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Chief Executive

Good morning!

It's great to see so many people here.

Many people ask me what attracted me to HS2.

For many years, I've been improving our aging Victorian railway infrastructure which was built for Victorian needs and Victorian concepts of time.

So the opportunity to build a new world-class railway that is fit for our needs was irresistible.

And that's why I'm here.

I hope by the end of the day, you'll agree that HS2 is the biggest and most exciting opportunity of our whole working lives.

I guess that's why we are here today at this Supply Chain Conference.

Before I talk about the scale of the opportunity that HS2 can be for you – I'd like to spend a minute on the broader context.

HS2 is the opportunity to build world-class infrastructure that will tackle some of the toughest challenges in our country.

These challenges are long-term and complex:

- a two-speed economy
- the lack of connectivity and productivity in the North
- the over-crowded transport and over-heated property market in the South.

The solutions we develop must be of an equal scale.

Today, I'm going to talk to you about the opportunities that HS2 creates for the country and for our industry.

I'll talk to you about the types of people and businesses who we are looking for.

And I'll describe what you can expect as a partner of HS2 Ltd.

HS2 – The Opportunity

But first some context ...

HS2 will change the economic geography of this country by providing high-speed connections between London, Birmingham, Manchester, Leeds, Liverpool, Edinburgh and Glasgow.

It will increase the overall capacity of the rail network by almost 20,000 passenger seats per hour.

This will increase capacity on existing lines.

The number of short distance commuter seats will double.

And an estimated 500,000 lorries will be taken off our roads.

Journeys that are currently time-consuming, unreliable and uncomfortable will be fast, frequent and stress-free on HS2.

It will be integrated with existing rail services as soon as Phase One is completed.

So high-speed trains will serve destinations beyond Birmingham.

This means millions of people will have high-speed journeys on HS2, seven years before Phase Two opens.

This will open up local and regional markets and attract foreign investors.

Businesses will change their investment and location decisions.

Knowledge-sharing and innovation will become easier and faster.

Over time, the connected cities will be able to work, trade and compete as one economic powerhouse.

Hundreds of thousands of people will have their job opportunities transformed.

Next week, David Higgins, Chairman of HS2, will publish his second report.

It's going to be called "Rebalancing Britain".

It has this title because rebalancing Britain is the key purpose of HS2.

Britain's global advantage is increasingly as a knowledge economy.

It is our ideas that give us our competitive edge in areas such as high-tech manufacturing, the creative industries, law and finance.

But those industries depend on people being able to get together to share their ideas.

HS2 will boost these and all our industries by connecting people across the country.

At this point, I would like to pay tribute to the politicians both local and national who have supported HS2.

In April this year, MPs in the House of Commons voted by 452 to 41 to support the Second Reading of the Phase One Bill.

MPs from all parties voted for the bill despite understandable opposition from those who will be affected by its construction and the cost - which is difficult at a time of austerity.

But they saw the strategic importance of HS2.

And they have shown a real determination to make HS2 happen for the long-term good of the country.

The Construction of HS2 will begin the rebalancing of Britain's economy

So, let's move on to the why we are here today.

The construction of HS2 is an opportunity to begin rebalancing Britain's economy - long before the trains start running in 2026.

This isn't just about building great infrastructure: it's also about how we build it - leaving a long-term legacy.

The scale and duration of the build program means we can use it to create deep, long-lasting changes in skills, jobs and diversity.

This will benefit everyone in Britain.

When you work with HS2 Ltd, you'll have the opportunity to shape four major changes in our country.

1) Creating jobs across the whole country

We'll need senior engineers and technical specialists with world-class skills and decades of experience.

We'll also hire many new graduates and approximately 2,000 apprentices who will have their first job working on HS2.

We'll need people from dozens of different disciplines

- people who have worked in the rail sector for their whole lives
- and people who will bring expertise gained from careers in other industries.

As we build HS2, we will support the government's work with local areas to develop their HS2 Growth Strategies.

This will boost:

- economic growth
- attract inward investment
- and create more jobs.

Soon, we'll be opening our construction headquarters in Birmingham.

Our network control centre will be built there too.

2) Transforming the skillset of the infrastructure industry

It's an opportunity to make a step-change.

And what an opportunity it is - a 20 year project which can train and deploy an entire generation.

HS2 will develop the talents of its whole workforce.

Our workforce will set new standards in infrastructure design.

