the fact that we are going to deliver £2.30 for every £1 we invest.

As I said earlier, we are making these investments over at least two decades moving forward—three decades if you include the money we have already invested—but the benefits will be seen by generations. We have to look at value for money for the taxpayer. That is absolutely critical. We also need to make sure that we do not lose sight of the prize ahead of us: rebalancing the economy, improving the experience of transport within the UK and helping to generate close to £93 billion in economic value to the country. That is the sort of prize we are looking to achieve.

- Q66 **Jack Brereton:** On value for money, I am sure you are aware of the proposals that were put forward as an alternative for the Stone IMBR at the phase 2a Bill Committee. If those proposals proved that there was an alternative scheme that was more feasible and could be delivered



cheaper and with less disruption, would HS2 adopt that scheme?

Allan Cook: We have been very clear that we see HS2 as the backbone of rail infrastructure within the UK. It is not really just about delivering HS2 and a question of whether or not we can deliver the work going on in Transport for the North or Northern Powerhouse Rail. Our position has been, and continues to be, that it is not a case of either/or; it is a case of needing to do both. In the north, we need to do both of those things.

Q67 **Jack Brereton:** You have not really answered the question about that particular scheme as part of the network. That railhead serves the entirety of phase 2. If there was a cheaper alternative that could be delivered in a more feasible way, would HS2 support such an alternative?

Allan Cook: We are always open to looking at different schemes that could enhance value for money. Even where we are in the programme, we would be remiss in not looking at alternative options or opportunities. The answer is, yes, of course we would look at other options.

Q68 **Jack Brereton:** In terms of the wider benefits, do you think the £56 billion budget for HS2 should include some of the wider growth strategies and some of those additional things? We have already mentioned the national college. Do you think they should be included within HS2's budget?

Allan Cook: In other words, it is calculating how much benefit we are receiving. I think you would find that, if we incorporated those advantages into the benefits, the benefit ratio would increase. From my point of view, we would see improved benefits overall. It is very difficult to actually quantify it for the college for skills. We are talking about working very hard for the future and making an investment in skills for the future. How do you put a value on that in terms of what we would do? Even if we did not have HS2, would we still be doing that?

Q69 **Jack Brereton:** But should those be included in your wider budget, particularly some of the local growth strategies? Some of the work is not necessarily currently included in your budget and is going to be done through other organisations such as Network Rail and local authorities. Do you think there is a need to quantify that in your own budget?

Allan Cook: I believe that the Department will look at the whole thing in the round. It is not only transport that is involved, of course. Our main stakeholder is the Department for Transport, but you would see the benefits throughout the community. You would see improvements in education and in part of the industrial strategy through BEIS. We would need to go back to the Department and find out whether or not that would work in the algorithm they use to determine whether or not you are delivering that value.

It would be very difficult to put a figure on that at this particular point in time. What is easy to see is that for every £1 you invest in HS2 we are generating £2.30 return. That is very clear, very transparent and very



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straightforward to calculate. If you incorporate other parts of it—for instance, the growth strategy in the east midlands, Birmingham or Leeds—it becomes very difficult to quantify exactly what you are getting for your £55.7 billion.

- Q70 **Jack Brereton:** Finally, I want to ask you about the spoil that is excavated and the traffic assessments. The chief executive of HS2 indicated at the meeting of the APPG that the figure of 90% previously used by HS2 for reusing excavated spoil and waste, which was originally forecast by HS2, is slightly naive. Could you indicate whether HS2 still stands by reusing 90% of the spoil within the scheme, or has that figure now changed?

Allan Cook: I have seen no communication or indication that that situation has indeed changed.

- Q71 **Jack Brereton:** If it changed, would you predict that there would be an impact on some of the traffic assessments?

Allan Cook: Naturally, there would be an impact. What that impact would be is extremely difficult for me to say unless and until we decided what the reuse was going to be.

- Q72 **Jack Brereton:** I believe that a 1% variance would roughly equate to 250,000 additional vehicle movements. You would agree that it is pretty significant.

Allan Cook: It is, yes. It would be significant, but, trying to quantify that at this moment in time, I have seen nothing in HS2 so far that indicates that we have moved from that 90%.

