HOUSE OF COMMONS

Transport Committee

Oral evidence: Integrated Rail Plan, HC 974

Wednesday 23 March 2022

Ordered by the House of Commons to be published on 23 March 2022.

Watch the meeting

Members present: Huw Merriman (Chair); Mr Ben Bradshaw; Ruth Cadbury; Karl McCartney; Grahame Morris; Gavin Newlands; Greg Smith.

Questions 182–217

Witnesses

I: Sir John Armitt CBE, Chair, National Infrastructure Commission; and Sir Peter Hendy CBE, Chair, Network Rail.

Examination of witnesses

Witnesses: Sir John Armitt and Sir Peter Hendy.

Q182 **Chair:** This is the Transport Select Committee's final day taking evidence on the integrated rail plan. We have had a number of sessions prior to today. We have visited Leeds and Bradford as part of our inquiry. We are delighted to see our first panel of esteemed witnesses. Perhaps I could ask them to introduce themselves for the record.

Sir John Armitt: Good morning. I am John Armitt, chairman of the National Infrastructure Commission.

Sir Peter Hendy: Good morning. I am Peter Hendy, chair of Network Rail.

Q183 **Chair:** Sir John and Sir Peter, a very good morning. Thank you for being with us for the next hour. We have plenty of questions to go through. By way of an opener from me, could you very briefly explain the interaction you have had on bringing the integrated rail plan into publication? Is it now set in stone, or is there still some flexibility in how it gets delivered? Sir John, shall we start with you?

Sir John Armitt: Following the Doug Oakervee review, we were asked by Government to examine the options for taking forward an integrated rail programme for the midlands and the north. We set about that, basically, by talking to a lot of people and taking evidence from different organisations, but going forward on a series of options.

In a sense, what we did was to prepare a menu for Government. We said: "Well, if you spend this amount you will get that, and if you spend that amount you will get that." We presented a series of options from which Government could then, along with other evidence that they were taking from Network Rail and others at the same time, draw up their own programme and plan, which was then subsequently published. Our role in all of this ceased when we handed over our schedule or menu of options.

Q184 **Chair:** Does that suggest that, as far as you are concerned, this is it, and it is a question of delivering to that plan, or is the plan likely to see substantive amendments? Would you expect to be involved in the design and advice on that?

Sir John Armitt: The Government set out a plan which clearly is a very significant investment and which, in itself, will take 20 years. Within that, as we said, there are further elements of some different people's views as to the scale ultimately of what needs to be done. We said that, rather than make a decision about all of that today, you are better off taking what has been termed an adaptive approach, and as the years roll by, looking at how those different schemes might be brought forward and folded into the plan. Certainly, I would have thought that for the next five to 10 years the plan, as it stands, is largely going to be the plan.

Q185 **Chair:** Sir Peter, as chairman of Network Rail you will be delivering that plan. Have you been lockstep in how the plan was designed?

Sir Peter Hendy: My history in this is that I was one of the panel that Doug Oakervee had for his report about HS2, which the Prime Minister asked him for. I am familiar with the conclusions that he reached, including the important one that resulted in the work that John has described to you. Doug observed, and I fully agreed, that the planning for HS2 had failed to take into account the close connection with the national railway network, of which it is inevitably going to be regarded as a part, and therefore looking at the north and the midlands holistically would be a good idea.

I was there for that. The National Infrastructure Commission did their work, and our officials at Network Rail worked with the Government on the IRP, but it is their plan and not our plan. It having been published, what the people who work for Andrew Haines and I at Network Rail are now doing is working out how we can move forward on what is an absolutely massive programme.

You will recall from other evidence on other occasions that the railway industry would like to invest a lot of money, but our current spending is about £2 billion a year. If you look at the size of the IRP projects, whether or not there should have been a £90 billion programme or a £100 billion programme, we have to sort out what to do and how to do it. That is a considerable challenge. It is not that it cannot be done, but we need to find a cost-effective way of delivering it in the short to medium-term future.

Q186 **Chair:** We published a set of recommendations after our inquiry on transport infrastructure. Indeed, Sir John, you very kindly gave evidence. In that, we talked about how politicians are very good at delivering plans and then it is the industry's fault when they do not get delivered to time and budget. Are you confident that everything you see for the plan is actually what the engineers would come up with rather than politicians?

Sir Peter Hendy: Obviously, in preparation for this I talked to our people. We are already on the ground with the trans-Pennine route upgrade, which started as quite a small project and has now become at least an £8 billion one. We are using every effort we can to make sure that that does not result in what happened with the Great Western, which is that scope, cost and time creep make a good project a bad one. That is on the ground.

There are other early deliverables which we have to sort out. You should not start any piece of work until you have the scope right and you understand what the costs and timescale should be. There are things that we can start. One of the things that you notice about the comments following the IRP publication is the huge thirst to get something done in the north of England. There is no contradiction, but on the one hand a 25-year plan is a fantastic thing to have and, on the other, you have to

start somewhere, and you have to sort out the things that can be started fairly early on. This elephant has to be cut into pieces for us to consume and do it in a way that is cost-effective and delivers some results. There is a lot of work going on now. Regardless of what the total estimated cost of the IRP is—whether it is £90 billion or £100-and-something billion—the railway supply industry is going to struggle to do a great deal more than the money we have spent in the recent past.