They will build HS2 using the most advanced construction techniques, such as BIM and off-site modular assembly.

Businesses will be able to invest in their workforce, their products and their research and development capabilities.

The security provided by the HS2 pipeline of work will make this possible.

I mentioned a legacy earlier –

I believe the people involved in the programme

- will develop exportable skills and products
- and become internationally competitive in state-of-the-art, high-speed rail.

This will deliver long-lasting benefits to the economy.

3) Improve equality, diversity and inclusion

The construction industry is not diverse.

It does not represent society as a whole.

On HS2, we'll be recruiting women and men from a wide range of ethnic and social backgrounds.

We'll work with you to create life-changing opportunities for local and under-represented people and businesses.

We'll be paying living wages to all our people - even the youngest and newest members of our workforce.

We're going to set high expectations for equal opportunities, skills and employment.

And we'll monitor our progress.

We are committed to equality, diversity and inclusion.

It is the smart way to run a business, as well as the right way. It is the key to getting the best people we need.

4) Bringing new people into the infrastructure industry

Britain has brilliant engineers - but we don't have enough of them.

By 2020, British businesses will need nearly 2 million workers with engineering skills.

Every year for the next ten years, the UK will need approximately 87,000 graduate level engineers.

In 2013, we fell 36,000 short of this target.

This is why we are opening the new National College for High Speed Rail - as announced by the Prime Minister last month.

Our supply chain must help develop its curriculum.

It will be the route through which you will train many of your employees who will be working on HS2.

The college will have two sites – one in Birmingham and the other in Doncaster.

It will provide specialist training to the next generation of engineers.

When the college opens in 2017, it will have experts in their fields as trainers.

They will set industry standards for training based on emerging technologies and the use of cutting-edge facilities.

The High Speed Rail College will be one of the first specialist National Colleges.

But we will need industry engagement with our partners to make this a real success.

Currently, National Colleges are planned for the advanced manufacturing and nuclear sectors.

Others may follow.

The High Speed Rail College will build strong links with the new colleges as they open.

Together, they will help UK businesses to compete and grow.

But, as you know, inspiring future engineers starts at school.

In November last year, HS2 Ltd launched its own Education Program to encourage school children to explore careers in engineering.

Already, our Educational Ambassadors have volunteered almost 4,000 hours.

They've provided learning opportunities and careers guidance to thousands of girls and boys aged from 11 to 16. These are the first people to directly benefit from HS2.

Who we are looking for

So, what are we looking for in our future partners?...

Across the UK, outstanding organisations and individuals will partner with us to design and build HS2.

All our partners will need to have the same vision and ethos.

They'll be ambitious, innovative and creative.

They'll have strong ethics which are demonstrated in the way they do business.

Our partners will also have robust training and education programmes.

They'll have excellent track records and be open to working in different ways.

High quality and coming in on budget will be essential – but they are just the start.

We want the best companies with the best people to partner with us on this programme.

Safety

If you remember only one thing about what we are looking for in our partners – remember this:

Safety is our strongest value.

Our partners must have a strong safety culture.

They'll have rigorous health and safety processes with long records of achieving high standards.

A strong safety culture, through demonstrated performance, will be vital for all our suppliers.

Every person must be safe all the time.

Unsafe companies will not be tolerated on HS2.

Procurement strategy: what we plan to buy

So, what do we plan to buy ...

HS2 Ltd will work directly with around 15 large Tier 1 organisations to build the infrastructure.

They will deliver major packages.

Beth and Alistair will go in to this in more detail after the break.

Overall, we expect 60% of supply chain opportunities to be awarded to small and medium-sized enterprises.

There will be opportunities across many different business sectors, for suppliers of all sizes.

The HS2 pipeline of work stretches 10 years ahead, just for Phase One.

We will require our main contractors to:

- use open procurement tools
- and to simplify the procurement process as much as possible
- in order to reduce barriers for SMEs.

During the coming year and beyond, we will continue to engage with businesses.

And we'll continue working with trade associations and industry bodies.

We want to listen to your views.

I urge you to continue to engage with us.

Register your interest with us.

And come to our events.

Then, you'll hear about opportunities as soon as they emerge.

What you can expect

So, what can you expect as a partner?

The people of this country deserve a world-class railway.

HS2 is a substantial investment.

So it must deliver transformational change.

We'll be asking a lot of our partners and ourselves.

