

Transport Committee

Oral evidence: [HS2 Progress Update](#), HC 78

Wednesday 20 May 2026

Ordered by the House of Commons to be published on 20 May 2026.

[Watch the meeting](#)

Members present: Ruth Cadbury (Chair); Steff Aquarone; Dr Scott Arthur; Mrs Elsie Blundell; Jacob Collier; Olly Glover; Alex Mayer; Laurence Turner.

Public Accounts Committee member present: Sarah Olney.

Questions 1-100

Witnesses

I: Mark Wild, Chief Executive, HS2 Ltd, Lord Hendy of Richmond Hill, Minister for Rail, Department for Transport, and Dean Creamer, Director General for Major Rail Projects, Department for Transport.



Examination of witnesses

Witnesses: Mark Wild, Lord Hendy of Richmond Hill and Dean Creamer.

Q1 **Chair:** Welcome to this morning's evidence session. We have had this session in the diary for a while, but it is now taking place in the light of the Secretary of State's announcement yesterday on the reset of HS2, and today we hope to dig further into the details. We welcome Sarah Olney, who is joining us today from the Public Accounts Committee. Please could I ask the witnesses to introduce themselves?

Lord Hendy: I am Peter, Lord Hendy of Richmond Hill. I am the Minister of State for Rail at the Department for Transport.

Mark Wild: I am Mark Wild. I am the CEO of HS2 Ltd.

Dean Creamer: I am Dean Creamer, director general at the DFT, and I am the SRO for HS2.

Q2 **Chair:** Welcome to your first outing in this role. Is the information that was announced yesterday the full reset of the HS2 programme? What further detail can we expect?

Mark Wild: The word "reset" in terms of HS2 is actually a bit more all-encompassing than yesterday. I took this job in December '24, and it was always a two-year process to reset. By "reset", we actually mean April '27 for our objective of a new baseline schedule; a reliable programme of work we can monitor against; a budget; new relationships, as best we can get, with our supply chain; and, finally, the improvements to HS2 Ltd's capability. That is what we mean by "reset". Yesterday was the foundation stone of that—the bookends, the sequence of work and the big decisions that need to be taken on technology. In a lot of ways, yesterday's announcement is the foundation stone of the reset that we aim to conclude in April '27.

Q3 **Chair:** How much certainty do you have about the revised costs that were announced yesterday, which are now rising to between £87.7 billion and £102.7 billion in 2025 prices?

Mark Wild: First of all, let us acknowledge what bad news this is. We have to acknowledge that from the budget set in April 2020—the baseline then was called 7.1, just for reference—which was £42 billion or £43 billion, the numbers have doubled. The budget has doubled in five years. Let us just acknowledge that this is terrible news, and we have to really think about the reasons for that in setting the new baseline.

There are three distinct reasons why I am very confident that these bookends of time and cost are robust and will lead to a more detailed programme of work for April '27. First, we have taken a whole year. I am very grateful to the Department and the Government for giving me the time and space to go through this job with a fine-toothed comb. We have been through every part of this job, working out the sequence of work and



gaps in terms of work that we are missing. So, No. 1, we have thoroughly analysed where we are.

No. 2, we have had the benefit that they did not have in 2020 of demonstrated performance. After five years of civil engineering, I know how much it costs to move a cubic metre of earth, so we have had the benefit of demonstrated performance. Where we have tendered prices, we have checked that against other projects such as the Elizabeth line or London Bridge, so we have benchmarked. The third element where I am very, very confident is that we have spent the past year—just as we did with Crossrail, or the Elizabeth line—putting everything into the right sequence. For those reasons, I am very confident that we have got the right bookends, as described.

We have also put this through a very, very thorough assurance. I know this Committee is very interested in lessons learned. One of the big improvements we have made this time is to have a smaller number of assurance layers, but those are deeper and with greater expertise. I am not here to criticise what was done in 2020; I was not here. What I do know is that these ranges have been subject to the most detailed scrutiny from people who really know how to build these projects. For those reasons, I really do think these are robust.

Q4 Chair: The estimate of the likely cost is a heck of an increase. Apart from inflation, what are the main elements behind these increased costs, and are rolling stock, redeveloping Euston, signalling and so on not included in the £87 billion to £102 billion?

Mark Wild: First of all, what are these numbers? Inflation can be quite a confusing topic. These are what is termed a mixed price base, which means they are in today's prices going forward, but they cater for all the money we have spent, which clearly has all been in different times and different inflation bases. After I have summarised the increases, Dean might speak about the approach we are going to take to inflation.

Since the notice to proceed, the increase is split into thirds. One third of it is inflation: we have had £16.6 billion of inflation in five years. To be fair to everybody who is associated with this programme, the war in Ukraine was clearly very unexpected. A third of the increase—£16 billion—comes from inflation, which legitimately would have been very difficult to predict.

The other two thirds are worth dwelling on, and they are in three categories: we have had underestimation at the beginning, we have had inefficiency in delivery, and we have found, in my work, gaps in terms of work that was omitted in the original estimate but should have been included. That adds up to two thirds of the increase.

To anticipate the next question, that really comes down to one singular root cause: this project started on site with immaturity of design. Obviously, in your private lives and in other projects you will scrutinise, if you start a project of this magnitude with immature design, with contracts that put the balance of risk on the Government and the arm's length body,



HOUSE OF COMMONS

and without the appropriate consenting, you are bound to get into great problems as you get into delivery. Two thirds of the increase is really due to the decision to start too early. I might invite Dean to speak about how we are going to treat inflation going forward.

Dean Creamer: Arriving at the project, the first question I asked on the ranges was, what is not included? What are the assumptions and exclusions? Of the things outside of the range, the big one is inflation, and I will say a bit more about that in a moment. The other things are what we might term black swan events. The principle is that everything that ought to be under HS2's control is within those ranges.

On inflation itself, the decision we have taken is that—we have seen this from events in the middle east this year and, as Mark said, from the huge increase in inflation over the last few years—betting on inflation is very difficult and unwise. We have agreed with the Treasury that we will treat inflation separately and will uprate it every two years with each spending review from this point on.

Q5 **Chair:** The revised costs have a range of £15 billion. What is the rationale for that range?

Mark Wild: I should have mentioned something. Chair, you asked a question about what it includes. Just to be clear, these costs include everything. Some elements, like Euston, are at a different level of maturity, but everything is included, from Euston and Handsacre junction to Birmingham Curzon Street. It excludes the works known as phase 2a and phase 2b. In the context of what you know as phase 1, everything is in—the signalling, the rolling stock, Euston.

Why is the range so big? A big learning from Crossrail and the evidence in the James Stewart review is that, when dealing with things in the future that are uncertain, best practice is to use a range. To arrive at the range, we have created what the Minister and the Secretary of State have termed a “challenging ambition”—the cost and time is realistic but ambitious—and that is what I should be charged with. But around that challenging ambition, there is a range of uncertainty: risk provisions, headwinds and tailwinds. As we sit here today, there is still a great deal of uncertainty in this programme. The civil engineering is 60% to 70% complete, but it is highly weather dependent. I clearly cannot anticipate what the level of rainfall will be, which greatly affects productivity.

There are other productivity uncertainties too, so the range is quite broad—three years of time and £15 billion of money—but the objective is that as we retire and intervene into these risks, we narrow the range. To be clear, my objective is to get to the challenging ambition of the front end of the ranges. The mistake that projects, including Crossrail, have made in the past is to become hostage to fortune of unrealistic forward-leaning dates. It is much better to be transparent that there is a range of uncertainty, and then progressively work to retire risks and narrow the range. I believe that we are following the best practice of major programme delivery in doing that.



HOUSE OF COMMONS

Dean Creamer: Mark mentioned Euston. Just to be really explicit, when we talk about Euston, we mean the HS2 station into Euston and the associated upgrades to the London underground, not work that we would do on the conventional station.

Q6 **Chair:** We are coming on to Euston later. In terms of that range of estimation, you mentioned contingency, which one always needs. How much of that is contingency? This may be the same thing or something different, but is your risk assessment, in terms of future inflation and rising construction costs, built into that, or could that add further? I am just trying to understand how much of your range is plannable and how much you are allowing for externalities plus contingency.

Mark Wild: Let me talk about contingency, and then maybe Dean can talk about how we will treat inflation in the future. If I could, I might frame it in a slightly different way. In April 2027—one year from today—we aim to have a very reliable, high-fidelity baseline schedule, which will have all the things you would expect: risk provisions backed off with supply chain agreements, management reserve, and contingencies that the Department hold and would allocate to me. We are simply not in that position.

The thing that I found when I arrived in this job was that the programme had become completely unco-ordinated, and HS2 really did not have control. The reason I mention that is that the process we are going through is to get into a position in April 2027 when matters of reserve and contingency come under normal controls. Right now, we are making sure we form that baseline. While we are doing that, we are really very, very productive and are pushing very hard in the field.

To answer your question specifically, the matters of contingency and risk are part of the baselining process over the next six months, but the range—the bookends—and the baseline will sit within it. I hope it is clear that I cannot exactly answer you about the contingency, because that is the process of baselining over the next six weeks. We are clear, though, what the big drivers of risk are, and they are the things I have mentioned: productivity, the extent of our supply chains, incentivisation and the weather. We are clear on what the risk provisions are, but the baselining process will get to the contingency.

Chair: Laurence is going to ask you a specific question on that.

Q7 **Laurence Turner:** To follow up on trying to quantify uncertainty, there have been various attempts in the past to put a P number—either P50 or P95—on those estimates. For that future spend, within those ranges announced yesterday, is there a P number attached, and can that be shared?

Mark Wild: Yes. The bookends do not really have a P number, but they are broad enough to be confident that, when the baseline is formed, with the P50 and P80, they will sit comfortably within it. The bookends certainly do not cater for very dramatic black swan events—nobody could cater for that—but they do cater for the normal project risks that will occur.



HOUSE OF COMMONS

If we try to cater for very extreme events, the range would become so broad it would be meaningless. I could not put a P number on the bookends, but they are sufficient for the P50 and P80 to sit within. To your point, the prize in April 2027 is a P50 and a P80 which allow the Government, the Department and the Treasury to allocate the correct budget to me and also retain some risks.

Dean Creamer: It is worth saying, as Mark said at the beginning, that the reset is not complete with the ranges announced. The ranges are, if you like, Mark's top-down assessment, albeit very clearly assured. What happens now is that the ranges are announced, and that gives us a top-down view. In the autumn, Mark will do his first baseline, which is the bottom-up view of all the lines he moved from a few thousand lines to tens of thousands of lines of data. A final version of that will be produced for April. That is the point where we think we would come out of reset and move into what we would call normal sponsorship of the programme.

Laurence Turner: That is helpful; thank you.

Q8 **Chair:** In terms of the revised cost estimates, what independent oversight are you using to assure yourselves, the DFT and ultimately the taxpayer that it is going to go right from now on?

Mark Wild: A key objective in this work was not simply to have a very robust, well thought-through structure of the estimates and the engineering, but to ensure they would stand up to scrutiny. We have applied a "three levels of defence" approach. The first level of defence is that, at the working level, every piece of work has been checked by an independent peer group. If we have done an estimate for Curzon Street station, at level 1 of defence, we have had a completely separate team check it. We have employed many, many new estimators and quantity surveyors to do independent checking.

At level 2 of defence, we have had a completely independent group of professional services people checking the processes being followed. At the third level of defence, a very expert independent panel has done very thorough work. To give the Committee some confidence, the reason it has taken me to this point—15 months since I started—is that we have had many iterations. We simply have not got through the assurance easily. Through every iteration, with the previous SRO, Alan Over, and the new SRO, Dean, we have worked really well together.

Generally, everything we have done has taken two or three goes and iterations. That should give you great confidence, that there are three very thorough levels of defence and a very serious approach. We have also, in the Government space, adopted the Office for Value for Money recommendations of a single major programmes decision panel, with NISTA, the Cabinet Office and Treasury. It has been a genuine one-team approach, but very thorough. That is why it has taken 15 months to get to the bookends. That should give us all a lot of confidence that they are very robust.



HOUSE OF COMMONS

Q9 **Chair:** Presumably, the panel consists of independent people in other jobs giving up their time. It is not an organisation.

Mark Wild: In level 3, it is independent individuals with great experience of doing complicated high-speed rail all around the world. In level 2, we have used professional services companies, but it is completely independent. At level 1, it is peer to peer. Those are individual people.

Q10 **Chair:** Is that process going to continue through the life of the project?

Mark Wild: Yes. One of the big mistakes in Crossrail, and an area I believe we could improve in HS2, is that, once baselines are struck, ongoing scrutiny and transparency is essential. That is certainly my commitment. I know it is the expectation of the SRO and the Government. It was a mistake made by Crossrail and HS2. The assurance has to be progressive rather than just a singular event.