Having said all that, it is great to have a long-term plan. I am sure that if not I, then certainly Andrew Haines, have been in front of you on other occasions lamenting the fact that too often the railways have no plan.

Q187 **Chair:** In the three minutes I have, as an opener to all of the aspects that we are going into, the plan seems to be heavily focused on reducing journey times. If you look at some of the business case scenarios, which interestingly from the annex are still not realised, money seems to come from freeing extra capacity, which can only really be delivered by delivering brand new lines. Are you concerned that there is too much emphasis on reducing journey times and not enough on reliability, durability and freeing up new local lines for local routes?

Sir Peter Hendy: If I may, I think it is understandable that it concentrates on journey time. If you go right back to the initial work done by Transport for the North, which I think was not particularly good work, it absolutely concentrated on journey times between major cities. It regarded both frequency and reliability as very secondary. In fact, all of our experiences of journeys by rail are a mixture of the three. They are a mixture of journey time, reliability and capacity. Indeed, you do not have to recall very far back that the real scandal of Manchester to Leeds was not that the journey time was not very fast; it is that the trains were too small. People had to stand up; they had no internet connectivity; and they could barely move in the peak hour. That is where a lot of this came from.

Of course, journey time is desirable. It is a catchy name for HS2 to call it a high-speed railway, but as you say the real benefits are about capacity and frequency. An aspiration for six trains an hour between Manchester and Leeds is phenomenal. That is better than the north end of the Metropolitan line. It will mean that you can turn up in Manchester and be guaranteed a fast train to Leeds. Hopefully, it will have enough room to sit down.

I think you are right. The IRP document, because it is so big, goes into that a bit. Connectivity is about a mixture of speed and frequency.

Chair: I have come in early to my destination. Sir John, Ruth will bring you in now because we are going to look at the rail needs assessment, which was very much your publication.

Q188 **Ruth Cadbury:** Sir Peter and Sir John, thank you for coming today. Sir John, the NIC published the rail needs assessment—the RNA—for the

midlands and the north in December 2020. You set out five packages of rail schemes focusing on upgrades, prioritising regional links and prioritising long-distance links. How effective do you think the Government's response to the rail needs assessment has been?

Sir John Armitt: Essentially, they have picked the middle option in terms of cost. I think it was the right decision for the focus on the east-west connectivity. In the UK rail network, the north-south connection has always received most of the attention and the east-west ones less so. Our own analysis suggested that, in fact, improving that connectivity and capacity, and improving journey times as Peter has just been saying, between cities across the north, from Liverpool right across to Leeds and York, were the ways in which you got the most benefit.

If you were saying, "I can't have everything, so how do we slice this pie up?", we looked at three options. One was limited to some upgrades in addition to the full HS2 and then saying, "Well, you could put more focus on improving east-west connectivity and improve the budget by 25%," or, "If you want to give everybody everything they would like, then it is going to be at least a 50% increase on the available funding and probably more."

Peter has just been describing the challenge of delivering the £100 billion. Delivering £150 billion in the timescale would clearly probably even be beyond the capacity of the industry anyway. I think where we have finished up, which is the middle road, is not perhaps surprising. It is one that provides the optimum benefits in connectivity north-south but, more important probably, improved connectivity east-west in both the midlands and the north of England.

Q189 **Ruth Cadbury:** This Committee has had representations from stakeholders in the regions, including business and local government. Do you think the Government responded adequately and took sufficient account of the views of those stakeholders?

Sir John Armitt: I am sure they did. We all listened. Inevitably, if you are somebody based in any of those northern cities—Bradford, Sheffield or Leeds—you are going to bang the drum as hard as you can for your city. That is what we heard and what Government will have heard.

At the end of the day, as I used to say to them, "Look, I don't think it is going to be possible for everyone to have everything they would like." What we have to do is find a route which, in fact, tries to balance off the need to get the most we can out of HS2 in the period, but equally looks at how best we can optimise those east-west journeys and strike the right balance, particularly trying to deliver things, as Peter says, sooner rather than later. For example, if you went for the completely new route between Manchester and Bradford, it would take you longer to deliver any benefits than it would if you did what the Government have done, which is to adopt an increased amount of expenditure on the Pennines upgrade.

Q190 **Ruth Cadbury:** But in the long run would the more expensive schemes achieve more economic benefit?

Sir John Armitt: It depends how long your long run is. We are pretty long run as it is. This programme is going to take until 2045, and that is way beyond most people's time horizon. During that period, as we said, there is the opportunity to continue to look at the choices and options. This is largely about money. As money becomes available, we can say, "Well, what can we bring in now in addition to the programme we established under the IRP?"

On Peter's point, if you want to do these projects successfully, you do not start committing to them when you only have half the information. You need to have a proper understanding of the scope of works and the challenges involved. So much of this is the challenge of integration and how you integrate different elements of the railway. That is a real challenge. It is not straightforward. Even the smallest of additional junctions, flyovers, flyunders, or whatever you might choose to put on the railway, does not come cheap.

Q191 **Ruth Cadbury:** The complexity has been raised by the stakeholders. Is there now a whole load of extra work to be done to actually go through the detail of the IRP, which adds further time?

