



HM Government

Getting set for HS2: Responding to the HS2 Growth Taskforce

July 2014

Contents

1	Foreword	4
2	High Speed 2: Get Ready - A Response	6
	2.2 Getting our cities ready	7
	2.3 Getting our transport network ready	10
	2.4 Getting our people ready	14
	2.5 Getting our businesses ready	17

1. Foreword



When I commissioned the HS2 Growth Taskforce in 2013, it was with a desire to make sure that we identified all the potential ways in which we could maximise the economic growth potential of our investment in a new railway. HS2 will give us the boost in rail capacity we have needed for decades but it can also do so much more, driving regeneration where it is needed, supporting the creation of homes and jobs and unlocking the potential of our cities to compete internationally. The Taskforce highlighted the need for the country to get ready for HS2 – and its report set out a list of practical and specific recommendations that will help us do this. I would like to thank the Taskforce members for their hard work and for giving us a clear steer on how to focus our efforts.

As Secretary of State for Transport, I am not only concerned with building a new, efficient and effective railway, but also with ensuring that this railway has the best possible impact on the UK as a whole. Our vision is one of burgeoning economies across our city-regions, benefiting from and linking with the strength of the London economy rather than struggling in its shadow. A country where the new railway doesn't just connect city-regions better, but also provides a focal point for economic activity, underpinned by the strong sense of local character and pride that always strikes me as I visit places across the length and breadth of the UK. Local leadership is crucial if this is to be achieved and the Government will work with local partners to make it happen.

In responding to the Taskforce report, I am bringing together work across Government as a whole. Our vision for HS2 cuts across traditional lines; we see HS2 as having huge potential for businesses, local communities, cities, skills and education, and job opportunities. A range of Government departments have important roles to play - as does, of course, HS2 Ltd. But a successful HS2 is not just about central government and HS2 Ltd. Local authorities are key to many of the recommendations and local authorities in Birmingham, London, Solihull, East Midlands, Leeds, Manchester and Sheffield, with whom we have been working closely, have contributed to this response. As you will see, the document highlights some of the excellent work that is both already underway in local areas and planned for the future, so that they will be able to maximise the benefits of HS2 in their regions.

As the Taskforce report made clear, we will all need to work in partnership in order to achieve the ambitious vision we have for HS2, of a railway that can have a transformational impact on the UK. This response brings together what we are all doing to meet the challenges the Taskforce has given us and what we are committing to do over the coming months and years. Because it is only by working together that we will unlock the full potential of HS2.

A handwritten signature in black ink that reads "Patrick McLoughlin". The signature is written in a cursive, flowing style.

Rt. Hon. Patrick McLoughlin MP
Secretary of State for Transport

2. High Speed 2: Get Ready A Response

- 2.1.1 The Government has a bold vision to deliver HS2 in a way that maximises economic growth and spreads regeneration. We want to see the investment in HS2 have the greatest possible impact, with the new railway unlocking opportunities to transform local economies across the UK. Cities know what works for them, and for this vision to become a reality, HS2 growth needs to be locally led and designed to fit within the local context.
- 2.1.2 The HS2 Growth Taskforce published its report, 'Get Ready', in March 2014. The report was clear that getting the best out of HS2 will need many organisations to work together in partnership. In keeping with that challenge, this is a response which brings together contributions from central government, local government and HS2 Ltd.
- 2.1.3 We, the Government, strongly agree with the Taskforce's view that we will not be able to make this vision a reality simply through working in the ways we have worked before. The Government has many parts to play in helping to deliver this vision; ensuring the delivery of the railway and acting as an enabler for local leadership and a strong private sector, to name but a few. But for the potential to be achieved, local areas and industry partners need to be front and centre of work to drive forward the HS2 growth agenda.
- 2.1.4 In responding to the Taskforce's report, we have taken each recommendation in turn, explained what has been done so far and also what we plan to do in the future. This response is the beginning, not the end, of the journey to get the best out of HS2 and we are determined to deliver on the potential the Taskforce identified. This response sets the direction. We have set ourselves a challenging set of targets to deliver over the next 12 months and we will regularly review the progress that is being made against them. Key milestones in the programme of HS2 Growth and Regeneration work over the next 12 months will include:
- the development of a full business case for an HS2 regeneration and development company by Autumn 2014;
 - interim HS2 Growth Strategies developed in Phase One places by Autumn 2014, with fully-developed business cases by Spring 2015;

- HS2 Ltd's outline procurement strategy to be shared with the supply chain in Autumn 2014, with a final version to be published in Spring 2015;
- Phase One places to set up local delivery bodies by Summer 2015; and
- the announcement of the High Speed Rail College's operating model and skills offer by Summer 2015.