Dean Creamer: I would make two observations. One is that we have got to the point where, if we are proposing a new piece of work, the first question we ask the Department is, "Has it been through that LOD3 process? Has it been through that independent checking?" That checking also includes wider governance. The approach we are taking is not looking at this just through a DFT lens, but how we lever the wider skills across Government. NISTA also has a place on that LOD3 panel. We are bringing in expertise from across Government, the Cabinet Office and more widely.

Q11 **Chair:** Was that level of scrutiny not done in the past?

Lord Hendy: Anybody listening to this would be rightly horrified. When I turned up in this job for the first time, I met Dean's predecessor and the then most senior person in HS2. They both turned up in the room with a sheet of paper, and none of their numbers agreed with each other. There was certainly no substance to the HS2 numbers. At that stage, the Department was not as well informed as it is now. It was impossible to judge. I could not take the pieces of paper. It was not clear to me that there was any real information there that was backed by anybody.

You will hear the processes that Mark is describing. Sadly, he has been through them twice, with Crossrail and now with HS2. This is a disastrous place to be with a project at this stage. I have been very quiet because we have been through all this, as has the Secretary of State and the Chief Secretary to the Treasury. We are confident in this process, but you wouldn't half have liked this process to have started quite a long time ago, wouldn't you?

Chair: That, plus getting the design right from the start. That is fairly significant.

Q12 **Dr Arthur:** Because we're British, let us talk about the weather very briefly. Mark, you mentioned that the weather might impact on the civils work. If this was a one-year project, I would understand that, but it is not going to be completed until 2039. Surely, over that period of time, the weather is broadly predictable. Are you just hiding behind that?



HOUSE OF COMMONS

Mark Wild: Let me explain. First, the range is 2036 to 2039. Certainly, my ambition is to get it closer to 2036.

Dr Arthur: I am Scottish, so I am pessimistic. Apologies.

Mark Wild: On the weather, the next four years are pivotal to this programme. We need to get the civil engineering done between Old Oak Common and Curzon Street. My ambition is to complete the civil engineering and start laying the track by 2029. We only do our civil engineering between March and November. The question is, can we get the civil engineering done in three earthwork seasons? If we have a deluge in one of those years, it is very difficult for the civil engineers to safely complete their work.

Q13 **Dr Arthur:** Do you not have contingency in your current programme for one deluge, as you put it, or one wet period?

Mark Wild: There was a good question from the Chair about risk. How could you have a three-year range when one of the big drivers is whether we need three, four or five years to complete the civil engineering? The minimum is three, and that is my objective. We will do everything we can, but if we have a really difficult summer with a deluge of rain, we might need another year.

One of the big variables we have is whether we can get the civil engineering done by 2029, which is the objective. If there is a delay, we are not going to do the thing that got Crossrail into trouble, which is to start to do the systems in parallel with the civil engineering—two people working on the same thing at once. We have taken a principled decision to complete the civil engineering before we start laying the track—a clean handover. That means the weather and earthwork seasons are quite a determinant in the next three years.

Q14 **Dr Arthur:** You talked about £16 billion as the cost of inflation. You based that on 2020, but of course the project started way back in 2009. Construction work started in 2017, when inflation was 4%, and by 2021, inflation was almost zero. I am guessing there was a real benefit in terms of inflation there.

Mark Wild: Well, yes, but I have a briefing here saying that we have also had hyperinflation, which, I think, peaked at 14.7%.

Q15 **Dr Arthur:** Of that £16 billion, how much is unexpected inflation, and how much had you baselined in? Because that is a total figure, is it not?

Mark Wild: I could give you a precise briefing on it, but at least half of the inflation we have seen is what you might term hyperinflation. If you think about the Ukraine war, one of the first things that happened—terribly—was the invasion of Mariupol. That is where all the steel for HS2 was coming from, so it is not the headline. We have had hyperinflation in commodities. One of the things that nobody could have anticipated was the loss of Mariupol's steel capacity creating 20% or 30% inflation on steel. Broadly, right up to date, the £43 billion we have spent includes periods of low inflation and hyperinflation—we are where we are.



HOUSE OF COMMONS

Q16 **Dr Arthur:** On the inflation number you quoted, is that the inflation to the project rather than the inflation we see in the wider economy?

Mark Wild: To the project.

Dean Creamer: Mark, it is probably worth saying that HS2 spend also increased significantly from 2020. Part of the reason why it is so back-ended is because that ramp up of spend happened from 2020 and the notice to proceed.

Q17 **Dr Arthur:** “You should have started sooner” is their message—or perhaps not. When I first became an MP, I obviously knew about HS2 and that it was not going particularly smoothly, but I was shocked when we heard that there was no end date and that we did not know what the price was going to be. Then Heidi—I think it was her—came along and said that we did not even have an accurate assessment of how much work had been completed. That is absolutely incredible, isn’t it?

Mark Wild: I would say two things. I would just put it out there that we have 34,000 brilliant people working on this project—let us acknowledge that. It is easy for me to talk about the weather, but they are the people actually doing it. I am very proud of my own team and the construction industry, but there is the reality that we had lost control of the programme. In that process of losing control, we also lost sight of exactly what we have done. One thing we did in the past year was a very thorough measurement of what we have done. We are in the process of repeating that now.

When we get to the baseline, you will not need to ask me that question, because, as you will all appreciate, with the baseline I could tell you precisely where I am at the press of a button. The process of the programme falling out of sequence also meant, as the Minister said, that HS2 Ltd had lost sight of how much it had done. I cannot talk about the past, but I know that we have a grip now and I know precisely where we are on our 350 sites. The objective of a baseline is to make that enduring, so that you do not need me to be checking it.

Q18 **Dr Arthur:** So we know what is being done, and we know that it is of the quality that we need?

Mark Wild: Yes. One positive about HS2, as you will all see evidenced if you travel around and look at the infrastructure, is that the quality of our engineering is exceptional. We have not had significant quality problems. There are some quality issues that we deal with as they come up, but generally, the quality of the civil engineering has been exceptional. The safety is not flawless, but we are on a positive trend with safety—we have more to do, of course—and we have hard-working people of the highest quality. The problem was loss of control and great inefficiency, which is more about control than the quality of the work.

Q19 **Dr Arthur:** We have seen some of that work, and I met the staff, who were fantastic, when I went on a trip there. I will ask my last question. We are 13 years away, perhaps, from me being able to buy my first ticket.



HOUSE OF COMMONS

Hindsight is powerful: if you were starting the project completely afresh today, do you think you could complete it by 2039, and would it be cheaper?

Mark Wild: I don't know. This was to be a 10-year project for £43 billion, which has not proven to be tenable. I really could not answer your question.

Q20 **Dr Arthur:** Was it possible, though?

Mark Wild: I don't know. It certainly happens. If you go to France or Spain, they do projects of this scale in faster time. I don't know, but I could say that the conditions needed even to attempt it would be to get design maturity to the level needed. People say, "Well, how can the French build Tours-Bordeaux in six years for €8 billion?". Generally, they have done it because they have the consenting, the design and the supply chain—the classic go-slows—all lined up. As James Stewart said, go slow to go fast. It might have been possible, but the conditions are more interesting, I think.

Lord Hendy: And you would have had a different specification. One of the things that I am sure we will talk about this morning is that the specification has some exceptional features that you would not seek to replicate again and maybe, with hindsight, should not have been there in the first place.

Chair: The whole point of the Lovegrove report, which was released yesterday, is learning the lessons from HS2 to make sure that future infrastructure projects do not go the same way.

Q21 **Mrs Blundell:** Good morning, everyone. Thanks for giving evidence to us today. We know that the entry-into-service date of Old Oak Common to Curzon Street could now be as late as 2039, and from Euston as late as 2043. Taxpayers and constituents, who have watched this saga play out for over a decade already, are obviously really clear that we need to see some progress. In terms of the extra time that will now be needed for construction and for testing railway systems, as you mentioned, what assurances can you give to taxpayers today?

Mark Wild: First, I really feel the responsibility of this. Like everybody, I understand that Government money, taxpayers' money, really counts, and there is a huge amount of taxpayers' money to spend here. The first thing I would say is that we understand the responsibility. I am sure Dean would join me in that.

The baseline schedule will provide the opportunity for people to do this project in a sequenced way so that people are not overlapping and causing great inefficiency. I know I am promising jam tomorrow, but I am convinced that the bookends of time we have created here are robust, the baseline will fit within it, and once we have a baseline schedule, we will manage this project in an orderly, transparent way.

The two things that will underpin it, which are necessary to achieve the baseline, are correcting the organisational capabilities of HS2. We have



HOUSE OF COMMONS

made a lot of progress on bringing in new senior people with experience. I have been very pleased with our supply chain joint venture partners—there is more to do, and we are in discussions with them right now—but they need to lean into it as well. The baseline schedule is necessary but not sufficient. To answer your question, it will need HS2 Ltd to have the right capability and the supply chain to lean into it. Both of those things, I believe, will happen. I am selling you something in the future, but it is all predicated on a schedule that is reliable.

Dean Creamer: In starting this job and supporting Mark, I have had very clear instructions. First, the principle that we deliver as quickly as we can for the lowest reasonable cost runs through all the decisions that we now take. There is a second guiding principle, which is about making sure that we do not block off the ability to get trains beyond Birmingham in the longer term. The third element is to make sure that we deal with the issues now.

I am sure we will talk about the speed issue, but that is an example of that, in my view, following on from the Lovegrove recommendations: where you see that you are holding risk further down the chain, you must deal with that sooner rather than later, bring it to light and give Ministers and the programme the opportunity to mitigate it sooner rather than later, rather than waiting until it becomes an issue.

Lord Hendy: I think taxpayers ought to be furious, as we are, that we are in this position. They would expect the Government to lean into this and understand exactly what is going on. The reason I am quiet, at least for the moment, is that the Secretary of State, the Chief Secretary and I have been through this with these people. We have to sit next to them and see this project carried out to the satisfaction of taxpayers and, ultimately, passengers. We cannot leave them to it in the way that clearly happened in the past.

Q22 **Mrs Blundell:** As a Greater Manchester MP, I am going to ask a slightly separate question. Do you have a message for taxpayers, my constituents and people who will no longer directly benefit from HS2 after the cancellation of the northern leg?

Lord Hendy: There are three answers to that. First, the intention is that trains using the part of HS2 that is being constructed now will also use the west coast main line that serves Manchester, Liverpool and other places to the north. That has always been part of the scheme, and it still will be. There will be some real benefits in journey times. Secondly, the Government have said that they will still consider what capacity is needed north of Handsacre, because the west coast main line is still quite full up there and will only get fuller. We have to fix this first, and everybody would expect us to.

Thirdly, in respect of east-west travel across the Pennines, we are absolutely determined that the lessons of this are learned for Northern Powerhouse Rail. I think there is some good provenance. The Transpennine upgrade, which is the project that nobody wants to discuss



HOUSE OF COMMONS

because it is on time and budget, is being carried out very differently on an operating railway. Those are three decent messages for everybody in the midlands and the north of England. We have not forgotten that one of the intentions was better train services to the north, the north-west and Scotland.

Q23 Mrs Blundell: This Committee has been to see some of the work on the Transpennine route upgrade. It looks great to me. It is on time and on budget, as you say. It is good to have an opportunity to emphasise that. Moving on to timescales and cost, Mr Wild, you have said that this will be the last reset before the project is finished. The Secretary of State said in the Commons Chamber yesterday that costs could rise to up to almost £103 billion, up from just under £33 billion in 2011. What plans do you have in place if your revised costs, schedule and timescales end up being blown off course again?

Mark Wild: Is the question how we avoid getting to the top end of that range?

Mrs Blundell: Yes.

Mark Wild: One of my worries about ranges is that people automatically think we are just heading to the outer range. We must bear down to get to the front end of that range. The key, like in everything, is to intervene today on risks that will appear in the future. I have mentioned probably the biggest one, which is that we want to see the transition from civil engineering to track laying in 2029. To your point, once the track starts to be laid and the civil engineers are off the park, it becomes quite repeatable. It becomes a factory environment. The key then is to do everything in the right sequence and minimise the technological development that we need.

I am sure we will come to the scope, the speed and the technology. We have now made decisions that make this a very standard and straightforward railway to build. It is still a great railway—it is very fast, very modern and one of the best in Europe—but it is standard. The key for me is to keep to the early part of these ranges and, in the next four years, focus on productivity, get the civil engineering done and get the track started. Once the system engineers start and we have minimised the technological horizon, it should be a relatively straightforward and sequential job to get the railway open.

If that is delayed, we get problems. If the civil engineers delay, the system engineers are waiting. The effort is in the next three to four years. I am sure this Committee will scrutinise that carefully. If people want to keep one thing in mind, it is this: end of civils in '29 and start of track in '29. That is a stretching target. That is what we are going to focus people on. If that happens, you start to get to the early parts of these ranges. It is all about the transition of civils to systems.

Q24 Mrs Blundell: Finally from me, what makes this reset different to previous attempts to recalibrate the programme? What would you point to



HOUSE OF COMMONS

directly that you have changed since you were appointed in 2024?