Sir John Armitt: Yes, there is an enormous amount of work to be done by the people in the delivery teams. This is now about delivery. As Peter has just been saying, there is an enormous amount of work to do in respect of that by the industry and not just by Network Rail. It is by Network Rail's consultants and everybody.

Q192 **Ruth Cadbury:** And choices, because there are different options for, say, Bradford and Manchester. Sir Peter, do you have anything to add?

Chair: Very briefly.

Sir Peter Hendy: I wonder if it is helpful if I tell you some of the broad detail, not the granular detail, of what we are looking at, starting on the early stuff. As I said, the trans-Pennine upgrade is under delivery and has got bigger as we started doing it. It will now include electrification, capacity for freight and further capacity for passengers.

There is more work to be done on the east coast main line. The digital signalling is already under way on the south end, but there is work at the north end, north of York up to Northallerton and Newcastle, and then some more work south of York, including speed increases, which are delicate things to do.

There is the electrification of the midland main line, which you will recall was paused and then stopped. Now it has started again, so we can get on with that. There is the midlands rail hub. I think you had Andy Street here. He has a very clear idea of what he wants to deliver. Of course, there is electrification and capacity from Leeds to Bradford.

That is not an inconsiderable list of things to get on with currently. We know that that is what the Government want, as well as Transport for the North and its stakeholders in the north of England. We are getting on with that lot. That is a pretty full programme in itself just now.

Chair: Thank you very much. We would like to ask about the construction timelines involved in the integrated rail plan, and Grahame Morris will do so.

Q193 **Grahame Morris:** These are really the engineering challenges. The Committee recently visited Leeds and Bradford, and we saw some of the magnificent Victorian viaducts and the railway infrastructure that we are so rightly proud of, but doesn't that in itself present issues about resilience and whether it makes sense economically to upgrade the existing infrastructure rather than go for new build? We saw some of the elevated sections from Leeds to Bradford. It is not straightforward to upgrade that without causing enormous disruption.

Sir Peter Hendy: I have seen a lot of debate about whether or not it would be better to build a new railway over the Pennines from Manchester to Leeds via Bradford than it would be to upgrade the trans-Pennine route. You have to bear it in mind that all the submissions made by Transport for the North assumed both. They did not assume one or the other. Being practical about it, we had already started looking at the trans-Pennine route upgrade. It has got bigger, as I said. That makes it more complex, but it does not mean that it cannot be done successfully.

Of course, you are right that some of this Victorian engineering is magnificent, though some of it was badly designed and badly built. It will take quite a big job to adapt it, in particular to get electric wires through the tunnels and make them suitable for modern container trains, but it is not an inconsiderable job to build a new railway between Manchester and Leeds either.

I just wonder about the aspirations. I am very sympathetic to the economic proposition of Bradford, which is a young city with a lot of people looking for work. Better access would give it to them, but a new railway from Manchester to Leeds via Bradford is not going to make the lives of young people in Bradford any better this side of 20 years because it will take you that long to build it.

Q194 **Grahame Morris:** Perhaps I could put the same question to you, Sir John. We have seen the magnificent bridges, and the issues about tunnelling in the areas we went around in Bradford and Leeds. Are there particular issues in relation to city centre locations and urban locations when we are looking at the challenges of upgrade versus new build?

Sir John Armitt: Whether you are upgrading or new building, people want to go to the city centre, as we have seen with HS2 at Euston and as we saw with High Speed 1. High Speed 1 went through the middle of Ashford. There was no rational reason to do that. It cost £400 million more than if we had gone round the outskirts, but people are determined

to have the railway come to their town centre, or in the case of London or Manchester the city centre. Everybody wants the railway to their city centre. The moment you decide that, it becomes very expensive. Building an urban railway is a lot more expensive than building a rural one. Going into tunnelling becomes even more expensive still.

These are hard choices to make. Frankly, they are particularly difficult choices, if I might say so, for a politician. A politician is there to listen to the people, and if the people are saying "This is fundamentally what we would like to see and this is what we believe is a convenient railway for us," it is not something that you can ignore, even though it may take longer to build and may cost more.

You are trading off different disruptions as well. If you go for your new build, you will get howls of protest during the build process from all the people living on that line who are being disrupted by all the economic activity that is going on, in terms of lorries, losing their woodlands and all the other things that happen. If you can do it within the land take that Network Rail already has, it causes disruption at the weekends, particularly, and at other times to the current passengers. Either way, you are going to disrupt somebody. They are difficult decisions to make, but there is no doubt that the preference is for railways to go to city centres.

Q195 **Grahame Morris:** The upgrade option is not a soft or an easy option at all, is it? Nobody is suggesting that the two are mutually exclusive.

Sir John Armitt: It is not a soft option at all. It is far from a soft option, as Peter knows, and I know from my previous experience of Network Rail. The best way to do something is to close the railway, quite frankly. As we have seen in London on occasions, where elements of the underground have been closed for six months, you can get on and do the work much more effectively. People find alternative routes. Proposing to do that on the mainland railway never goes down well, so you finish up with night work, weekend work, Easter weekends and so on because the economic driver is the weekdays and not the weekends, at the end of the day. These are very difficult choices. You are trading off one group of people against another group of people.