Every one of us who works on HS2 will have to push themselves to work in new and better ways.

It's going to be exciting.

The way we build HS2 is important.

It will need to be built sensitively to minimise disruption to affected communities - as well as efficiently to control costs.

It needs to be environmentally resilient so it can withstand short-term hazards, like floods, and long-term threats, like climate change.

It will need to be economically sustainable in its use of resources and disposal of waste over many decades.

It needs to provide value for money – not just for the generation who builds it but to the future generations who will maintain it.

This project will demand new ways of working.

It will require us all to collaborate closely and innovate continuously.

We will only be able to achieve our ambitions for HS2 if there are strong relationships through every part of our supply chain.

This is why we have been consulting so closely with you through our Market Engagement Programme during the past year.

Your feedback has helped us to validate and refine our procurement strategy. In effect, we're developing it together.

Beth West, our Commercial Director, will tell you more later.

We will continue to meet and collaborate with all parts of the supply chain through:

- our industry days
- workshops
- and regional roadshows.

We will actively facilitate co-operation between our suppliers.

Once the Tier 1 contractors have been appointed, we'll be holding "Meet the Contractor" events so they can develop their business relationships with SMEs

We'll make sure that UK industry is well placed to bid for HS2 contracts by building on best practices from Network Rail, Crossrail and the Olympics.

The challenge is how we do that and bring in international best practice.

Modern design philosophy

When we design HS2, we'll design the train service and infrastructure together so they are both fit for purpose.

Our thinking about design has changed in recent months.

We've reviewed our overall programme.

We're learning from other programmes across the world – as well as drawing upon our own experience.

Now, we're going to spend longer in design.

We'll get our plan right through Early Contractor Involvement.

We'll standardise many elements so the aesthetics are consistent and the build is efficient.

Modularisation will be extensive – and that's another reason to get the design right.

As a result, our construction timescales can be reduced when compared with international benchmarks.

Alistair Kirk will talk about this later.

Innovation

HS2 is not going to be "business as usual".

It needs to meet the highest standards set internationally.

We're going to have to take the best construction practices in this country and build on them.

We'll have to learn from the experiences of other high-speed rail and major infrastructure projects across the world.

But we'll need to do more than simply use existing construction processes – no matter how good they are.

HS2 needs to be built better, faster and cheaper than any other railway.

We're going to have to innovate.

It's the only way.

We'll have to push ourselves and our organisations to new heights.

You'll need to design every part of the railway to meet high expectations for:

- passenger experience
- noise reduction
- whole-life value
- and environmental sustainability.

You'll need to build stations, trains, tracks, tunnels and train control systems which will set new standards in railway construction.

We're looking for individuals and businesses who can innovate continuously - so they can safely reduce costs, cut time scales and deliver excellence.

This is why we have invited you here today.

We're getting ready for HS2

HS2 is in transition from a planning team to a delivery organisation.

We have been working on a delivery strategy for the whole programme.

It will cover how HS2 Ltd plans to deliver the programme for phase one and phase two.

Much of what we cover today will be part of that strategy. We'll publish it for you at the end of the year.

We're creating the organisation that will deliver HS2.

We have a new person starting with us every day.

We're recruiting 36 senior positions.

Together, we are creating a strong, identifiable culture and approach that are unique to HS2.

Currently, we are developing our programme management systems and building our delivery expertise.

We've identified that the final service proposition and operational model needs to be established now.

And to do this we are currently recruiting a Managing Director Operations – much earlier than other programmes.

We're working with the design industry to create a design vision for the railway and its passengers.

And we've begun working with communities, businesses, local authorities and cities so they can seize the opportunities HS2 creates - as recommended in the HS2 Growth Taskforce, led by Lord Deighton, the Commercial Secretary.

We're building momentum.

We'll be ready to begin procurement in 2015.

Now, we're asking you to get ready too

So, that's what we are doing...

... And this is what we need from you.

We need you to prepare for HS2 as well.

We want you to keep working with us.

You should continue the great work we've done together over the last year.

You've got new opportunities for getting involved.

Beth and Alistair will tell you more about that later.

Now is also the time to begin working with each other.

We want you to build relationships and continue to form teams - working in a collaborative manner.

Please take the opportunity to meet each other today at our exhibition and during the networking session.

This is one of the reasons that we've brought you here.

I'll be at the networking session.

And I am looking forward to speaking to as many of you as possible.

Thank you.