Mark Wild: I would not take any credit personally; it has been a genuine team effort. I do not take any personal credit; I have felt nothing but supported and the breakthrough is us all working together and in alignment, which I know the Minister, when I took this job, was particularly keen that we did. We have achieved that. Alignment is the breakthrough.

It should give people confidence because we have been through this before. We have followed almost exactly the process done on Crossrail. Interestingly, the same methodology was used on the Transpennine, which I believe is holding its baseline schedule. We are using the right method, and we are aligned in the Government and the Department. That should give everybody a lot of confidence.

I have a call this afternoon with all of the CEOs of all the supply chain providers, and I can guarantee you that the whole supply chain is behind this project. That alignment is what is different.

Q25 Jacob Collier: This question is for Mark. You have obviously told us today that prior to your appointment the project was unco-ordinated and had lost control. You have previously told us that HS2 Ltd was not set up to manage delivery. What steps have you taken to restructure the organisation so that it prioritises delivery?

Mark Wild: Let us acknowledge that I am really proud of my team; I could not have asked any more from the folks at HS2 Ltd. They are great people.

But HS2 Ltd was designed for a different purpose. It was designed to be an enterprise for many high-speed rail projects. It was designing and developing projects to Manchester and an eastern leg to Leeds. HS2 Ltd was an interesting organisation, but not the prime system integrator of one single project. The big pivot for HS2 Ltd is to really focus on the phase 1 job. We still have people in my organisation working on the potential phase 2b. They actually work more directly for Dean. My singular focus is phase 1. That is a very large change in HS2.

We have really focused on commercial capability, and we have recreated the commercial function that we lost in HS2. People might be surprised about that, but we are the biggest construction project in the country and one of the biggest in Europe, so we have got to have good commercial capability. We appointed Morag Stuart from the new hospital programme as our new chief commercial officer, and we are rebuilding that whole area.

We are also fundamentally rebalancing the organisation. The organisation was too heavy in the centre and too light in the field. It was unbalanced. There were too many roles in the centre, which created a degree of bureaucracy. That was nobody's fault; in fact, it was quite frustrating for people in HS2 to work in that context. We have completely rebalanced that; we have moved all of the effort to the tip of the spear. There are



HOUSE OF COMMONS

30,000 colleagues working out in the field. That should give you confidence that we are shifting the centre of gravity in HS2 Ltd from an enterprise to one that is building a strategic asset for national rail.

The other big change, which I know the Minister is keen to see, is that we see ourselves as part of national rail. We are creating an asset for the future of GBR and the Department. We are not an enterprise that is somewhat separate. That is a work in progress and probably the biggest task I have is to change the capability of HS2 Ltd. It might be the singular biggest task I have.

The good news is that the people of HS2 are really behind this. It just takes a bit of time to get the right capability and skills. The positives are that we have recruited many good, young folks in HS2 Ltd—apprentices and graduates—and do not lose sight of the next 15 years. We are creating the next generation of people who will build major programmes for GBR.

It is a work in progress; I hope I have given you some flavour there. I understand that it is probably my No. 1 job and I look forward to sharing that journey with you.

Lord Hendy: If I might add, the Government have changed the board. We have got a new chair in Mike Brown, who has worked with Mark before on finishing off Crossrail—now the Elizabeth line. The board has been through significant change as well because we are expecting it to supervise this organisation and the construction that Mark is talking about, which is an organisation wholly focused on delivering this project.

Q26 **Chair:** I have one side question. The Committee was told the other week that some of the staff in HS2 will be tasked with working on Northern Powerhouse Rail. Is the capacity there?

Mark Wild: There is a small but very capable team in HS2 Ltd. It is a national capability—people who deal with detailed planning and hybrid Bills. It is a very small team—less than 100. They are in my organisation for what you might term bread and rations, but they are under the direct control of Dean's organisation.

Lord Hendy: But their work is not to the detriment of the main work that he is describing—managing this project properly—and nor could it be.

Q27 **Chair:** While we are talking about capacity, is there the capacity in the Department to provide not just oversight, but expert oversight of the programme? One of the weaknesses that the Stewart review highlighted was not having more bean counters in the Department than there are in HS2.

Dean Creamer: Yes, and that is something I am looking very closely at; I am very mindful of those lessons. A really good sponsor team does three things, in my view. First, you need to manage the money and make sure that the financial incentives in the system are right. Secondly, you need to make sure that the governance works, that decisions are taken at the



HOUSE OF COMMONS

right time and in the right places, and that information is reported in the right way. Thirdly—this is the crucial bit for me—you need to be able to use the convening power of Government, when things go wrong or you find challenges, to bring people together to fix and solve problems.

What we have done with our team, certainly over the last couple of months and before, is think about whether we have the right balance of generalist policy skills—those are needed in terms of things like managing Bills and the Government side of things—and also the technical expertise. One of the previous criticisms, which I think came up in the Stewart review, was that there was too much assurance outside but not enough embedded, so over recent months we have moved to embed those expert skills into my team. I have a new programme director—a full-time programme director from outside, who is a quantity surveyor by background. We are building what is effectively a multidisciplinary team in the Department that can cover all the capability we need. As with Mark, that will be a process that we go through over the course of the reset.

Chair: We have sort of morphed from capacity into oversight. Olly, do you want to pick up on anything else in the area of oversight? No.

Q28 **Laurence Turner:** Mr Wild, you have been in post now for a year and a half. How has the relationship between HS2 Ltd and the Department for Transport, on the one hand, and the Treasury, on the other, changed during that time?

Mark Wild: One thing I observed when I took this job—obviously James Stewart picked this up—was the balkanisation between the Department and the HS2 position. That was untenable. To run a project of this size, alignment of the sponsor and the delivery authority is crucial. They have different roles and different perspectives, but if that alignment is not there, things unravel quickly.

To be fair, when I walked through the door, work was already in place to bring it together. The previous chair, Sir Jon Thompson, had done a very good job with the previous SRO, Alan Over, to try to bridge the divide, but certainly from my perspective, I felt very aligned from day one. I formed a very close relationship with the previous SRO, and I have continued that with the current SRO. I think we understand that our roles are different, but if we have disagreements, we duke it out and come to a common position.

On the Treasury, one of the things I have been very pleased about has been the extent of trilateral relationships between the arm's length body, the Department and the Treasury. I am very confident that we are completely aligned. There is no bit of information that the three parties do not see concurrently and together. That is the breakthrough: all three parties share the same pieces of information. Everybody has their different role, but we are set up in a very good position. I could not have asked for more. I think we are in good alignment, and I am sure Dean would agree with that.



Lord Hendy: That needs to be supervised by Ministers as well. The relatively far more frequent meeting of the ministerial taskforce, which is the Secretary of State, the Chief Secretary and me, with HS2, the Department, NISTA and other experts is also crucial. We all have to show that we have the information, and that we are capable of managing it and having adult conversations about where this is going. Mark is describing a much better process now, but it must be supervised by Ministers. The Secretary of State and I certainly regard it as one of our principal jobs to make sure that that collaborative level is in Government as well as with HS2 and the Department.

Q29 **Laurence Turner:** I think I am right in saying that, before the general election, the ministerial taskforce met only four times in three years. What is the frequency of meetings now, and what tangibly comes out of them?

Lord Hendy: I think we have had four or five now.

Dean Creamer: We have had two since I arrived. All the significant strategic decisions taken on the programme now go through the ministerial taskforce. We have had two since January, and we expect to have another one in the summer. The risk is escalating everything up to Ministers. That would not actually be the right thing to do; it is about getting the right balance so that there is the proper strategic oversight, and the proper grip on the wider programme.

Having read the James Stewart review, I was quite anxious coming in about the relationship I would find, but I was pleasantly surprised at how good the relationship between my predecessor and the company was. As Mark says, part of that is because there is a principle, if you like, of radical transparency between the Department and the company now. That is really important, but if I was on your side, I would say, "That's fine, but show me how that plays out in how you are working."

Mark's senior team and mine sit together every week; we come together, talk about all the issues between us and work those through. I probably see Mark six or seven times a week—probably more than he wants. From my perspective, there is this principle of integration, not just at the political level but at the senior executive level. I think that part of the next phase for us is making sure that, further down the chain, our teams are as integrated as we are now at the strategic level; as I say, that is part of the next stage for us in the reset.

Q30 **Laurence Turner:** Is the most recent set of estimates, which was announced yesterday, an example of the kind of decision that went to the taskforce? Are DFT and HMT aligned on that range of estimates?

Lord Hendy: Absolutely. When we discussed that, as we do when discuss other things, we heard from Mark, from the chair of HS2, from Dean, from NISTA and from Treasury officials. The meeting is chaired by the Secretary of State, and it is rigorous in terms of everybody understanding the decisions that are being taken and what the risks are, because we need to show that we are as joined up at a ministerial level as they are at this delivery level.



Q31 Laurence Turner: Finally from me in this section, one of the weaknesses highlighted in the Lovegrove report was that, in the past, there was a lack of an effective shareholder voice on the board—or, to put it in different language, no taxpayer voice was being represented in those discussions. Is there a more assertive approach now from those DFT and HMT representatives on the board?

Lord Hendy: Oh, yes.

Dean Creamer: In addition to the ministerial taskforce, we have instituted James Stewart's recommendation for a shareholder board, which is chaired by the permanent secretary but includes a number of non-executive directors whose job it is to challenge us and the programme. I am pleased to say that the Secretary of State asked James Stewart to join that board, to make sure that we are not just ticking the box of completing these recommendations but actually living the spirit of those values. From my perspective, we are actively looking to learn that lesson and, as I say, we have started that board already.

Q32 Dr Arthur: I was impressed with what Heidi said yesterday. She said she was going to "remove the gold-plating" from the project, which is a great line—isn't it?—because people are concerned about the money that is being spent on the project and they want good value from it. However, the main headline from that seems to be that we are going to design things as intended, but the trains will run slower. That seems a bit odd, doesn't it?

Lord Hendy: Many, many books will be written about the history of this project, but fundamentally—indeed, they are being written now.

Dr Arthur: Being written just now? By yourself? [*Laughter.*]

Lord Hendy: However, one of the extraordinary things is that this was planned to be faster than any other high-speed railway. The most astonishing thing was that it was predicated on automatic train operation for a system that has not yet been invented for a railway that might have been delivered, in the eyes of those who first thought about it, about now, and there is no signalling system.

As Mark said earlier, it is particularly extraordinary because the country has already built a high-speed railway, which is built more or less to European standards. It is signalled with a standard signalling system, and HS1 works pretty well. So, I think that Heidi's description of it as taking away "the gold-plating" is absolutely right.

The journey time calculation of an additional three minutes is, frankly, neither here nor there. But what we are talking about is getting a specification for the end delivery of this project, which has the least risk possible and which must be right.

Q33 Dr Arthur: My understanding is that we are still delivering the infrastructure to the faster speed.

Lord Hendy: Yes.



Q34 **Dr Arthur:** So there is no cost saving there, is there?

Mark Wild: With the infrastructure—the civil engineering; the bed that holds the track—we have really passed the point where any change would make any sense. In fact, if we made any change to the civil engineering, it would cost us more money. So, we are better getting the civil engineering built.

Q35 **Dr Arthur:** It is a good four years' worth of work ahead of you.

Mark Wild: Yes. Well, we have been going for five years and we have now got to 80% or 90% design. So, to change the design—

Q36 **Dr Arthur:** You said you have got a fantastic relationship with your supply chain.

Mark Wild: Yes.

Q37 **Dr Arthur:** They have already made lots of money out of this project. Surely, they should get round the table with you and think, "How can we save the taxpayers some money?"

Mark Wild: It is a fair question, but it is really in the engineering. We have got nearly 90% of the design complete; that design is for the higher speeds. We are about to start prototyping the track, which is a factory environment. So, with the civil engineering and the track, we are better just getting that done to the spec.

The saving is in the design, testing, commissioning and operational proving. As we found with the Elizabeth line, novelty—you do not want to be the first person in the world trying to implement something, developing technology from scratch. We simply should not be in that game.

To your point about it being slower, it is actually not a slow train. We are converging this with the fastest trains in Japan and France. We are simply converging the technology, which will de-risk the end of this project. However, with the civil engineering, we are better getting it done. To your point, there are only three years left.

Q38 **Dr Arthur:** So, on this £100 billion project, how much is that going to save? It is going to reduce your commissioning costs. How much is that going to save us?

Mark Wild: We have estimated it to be about £2.5 billion in a year, but it is much more than that, because if you take a big step back—it is about the cost saving and the time saving, but it was not guaranteed that we ever could have delivered it. So, it is about reduction of risk—getting to the early parts of these ranges—but it is also about retiring a downside risk that we never would have got there.