2.1.5 In gathering its evidence, the Growth Taskforce looked at the potential for HS2 in connecting businesses and people, unlocking regeneration and development and delivering through our workforce and industry. The Taskforce's report concluded that we need to focus on four areas: getting our cities, our transport network, our people and our businesses ready for HS2.

2.2 Getting our cities ready

2.2.1 The Taskforce emphasised that clear, local visions and strong local leadership are essential in maximising the benefits of HS2. Jointly, the Government and local partners have signed up to putting in place HS2 Growth Strategies around HS2 stations, establishing local delivery bodies and exploring options for a central delivery body to support local areas. These will have key roles to play if we are to create vibrant hubs, driving growth and fulfilling economic potential across the local regions.

Recommendation 1: HS2 Growth Strategies

For each HS2 station there needs to be established an 'HS2 Growth Strategy' by the end of 2014 to explain how high speed rail will generate local jobs, growth and regeneration.

2.2.2 The Government strongly supports this recommendation, as do our local partners. HS2 Growth Strategies will identify the extent to which local resources, developer contributions, third-party finance, and the alignment of existing central budgets can meet the costs of the infrastructure, regeneration and investment.

2.2.3 Places in Phase One are making fast-paced progress to developing their HS2 Growth Strategies:

- The Greater Birmingham and Solihull Local Enterprise Partnership (GBS LEP) has already begun developing HS2 Growth Strategies for Birmingham Curzon Street and the interchange station at Solihull.
- The Greater London Authority (GLA) has commissioned studies to inform their Development Infrastructure Framework for Old Oak Common. Camden Council and the GLA have prepared a draft Euston Area Plan for public examination this summer.

- 2.2.4 Equally, Phase Two areas in the East Midlands, Leeds, Manchester, and Sheffield have all committed to developing their HS2 Growth Strategies once final decisions on Phase Two have been announced.
- 2.2.5 To accelerate this work in Phase One, the Government will provide £2.5m revenue funding for Birmingham Curzon Street and the interchange station at Solihull to develop HS2 Growth Strategies and local delivery bodies. In return, the GBS LEP will deliver interim HS2 Growth Strategies by Autumn 2014 and full business cases by Spring 2015. London has committed to delivering a business case to the same timetable, if not sooner, for Old Oak Common.
- 2.2.6 The Government will also make funding available to support Phase Two places with the development of their HS2 Growth Strategies and local delivery bodies once final decisions on Phase Two have been announced. In the meantime, we will engage Phase Two places in the overall development and review of how to implement and deliver Phase One Strategies.

Recommendation 2: local delivery bodies

To deliver these HS2 Growth Strategies local authorities need to establish a locally led delivery body by the end of 2014. The Government should support them in bringing forward regeneration.

- 2.2.7 The Government and local areas agree that locally led delivery bodies will help drive growth and regeneration off the back of HS2. They will deliver HS2 Growth Strategies and act as partners to HS2 Ltd and the central delivery body, once it is established. In broad terms, these bodies will be responsible for maximising the development and regeneration opportunities around HS2 stations and ensuring stations are integrated with the surrounding area and the local transport networks.
- 2.2.8 The precise role and function of local delivery bodies will be determined by local partners, but these bodies will need to be able to work in an agile way, collaborating with a broad range of partners and maintaining a clear focus on delivering positive regeneration outcomes. Planning for HS2 needs to begin quickly, and the Government believes that local areas with Phase One stations should establish their local delivery bodies by Spring 2015.

2.2.9 The Government is pleased to confirm that local authorities in Phase One have committed to establishing these bodies:

- The Mayor of London has announced plans to set up a Mayoral Development Corporation for Old Oak Common, with representatives from local boroughs. The GLA is currently consulting on these plans.
- Within the GBS LEP structure:
 - Birmingham City Council has announced a shadow board will operate from July 2014 and that their local delivery body will be operational next year.
 - Solihull Metropolitan Borough Council has committed to setting up a local delivery body this year.

