

Mr Huw Merriman MP

Chair – Transport Select Committee
House of Commons
London SW1A 0AA

Via Email: huw.merriman.mp@parliament.uk

08 June 2020

Dear Mr Merriman

RE: High Speed Two Next Steps

Thank you for your further letter dated 20 May 2020. The HS2 project has always welcomed the Transport Select Committee's genuine interest, continued scrutiny and advice on a range of issues. We look forward to this close co-operation continuing throughout the delivery of the HS2 programme.

In your letter you set out several areas requesting further information. I have provided this information in turn below.

Transparency

There has, and will continue to be, a high degree of transparency between HS2 Ltd, the Department for Transport (DfT) and responsible ministers. This requirement of HS2 Ltd is clear and is set out in our Development Agreement¹ with the DfT:

"[...] comply with best practice in terms of openness and transparency and in a manner that allows decisions of the SoS to be open to scrutiny and justification [...]"

Organisational and programme transparency extends to HS2 Ltd's engagement with Treasury, the Infrastructure and Projects Authority (IPA) and the National Audit Office (NAO). The January 2020 NAO report, *High Speed Two: A Progress Update*², sets out the agreed process by which we notified the DfT of emerging budget and programme pressures. HS2 Ltd Chairman Allan Cook's stocktake of the project during 2019³ set out a number of challenges and opportunities. This was published in September 2019 and was considered as part of the independent Oakervee Review into whether and how HS2 should proceed.

HS2 Minister Andrew Stephenson MP is writing to the committee to provide more detail on the proposal for six-monthly reporting to Parliament. HS2 Ltd will support the production of these reports, alongside the continued publication of our audited annual report and accounts and three-year Corporate Plan.

¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/769850/hs2-development-agreement.pdf

²<https://www.nao.org.uk/report/high-speed-two-a-progress-update/>

³<https://www.gov.uk/government/publications/hs2-ltd-chairmans-stocktake-august-2019>

Governance and Culture

HS2 Ltd received Notice to Proceed for Phase One of the railway on 15 April 2020. This marked the formal approval for main construction works to begin, following the Government's decision in February to proceed with the project.

Achieving Notice to Proceed in April was the culmination of over two years' work by me and the HS2 Ltd executive team to demonstrate sufficient organisational capability and control of the programme to the Department for Transport and HM Treasury. This work included making a number of significant changes and improvements to the company, across governance, controls and our skills base, as well as developing a rigorous cost and schedule estimate for the project.

The maturity and the capability of the organisation will continue to grow and will change over time as the programme moves into different phases of delivery. On Phase One of the railway we have established integrated project teams, co-locating our teams with our Main Works Civils Contractors to make sure that risks are reported and managed effectively. A number of new Non-Executive director appointments are also being pursued, which will bring much needed additional capacity as well as broader experience to the programme and company for the next few years.

HS2 Minister Andrew Stephenson MP will be providing clarity on the delivery of Euston and Phase 2b in his letter to the Committee. We stand ready to support the DfT's approach to both, to ensure effective delivery arrangements and governance are in place.

HS2 workforce

In my letter dated 6 May I set out the mix and total salary cost for permanent staff and contract staff employed directly by HS2 Ltd. We do not hold the corresponding information for the private companies in our supply chain.

It is for each individual company to decide how it resources their work on the HS2 programme. However, I can confirm that the total report hours worked across our contractors at the end of April would be equivalent of approximately 10,000 FTEs employed across the supply chain.

Social distancing and Coronavirus

During the committee session, and in my letter dated 6 May, I set out HS2 Ltd's approach to delivering the programme during the COVID-19 pandemic. The expectations and responsibilities set out for construction in the Public Health England (PHE) and Construction Leadership Council advice for dealing with COVID-19 are clear.

HS2 Ltd and our supply chain are clear that work can only take place on our sites where we can do so in line with PHE and CLC advice. We will close sites where that cannot be achieved. We have an assurance team dedicated to this work, which reports on a weekly basis, as of last week 221 sites out of 242 sites were open, 91% of our sites.

MP engagement

We recognise HS2 will affect those living along the route of the new railway and, as I mentioned to the Committee during the session, we are absolutely committed to working with constituency MPs, their offices and local authorities to address the concerns of the communities they represent.

I, and my colleagues, are very happy to meet with any MPs representing constituencies along the route. Since the evidence session on 24 April, I have held calls with the Members for Kenilworth and Southam, Hammersmith, and Ealing Central and Acton, with further dates arranged to speak with the Members for Aylesbury and Stafford later this month. We recently published our fourth report that documents our progress towards 'being a good neighbour', which we have shared with all MPs along the route, repeating my offer to meet with them to discuss the HS2 Project in their area.

I welcome your offer of ongoing engagement and would be delighted to meet with you to discuss these and any other areas in detail. Once the COVID-19 lockdown is lifted, I would be happy to host such a meeting at one of our main works sites along the Phase One route.

If a future meeting or visit is of interest, please could your Clerk contact HS2 Ltd's Head of Public Affairs, Chris Marlow. Chris can be contact on [REDACTED] or at [REDACTED].

I have shared a copy of my letter to you with my Chairman, Allan Cook; DfT Permanent Secretary Bernadette Kelly; and the HS2 Minister Andrew Stephenson MP.

Yours sincerely



Mark Thurston

Chief Executive Officer

High Speed Two (HS2) Ltd.

Cc. Allan Cook – Chairman, HS2 Ltd
Bernadette Kelly, Permanent Secretary – DfT
Andrew Stephenson MP – Minister of State for Transport