I am sure Peter will remember the Jubilee line in the 1990s and the west coast main line in the early 2000s. We have seen technological signalling failures here before. This is not the project to take a risk on. And the technology that we are creating still gives you all of the capacity opportunities in the future. It does, of course, affect some benefits by how



HOUSE OF COMMONS

they are calculated in the business case, which I am sure Dean could speak to. But this is the sensible thing to do.

Q39 Dr Arthur: I do not want to get into the detail of signalling, but we are going for slower trains and cheaper signals. Are we still going to get the frequency and capacity of trains? Are we still going to get that part of the value?

Mark Wild: Yes. We are going for a fast train—one of the fastest in Europe—and we are going for standard technology and signalling.

The other advantage of standard signalling technology is that it is convergent with what Network Rail and GBR will do in the future. So, it gives you great opportunities as a country. Instead of having two variants of something, you have convergence.

Q40 Dr Arthur: Will they give us the frequency, just to go back to that point?

Mark Wild: Yes.

Dean Creamer: It is still three trains per hour in the opening phase that Mark described and then it is up to ten trains per hour once the trains move beyond Handsacre. So, in that sense, the number of trains does not change. The trade-off is—depending on whether you think you could have achieved 360—the notional economic benefits associated with those three minutes.

Q41 Dr Arthur: I was going to ask about that. I don't like to make assumptions, but I assume that, at the start of this project, an economic benefit was attached to that faster train speed.

Dean Creamer: Yes.

Dr Arthur: Have you quantified the economic loss? Is there a value on that?

Dean Creamer: Yes. Even accounting for that economic value, you also have to factor in the potential to open the railway at least a year early. The other downside is that there are some more potential operational costs, but those are offset by the reduction in energy from running at a slower speed. Our view is that there are some cost savings, there are time savings and then there is a big saving in the potential of risk at the end. Collectively, we do not think it will make a big difference to the overall value for money, but we think it will be a big reduction in the amount of risk that the programme is carrying. We will update that value for money assessment as part of our business case later in the year.

Q42 Dr Arthur: So—apologies for my cynicism—it will not make a big difference to value for money; it sounds like it is going to be poorer value for money.

Dean Creamer: No, it is not poorer value for money—

Dr Arthur: Right, sorry. Apologies for my cynicism.



Dean Creamer: I will be explicit: we are talking about a programme of £100 billion and, as Mark says, this is, at the top end, a £2 billion range, so it is reasonably small in comparison to the wider programme, but in terms of meeting Mark's ranges, it is critical. I talked at the beginning about the assumptions that underpin this. One of the assumptions in Mark's ranges was that we would try for two years to deliver at 360, and then we would need to revert to 320 anyway. From my perspective as the SRO trying to manage the benefits, I want to be clear whether they are real benefits or paper benefits. Testing that now and having the work that Mark has done is really important, and it has helped us to make a decision on that now.

Lord Hendy: To put some colour on it, at 360, you would have finished the railway and it would then have been closed for a significant period of time in order to test the trains, because there is nowhere else in the world you could have tested them. At 320, we can test them on HS1. That is a profound difference. The one thing I think we all want is that, when we have finished building this railway and equipping it, it opens for passengers.

Dr Arthur: Good answer. Thank you.

Q43 **Steff Aquarone:** The stuff that Scott has just asked you is probably the single most important decision to be made in the last two years. I put it to you gently that every review of this project has cited scope change, particularly due to politicians meddling with the project, as one of the single biggest impacts on cost. Are you not in danger of doing that again? Shouldn't we just get on with building the scheme that has been designed?

Lord Hendy: I think, frankly, that contemplating the risk in the terms in which we have been talking about it for the last 10 minutes or so is a very responsible thing to do. What might we do differently? If 360 kph trains were common in the world, that might be a change that we did not need to make, because that would make the risk of running them here significantly smaller. If there were an automatic train operation solution for a high-speed railway anywhere in the world, we might not change that assumption, but there is not. I do not think that the Secretary of State and I feel at all difficult in saying, "This is a project that has been in a pretty dire position. The taxpayer and passengers deserve to have it open. Why don't we take some decisions that reduce risk and take a marginal amount of cost out, and that don't make a lot of difference to the end result, but do ensure that we can deliver what we are now talking about?"

Q44 **Steff Aquarone:** And I feel as though the arguments for that decision make sense. I am sure the arguments for previous scope changes were not done on the basis of delusion, and were done with the right intention—or were they?

Lord Hendy: That is a very interesting proposition, because phase 2a was cancelled and—you know where I was previously—it was certainly cancelled without consultation with anybody involved in the existing, operating railway, despite the fact that it had the most enormous



HOUSE OF COMMONS

consequences for the capacity of the west coast main line north of Birmingham, as an example. Its having been cancelled, the train order remained as it was. How could that be? The answer is that you should not wilfully do things on a whim; you should work through a rational process, which is what we believe we have done in these latest changes, in order to get—

Steff Aquarone: That is fair enough. Sorry, Dean, do come in if you want to.

Dean Creamer: It is a really good challenge. As somebody who has done lots of projects in Government, I know that you do not want to change scope halfway through. It is the biggest way to lose control of time and cost. That is absolutely fair, and I think that is exactly the point that Mark was making as to why we are not messing with the civils at this point: we are so far into that, and that is exactly what would happen.

What we are saying is that this is an example of an issue we can see coming down the track that we can mitigate now. The scope change will require Mark to make a number of changes. When we talk about Mark's baseline, there will be mentions of ATO all the way through that now need to be managed. That is not an easy process, and Mark will now need to manage that as part of the baseline. But, going back to the principle of delivering as cheaply as we can as quickly as we can, what is the responsible decision in this space? It is to remove that risk from the programme, so that we have the best chance of Mark delivering in the ranges he has set.

Lord Hendy: By the way, the proposition was advanced by him to us; it was not our proposition to him.

Q45 **Steff Aquarone:** That was going to be my next question. So Mark asked the Secretary of State to ask him to look at what the impact would be of removing the highest peak of the high-speed element of this.

Mark Wild: No, the remit from the Secretary of State is for me to deliver it at the front end of these ranges. I suggested some topics that could come, one of which is this. For the avoidance of doubt—and I do understand the context of your question—I am fully behind this. In fact, I am the prime mover of it, because I just do not want to be in a position of inventing technology.

Q46 **Steff Aquarone:** So—let me be really clear—this is not political meddling in the scope. You welcome this, and you think it is a sensible, achievable thing to do.

Mark Wild: I certainly do.

Q47 **Steff Aquarone:** Lord Hendy, forgive me for coming back to you. I am not needling you for any particular reason other than to come back on your previous explanation, because that still does not discharge the claim that the most reliable thing to do is to stick to the design of the entire project as it is—that is the lowest-risk way forward, even if it means you



come in at the top end of your budget range.

Lord Hendy: The Secretary of State rightly has asked Mark to deliver this in the most certain manner, and we are trying to deliver it quickly, because we need the capacity that the railway will give us. I think it would be irresponsible not to contemplate things that give more certainty. As James Stewart said, at the beginning of this project there should have been far more contemplation of what was originally specified. It might have sounded brilliant to have the fastest high-speed railway in the world, but that should have been unpacked to find out precisely what assumptions were being made about that and discover how deliverable it was.

Q48 **Steff Aquarone:** We understand that. We are not here to scrutinise you for decisions that were made prior to your tenure or even in the past; we have plenty to scrutinise and discuss here. But I am going to quote one of the pieces of evidence we have heard: "Nothing is cheaper than freezing the design and building against a stable scope you've spent billions and two decades developing." That still does not answer that question.

Mark Wild: I would say there is a fundamental difference here that, in my professional opinion, I do not have a route to actually deliver it. It is not like saying, "We want a blue one—now we want a red one." If we were to continue, my advice is that it is highly likely that I could not get there and I would have to revert to a lower spec anyway. In a funny way, you are exactly right. The freeze we need now is a technical freeze—a freeze of development in the laboratories of our signalling manufacturers who literally do not know how to produce this.

I think if we continued with this, we could achieve it or we could not achieve it, but if we want this railway open at the early part of these ranges and if we want to preserve all the benefits, this is the right technological choice. It can only be taken now, before we strike the baseline. That is the other dynamic: we have not struck the baseline yet, so now is an optimum time to freeze. I do agree with you: it would be very wrong in two years' time to try to change the spec of the signalling system when we are in the middle of designing it, but we are actually at a very opportune moment to freeze the technological development horizon.

Lord Hendy: I just want to go back quickly to one thing. Originally, as conceived, this was a completely separate network of railways serving the country to the north-east and the north-west. At the stage at which it started to be pared back and it became obvious—to me, at least—that it was going to be part of the national network, those decisions should have been accompanied by a contemplation of what their technical effects would be. The fact remains that, for the very foreseeable future—certainly, for my lifetime—these trains and what is equipped on them will spend more time on the national network than they will on HS2. If you don't contemplate that, you are fooling yourself. If you froze the spec without contemplating the use of the railway, you really would be foolish.

Steff Aquarone: I accept that. Thank you.



Q49 **Jacob Collier:** We have spoken about speed, signalisation and technology. Are there any other areas of over-complexity—gold-plating, to use Scott’s phrase—that could be removed, or do you feel that you have addressed all the challenges?

Mark Wild: I think they are the big principal decisions that the SRO and the Government would have to take. Interestingly, once you are on this path of more standard technology, it opens the opportunity at the working level to have standard componentry and convergence, for example, with the maintenance specification of HS1; that suddenly becomes highly compatible with what we are doing here. In lots of ways, these big principal decisions open the opportunity at the working level to standardise, so I think you will see the benefits of this rippling down. I can’t quantify those, but in the baseline we will spend the next three or four months rippling these decisions down, and it will reduce risk. Everything we are doing here is not additive; we are taking things away. We are taking effort and uncertainty away at the working level. These are the big levers to pull.

Q50 **Jacob Collier:** Is that standardisation better for the supply chain and the companies that are supporting the delivery of the project?

Mark Wild: Yes. The supply chain is justifiably quite frustrated. We have very high local content from the United Kingdom. Many hundreds of SMEs support us, and they are probably frustrated that we have not been able to progress the project. I will give you a great example. We buy our doors from the north-west—from Booth Industries. These standardisations give them an easier path in their engineering, so they will be to the market more quickly. These are quite intangible things, but very important to make sure that the supply chain can join our production as fast as it can. Try to eliminate all development; standardisation is the key.

Q51 **Sarah Olney:** I am guesting today from the Public Accounts Committee, which, as you probably know, has looked at the development of HS2 on many occasions over the last few years. Mr Wild, you came before the Committee in February last year, and we had an exchange at that time about contracts. You assured the Public Accounts Committee that it would be relatively straightforward to renegotiate some of the contracts in order to drive out some cost savings.

In response to my question about how likely it was that contractors would be willing to negotiate, you said: “On the Elizabeth line, where this exact thing happened”—renegotiation of contracts—“I found the exact opposite. When the opportunity was created for people to be coherent, lower risk and productive, people really came to the party.” Has that been your experience in the last 18 months on HS2?

Mark Wild: Yes. I had forgotten that I said that.

Sarah Olney: I brought the transcript with me, just to be on the safe side.



Mark Wild: It has, actually. In HS2, we have four main work civil contractors. We have other contracts too—we have contracts for stations, for the rolling stock and for the stations—but the real focus is on the four main work civils because of this dynamic: they have three or four years to complete their work, and they are by far the biggest cost overrun that we have had. When we say we started without design, we are largely talking about the four main work civils.

The process of getting to a baseline requires that the four main work civils stand behind it. That is an important principle. In the autumn, I am sure that one of the key questions of the SRO, the Government, the Treasury and NISTA will be, “Is your new baseline backed off by the supply chain?” I am sure that will be a big question. That requires us to come to an accommodation.

Where we are precisely is that we are in discussions with all four. I wish I could talk about them all individually, but that would be inappropriate. Between now and September, we aim to get as many of those as we can into revised contracts. It is going very well. All of them are leaning in at the CEO level and at the tactical level. Of course, it is a deal, so it is not right that I talk about it, but we are on the right trajectory to get revised contracts with all four main work civils.

Q52 **Sarah Olney:** That quote of our exchange was from February last year—2025—but you are still renegotiating. Why is it taking so long?

Mark Wild: To be fair to the supply chain, the first job from me to the supply chain was to drive productivity now, because while we are resetting, we are spending £7 billion of public money. We have actually had—we might come to this—a very productive year, so I would first say a big thank you to the thousands of people working for our main work civils contractors. They have had their best year, they have been safer, and they have achieved about 20% more work for the same money. That was job one.

The reason we are in negotiations with them now is that we have the ranges and the reference case. You really did need yesterday’s announcement by the Secretary of State. You needed that framework to tell the civil engineers, “You need to finish your work in 2029.” That is why the opportunity has been created. We started conversations about two months ago, and we aim to conclude them in the autumn. At the moment, things are going positively, and certainly my objective is to get revised arrangements with them all. These are not new contracts. What we are doing is shifting the balance of risk, which is too weighted towards the Government at the moment. In that rebalancing of risk, we are of course considering incentivisation. That is the negotiation that is going on.