2.2.10 For Phase Two, Leeds, Manchester, the East Midlands and Sheffield are also exploring options for setting up local delivery bodies.

Recommendation 3: central delivery body

The Government should partner local authorities in the development and delivery of HS2 Growth Strategies. The Government should also establish a central delivery body to provide coordination and support to local areas.

2.2.11 The Government has made swift progress in identifying options for establishing a central delivery body as recommended by the Growth Taskforce and also supported by local partners. As requested by the Government, HS2 Ltd and London and Continental Railways (LCR) have developed a proposal for an HS2 regeneration and development company, the proposed objectives of which will include:

- co-ordinating HS2-led regeneration and development, offering local partners expertise on commercial and investment opportunities, as well as support for HS2 Growth Strategy development as set out above;
- working with local partners to ensure that the HS2 stations and surrounding infrastructure and development are fully integrated; and
- helping local delivery bodies to identify sources of investment, including from overseas.

2.2.12 The HS2 Ltd and LCR working group will now develop a full business case, by Autumn 2014, which will set out in detail how a regeneration and development company could achieve the above objectives, how it might be constituted including any partnership arrangements, and the resources required to deliver its objectives.

2.2.13 We would expect any regeneration and development company to be a key partner with, and adviser to, local areas. It would not need to be a large organisation, but would need to have the flexibility and capability to add value to work being undertaken locally to maximise development potential. This support will depend on local need, but will include providing expertise and advice on the development of HS2 Growth Strategies.

Recommendation 4: HS2 Growth Minister

The Government should appoint a Minister with responsibility for HS2-related economic growth and regeneration.

2.2.14 The Taskforce was keen to ensure that the growth and regeneration agenda was suitably prominent in central government thinking and that this was accompanied by strong central leadership. To ensure that HS2 delivers the maximum amount of growth and regeneration, the Secretary of State for Transport will work with his colleagues across Whitehall to align projects and investment which will maximise HS2-related economic growth and to ensure that growth and regeneration interests are suitably represented.

2.3 Getting our transport network ready

2.3.1 The Taskforce highlighted the importance of ensuring HS2 is integral to planning the transport network at national and local levels. The Government and local partners agree that transport planning across the country, and planning for HS2, need to go hand in hand. All LEPs have produced Strategic Economic Plans, and relevant LEPs have set out their ambitions for HS2 within those plans. Phase One places will start to build their HS2 Growth Strategies into their strategic planning by the end of this year. The Government will work with all HS2 places to integrate their HS2 Growth Strategies into local plans and will support local areas to deliver their plans. The Government will also work with Network Rail to make sure that planning for HS2 and for the rest of the rail network is integrated.

2.3.2 The Taskforce also challenged us to be ambitious about how HS2 can transform our rail network. We acknowledge this challenge and the Chancellor set out in a speech in Manchester in June 2014 his focus on connecting the cities of the north of England to create the basis for long-term growth. He set out the Government's vision for better and more effective transport links, including starting work to explore a future high speed rail line that would transform the east-west rail connections in the north of England.

Recommendation 5: Local Plans

Work to include detailed consideration of HS2 in existing Local Plans and Strategic Economic Plans should be well underway by the end of 2014, including relevant aspects of the HS2 Growth Strategy.

- 2.3.3 We agree with the Taskforce that if the benefits of HS2 at the local level are to be fully realised, HS2-related projects need to form part of wider local plans, and this work needs to start to be integrated into planning processes now. HS2 places have already produced Strategic Economic Plans, which include ambitious visions for how HS2 can help to maximise growth and regeneration across their city-regions through improved connectivity. In addition, the GBS LEP and the GLA have pledged to begin integrating their HS2 Growth Strategies into their strategic planning by the end of 2014.
- 2.3.4 The Government will support local areas to find ways to deliver their plans. The Government is supporting the GBS LEP to bring forward development around their HS2 stations via capital funding in their Growth Deal. The Government is also working with Birmingham City Council to explore modifying their Enterprise Zone so that it can support HS2 most effectively. This forms part of Birmingham City's Big City Plan for Curzon St, where local resources and powers (like local development orders) are being brought together within the context of the emerging HS2 Growth Strategy.
- 2.3.5 HS2 is a project of national level importance and offers great potential to support local economic growth. Through our work with Birmingham, we may identify ways to maximise the growth potential of HS2 and, through future Growth Deals, we will consider well-evidenced plans for HS2-related infrastructure projects around stations, or other proposals which support the delivery of HS2 Growth Strategies. The work at Birmingham may prove useful as a model that other areas, which are considering the best ways to maximise HS2 potential, can learn from.