Q196 **Chair:** Building on that, when a decision is made between going to a completely new line or upgrading an existing line, is proper account taken of the disruption and the unknown unknowns—in the sense that you can find so many different issues—versus the fact that with a new line, notwithstanding some of the issues you talked about, you are not going to have that disruption and you are building from new? In your experience, is that properly modelled?

Sir John Armitt: Yes, it is always taken into account. You could argue that it was one of the chief debates that clearly took place in the case of developing HS2 itself in the first place. To what extent do you just keep

on trying to upgrade the west coast main line, particularly, or do you build something new?

I am on record in the past as saying there is a limit to how much you can just continue to upgrade. There are occasions when you literally have to build something new. It will be incredibly reliable, as we have seen with High Speed 1. That is one of the benefits of building new. Much of our network in this country is 150 years old in terms of its foundations. The track has been changed many times and the signalling gets better. That enables us to improve the capacity of it. Signalling is what largely controls capacity at the end of the day. We also have a mixed railway in this country, with freight and passengers travelling on the same lines, so that—

Chair: I'll interrupt you because we are going to come to freight next. Apologies Gavin, I held you up. Gavin and Karl will look at the supply chain and delivery.

Q197 **Gavin Newlands:** Thank you very much. We have touched on some of this already. We can probably guess some of it, and obviously inflation is a big topic just now. What are the key challenges in your mind, Sir Peter, in delivering the plan, both on time and to budget?

Sir Peter Hendy: Some of the things in the IRP are quite well known. I have mentioned the trans-Pennine upgrade already. We already have people working on that. Increasing the scope is not easy to do, but at least we understand the boundaries of what we are trying to achieve.

There is a load of planning to be done on all of the upgrades to existing railways. Regardless of the aspiration to deliver them as fast as possible, if you do not do the planning properly, you never get a good result. We know exactly what all that is about. This Committee and other Committees in Parliament heard all about the Great Western upgrade, which was planned on the back of an old envelope and costed by somebody who should have thought better about quoting any money without doing serious work. We never want to be there again.

There is a huge amount of work to do. I am sure you are going to come on to this, but the point is that we also have to get the supply industry geared up to deliver it. If the electrification suppliers were in the room, they would be looking very askance at the midland main line electrification. They got ready for that. They were ready to deliver it. All of the tier 2 and tier 3 suppliers—the people who make the gantries and so on—were online. Then it was stopped and now it has started again. It would not be unreasonable for them to say, "Do you really mean it this time, or not?" I think the Government do mean it. We will be very keen to persuade them that this is a good basis to go forward with. Indeed, these projects will increase construction and railway supply jobs in the midlands and the north of England, which is really welcome.

Either way, as John was just describing on the last question, none of this is simple. If you build a new railway you have years of preparation, and probably years in this place of arguments about hybrid build. If you are going to do it to an existing railway, you have to gear up the supply chain and you must know what you are delivering before you start doing it. Nevertheless, one of the intentions of this, quite clearly, was to pinion railway investment away from the south-east of England into the midlands and the north. We will do that, and we are hard on these jobs to start preparing for them.

Q198 **Gavin Newlands:** You mentioned electrification. How important is it, in deliverability and budget for the scheme, that electrification costs come down? I have said before in this Committee that the costs in Scotland are roughly a third less than they are in England at the moment, and with a fairly achievable target in the short term of reducing that to almost half of what the current cost is in England. How important is that going to be, going forward?

Sir Peter Hendy: It is really important. The Scottish example is one that Andrew Haines and I think about daily because the cheaper electrification in Scotland has been achieved by having a consistently driven programme over many years. The results of it are quite well known.

We have learnt some lessons from that. We have also learnt some lessons from the hideous costs of the Great Western. If you now look at the plans for the midland main line—I was looking at something yesterday, though I am not sure I have brought it and we do not have time to find it—in the old days we might have knocked down dozens of bridges and replaced them. We are not going to do that now. We have methods of getting wires underneath bridges with much smaller tolerances. We also have techniques for raising the centre of bridges without completely demolishing them.

You are absolutely right that the railway industry, we Network Rail, and the supply industry must do better. We cannot afford to waste the money. We cannot afford the unit costs of what was done on the Great Western ever again.

Q199 **Gavin Newlands:** I am conscious that we need to move to Karl, but Sir John, what is the biggest variable in all of the potential costs, moving forward? Obviously, inflation and labour costs will put up material costs. What is the biggest variable to you, and will it be delivered on time and on budget? I am sorry that I asked you the hard question.

Sir John Armitt: Looking forward and saying what are going to be the biggest variables, you can only in a sense look back and say what turned out to be the big variables in the past. The big variables normally are lack of understanding of the scope and, very often, the unforeseen circumstances that can arise, particularly in groundworks. That is why Peter puts so much emphasis on the forward planning.

There is always a tendency in every project—it does not matter whether it is Government or private sector—for people to want to see building work started. There is pressure to get started before thorough investigations have taken place, and before you know where you are, you regret that.