All those deals will be subject to scrutiny and assurance; they will go through many layers and eventually end up with a ministerial taskforce. But I stand behind that quote. I have been very pleased. Whether we can actually get there, with the right deals, is another issue; there is a counterparty, and I cannot speak for them.



Q53 Sarah Olney: I am still a little bemused that you made that statement to me in February last year, and you are now saying that what was required to achieve some of these savings only just happened yesterday. Why were you so confident last year that you were going to be able to renegotiate these contracts?

Mark Wild: I would say a couple of things. It is always a two-year process to reset. My prime objective is to be in a coherent, controlled state in April '27. It was a surprise to me to find out that we did not really know, as HS2 or the supply chain, where we were or what we had completed. In February, I did not know the extent of the gap between our knowledge of what we had done and what we thought we had done. In the summer of last year, with the joint ventures, I measured every bit of this job. Then, we put the project in the right order together. That creates the opportunity for the deals to be formed. If we had tried to create deals without knowing where we were or the path forward, we would have simply ended up where, unfortunately, HS2 Ltd was two years ago—with the supply chain unable to say what it was bidding against.

It has probably taken me about three or four months longer, but that has been the process of scrutiny. We know exactly where we are and exactly the dates they have to achieve. We are in peak production. I am very happy with our productivity. We need to keep a focus on safety. That creates the conditions of a conversation, which is happening now, about rebalancing the risk. I hope that is clear. We have done it in a sequential way.

Q54 Sarah Olney: Can you tell me what you have successfully renegotiated so far, and can you put a number on the savings that you have made?

Mark Wild: I cannot, because this is the process of forming the baseline. If you ask me that question in April '27, with a new baseline schedule, I need to be saying that the new baseline schedule is fully backed off by the supply chain, with revisions to their contracts. That is exactly the process we are doing now. We need to have that done by autumn, towards the end of the year.

Q55 Sarah Olney: I suppose I am still quite troubled by this. We did ask you the question at the Public Accounts Committee, in February last year, and you said with great confidence that it was going to happen. Now here we are, over a year later, and you still have great confidence that it is going to happen, but nothing has materialised in that time.

Mark Wild: My comments stand; in fact, I am very confident. I will repeat that I have always said that it will take two years to reset HS2. I am sorry that I cannot do it faster, but I think this Committee and the Public Accounts Committee would agree that we only get the chance to reset this once. It might feel like it is delayed, but it is right to do this diligently. I am very confident that, when we get to the new baseline, I will be reporting that we have made contractual amendments to bind the supply chain in. I am very confident of that.

Q56 Sarah Olney: In these renegotiations, will you be encouraging your



contractors to complete the project at the early and cheaper end of the current estimate? That is the goal.

Mark Wild: Everybody understands that we need a fair deal—equitable, of course, for the shareholders of these private companies. The prime objective is the lowest possible cost, at the right quality. I go back to the question on this interesting handover to the system engineers. The most important thing in saving money is that the civil engineers leave and the track people come in, so that we do not have the endless cycle of rework that we experienced in Crossrail.

We need a clean handover. We might pay a little bit more in one area to have the certainty of reducing risk in another. That is the opportunity of the baseline; that trade-off is one that we will explore in the baseline. It is exactly the conversation we are having with the supply chain right now. The prize is demobilisation of civil engineering in 2028-29 to allow the access of the civil engineers. That clarity is the thing that we did not have a year ago when I made those words, but I have got it now.

Q57 **Sarah Olney:** Finally, if you achieve the success that you are looking for in renegotiating contracts, what impact do you think that will have on bringing down the overall budget?

Mark Wild: Dean might comment as well, because we speak about this a lot in our meetings. There is one big objective, which is to incentivise our supply chain to complete this job earlier and value public money. It is nobody's fault, but how the contracts were arranged means they have become cost reimbursable.

The quality of the work is good, the management is good, but we need the supply chain to bear down on costs, to have efficiency at the top of their minds. That is the objective: to get to the early end of this range, bear down and value public money. That is the difference, because the contracts we had were not structured like that. Dean, do you want to come in?

Dean Creamer: There are two things that I and colleagues and Government will be looking at when we assess these deals. At the moment, the risk to us is a prolongation of work. As work completes, suppliers reduce the level of resource. Mark needs what he calls his paper railway, which is hundreds of thousands of pieces of paper that certify that the railway is ready. There is massive value to be had in concertinaing and bringing that together.

The risk to us is that that becomes a very long tail. So, there are two things that I am looking for. As Mark says, we met the chiefs of the joint venture last week, and it feels like they are in the same place. There is a big opportunity here for both sides. We get certainty over the price of the cost to go—that is, the cost to finish the job—but we are clear that we also want their behaviour to be incentivised to get that paperwork to us as quickly as possible.



HOUSE OF COMMONS

You want the price of the job to be set, with everybody agreeing that is now the price of the job. You also want them incentivised to do it as quickly as possible. Those are the two things we will be looking for but, as Mark said, that is not easy. That is a long process that has been gone through. From our perspective, the September point ahead of Mark's first baseline will be really important, because we want to factor that supplier-backed confidence into Mark's baseline.

Q58 Chair: That is the cost control that you have power over. In terms of external ones, one of your contractors has raised concern about the rising cost of steel. There is obviously also going to be concern about the rising cost of fuel. What assessment have you made of the impact of these external factors on costs?

Mark Wild: As I started on the programme—and I know, Dean, that you have done a lot of work with the Government—we had problems with Mariupol, and at that point we had to get all our steel from Portugal, the UK and Romania. One of the big disruptions in the past five years has been the loss of Mariupol steel into HS2.

The more positive news is that we are in the situation in this project where steel volumes are declining. The large steel production of rebar structural steel for the civil engineering is in decline. The rail track will be UK rail coming from the network rail order, I think from Scunthorpe. We are now talking about structural steel for Curzon Street and Old Oak Common. We are in the declining phase, so in lots of ways, the steel risk is probably less compared with broader inflation. Fuel inflation might have a bigger effect on HS2 because we are in this declining steel phase. There is still lots of steel to buy, but we are very much in the decline now.

Dean Creamer: One of the things we have not said today is that, following on from the announcement of the ranges, there is no additional money being spent in this SR on the programme. HS2 has its £25 billion and that needs to be managed. It has provision for inflation within that, but it will need to be managed.

One of the challenges we will have if we see a significant uptick in inflation is that, as with every project across the country, there will be a pressure and spending power will reduce. We will need to manage that. Mark and I are managing that; in fact, we look at that every month as part of our performance board. That will need to be watched closely, but we do have a provision to manage an amount of inflation.

Q59 Jacob Collier: We have obviously spoken about construction, and you have said that the construction from Old Oak Common to Curzon Street is expected to be completed by 2029 for the civils. I am close to Handsacre junction, which I am sure my friend Dave Robertson has been on at you about, Minister.

Lord Hendy: Last night.

Jacob Collier: Could you confirm some of the timescales, if you know, around that junction specifically?



Mark Wild: Handsacre junction to Delta junction, or Delta junction to Handsacre junction, is 30 km of new high-speed track to the west coast main line. In the spending review settlement, we made a conscious decision that we would focus resources on the Old Oak Common to Curzon Street and Delta junction. Why? Because we need that bit of track to start the track laying, putting the track down and getting a train on the track.

We deferred the construction of Delta to Handsacre to be outside of this spending review period. Last night, we spoke to some of your colleagues who are involved or in those areas. In the next 18 months we will bring our works there to a stable position. There is still more work to do there—we are working on the A38 and the A5—but we will bring that to a stable position and then restart construction work in 2031, 2032.

You may say that is a big delay. It is a consequence of allocating the resources to where they should be to get the railway open as fast as we can. It also allows us to spend time taking speed and scope decisions on that bit of railway to see how we can minimise the cost. We have not completed the designs, so it is an opportunity.

There is a delay; we will not start the actual construction work until after the spending review period, but we will provide the time to do it. We have taken on board the serious concerns about making sure that our works there are appropriate. We have not got traffic management in place where we do not need it. We really respect the communities that have had a terrible time. One of the worst affected communities has been in that area, so I take that responsibility seriously. My commitment is to work with local constituencies as much as I can. Certainly, if anybody has any concerns, they can come to me directly and I will do my best. That is where we are.

Lord Hendy: That, in fact, was the nature of the serious discussion last night. We realise that taking these decisions does have a consequence for the communities that are affected by the building of the railway. Politically, I, as well as Mark, would say that we are determined to minimise that as much as we can and respect those communities better than has been done in the past.

Q60 **Jacob Collier:** I am glad that there is a recognition of that. My constituents travel on the A38 and it has been a complete nightmare. I think it is still the plan to put the national speed limit back in place by April. Is that still on track?

Mark Wild: Yes, it is, and the work is to be completed in October, as you know.

Q61 **Jacob Collier:** The Secretary of State mentioned that construction productivity has increased across the project. What steps have you taken to improve that performance?

Mark Wild: I would say credit to our supply chain. Even when I arrived, there was a positive change because the fundamental problem of starting without design has been corrected. We have largely designed the main



HOUSE OF COMMONS

works civils, so when I arrived, there was already a positive spirit. What have I done? We have really focused in-year to relieve any blockages people have. Every month I personally meet the bosses of all the joint ventures and we look directly with our chief engineer at how much earth they have moved, how many viaduct segments they have put in and where they are blocked. The big change we have made is really thinking about how we make the 30,000 people in orange as productive as they can be.

We have had some good results. We have been helped by the weather—it was a very positive earthworks season—but it is more than that. It is about more scrutiny. That is not just my scrutiny; every month Dean and I sit down and look at productivity as well. It is the old adage: what gets measured gets managed. We have seen some good results. The earthworks in particular have been quite astounding. We have moved more than 20 million cubic metres of earth in the year, achieved all the viaduct segments, all the tunnelling is complete between Old Oak Common and Birmingham— I could go on forever and ever. The joint ventures really do have the bit between their teeth, but the thing we have done is put the spotlight on it and drive people in-year while we are resetting. That seems to be a breakthrough.

Lord Hendy: The Secretary of State and I are delighted that we have somebody who is looking at this on a granular basis, because that is how you motivate the contractors and the staff. You do not do it by some aerial view of this project. We need to see solid progress every day, every week and every month.

Q62 **Steff Aquarone:** We are talking about stuff getting built. What is going to get built by the end of this year?

Mark Wild: A big milestone is about to occur in the next couple of weeks: pushing the huge Curzon 2 bridge over the railway in the late May bank holiday and into June. That is the type of visible symbol you will see. Unfortunately, that might be the only visible spectacular. Last year was the year of tunnelling breakthroughs and big pushes over the motorways. This year, you will see a lot more earthworks in the central area and a whole programme over the summer of very complicated pushing of bridges over the M6 and the M42. I have to give credit to National Highways. We are achieving things with National Highways every single month that are usually lifetime achievements. That is another example of close working within the Government. You will see a lot of activity around Delta junction and the motorways in the west midlands.

The big push is a bit invisible. We had a very good year last year, except in one area. We did not make as much progress as I thought we should have in the area of design. This is not the issue of drawings to engineers to building things. Dean alluded to the famous paper railway—these are the assurance documentations, the safety assessments, the risk assessments and the certificates that all need to come back. We did not make as much progress last year as I wanted. This year is a really big



HOUSE OF COMMONS

push into the intangible thing that you cannot see: the IT systems and the certificates. You need to see a really big improvement in that.

We have also commenced the tunnelling drive to Euston. This time next year, we will be nearly done with the two tunnelling drives—maybe not quite done, but I expect that we will be done by May or June next year with the work that the Government commissioned. You will also see Curzon Street and Old Oak Common coming out of the ground. Particularly at Curzon Street, you will see the superstructure emerging. After years of looking at this very large hole in Birmingham as you pull in, you will start to see the superstructure emerge.

Q63 Steff Aquarone: This year?

Mark Wild: Yes. The steelwork will be erected during the summer—the substructure—and then you might even see the start of the roof this time next year. Hopefully, I gave confidence that there is high productivity on site, which is essential, of course, as the Minister said. Every single day we are pulling this window forward—that is the key, to think of this window of time we have created and fight for it every day. Every day you do something that could pull it forward, and the baseline gives you the opportunity to scrutinise that.

Lord Hendy: I do not think the Committee got to Curzon Street, but—

Q64 Steff Aquarone: No, we did not.

Lord Hendy: If you go there now—I was there last week—you can begin to see precisely what Mark says. It is starting to come out of the ground, and it is worth a visit because in all these things, the size of what is being built is breathtaking.

Q65 Steff Aquarone: Before we get back to building stuff and moving earth, you mentioned, Mark, the certification and documentation thing. Is that about the future systems, or stuff that is affecting operations right now? In other words, are there any risks—health and safety risks, failure risks—to the project as it stands, because that particular workstream did not make the progress you were hoping for?