Recommendation 6: collaborative planning

Collaboration across organisations and administrative boundaries must be strengthened to support transport planning around HS2.

- 2.3.6 Given the scale of HS2, there are clear benefits to be had if areas think more widely than a single local authority or LEP area. And there are early and encouraging signs of local partners collaborating in their planning for HS2.

- 2.3.7 Birmingham and Solihull city councils are working together to ensure mutually supportive arrangements at Curzon Street and the interchange at Solihull. The Birmingham Curzon Masterplan (February 2014) is helping to create a strong partnership between local bodies including Centro, the transport provider; the City Council; the LEP; and HS2 Ltd. Midlands Connect - a collaboration of Midlands-wide local enterprise partnerships, Network Rail, the Highways Agency, local authorities and the private sector - is a good example of working across existing boundaries.
- 2.3.8 In addition, Leeds, Manchester and Sheffield have already set up programme boards to bring together those across their regions who can offer strategic leadership, join up and align connectivity plans and engage local communities and businesses.
- 2.3.9 Locally led HS2 programme boards will oversee the master-planning of HS2 sites, the development of HS2 Growth Strategies and the establishment of local delivery bodies. These boards already have senior representation from other stakeholders such as HS2 Ltd, Network Rail and the Department for Transport (DfT).
- 2.3.10 More widely, the northern cities are working together to develop a report on the infrastructure requirements to improve connectivity between them. The objective of the first phase of the study is to develop the vision of how improved connectivity could maximise economic growth in the North. The second phase will then use an agreed evaluation framework to develop a clearly prioritised list of interventions.

Recommendation 7: rail services

The Government and Network Rail should set out by the end of 2014 their plan for defining how HS2 will affect rail services for cities off the HS2 route and for rail freight, and also their plans for a wider review of rail services.

- 2.3.11 The Government and Network Rail will work together, in collaboration with HS2 Ltd, and set out a plan before the end of 2014. This plan will include a number of key decision points and planning stages, and explain how engagement with stakeholders will work. It will build on the procedures already in use by Network Rail for planning the future use of the rail network, a process that is based on passenger and freight demand information, and one that considers benefits to all areas of the country, involving local authorities, LEPs and the rail industry.

Recommendation 8: rail freight

The Government should invite the rail freight industry to set out how it could take advantage of the capacity released by HS2. Separately, the Government should evaluate the case for future-proofing HS2 to accommodate freight traffic and communicate its plans to do this.

- 2.3.12 The Government, like the Growth Taskforce, is keen to make sure that opportunities for freight are properly understood by all relevant parties and that the freight industry is fully involved in these discussions. DfT will engage with the rail freight industry on HS2-related issues and this will provide further opportunities for the rail freight industry to feed views into discussions about future capacity.
- 2.3.13 As noted above, plans are currently being developed for the work necessary to develop options and take decisions about the future use of released capacity. These plans will be published before the end of 2014. The rail freight industry and rail freight users will be a core part of developing the future strategy, building on the existing rail industry planning processes wherever possible.
- 2.3.14 In addition, the rail industry is forming a High Level Industry Group this year, which will include representatives from the rail freight industry. The Group will provide an avenue for all sectors of the rail industry to identify and resolve strategic and operational concerns in relation to the new railway with HS2 Ltd, DfT and Network Rail. It will also provide a clear route to inform the wider industry about opportunities and impacts as the HS2 project is implemented.
- 2.3.15 The Government has ensured that the design of HS2 does not exclude the use of it for freight traffic. We will continue to discuss with HS2 Ltd the opportunities for using HS2 for freight as final decisions on Phase Two are taken.