Delay is expensive. Every time something happens which delays the works, whether it is a failure of understanding or the technical challenges that may arise, we tend to focus on the civil engineering all the time, as we have seen on Crossrail 2. It is the systems where the real challenges lie, and it is the systems where the opportunities, in many respects, lie. It is the systems which create the extra capacity, to a large extent, but these are very complex software systems, particularly in the signalling and the electrification. Engineers always tell you, "I've got a bright, new idea which is going to do it quicker and cheaper," to which I would say, "Beware." They are probably using your project to experiment on with their bright new idea, and your project then becomes the one that suffers the increased cost as the bright new idea is not quite as bright as they thought it was, or it has interface complications. Interface complications on the railway can be a major challenge, particularly when you are mixing old with new. I am afraid that all of those will challenge the skills and the budget on these projects.

Q200 **Gavin Newlands:** Is it deliverable on time and on budget?

Sir John Armitt: We do not know what the individual budgets are yet. We have £100 billion. It is not for me to sit here and say that in 20 years' time we will have spent only £96 billion or whatever the Government have forecast, given inflation. These are uninflated figures. It will cost more than that. We are not talking about a project. We are talking about a multitude of projects. Some of them will go very well and others will, undoubtedly, be a bit of a big zero at the end of the day for all the reasons I have been describing. I am not going to sit here and say, "Yes, it will all be finished on time and on budget."

Sir Peter Hendy: What you could say, if I might interject, is that having a programme to do this, and being assured that the programme will run from project to project, is a much better way of getting this stuff done at a reasonable cost, and a much more likely guide to getting it done on time. For all the criticism of the IRP, the railway industry is extremely grateful to have such a decent, long-term statement of intent. It makes it much more likely that the individual items in it will be delivered at a reasonable cost and within a reasonable timescale.

Gavin Newlands: Thank you.

Q201 **Karl McCartney:** Good morning to two knights. You do not often get to say that.

You both have a plethora of experience within the industry. I want to drill down a bit on supply chains. You both touched on it a little bit with what you have just been discussing in Gavin's questions and the answers you

gave.

Regarding the workforce, raw materials, the skills and perhaps the budget, there is obviously a critical path analysis for projects. There might have been some key milestones in those. Have they changed with what has happened in more recent months? What are the hiccups in the critical path analysis now? Where do you see the supply chain either being positively or negatively affected, as we look forward now?

I realise, as you just said Sir John, that we have 20 years and we do not have crystal balls, but with your experience so far, what do you see as the problem with the supply chain? We could probably go on for hours, but in a nutshell could you give us the benefit of what you see?

Sir John Armitt: Frankly, how long have you got? Let's just take something as simple as steel. Steel is significantly influenced by energy prices. A lot of the steel will come from outside the UK. The delivery and the cost of that will be subject to all the global pressures that we see at the moment, which, hopefully, are short term, but will continue in some form or other.

You can hedge that. You can say, "I'm going to spend a lot of money up front and get my orders in now at lower prices." You then obviously have to store it and make sure you are buying the right thing. Cement is another example of material cost risk. In any project, you are trading off between cash flow and waiting to order almost just in time. At one extreme, you are buying, maybe, two years ahead of when you are going to need something. In the industry today, if you are buying bricks, you are looking at six to 12 months' delivery. With lifts, you are certainly looking at 12 months' delivery.

Karl McCartney: It is a hell of a lead time.

Sir John Armitt: The lead times are long. That plays against you, so you have to be absolutely sure about what you are going to order. Twelve months might give you a chance to do some more engineering and refine what you are actually going to need, but you need to order early so that it will be there.

Labour costs are always going to be a challenge. The scale of labour—

Q202 **Karl McCartney:** Is it the type of labour and finding the right skilled labour, or are you providing for yourself?

Sir John Armitt: You can take, as we have done very often in the past in the construction industry, a "We will fix it" approach. I have been involved in projects where, in fact, I sent my HR team off literally around the world and recruited engineers from all over the world, for example, to build the Sizewell B power station back in the late 1980s because there were not enough engineers in the UK. We were having a lot of activity in the industry here at that time. We got on and did it with a multitude of different nationalities from around the world. The reality is that I think we

will need to do that. It is good to see that the Government are reflecting on who it will and will not allow.

Labour, materials and plant are all major issues. We have an overall programme, which is probably 100 different projects in one way or another. Each of those will have its team working on it. They will all be competing with one another for the same skills. That is another challenge. There will inevitably be pressure on salaries and labour costs, as we have seen for the last 30 years in the railway industry. What Peter says is quite right, of course. The longer term that people can see as employers that this is coming forward gives them the confidence to do more training. That is essential. You then have to attract people into the industry, as opposed to other industries.

I have been chairman of City & Guilds for the last nine years, looking at vocational employment and skills. We now do rail training directly. Fortunately, there are a lot of people coming forward. The great thing about the rail industry and this programme is that it says to people, essentially, "Here is a job for life." If you go into the rail industry, you should be confident of having a career for the next 30 or 40 years without any doubt at all. As Peter said, and we keep repeating, a programme like this gives confidence to engineers and everybody involved, and to companies to train. That is absolutely vitally important. My personal view is that the responsibility for training does not sit with Government; it sits with employers. This is the sort of thing that will give them that confidence.

Q203 **Karl McCartney:** Before I hand back to the Chair, is there anything you would like to add, Sir Peter?