Mark Wild: There are two channels on that. The bit I am talking about is the assurance of the certificated railway in the end. One change we have tried to make in this year is to think of this as a railway, not simply a civil engineering project. To get to a railway, you almost have to go to the future and work back-end. It might be surprising that the certificates from the civil engineering—the compliance certificates for the concrete, the certificate that they have that handover from the National Highways bridge—are all part of the pyramid of documents that build up. A big mistake in Crossrail was that was left to the very end, and we had to scramble—we even had to redo testing of civil engineering that had been done because people had not co-ordinated it.

Q66 Steff Aquarone: These are commissioning things, not construction things.



Mark Wild: Commissioning things, yes. They are related to construction. There is the assurance of things that were built: did you build it in the right place? Did you get that certificate back? The other channel you are talking about is the actual work on site, and I am really pleased with the trajectory we have on quality and safety. We are never complacent, but we have made big inroads in improving safety on site. Again, there is much more to do there, but we are doing better, I would say.

Q67 **Steff Aquarone:** Lord Hendy, I do not want to underestimate the importance of what you just described: the visible impact of things rising out of the ground when the decision was taken to proceed rather than to cancel the whole project. That is the decision that has been taken and it is important that the public can see and have pride in this new railway when it is built. Let us not underestimate, however, the challenge of getting to that place. I want to ask you about the impact on the route. Jacob has asked you about particular aspects of it and you have given some reassurances, but are there any specific ways in which you will be able to provide greater reassurance to people along the route that are affected by this longer-term project trajectory?

Lord Hendy: It is a very good question. I am very bothered, and so is the Secretary of State, about the significant prolongation of disruption to communities and individuals. I am also bothered about some of the individual cases of landowners and property owners. With some of the individual ones that have been brought to my attention, you can understand people's anger and the really significant personal disruption that has been caused.

One of the things I have asked Mike Brown to do as the chair—he and I are due to have a meeting with the residents commissioner imminently—is to make sure that HS2, in dealing with these individuals, takes both a proactive and pragmatic approach to solving some of the difficulties. Inevitably with landed property, you have lawyers and quantity surveyors. My observation from afar, without pointing the finger at anybody in particular, is that some things have been, it seems to me, endlessly prolonged. That has made a lot of money for the lawyers and quantity surveyors but has not left the landowners, property owners and residents in a good state. We are determined to do something about it.

I have met a number of your colleagues from this House who have brought to me the worst examples. Mark has been proactive. The company has been proactive. I know that the board are now far more concerned than they were, because it is really important. There are some really distressing stories of people whose families and lives have been affected, and I think we have a responsibility to them to sort out their issues. Sometimes it needs to be done thoughtfully and not just legalistically. We obviously have to be careful of public money, but we also have to respect people's livelihoods and privacy. I think the three of us all know of cases that, having been brought to the surface, we have tried to solve rapidly, and I intend to continue to pressurise him and the board to continue that, because we realise that there are many people on this line



of route who believed that the railway would nearly be open by now, and sadly, it is not. This disruption has gone on for years, and it will continue.

- Q68 **Steff Aquarone:** Aside from the potential for the reset to make it happen more quickly and more cost-effectively, you have described stopping lawyers arguing and getting on with agreeing things—that is clearly a material improvement. Are there any benefits in terms of the certainty of the scheduling of works that you think this reset will unveil? Will you be able to tell people more confidently, “It’s going to happen in these three months, but not these three months”? What is the next biggest risk in the delivery of those future milestones?

Lord Hendy: The construction seasons and finishing the construction work in 2029 are really important, because you cannot underestimate the effects of large earth-moving equipment and significant shifting of stuff on land. There are a relatively large number of construction compounds which have to be there, not on the line of route, which can be released at a stage when the earth moving is finished.

We are reliant on this whole process to give some more certainty to the communities and individuals affected by this, so I want him to do his best not merely for the cost of the project, but also for the effect it has on the communities. When you get to equipping the line and systems, it will be a different issue, but we are reliant on that. That is one of the reasons to de-risk this as much as possible, to try to give some more certainty.

- Q69 **Steff Aquarone:** Mark, what are the biggest risks? Are skills shortages potentially going to drive a train through your plans?

Mark Wild: No, because if you look at the other mega-projects—Sizewell, Hinkley—we are largely de-conflicted. Our earth working will be finished before Sizewell has to start digging a lot. The risk we are sensitive to is electrical engineering and making sure that when we start the fit-out—the wiring—we have enough skills, but we have the time.

The other advantage—it is a terrible advantage, because it has come at a terrible cost to the taxpayer—is that we have these two or three years preparing to start systems, and we aim to make the best of that by getting the right electricians certified and trying to make sure that we do the electrical engineering once and we do not have rework cycles. We are going to put a lot of effort over the next two to three years into making the system engineering a good phase. There is a risk that we do not get the right quality of electrical engineering, either skills or rework. We are on to that, but it is a risk.

Lord Hendy: But there is a huge benefit in using ETCS as the signalling system, because at least the supply community is used to that, and the capability that Mark will need to equip the railway will at least be durable in its long-term ability to work on the rest of the UK’s railways.

- Q70 **Chair:** I do hope the importance of the relationships with the communities along the line is being taken more seriously. When I was on the Transport Committee before and we made a visit to Buckinghamshire, I was shocked at what councillors, parish councillors, landowners and residents told me



HOUSE OF COMMONS

about the attitude of HS2. I have not heard the same level of complaints from colleagues since. Obviously, it is disruptive, but it sounds to me like the quality of communication and honesty is better. I hope that it is better than it was before.

Lord Hendy: I hope so too. One of the things that reassured me in discussion last night with some of the people whose constituencies are affected is that they knew that Mark was coming himself to visit, which is really important and produces a scale of urgency in his organisation that is helpful.

I found that before in similar jobs. You say you are going to go, and he says that he is going to go. Things are more certain because of that. I will encourage him to do it. That is why I have taken the opportunity to meet personally every one of your colleagues who has written to me, rather than sending officials.

Q71 **Chair:** They are very grateful for that.

Lord Hendy: I think that is the right thing to do because we must respect people's lives and livelihoods.

Q72 **Laurence Turner:** I want to take us back to contracts and oversight. When you appeared before the Committee in July last year, Mr Wild, you said that there was a fallback if negotiations could not be concluded. You said, "In areas where we have a little bit more flexibility to reallocate work we will do that, but for the majority we will simply manage the contracts in a much more assertive and firm manner." Why wasn't that happening before?

Mark Wild: You would not expect me to speak for my predecessors. I found that the frontline teams of HS2 were under-resourced. That is a statistic. When I arrived, the frontline teams of HS2 were only 60% resourced. There were 40% vacancies. That is clearly an unacceptable position. There were too many people in HS2 in central roles and not enough people on the ground. Of course, that goes to the Chair and the Minister's point about communities. Ultimately, the communities need leadership as well. We filled those roles. We still have a few vacancies, but not many. We have put some exceptional leadership in place for our civil engineering. I am really pleased with my team in the main works civils area.

All I can say is that I know the value. The most important people in this job are the men and women in orange digging holes. My job is to make them as productive as they can possibly be. We are trying to shift the whole balance in HS2 to have fewer people in the centre and more people in productive activities. We have had a good year.

There is much more to do in communities. We have made big progress in communities, but I still want more. In terms of production, if we ended up with a no-deal scenario with these main works civils, those activities you mentioned are exactly the path that we would go on. We have contingency



plans for that. It is much better, though, if we have a constructive, balanced partnership with our supply chain. That is very much our plan B.

Q73 Laurence Turner: We have heard—and I have heard privately—from people who have been engaged on the project that one reason for the high vacancy and turnover rates was culture. People felt that they were prevented from, or could not, escalate and report problems. Do you accept that characterisation?

Mark Wild: I really cannot talk about the past. I can only say what I have done. I certainly found an organisation of great people who were quite fearful. It is true that there was opacity to what the actual situation was. As we did on Crossrail, what I have tried to do is create an environment where people can speak truth to power—where they can be transparent and not feel that there will be any kind of sanction. What you really want in these mega-projects is all of the voices to tell you where you are and create an environment where people can solve problems together.

I do not think we are remotely where I expect us to be in a year's time, but I hope that we are on the right trajectory. I want to underline that the folks in HS2 are great people, and I am very pleased. What we need is more of a culture of production transparency leaning into these ranges. These ranges announced yesterday by the Secretary of State are a real big breakthrough for me to drive the organisation to the early part of these—

Lord Hendy: The Secretary of State and I are expecting the chair and the board to lean into this too. You can sometimes see in big projects that the people at the top become advocates for the thing in general, rather than delivering the project that they are being asked to supervise in particular. I know from my interactions with Mike Brown and his new board members that they are very focused on this too. That is right. They are the leaders of this to whom Mark must report on a daily basis. They have to drive that culture as well.

Dean Creamer: There is also a role for the sponsor. To go back to the issue discussed at the beginning about the importance of integration, part of the role of a responsible sponsor is to be able to get that sense of, "How does the organisation feel?", and not just have it come from the senior executives. So, that point about being integrated at the top in the working level and at the very bottom is really important, and that is what we are committed to doing.

Q74 Laurence Turner: Finally, on transparency, HS2 Ltd only had a limited audit opinion for the 2024-25 accounts. At the October meeting of the audit and risk assurance committee, to quote: "Members discussed the objective to create an improvement plan to enable HS2 to achieve a Moderate audit opinion by April 2026." Was that achieved?

Mark Wild: We are yet to receive the GIAA's opinion, so I don't know is the answer. I do know that I meet the GIAA every single month and we are on a positive trajectory.



HOUSE OF COMMONS

One of our really big objectives in April 2027 is not only to have a baseline schedule with the right commercial deals. We also need to be in a control environment that is “moderate”, so it is one of our big objectives. But we will wait and see what the GIAA says.

Chair: Okay, thank you. We will now move to a place that some of us know fairly well—Euston station. Alex.

Q75 **Alex Mayer:** Thank you, Chair. Let us imagine that we have fast-forwarded into the future a bit. The train lines have all been built and people are arriving at Euston station. There are more houses all around and there are shops, and it has become a popular place and is really busy. Are you confident in your passenger forecasts and in any forecasts for footfall, so as to ensure that when people start arriving on day one the station is not already at capacity? Are the plans future-proofed?

Dean Creamer: I am happy to say that the plan that we are doing fundamentally factors in the demand for stations. One of the reasons that we need to do the upgrades to the underground station is that it is already suffering from capacity issues. The work that will be done now on Euston will factor in the expected demand over its life.

It is really important to sequence that properly. If you remember, one of the things about Euston is that it is the HS2 station, the underground station, the conventional station and the development that goes around it. It is important to take a campus approach, so that the work is coordinated. But you cannot do everything at once, so sequencing in the right order is really important.

What we will make sure of is that, over the planning period we will now enter, we will do that sequencing really carefully. However, we start in principle with the HS2 station and the underground station. As I say, we work very closely with TfL on demand; we are fundamentally using their demand modelling. That is what we are doing.

Lord Hendy: I should say that I have got some history in this, because I chaired the Euston Partnership for seven years. We went through a series of designs for HS2, which proved to be far too expensive and therefore undeliverable. There is now a real agreement among the parties that there is a spatial plan. There have had to be some compromises to achieve that, which is good progress, so we can be a lot more confident than we were.

You also have to remember that there was a considerable hiatus because the last Government decided not to go to Euston unless the proposition—broadly speaking—was that doing so did not cost any public money, which was a challenge beyond anything that anybody could achieve. So, there was a hiatus, but I think we are in a much better position now, although I would say, and it will no doubt come out in the subsequent discussion, that the cost estimates are in a less developed place than the rest of HS2.

Q76 **Alex Mayer:** Are the six platforms for the new bit of the station enough?

Dean Creamer: Yes. The six platforms are sufficient for up to the 10 trains per hour from Euston over Handsacre junction. The additional



platforms are so that we do not reduce the ability to run more trains to the north in the future. That is the principal use of those additional platforms. They are provisioned for, but they will not be operational.

Q77 Alex Mayer: There have been some reports in the media that three extra platforms might be hemmed in by retail space and might not be long enough. Do you have any views on that?

Dean Creamer: I have no evidence to suggest that they are not long enough. What I would say is that there is the important issue of meanwhile use. If you have additional space, you will want to make sure that you can make the most of that space, but my expectation is that those three platforms will be able to service the station in due course.

Lord Hendy: I think we are in a very good place. There was an attempt by some elements of the previous Government to make the design incapable of having more than six platforms, which would have been the wrong thing to do because we know that the capacity of the line north of Euston could be up to 16 trains an hour. It is the right thing to do in the public interest to safeguard the space, so that in future times, there will be terminal capacity to operate to the full level of service that what he is building is capable of operating.

Q78 Alex Mayer: The Euston Delivery Company is now being established. In November, Camden council announced their intention to lead a development corporation as well. Thinking first about the Euston Delivery Company, what will it be responsible for and what will remain the decision and responsibility of Ministers?