Recommendation 9: transport appraisal

The Government must complete as soon as possible, and act upon, the review of how its transport appraisal methodology quantifies economic benefits. It should set out its plan and timetable for this work by the end of 2014. The Government should apply any revisions to its approach to any future extensions to HS2, alongside greater and earlier local engagement to understand local economic impacts.

- 2.3.16 Understanding the role of transport in economic growth is crucial to making and delivering the right solutions. That is why DfT has appointed a team of experts - including Professor Tony Venables, Professor Henry Overman and Dr James Laird - to undertake a comprehensive study of the mechanisms through which transport investment affects economic performance, and the extent to which these are captured in our current appraisal methodology.
- 2.3.17 DfT is currently considering the team's study report and is aiming to publish this, and plans for the next phase of work, later in 2014.

Recommendation 10: Phase Two

The Government's decisions on Phase Two station locations should be informed by a thorough examination of economic growth potential in each proposed station location.

2.3.18 The Government will consider the response to the Phase Two consultation as well as Sir David Higgins's proposals on Phase Two before making any final decisions on station location. Any consideration of route options will take into account a wide range of factors, including the economic growth impacts of different options – alongside other considerations such as engineering feasibility, cost, transport appraisal and environmental impact.

2.4 Getting our people ready

2.4.1 The Taskforce report sets out the importance of making sure that we have the right skills base in the UK to deliver HS2, and of giving people the opportunity to develop the type of high-end skills that HS2 will need. The Government endorses this challenge. The new High Speed Rail College will operate as a 'national college', linking to skills providers across the country, and we will work with HS2 Ltd to raise the profile of rail and engineering careers with young people. The Taskforce also identified ways to maximise the job opportunities for the UK workforce and we are determined to bring these to fruition. HS2 Ltd is developing its procurement strategy and will announce a target for apprenticeship opportunities in the autumn. The Government and local areas will work together to put the right structures in place to ensure local workforces are well placed to benefit from the jobs HS2 will bring.

Recommendation 11: skills

The Government must make growing the railway engineering and advanced construction skills base a national priority and set out how the planned HS2 Skills College will contribute to this by the end of 2014.

2.4.2 The Government is committed to developing the high-level technical skills needed for high speed rail as part of a wider network of skills provision for sectors that are critical to economic growth. We have launched a new vision for 'national colleges' to provide cutting-edge skills training for different sectors, and the new High Speed Rail College is one of the first to be developed. The college will operate on a 'hub and spoke' model, extending its reach as far as possible by linking into a wide range of skills providers.

2.4.3 The location of the main site of the new college will soon be announced and the first students will start in 2017. A more detailed announcement about how the college will operate alongside other, existing institutions and what skills and training it will offer will be made by Summer 2015.

- 2.4.4 The Government will also continue to work through the National Skills Academy for Railway Engineering (NSARE) to tackle the wider skills challenges facing the rail sector as a whole. NSARE will manage the development of a new national rolling stock training academy, which will open in Northampton in mid-2015.
- 2.4.5 Industry involvement is a crucial element of meeting the skills challenge in rail. To ensure this, we have established the Rail Supply Group to bring together industry leaders and create a stronger and more competitive UK rail sector. The group had its first meeting in June 2014 and will now develop a sector strategy for the industry by 2015. This will focus on skills, resources, technology, innovation, investment and developing the capability of small and medium-sized enterprises. A workstream is dedicated to considering the implications and opportunities of HS2.

Recommendation 12: University Technical Colleges

HS2 Ltd and University Technical Colleges, supported by the Government, should put in place specific HS2 links and curriculum options.

- 2.4.6 The Government will set out the model for how the new High Speed Rail College will work with University Technical Colleges (UTC) and other educational institutions by Summer 2015.
- 2.4.7 To further support the development of specific HS2 links, HS2 Ltd has joined the Employer Alliance for the Westminster UTC. HS2 Ltd will continue to expand relationships with UTCs, including working with Transport for London on the development of a cross-curricula project by Autumn 2014 that will be piloted at Royal Greenwich UTC in Spring 2015 and will then be available for all UTCs.
- 2.4.8 HS2 Ltd has built on the Taskforce's recommendation and joined NSARE's Industry Promotion Steering Board, working with a number of other major employers on the development of a cross-industry education and promotion strategy. This will help to ensure that the HS2 dimension is factored into wider industry engagement with schools.

