

Written submission to HS2 Review submitted by Build UK

30 September 2019

Executive Summary

HS2 is an ambitious project that demonstrates the Government's commitment to transforming infrastructure, transport and regional prosperity across the UK. It is much more than just a 'high speed railway'; it will connect people and businesses, support the growth and development of our major cities and spread economic success across the length of Great Britain in a way that few can imagine until it happens.

Background

1. Build UK is the leading representative organisation for the UK construction industry, representing in excess of 40% of the sector including Clients, Main Contractors, Trade Associations and Specialist Suppliers in the construction supply chain.
2. We do more than represent the sector, we work with our members and partners to drive change that strengthens the sector.
3. By providing influential and dynamic leadership, Build UK ensures a joined up approach from the supply chain, making us the 'go to' organisation for industry stakeholders.

Review of HS2

4. We work closely with the Civil Engineering Contractors Association and have a number of members that have been appointed to phase 1 of HS2. Build UK also represents a significant number of Specialist and SME Contractors within the supply chain that either currently work on, or will be bidding for, contracts on HS2.
5. We would support the points made by CECA in its briefing paper submitted to the review and would emphasise that HS2 has significant potential to transform both the construction sector as well as the UK economy as a whole.

Transforming the UK economy

6. Mega projects such as Crossrail, Hinckley Point, Heathrow expansion and HS2 lie at the heart of the Government's Industrial Strategy. Collectively they play a significant part in improving the UK's connectivity and energy security, essential to maintaining its competitiveness in the world and continuing to build on our impressive and forward thinking engineering legacy.
7. HS2 is most often portrayed and considered as a standalone project. However it is far more than just the high speed transport corridor presented by the media and discussed by many - it is a catalyst that will drive greater investment in social and business infrastructure across the entire country for generations to come.
8. By better connecting North to South, improving interconnectivity within the north and reducing pressure on other parts of the railway it will also boost regional productivity.
9. As transport becomes more convenient for people and businesses, it unlocks whole new communities, with the government and the industry able to capitalise on investment in the built environment and regeneration around HS2 hubs. In turn this will aid the government in delivering on its ambition of creating 300,000 new homes a year.

Transforming the construction sector

10. The construction industry clearly has a stake in the delivery of HS2. But it means far more to the sector than maintaining revenue. Continued delays and questions over major infrastructure decisions (previously supported by the Government) seriously damage the appetite from the construction sector to bid on, prepare for and deliver such projects. The effect on UK companies of all sizes, based across the UK, is enormous. In addition the uncertainty and lack of commitment dents the confidence of foreign investors, and those UK based companies which are part of an international group.
11. Ultimately this directly affects the financial viability and stability of the sector and we have seen and experienced this cycle before. The industry scales back accordingly and then does not have the capacity or capabilities to work on the mega projects required across the UK. This has the effect of reducing employment, apprenticeship and training opportunities so desperately needed by the next generation and vital to a vibrant and successful economy. It takes generations to recover from, as is being demonstrated by the skills challenges realised as a result of the last recession.
12. The construction sector knows it needs to change. It is making great efforts to increase productivity by investing in new technologies and ways of working, developing its workforce's skills, and generally taking a longer-term view in its business models. The government must now take a similarly long-term approach.
13. Large-scale projects such as HS2 are essential if the industry is to transform in the way we all want. They create an environment enabling innovation and skills development, throughout the industry's national supply chain, that can be applied to, and significantly benefit, future projects. If the government were to cancel or delay HS2, it would effectively pull the rug out from under the feet of companies that have been investing for the longer-term, sending a message which completely contradicts its calls for a sustainable and responsible industry ready and able to deliver the social and economic infrastructure the UK wants and needs.
14. We would urge the review to picture themselves in the future looking back at the magnificent and revolutionary opportunities that were created by the decision to continue with HS2.

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