Dean Creamer: The purpose of the delivery company is to act with the authority of the Secretary of State to do two things for us. First, it will be the guardian of the plan for the design of Euston, the new schedule and the budget. Its job is to bring partners together to do that. In doing that, it needs to be a genuinely integrating organisation, not just another voice among many.

The way we are doing that is that there are three layers of governance. I feel like I am talking a lot about integration this morning, but it is really important. We are bringing people together at the strategic level—that is the politicians in Camden, the GLA, the Government, chaired by the Rail Minister, and senior people from key partners in that Euston partnership. The EDC board will be brought together with non-executive directors from all those partners and nominated by those partners, as well as some independent NEDs. At the working level, the company will bring together those partners again to make sure that throughout the structure—on design, money and strategic issues—we are all aligned.

That is really important, because we have to be honest: we have had two goes at getting this right, and we have not done it yet. This time, we need to make it work, and it starts with getting the governance right. The EDC is the embodiment of the will of those partners, not just another player in the space, and that is the principle that we are driving. We are really pleased that David Goldstone, who has lots of experience in many ways,



not just at the Office for Value for Money but as chief executive of London Legacy following 2012, has agreed to be a non-executive director as we start to set that up. We are trying to embed real expertise from people who have had important integrating functions and roles before, built in from the start. We will be advertising for a chief executive for that organisation very soon, and that will be an important step in the organisation starting to build the capability that it needs.

Lord Hendy: It is really important that people are close, because, as I said, there are some inevitable compromises in delivering this. We have to bind in those compromises so that the individual partners do not revert to, "This is what I want and we can't go forward without me getting it in total." It is a complex thing to do. The sequencing is complex and the site is obviously limited, so we have to bind that together.

Dean Creamer: An example of that being positive is the spatial plan that has been agreed, where there was a demand for more than a third of the space that we actually have on the site. We had about 35 workshops that ensured we got to an agreed consensus on the spatial plan.

Q79 **Alex Mayer:** You have just listed a whole range of stakeholders. To be fair, when we talk to them at the moment, they say that there is good collaborative working, but this is a long-term project. Some of those personalities will change, and possibly some of the organisations will change as well. How are you making sure that there is the will to drive this through, and that it is not left to the whim of people getting on with each other?

Dean Creamer: For me, that is why the strategic group is so important, because you need to bind in that political buy-in. As I say, the Rail Minister chairs that group, but the GLA and Camden sit on it at a political level, as well as the chairs and chief executives of those partner organisations. That will probably meet three times a year, but its job is to create that strategic alignment and make sure that the will to do the job and finish it is there from the start.

Lord Hendy: We have to remember that there is a huge prize here. This is the biggest development site in central London, and it is capable of creating enormous economic wealth and commercial space for jobs and housing. One of the jobs at the top level is to remind people: not only are you building a terminal station that has to have sufficient capacity to do its job as a railway terminus, but you are master planning a really significant space. My experience so far suggests that if you bring the right people together at the top level, they recognise that. It is crucial, both for the Mayor and for Camden, that Euston gets developed properly and creates the jobs and homes that are so badly needed, but it is also important at a national level that it creates the growth that a site like that in central London can achieve. When I am compos mentis, I always try to remind people during those meetings, both in the partnership and as we go into the future, that that has to be the overall aim. It is not just a railway station. That has to be successful—it has to be built right and have the



HOUSE OF COMMONS

capacity—but this overall immense prize of economic growth, jobs and homes is—

Chair: Okay. I am conscious of time and the need for brief answers.

Q80 **Alex Mayer:** What is the timescale for completing the works at Euston station? By station, I mean old, new, underground and bus.

Laurence Turner: Bus?

Alex Mayer: Yes, them too.

Dean Creamer: At the moment, the public timetable is the one we have set out in the reset ranges. That is the one we are committed to, which is getting services from Euston to Birmingham and across Handsacre between 2040 and 2043. What we have not yet done and are not yet mature enough to do—as the Minister says, we are still working through the plans—is say what the completion date will be for all the elements of that plan. The ranges we have talked about are for services from the new HS2 station to Birmingham and beyond.

Q81 **Alex Mayer:** Does that mean that passengers who use the traditional Euston station at the moment need to wait until 2040 for it not to feel grotty anymore?

Lord Hendy: A lot of effort has gone into managing Euston better in the past two to three years. Most of its users would not say that it is lovely, but it is certainly managed more collaboratively. Network Rail is investing in the station in order to keep it fit and serviceable. One of the things that needs to be done, which was not a feature in several of the previous designs, is to have one concourse for both stations. In the end, that will be a huge benefit. If you turn up there for a train to Birmingham, you should have the same experience as getting the train to Bushey and Oxhey; it should not be very different. It will require a hell of a lot of management to keep the existing station going. One of the reasons for binding Network Rail and the train operators into the delivery company is that they have to keep this thing going, as does the London underground, while all this work is done around them. It is no mean feat, but the timescale means that that ought to be achievable.

Q82 **Alex Mayer:** Finally, on paying for it all, Ministers have stated their ambition to use private finance for the work. Do you have any back-up plans if that does not come through?

Dean Creamer: As the Minister said, Euston is an incredible investment opportunity. We are looking at private investment in three parts. The first is the potential for a private finance deal to fund the HS2 station. We are looking at the possibility of tax increment finance to recognise the uplift in land values from development, and that is a conversation with the Treasury and MHCLG. We are also looking at the opportunity for development receipts, working with Lendlease, which is our contracted developer. Those are three areas where we are looking to maximise private investment. We do not yet know how much will come in through those three routes, but those are the three that we are exploring. What we



have done in Mark's ranges, though, is give an order of magnitude number, if you like. That has been assured, but it is an order of magnitude number for the station and for the underground. As we move through, we will want to build that budget. One of the lessons that we are trying to learn—this is one that came out of the Office for Value for Money—is that you should not try to set a budget too early; you should give projects incremental funding through the design and set the budget at the point when you are about to enter construction. That is the principle that we want to adopt here.

- Q83 Alex Mayer:** The funding will be coming from different streams—we are using private finance for the new station, but we do not seem to be using it to upgrade the old station, yet we are also being told that we are thinking about it utterly holistically and that it will feel like one station at the end. Does having those different streams pose an inherent risk in terms of taking a cohesive approach to doing those works?

Dean Creamer: My starting point is that most projects of a significant scale will have a number of funding streams. They need to be managed, but they can be managed and sequenced. One of the reasons for having the EDC and that dedicated guiding role is to help us to manage that process and sequence it in the right way. My sense is that it is right that we look to reduce the burden on the taxpayer—that is what we are doing—but we will make sure we build the necessary management capability into the EDC so that we can manage that across the lifetime of the project.

Lord Hendy: It is a particular reason why we need the partners to be kept close all the way through this work.

- Q84 Chair:** Just on Euston, London Centric this morning said, based on TfL documents that they have come across, that TfL has raised concerns about the risk of severe overcrowding at Euston unless a very significant capacity increase can be made, in terms of circulation space. Notwithstanding a new concourse area for the two stations, the revised plans are essentially the existing Euston station and a new HS2 station next door. How much additional capacity will be built in to ensure that overall circulation between the underground and the two rail elements? Should the TfL staff concerns be taken seriously, or has time moved on since those documents?

Lord Hendy: I read that over my toast this morning. Notably, all the diagrams are from last autumn, and part of the process of getting to an agreed spatial plan is to test out what people really need. The capacity that is needed at the tube station finally will be the capacity that is needed when HS2 is up and running fully. One of the questions that we have been discussing over the months, particularly with TfL and LU, is the degree to which the station needs to be expanded now, and the degree to which it needs to be expanded at the final stage.

- Q85 Chair:** Is there a collective ambition to significantly increase circulation space for all passengers, whichever mode they use?



Lord Hendy: Oh, yes. It is inadequate now. We know that.

Chair: Exactly.

Lord Hendy: On the debate that you see carried out by some quite effective journalism on the internet, there is no question but that the tube station needs to be expanded. The question that we need to answer, for both cost and delivery purposes, is: how much does it need expanding and when, and what provision can you make to finish that job later? We don't want to spend a penny now that we don't have to, bearing in mind that the complete capacity of HS2 will be into the 2040s.

Chair: Thank you.

Q86 **Olly Glover:** I have some questions about the implications of the cancellation of the phase 2 leg of HS2 to Crewe and Manchester. Minister, you will be aware that there has been lots of discussion in the rail press about concerns that HS2's order for 54 200-metre trains—equivalent to eight coaches—could reduce capacity north of Birmingham, given the lack of the HS2 phase 2 leg. What is your view on that analysis?

Lord Hendy: The first thing to say, as I said earlier, is that it is very significant that the train order was not altered in any way on the cancellation of phase 2a. The next thing to say is that one of the issues that I know Mark is intimately concerned with, because we have been discussing it, is: what is the right order for rolling stock for this railway at its various points in the future? That is a complex subject, on which I defer to him, simply because a contract was let with two suppliers on which literally hundreds of jobs will depend. I think one of the unfortunate effects of some of the speculation is that he has to do this work with them, just as he has to work with the major main work suppliers, in order that he has both rolling stock for day one of the railway that will operate and also rolling stock that will be suitable for the configuration of the railway on day one, whenever it gets extended north of Handsacre and when it gets to Euston. It is a very complex job. I do not think it starts from an easy place, and the Secretary of State and I want to give him the time and the space with those contractors to work out what the right answer is.

Mark Wild: We have a contract with Hitachi and Alstom for 54 200-metre trains. That contract was placed in 2021, and that is the contract we have. We are well into design. One of our big objectives this year is to complete what is called the preliminary design. It has gone pretty well, but there have been many challenges, particularly with the technological changes we have made. The first thing I would say is that that is the contract we are in and we are actively managing that contract.

The question then becomes, with the baseline schedule that will emerge in the autumn, what train fleet do we need across the whole life of this programme? That quickly starts to involve the wider rail network that Dean might want to speak to, but for me, for clarity—I know there is a lot of speculation in the press—we are managing the contract that we have got now. Obviously, the train is one of the most fundamental things to get



the baseline right, but it has got dynamics in the broader rail network, which Dean will comment on. It is important that we just get this right, because the train will obviously endure way beyond the programme, and as the Minister said, the train we are using now will travel more times on the conventional railway than before. From my point of view, we are dealing with the contract we have, but we fit into a bigger picture, and Dean is co-ordinating that work.

Dean Creamer: No changes have been made to that contract. I know there is some speculation that we are about to make a big change. We are not about to make a big change in that sense. We do recognise that there are concerns around capacity. All I can say at this point is that we are not anticipating a reduction in capacity—that is for sure—as part of our planning, but we do need to recognise that we need rolling stock that can perform on the conventional railway for as long as it is going to now as it does on the captured network, as we call it, between Euston and Curzon Street. We will need to present options to Ministers on how we manage that most effectively, but we are not about to make an imminent decision, as has been widely speculated.

Q87 **Olly Glover:** Colleagues are going to ask some questions about the future of the west coast main line in terms of how to accommodate traffic north of Handsacre given the cancellation of HS2 phase 2. I have a quick question for the Minister, or whoever is best placed to answer it. We are constantly being told that the west coast main line is full and that there is no capacity, yet 110 mph trains are being allowed to run without tilt capability—not just Lumo but also Avanti. Of course, we have heard this week that the Department for Transport has decided to cut the timetable in the summer for four weeks. How can the two things be true—the west coast main line is full, yet at the same time, we are introducing slower trains that consume more capacity and we are cutting the summer timetable because there is too much capacity?

Lord Hendy: Let us get the summer timetable out of the way. It is a perfectly reasonable proposition to reduce train services in the short term when there is less demand for them. I do not think that that is a relevant discussion for the long term. The question that you might ask and which I do ask is: why does the rest of the railway network not reduce services? You do not want to run more empty trains at times when there is not the demand. Let us put that to one side.

The situation that you are describing is one that has occurred because the railway has not been managed on a holistic basis. One of the things that we are now starting to do, and I am very pleased that Network Rail and for that matter, DFTO, are starting to get involved with Mark more, is to contemplate how HS2 fits into the wider railway network for the longer term. It is really important that we use all the railway capacity in Britain in the best way, and the only way of doing that is not to contemplate HS2 on its own, but to see what best it can do for the rest of the network. I do not exclude contemplating what speed should be achieved on the existing west coast main line. When the current franchise ends, it gives an opportunity for GBR—as it will be—to contemplate holistically how to



HOUSE OF COMMONS

manage the west coast main line with HS2 to produce the best train service.

Chair: I will now hand over the Chair to Steff Aquarone. Then we will carry on with questions. Thank you very much.

[Steff Aquarone took the Chair]

Q88 **Mrs Blundell:** The cancellation of the northern leg of HS2 by the previous Government was seen as a missed opportunity by many across the north-west. What are your plans and timescales for disposing of the land across the phase 2 route?