Recommendation 13: education outreach

The Government, HS2 Ltd and industry need to develop an HS2 outreach programme by mid-2015, formally linked into the education system.

- 2.4.9 The Government agrees that raising interest and awareness in rail careers will be a crucial part of meeting the skills challenge. We will provide information that schools can use in their careers programmes to inspire young people about the opportunities offered by HS2. We will advise HS2 Ltd on how best to link with the National Careers Service. Science, technology, engineering and maths (STEM) ambassadors will be used to support the HS2 outreach programme.

2.4.10 HS2 Ltd will create bespoke rail engineering careers resources for use in schools engagement by November 2014. A total of 50 HS2 Ltd staff have been trained as STEM ambassadors and have delivered more than 1,500 hours of schools engagement. In addition, a programme of schools railway engineering STEM inspiration days is being planned for schools along the HS2 line of route.

2.4.11 The Department for Work and Pensions (DWP) will use its outreach programme for 16/17-year-olds to inform the development of the outreach programme for HS2, and use its relationship with the National Careers Service to ensure careers information about high speed rail is proactively raised with job seekers.

Recommendation 14: procurement

HS2 Ltd should design a procurement process which requires suppliers to meet the highest standards in terms of apprenticeships, job creation and skills development and set out its approach by Autumn 2014.

2.4.12 The Government and HS2 Ltd endorse this recommendation and the Taskforce's support for sustainable procurement, where we are aiming for HS2 to build on the legacy of the London Olympics. As part of its procurement strategy, HS2 Ltd has developed 'strategic themes' against which value for money will be assessed when letting contracts. One of these strategic themes relates directly to building a skilled workforce and another relates to the environment and sustainable sourcing. Measures to deliver against these themes will be included in HS2 Ltd's major contracts and the performance of the contractor in these areas will be monitored throughout the contract life.

2.4.13 HS2 Ltd is also conducting a project with the Construction Industry Training Board's Major Projects team to develop a full range of benchmarks which will form the basis of expected contractor commitments to employment and skills.

2.4.14 The construction of HS2 will also lead to many apprenticeship opportunities. HS2 Ltd will announce a target for apprenticeship opportunities on HS2 at its supply chain conference in Autumn 2014.

Recommendation 15: job opportunities and local links

The Government and local authorities need to work together to agree and put in place new local models to link workforces to potential HS2 job opportunities.

2.4.15 Central government, local government and HS2 Ltd all support this recommendation. HS2 Ltd has begun discussions with the Department for Work and Pensions (DWP) and Jobcentre Plus (JCP) on national and local approaches to employment brokerage for the opportunities created by HS2. DWP will set out by the end of 2014 the principles which will govern how JCP will work with different local authorities to establish job brokerage structures.

2.4.16 DWP has an employer engagement network with established links to key partnerships, geographically dispersed across the country. DWP will mobilise this resource specifically to support the delivery of HS2. It will be led by a dedicated taskforce, working at national level with strategic partners and at geographically defined locations with key stakeholders, on a timescale that aligns with HS2 construction. As the HS2 plans develop, DWP will set up a pilot with a relevant local authority around six months before jobs arrive in the local area, working collaboratively with partners to identify, prepare and match suitable local people to emerging available opportunities.

2.5 Getting our businesses ready

2.5.1 The Taskforce highlighted the opportunity HS2 presents for UK-based businesses. With billions of pounds' worth of contracts coming up for procurement, businesses need to be ready if they are to stand the best chance of winning contracts - the Government, HS2 Ltd and local areas can help to create the right conditions. HS2 Ltd is pressing forward with a major programme of industry engagement and is factoring the Taskforce's challenges into the development of its procurement strategy. It is also committed to developing a culture of collaborative working as an integral part of HS2 delivery. LEPs have begun to think about how they can use Growth Hubs to support businesses in their areas and will be able to use these structures to provide an HS2-specific focus as the opportunities to bid for contracts draw nearer.

Recommendation 16: industry engagement

HS2 Ltd should set new standards for industry engagement and open procurement. Its procurement strategy should require main contractors to use open procurement tools to advertise HS2 opportunities and the process should be streamlined where possible to ensure there are no barriers for small businesses.