Sir Peter Hendy: The stuff about the programme is absolutely vital. It must have happened to John and to some of you. I have had tier 2 and tier 3 suppliers come up to me at events and say, "We started training apprentices, but your programme has changed and now there is not enough work for them to complete their indentured time."

That is a complete disaster for the individuals, for the company and for the industry. It should not matter which company people work for. It is seeing the work spreading out into the future, and giving confidence to employers, as John says, to be able to train people. We know there is a massive shortage. One of the real benefits of this, provided that it does not get undermined by future decisions, is that it shows a consistent work bank for many years. You can expect employers to train people. Indeed, I think a condition of working on these schemes ought to be that there is training. Why would you want contractors on the job who were not prepared to train the successors to the workforce? That is a huge advantage. I think that round the midlands and the north of England you will find a lot of tier 2 and tier 3 suppliers who are saying, "Well, if the Government are really serious about this, let's get on with it." That is a great—

Karl McCartney: They should grasp the opportunity.

Sir Peter Hendy: Yes.

Karl McCartney: Super. Thank you both very much indeed.

Chair: Let's now move on to the disruption that may be caused. I will ask Greg Smith to do so.

Q204 **Greg Smith:** Good morning. I want to return to some of the themes that came out of Grahame Morris's question to you earlier about disruption, and quiz you a little bit on the mitigations that are planned as the IRP delivery starts. For a starting point, I want to come to it from the experience that the country has and that my constituents certainly feel in the untold human misery that goes with the construction of a railway. What lessons have been learnt from the construction of HS2 that people are living in abject hell under, as you prepare to build the IRP?

Sir John Armitt: I can only answer that in terms of what I observe has happened in the industry over the last 20 years. If you go back 20 or 30 years, contractors did not feel particularly obliged to respect the local community at all. They just got on with their task, and people were expected to put up with them.

Go into the offices of any major contractor these days, and you will find quite the opposite attitude. There will be people there who are solely focused on how to mitigate the impact of what they are doing and how they will minimise the number of lorry movements they are going to have. A lot of it is working with the local community rather than just treating them as bystanders. The more you work with the local community, the more you will get their support and understanding. You explain to them what your programme is going to be for the next few weeks, and you get out there on the ground and say "Look, next weekend we are planning to do this, that and the other, so this is potentially going to be the impact on you and this is how we can try to mitigate some of that." You say to them, "What ideas might you have in terms of what really is the effect on you, and how can we mitigate that?"

Clients like Network Rail will be putting a lot of pressure on their contractors to be doing that sort of thing. At the end of the day, you are not going to make this omelette without breaking a few eggs, but how you go about it and the degree to which there is a collaborative attitude, good communication and regular updates as to what you are doing and what the impacts are going to be, will mean you start to build a sense of trust and understanding. Frankly, that is where it starts. It is not technical. It is about behaviours and relationships.

Q205 **Greg Smith:** I understand that point. I hear a lot of it from HS2 Ltd. I hear a lot of it from East West Rail. I am sure communities along Crossrail have heard a lot of it as well. Do you actually believe that it has worked at all in practice on any of these recent construction projects?

Sir Peter Hendy: Maybe I could help a bit. One of the things that I have been asked to do is to chair the partnership at Euston, which is the HS2 station, since the spending review last autumn. It is also rebuilding the Network Rail concourse and a considerable over-station development.

The partnership has in it, of course, HS2 and Network Rail. They are the two principal delivery people. It also has the London Borough of Camden, the Mayor's Office and TfL. One of the things I have been trying quite hard to do as the chair is to make sure that the views and needs of the local residents and the local authority are properly taken into account in the pursuit of the project.

We have had a lot of discussion about rehousing people who are very close to the works. I am very sympathetic to somebody who lives no further than your chair is from a piling machine going 24 hours a day. I believe we have got to a situation in which four of the most affected blocks will be emptied and the residents moved elsewhere. That is an extreme example, but I think you can work really hard. It is not always easy to do. People focused on construction are focused on construction. People who live nearby are focused on the terrible inconvenience of it all. I would like to think, as we pursue the work at Euston, which will include rebuilding the concourse and the Network Rail side of the station, that we are taking local people with us, and the local authority who represent their electors, too.

Q206 **Greg Smith:** I understand that. I do not doubt it, just as I do not doubt it when Mark Thurston sits in front of this Committee or in front of me in my constituency and says that he wants partnership and collaboration with communities. The point of my questioning is that we are, as a country, embarking on another £96 billion-worth of railway build upgrade, and so on, in this project. There is a huge gap between the desire to be a good neighbour and the reality on the ground, borne out throughout the length and breadth of phase 1 of HS2, which has borne the brunt at the moment.

To give you an example, I met with a number of parishes and senior people from the construction site of HS2 in my constituency a couple of weeks ago. Every issue that came up was identical to the issues that we had raised in a similar meeting 12 months previously, where everyone had nodded and said, "It is important we communicate better. It is important that we are a good neighbour. It is important that we get this right." Nothing changed.

As the country embarks on another huge taxpayer spend railway project, or multiple railway projects, are the lessons really learnt when it comes to disrupting the communities that have to live side by side with this construction?