Lord Hendy: The Government's decision was to keep the land that had already been acquired north of Handsacre, because we need to take decisions in the longer term about what is done about capacity north of Handsacre to Crewe and now to Millington. You will be aware that the piece north of Millington is in the Bill that is to be restarted in Parliament. That will be part of Northern Powerhouse Rail.

We need to contemplate seriously what the capacity needs are in the future—how much railway needs to be built, what pinch points need to be relieved—and, frankly, we need to do it in shorter time than the stuff that we have just spent two hours on this morning. We need to do it properly, and we will do it properly. I think that GBR will help, because—as I was just saying to your colleague—it enables a holistic view of railway capacity and the services that operate on it. I do not think that a conclusion on that is at all imminent, but we know we need to do it. In the meantime, of course, we need to manage the land and the effect on the communities.

Dean Creamer: On the land between Birmingham and Crewe, we have said that we will keep the land that we have bought, but we will give back the temporary land and we will remediate that. The plan is that we will complete that by the end of 2027—for that temporary land.

Q89 **Mrs Blundell:** The High Speed Rail (Crewe-Manchester) Bill remains dormant and the Bill Committee has not been appointed yet. Do the Government intend to appoint a Bill Committee and, if so, when?

Lord Hendy: It does—because that part of the line, which is Manchester to Millington, is part of Northern Powerhouse Rail. Our intention is to get that going. I believe that discussions about getting the Committee appointed are in train as we speak. The Bill was in the King's Speech, as you know, and I am expecting to see it reappear for that part of the line, which is Manchester to Millington.

Q90 **Mrs Blundell:** Okay. Is it possible to provide a bit more detail on when we might see the appointment of the Committee?

Lord Hendy: Well, in good civil service terms, it is imminent. I am not even using seasons. The Bill was in the King's Speech for a purpose, which is that we need to reactivate it in order to get that part of the projected new line between Liverpool and Manchester going. I expect to see some movement shortly.



Q91 **Jacob Collier:** I want to touch on the human impact of the decision on phase 2a, because Bagshaws is in my constituency. Bagshaws is a chartered surveyor, which particularly supports agricultural landowners along the phase 2a route. We have heard from several local farmers and landowners who feel uncertain about what is meant for the future of their land, particularly as some of them cannot access it. They do not know whether they can build on it and they do not know what the plan is for the long term. What are you hoping to do to help with that long-term thinking to give people some certainty about their land?

Lord Hendy: I am very clear. We have two objectives, which you could see as conflicting: one is to make the right decisions about the long-term future of what railways need to be built north of Handsacre; and the other is to look after landowners, property owners, residents and communities along that line of route. I think we can do better on the second, even though the work related to the first will take a bit of time to achieve.

Dean Creamer: Especially in relation to land that is held on a temporary basis, we can get on and get that done as quickly possible now that we have that certainty. I think there are about 60 sites where we are holding temporary land and about four that have already been transferred back. We now have the opportunity to do that as quickly as possible.

Q92 **Jacob Collier:** I can understand the need to have protections in place for a potential future railway, but there is quite a lot of safeguarded land that could be used for agriculture over the next 20 years or so. Is that something that you are actively exploring?

Lord Hendy: We are very anxious not to—I cannot think of the right word—anaesthetise land that could be used. This is a long-term prospect. The Government have already said that they do not see that building a railway of any sort like that will be imminent in any sense, so we need to effectively manage this land for the best use of it and for the communities around it. I would say the same as I said to the Chair, when she was here, about the management of the communities and individuals affected by the phase 1 works, which is that we need to do our best for those communities.

Dean Creamer: My understanding is that, in the vast majority of cases, land that we have taken is being leased back. The other thing is looking at making sure that rental properties we have are not left empty. That is something that HS2 is looking at.

Chair: I am keen to move on to two important topics, Birmingham and industrial relations, but did you want to come in briefly, Scott?

Q93 **Dr Arthur:** Mine is a more general question that links back to the points that Sarah was making about the contract. Mark was saying that, through no one's fault, the project has ended up with a reimbursement-style operation. Dean, you were saying that you were hopeful that you would get the contracts to a place where people are sharing some of the risk on cost and time overruns. But I am pretty sure that in a previous appearance before the Committee, someone made the point—I forget who



it was, but it was either Lord Hendy or Mark—that those discussions were taking place then as well. When it comes to being able to beat 2039, how important is it that we get those contracts to a place where the contractors are sharing some of the risk? It seems to me to be quite an important factor that they are not sharing the risk.

Mark Wild: It is one of the most fundamental root causes of where we are. The reason goes back to the root cause of starting without design. To be fair to the supply chain, it simply could not price the risk. Fast-forwarding to where we are now, we know much more about the scheme, we have an emerging baseline schedule, and the design is mostly complete. The supply chain is in the business of taking risk and being incentivised, so I am very confident that we will adjust the risk balance.

Of course, we are never going to be in a situation where we can put all the risk back with the supply chain. That would not be appropriate. Equally, us owning all the risk is not appropriate either. The real story is that we are now in a situation where we know so much more about this project, the route to the end and the amount of design that has been done. I am sure we will come to an accommodation.

Q94 **Dr Arthur:** The question asked previously was, now that the project has started, we are not really in a good negotiating position, are we? That is the challenge. As you say, that is important if we are going to beat 2039.

Mark Wild: We certainly do not have the leverage that we would have at the beginning of a project. Having let the contracts—entirely normal contracts that are legally let and being administered correctly—you do not have the same leverage when you are trying to change them in flight. But all these supply chain partners work for the UK Government, and they all want to do a good job. We work extensively across Government, supported by Ministers, to make sure that we leverage all that influence. Having talked directly to all in our supply chain, I know that they generally want to do a good job. This project is a benchmark. When it is successful, which it will be, they will sell it as a success. We might not have the leverage we have when we are placing a contract, but because of the strategic supply chain we have, we will come to an accommodation of rebalancing the risk for everybody's benefit.

Dr Arthur: I hope so.

Q95 **Laurence Turner:** I want to take us back to the west coast main line north of Birmingham. The Secretary of State said yesterday: "We will conduct a further feasibility study on connectivity north of Birmingham. That will consider all options". What is the timeline for the feasibility study? Has it started? When can we expect to see it, and what does "all options" mean?

Dean Creamer: From my perspective, the study is in its early phase. It will probably take a couple of years. The expectation is that it would cover a range of options—not just a rail line but what other options there are on a smaller infrastructure scale to improve services. The starting point will



HOUSE OF COMMONS

be conversations with local authorities along the route, to make sure we understand their perspective.

My expectation is that it will take a couple of years—it will not be short—but the important thing is to get the full range of options available for improving services, not just an assumption around the line itself. I want to give you more detail, but that is basically where we are.

Lord Hendy: As I said, I am very keen indeed that it is informed by a holistic view of the use of the infrastructure on the national railway network, because one of the weaknesses of the whole HS2 project from the start was its conception as being something completely different and not connected with the national network. Once we have got GBR looking at both the train service and owning the infrastructure, there is a real opportunity for the railway itself to have a long-term view about what infrastructure is needed in order to run the right levels of service in the future.

- Q96 **Laurence Turner:** I think some of my constituents will find it remarkable that we are talking about two years for a feasibility study—not an investment decision, but a study—and at the end of it, we might not even get a new relief line. Are you balancing the well-known problems of trying to upgrade the west coast main line? If we think back to 20 to 25 years ago, that project was an extreme failure because a lot of people, including more widely in the city, were under the expectation that there would be a new line of some sort, if not necessarily to the HS2 specifications.

Dean Creamer: From my perspective, that is a really good challenge. The study is not the be-all and end-all. I know that colleagues at Network Rail and others are looking at the short-term opportunities to improve services along the line, whether that is timetabling or where services stop. There is ongoing work there. It is not all on the provision of a new line; it is about how we optimise the existing line. That is going on. They are not mutually exclusive.

Lord Hendy: You are right to reflect on the long-term history, which was the failed attempt to upgrade the west coast main line. The one thing we are very clear about in Government is that you do not automatically revert to the higher-speed high-speed railway as a consequence of needing additional capacity and that you revisit all the options, particularly the geographic options about where the pinch points are and how much new capacity you need. But we also might as well inform ourselves about the consequences of having phase 1 when it opens and also the market for travel between London, the midlands, the north-west and Scotland as it appears now, because it would be pretty crazy not to look at it in the light of 2026 rather than 2001.

- Q97 **Laurence Turner:** This is a topic we will probably return to. The Secretary of State did talk about “a new connection between Birmingham and Manchester” in the House yesterday, but I am conscious of time, so I will move on to industrial relations.

Last year, we spoke about the initial framework agreement from 2016.



HOUSE OF COMMONS

The clue was in the name, but 10 years on, we are still working to that agreement. That document said that there would be a commitment from HS2 Ltd “to ensure that access by trade unions...is made an integral part of all subsequent work package agreements”—before the civils contracts were signed—and also “a commitment by HS2 Ltd and its suppliers that the latter will recognise and apply relevant national agreements”. Would you accept that those commitments were not, in fact, written into the contracts?

Mark Wild: Yes, I would. First, let’s acknowledge that there are 30,000 people working on this job and how much the success of this job is their productivity and safety. They are all paying their taxes, and we have to acknowledge that a productive workforce is obviously our objective. I think the framework agreement in 2016 was quite a breakthrough at the time. Think about it now, though, and, actually, in that time, for the biggest endeavour this country has ever completed in construction activity, we have had a relatively harmonious relationship in the industrial relations field. The joint ventures manage the industrial relations, which I think is an important principle, because they are on the frontline, employing the people we use. We have to keep that principle.

I like the framework agreement; I think it is time to refresh it, though. We have started conversations with the TUC, and I aim to meet the general secretary soon, to think about what the next step is. I think the civil engineering just needs to be brought to a conclusion. Of course, we have to respect the safety—all the things that we have embodied in the framework agreement. The prize to think about, really, is the systems engineering that will start from three or four years’ time onwards, which will endure for a long time.

My commitment is to speak to the general secretary and sit down and talk about what we could add to this framework agreement to make sure that, when we start the systems engineering, we can have a successful completion of the project. I do accept that—before my time—clearly, given the intent of the framework, some of the things have not really come through. I do accept that.

Q98 Laurence Turner: You are looking at the moment at contract variations on those main works civils contracts. I accept that some of those contracts are more advanced in terms of completion than others, but is variation to enshrine those commitments in the contracts within the scope of those discussions?

Mark Wild: As you say, at least one of these is nearly finished, so it would not be worth doing it. I will take that away and consider it. We are right in the middle of these negotiations. I will take that away and consider it, but it is not my primary objective. My primary objective with the civil engineering is to get the best deal for the taxpayer and get the job done over the next two to three years. What I will take away though, firmly—it has been on my mind—is to speak to the general secretary and think about the framework agreement with him in the context of what has



HOUSE OF COMMONS

happened. So I will certainly consider that in the main works civils, but it isn't the primary objective of these negotiations.

Q99 Laurence Turner: On value for money, I am not sure where the additional cost would come from—if I may gently challenge you on that point. I put it to you that, had there been the commitment to ensure that the national agreements were followed across subcontractors as well as the main contractors, some of the well-advertised problems with some of the subcontractors, such as Danny Sullivan Group, would not have occurred in the first place.

Mark Wild: Look, let me take it away. As you know, we have some of the best agreements here; we insist on PAYE people and we have all the best intent. We are very happy, actually, with our joint ventures and how they administer their contracts. Let me take that away; because of the live negotiations, I do not want to talk individually about them, but, I promise you, I will take that away. On the systems roll-out, though, it is firmly on my agenda to sit down with the general secretary and think about a 10-year agreement on, "What is the next step?"

Q100 Laurence Turner: My understanding is that best practice on other projects, such as Hinkley Point C, is that the sponsoring body—in this case, that would be HS2 Ltd—does conduct regular audits of compliance with those national agreements among the prime contractors and subcontractors. At Hinkley Point, I believe that takes place every six weeks. Is that an example of good practice that you would also be willing to look at?

Mark Wild: And many others. Hinkley is an interesting exemplar peer project, in that Hinkley is kind of getting through its systems engineering. There are many lessons. I actually have a session coming up with Hinkley on this very topic. Again, let me take that away. There is a huge opportunity, before we start system deployment in 2029 onwards, to get this right. Certainly, with that framework agreement, there are many opportunities to improve it. I will consider what you have said on the civil engineering.

Laurence Turner: Thank you; I appreciate that. Chair, I should have declared my membership of the GMB and Unite trade unions at the start of that discussion.

Chair: Thank you. That brings us to the end of our session today. Thank you all for coming. We look forward to continuing our scrutiny of HS2 into the future. Do feel free to write to us if there is anything you have not been able to cover in your answers this morning. We are grateful, Mark, for the commitments that you have just made to look into things. That concludes today's meeting.