2.5.2 With HS2, we want to see a project that is developed and delivered hand in hand with industry stakeholders within the supply chain. We want this to be an opportunity for businesses right across the UK, with involvement in the HS2 supply chain from major companies through to small businesses. The Government and HS2 Ltd agree with the Taskforce on the importance of early engagement with industry and of facilitating access for businesses of all sizes. HS2 Ltd has undertaken a national market engagement exercise, with over 750 suppliers having actively engaged so far, which has provided input for the procurement strategy; it has also held six LEP seminars (with three more scheduled).

2.5.3 HS2 Ltd will regularly publish a pipeline of procurement activity, starting in Autumn 2014. It will advertise opportunities on open procurement systems like CompeteFor and/or Contracts Finder, and also publish a supplier guide so that potential suppliers understand how to engage with and compete for work in the HS2 supply chain.

Recommendation 17: business support

LEPs and local authorities should target businesses in their areas and set up dedicated advice and support centres to help them get ready for HS2.

- 2.5.4 HS2 station places have all included Growth Hubs in their Strategic Economic Plans. LEPs will receive government support for Growth Hubs as part of their Growth Deals, which will provide coordinated support for businesses of all kinds.
- 2.5.5 The Government will work with those LEPs with HS2 stations to ensure that the role of HS2 is fully reflected in their Growth Hubs. UK Trade & Investment will work with LEPs to ensure the inward investment benefits of HS2 are fully realised.
- 2.5.6 In a local example, Sheffield City Region LEP has already hosted an HS2 Ltd seminar to promote the construction, engineering and manufacturing opportunities HS2 will bring to the region, offering practical advice about how businesses can access these opportunities.
- 2.5.7 Going forward, Sheffield's aspiration is to extend the concept of supply chain development utilised in the 'Fit for Nuclear' programme to HS2 to ensure that UK companies are in a strong position to access future opportunities.
- 2.5.8 As noted earlier, at a national level the Rail Supply Group (RSG) has been recently established by DfT, Department for Business Innovation & Skills (BIS) and the rail industry to strengthen the capability and competitiveness of the UK rail supply chain. A key focus of the RSG work programme will be to ensure UK suppliers are well placed to compete for HS2 contracts.

Recommendation 18: collaborative working

HS2 Ltd should make HS2 an exemplar project for collaborative working across businesses to drive innovation and achieve excellence in delivery.

- 2.5.9 As the Taskforce highlighted, a strong, collaborative working culture will lead to more efficient delivery, which will be essential given the scale of HS2. But it is more than this too - by creating an environment where different companies work closely together, it enables the cross-fertilisation of ideas and helps to spread innovative ideas and techniques throughout the supply chain. This experience will make our businesses more competitive internationally and help them to win future business overseas.

- 2.5.10 HS2 Ltd is committed to embedding a culture of collaborative working throughout the HS2 supply chain. In order to make this happen, it will structure incentives in such a way that suppliers are rewarded as the project as a whole progresses, rather than simply on progress with their own individual workstreams. This will help to encourage all suppliers delivering work for HS2 Ltd to work together to deliver innovative and cost-effective solutions. These will be set out in more detail as part of the procurement strategy, an updated outline of which will be shared with the supply chain in Autumn 2014, with a final strategy due to be published in Spring 2015.
- 2.5.11 The Government has held a workshop on 'meeting the challenges of innovation' with the Technology Strategy Board, key technology Catapults, BIS and DfT to look at how we can support innovation in HS2. We will build on this, also using the Technology Strategy Board and other structures, to support continuous improvement in this area.

Recommendation 19: working relationships

HS2 Ltd must ensure strong working relationships with its contractors and workforces to deliver exceptional results. It should start discussions with employers and trade unions by the end of 2014 to agree a framework to deliver high standards in working practices and skills development.

- 2.5.12 The Government and HS2 Ltd endorse this recommendation and HS2 Ltd has begun discussions with the Trades Union Congress in order to develop a framework agreement. In advance of this agreement, a defined set of minimum standards in relation to labour and industrial relations has already been included within contracts that HS2 Ltd is currently procuring.
- 2.5.13 Minimum requirements will relate to the following areas: skills and training, productivity, recruitment, workforce relations and ethical labour practices in accordance with the Ethical Training Initiative Base Code, the internationally recognised code of labour practice.