Sir Peter Hendy: It would be impossible to say yes, given the example that you have just given. However, the reason why I am chairing this partnership at Euston as part of what else I do is precisely that it was

recognised that the project would be disruptive to the local community. The Government were looking for a means of mitigating it. I think that is quite a decent step forward.

If I look at what Network Rail does in terms of maintenance, renewal and enhancement, we would readily agree that we are not always perfect with neighbours either. If you are going to do this to an existing railway line, you generally have to do it at night or at weekends. Occasionally, you can get a longer possession, which John referred to earlier. We do our best too, although we are not always good enough.

If you want this sort of enhancement with this sort of spend, either new build or improving existing lines, we have to do the work somehow and some time. The challenge, as you rightly tell us, is to get it done cheaply, cost-effectively and quickly but not disrupt people unduly while we are doing it. We could not say that that always happens now, but we would say that we are doing our best to mitigate it.

Greg Smith: Very briefly—

Chair: You need to be really brief, Greg, if that's all right.

Q207 **Greg Smith:** On mitigation for those who will be disrupted as existing lines are upgraded, what is the plan for people with season tickets and people who travel for work on weekends, when you are likely to be shutting existing lines to do upgrades on TransPennine Express, East Coast, West Coast, and so on? What is the plan to mitigate against travel disruption for people using those lines?

Sir Peter Hendy: There is quite a sophisticated process of making sure, for example, that you do not shut the east coast main line and the west coast main line at the same time. I think the railway industry is getting better at dealing with it, but again I would not claim perfection.

One of the important things is decent prior notice. You might have noticed only in the last 24 hours that it transpires that we, Network Rail, told the FA in 2019 that we were closing the west coast main line, yet they seem to have arranged a football match between Manchester and Liverpool at Wembley on a day when we have effectively given the world two years' notice of the closure.

You can only mitigate it. You cannot remove it. In the case of trans-Pennine, we are taking steps to ensure that the alternative routes across the Pennines are at least in a decent condition while we do this work.

Q208 **Chair:** Thank you. We have 10 minutes left and two more sections. I will come to Gavin no later than 10.25.

If I were to ask you very briefly, would you agree with this comment in terms of the winners and losers, if I depict two cities of each? Birmingham and Manchester seem to be the real, clear winners. Bradford and Leeds are the losers, if you were to allocate anyone as losers. Would that be a fair statement, to start with?

Sir John Armitt: Birmingham and Manchester continue to benefit in the way that was originally intended from the western leg of High Speed 2. That is a big benefit to them.

Manchester and cities in the north will benefit significantly by increased capacity and reduced journey times across the north, between Liverpool, Manchester, Sheffield and Leeds. In the midlands, of course, you are seeing an enormous improvement for Nottingham and its connectivity as a consequence of the first part of the eastern leg. Journey times to Birmingham will reduce by 50%.

The challenge is that it is all part of the levelling-up programme. What we are trying to do is increase connectivity and capacity and increase the level of economic activity. I think Birmingham and Manchester undoubtedly benefit, but I would argue that so too do many other towns and cities.

Q209 **Chair:** I am not saying that nobody else exists. I am just trying to go for the jugular, and put two that seem to do well. We heard from the Mayors of Manchester and Birmingham, who seemed pretty happy with what it was delivering for their cities. It could be more, but it always could: they are politicians. The West Yorkshire Mayor seemed very disappointed, and so did the Bradford city team we met.

Sir Peter Hendy: Maybe I could put it another way. We are looking at Leeds-Bradford electrification and an increase in frequency and capacity as part of the early work. It is really important. I have met Bradford, just as you have. They deserve better connectivity.

I am a bit more sceptical about the aspiration for Manchester to Leeds via Bradford. If the Government had assented or been prepared to pay for a new railway, it would not be delivered this side of the end of my life, I doubt.

Q210 **Chair:** I want to stop you there. I only have three minutes and I really want to drill into Leeds and Bradford. It is my fault; I thought it would be a snappy one.

Let's look at Leeds. You have been charged with work under the IRP because we know that Leeds is 105% over capacity already. It states that you "will lead on work on Leeds station capacity and an option assessment of how HS2 services could reach Leeds." Briefly, what are the components for that and the timeline for that workstream?

Sir Peter Hendy: I think we are expecting a specific commission from Government to look further. Leeds station is not capable of accepting High Speed 2 trains. In order to get them, however much of a new line there is, we need to do some work to see what needs to be done. I think Leeds themselves are pretty clear that they want a new HS2 station, but we certainly need to do more work on that, as would have been done anyway.

Q211 **Chair:** To drill into that, first, is there a milestone in terms of the time you are going to deliver that by? Are you still waiting to see what you are being asked to deliver?

Sir Peter Hendy: I think that is the next piece of work. I cannot tell you what the outcome is, but it certainly needs to be done in much greater detail, having seen how the IRP is planned out. It also needs to be done in conjunction with looking further at how you might get HS2 trains from Sheffield to Leeds, and indeed what the connectivity is from the east midlands. Those are three interconnected pieces of work. I was expecting, because it has already been coat-trailed, that Network Rail would be asked to look at those.

Q212 **Chair:** How can you deliver more capacity from this into Leeds without delivering more platforms? At the moment a lot of those trains, and a lot of the trains from London, are stuck there for 10 minutes as they are being turned round.