- Q73 **Chair:** I want to come back to the point Jack was exploring about what is included within your budget, given what is included on the other side of the benefit-cost ratio. The cost is what HS2 is spending, but, when we look at the benefits, that 2.3 BCR includes the wider economic impacts. Of course, some of those wider economic impacts will come through local growth strategies. The west midlands is already talking about spending an extra £3.3 billion. Is it right to include the benefits if you are not including the costs?

Allan Cook: We certainly should not be double counting. If we are looking at the situation and saying, "Well, we can claim the benefits in HS2 and also claim the benefits in some of the regional growth strategies without including the costs," clearly that is wrong. We would need to understand exactly what was included in the economic evaluation of HS2. If we are including the benefits from Leeds, Manchester or Birmingham without including the associated costs, it is a little bit disingenuous.

- Q74 **Chair:** When do you think you will publish a revised business case?

Allan Cook: I have nothing that says we are going to publish a revised business case. I report on a monthly basis through the board and therefore into the Department. There is ongoing assessment in the



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programme. Obviously, we are involved in key milestones, such as the phase 2a Bill, the hybrid Bill going through Parliament; and then 2b. There will be milestones that we are working towards on an ongoing basis, but there is nothing in the schedule that I have seen that is a revised business case.

Q75 Chair: Will there be a revised cost estimate? Currently, it is not in 2019 prices. At what point might it be revalued to reflect those prices?

Allan Cook: As the incoming chairman, one of the things I am very keen to do, and will continue to do, is to assess the state of the programme. That includes the figures on cost, the scope and the schedule. I report that to the board and subsequently to the Department for Transport. It is an ongoing iterative process. It is the sort of thing you would do on any large programme; you continually assess where you are in terms of cost, scope and schedule.

Q76 Chair: I will come back to my question, Allan. When do you think you will be publishing that revised cost estimate with up-to-date prices? Given that the £55.7 billion was in 2015, it will have gone up now because prices have gone up. When will it be revalued in 2019 prices?

Allan Cook: We provide that sort of information on the programme to the board and then subsequently to the Department for Transport. It is then up to the Department for Transport to say, "We need to make a statement about where we are with regard to the programme in general."

Q77 Chair: What do you expect from the spending review later this year?

Allan Cook: I expect and anticipate continued support for HS2.

Q78 Chair: Are you expecting more money? Are you expecting them to increase the amount? You talked earlier about the fact that you have this cost envelope and there are three sides of the triangle. There is the scope of the envelope and the schedule to which you are expected to deliver, with it opening in 2026. Potentially something has to give. Is the spending review going to make that envelope bigger, enabling you not to have to make changes to the scope or schedule?

Allan Cook: I have had no indication from the Secretary of State or the Department that there is more money being put forward either from the Department or indeed from the spending review.

Q79 Chair: If there is no more money, aren't you being a bit over-confident in saying that you will not have to de-scope or take longer? Everybody is saying that that is very challenging. When Mark Thurston came to the APPG, he suggested that he could not hold together the three sides of the triangle. What is your view?

Allan Cook: My view is that the budget was set. Mark acknowledged that there are a number of challenges. As an organisation, we are working hard to provide solutions to those challenges. We will continue, and I will continue, to assess the programme on a regular basis. If there is indeed



a case where we cannot deliver, it is incumbent on us, in terms of openness and transparency, to go back to the board and subsequently to the Department and explain where we are. That is on an ongoing basis.

Q80 Chair: But, at this moment, you are anticipating that you will be able to deliver the full scope of the project and the speed it is meant to go at, because that is being talked about. People have talked about the speed being 50 kilometres per hour less. At the moment, you are working to the assumption that the project will be delivered at the speed that is set out, on the network that is set out and to the timeframe set out.

Allan Cook: I am working to that assumption, exactly as you have said.

Chair: Huw, I think I stole your question. Do you have another one?

Huw Merriman: I don't, actually, and Ronnie stole the other one. I know that doesn't normally stop us in this place. I think Ronnie's got the last question.

Ronnie Cowan: No, we've covered Scotland.

Chair: As there are no further questions colleagues want to raise, Allan, thank you very much for coming before us today. I am sure we will have you back at a future time.

Allan Cook: I look forward to it. Thank you.

Chair: Thank you.