Sir Peter Hendy: You cannot. That is why we need to look at the station.

Chair: You will have a look at it, but if you do not have a new design for the station with more platforms, the IRP cannot be delivered as far as Leeds is concerned.

Sir Peter Hendy: I do not think we are arguing; I think we are on the same side. Leeds station is full. Everybody knows it is full. It is also physically not capable of taking HS2 trains. That piece of work, which I am expecting will be commissioned very shortly, is absolutely necessary to work out what happens with Leeds. In fact, it is necessary anyway because you are never going to deliver the trans-Pennine upgrade without more capacity at Leeds station.

Chair: Gavin, I said I would hand over to you by 10.25. Can you cover the Bradford part with your question?

Q213 **Gavin Newlands:** Absolutely. In terms of IRP and NPR—it can be confusing at times—what involvement did Network Rail have in developing costing of the NPR project? We have touched on Bradford. Bradford, West Yorkshire and Bradford city are most upset about the plans.

Sir Peter Hendy: We were engaged with the work that Transport for the North did about Northern Powerhouse Rail. We were consulted by the Department as it wrote the integrated rail plan.

We cannot claim to be responsible for either. Indeed, one of the features of Northern Powerhouse Rail is that it has been everything to everybody. The planning assumptions are right. The broad orders of cost are right, but we cannot claim to be committed to delivering it all. Indeed, the IRP is in effect the Government's response to Northern Powerhouse Rail, saying what they are prepared to do over the next 25 years.

Q214 **Gavin Newlands:** Sir John, when policymakers are making those calculations and trying to determine taxpayer value, do you think those calculations take into account the full range of socioeconomic factors? We had evidence that Bradford stood most to gain out of anywhere in the north in the plans under Northern Powerhouse Rail. Obviously, that did not happen. Do you think that has been taken into account sufficiently?

Sir John Armitt: It is increasingly taken into account. The Treasury has been revising the Green Book in an attempt to value social impact. Valuing social impact is not easy. Everyone will have a different view about what values you ascribe to different aspects of social benefit. Certainly, as a country, we have moved away from just blunt cost-benefit analysis in the traditional way.

We tried to take a different approach in the work that we did in valuing agglomeration and the opportunities that took place in social and cultural activities, and putting some sort of value on that. I would not claim that it was perfect by any means. Every economist will have a different way of valuing it, but, to your point, I think there is growing recognition in the UK that we have to value these things. At the end of the day, some of them will be subjective.

Q215 **Gavin Newlands:** That is true. Sir Peter, are you confident that Network Rail can build Northern Powerhouse Rail, such as it is at the moment, to time and to the cost specified?

Sir Peter Hendy: My response is that I am very confident that we are going to work extraordinarily hard to make sure that the early deliverables of IRP are properly costed and then delivered to the cost that we agree and to the timescale. I think the railway industry has to respond to such a bold plan by proper delivery. That is why, as we said earlier, we are trying to chop the elephant into digestible pieces, to make sure that we understand what the early deliverables are and that we plan and deliver them properly.

Q216 **Gavin Newlands:** To conclude from my end, what impact have the stakeholders that have been involved in the engagement—the West Yorkshire authority and others, as well as the midlands—had on the development of the IRP? Do you think they have been listened to sufficiently across the piece? That is a question for both of you.

Sir Peter Hendy: I think the most critical thing I could say is that in the time that I sat on the board of Transport for the North for Network Rail, one of the things that was distinctly lacking was any sense of priority. If you want everything and it costs too much, actually if you leave it to Government to decide what to do, you might well be disappointed. I think that that point has now been quietly recognised. It is a worthwhile point.

You know that I used to run Transport for London. We had a business plan. We had an investment plan. We had a sense of priorities. Not everybody could get everything at once. In fact, what we are starting on, as I described earlier, is a phenomenal set of projects for the railway

network for the midlands and the north of England. It is hard to see how you could start any more and guarantee to deliver them, which is your other point. You need some priority in this.

Effectively, what the IRP has done is to set the Government's priorities on a programme that we hope is permanent, and then you are saying to us quite rightly, "The railway industry has a plan. Make sure that you know what the projects are. Make sure that you know how much they are going to cost and how long they are going to take, and then damn well deliver them." I think that is not a bad place to be.

Q217 **Gavin Newlands:** Sir John, briefly on the stakeholders.

Sir John Armitt: I think it is Sir Peter's point. If you cling to everything, you run the risk of being bitterly disappointed. If you are prepared to be pragmatic, you are going to be at least half pleased. That is the challenge for politicians at national and local level. If you just cling to the totem all the time, and somebody else is going to have to make a decision, particularly if that decision is driven by what we can afford, you run the risk of being very disappointed, whereas if you can get yourself into a position where you accept, as Peter says, "Look, I can't get everything, so what are my real priorities?", you stand more chance of being satisfied at the end.

Gavin Newlands: Thanks. Back to our pragmatic Chair.

Chair: Thank you very much. Sir John and Sir Peter, we could have carried on all day with you, but you are very busy people so we are unable to do so. Thank you both very much for the evidence you have given. My apologies for interrupting you quite a bit, Sir Peter. I was trying to come in on time, but as a train man you would appreciate that. Thank you very much indeed. We wish you well.