15 January 2020

Dear Prime Minister

As senior leaders of some of the UK’s largest engineering, construction and infrastructure companies and consultancies, and representing businesses in the supply chain large and small, we are writing to you to re-emphasise the important and hugely positive benefits of delivering HS2 in its entirety, particularly for the long-term direction of this country as a recognised global engineering player.

HS2 will be the symbol of an outward-looking Britain that unites our regions and shows the world that the UK is open for business. It will unlock significant growth, investment and prosperity along its entire route, supporting transformation in the Midlands and North of England, and supporting the decarbonisation of transportation. Alongside this, it also promises to help deliver a transformative modernisation of the UK’s engineering, construction and infrastructure sector, driving huge investments in new technology, skills, and capacity.

**Employment and skills**

While c.30,000 jobs and 2,000 apprenticeships, supply chain partnerships and local enterprises are due to be created during the construction phase, what is less well understood is that this process has already begun in earnest.Enabling work is well underway at several key locations. This means that money is already being spent with small businesses across the country and that jobs are already being created right now. The scheme is already directly responsible for the employment of more than 9,000 people working across 250 sites.

With these new roles that are being created, the investment in HS2 goes far beyond increased rail capacity. It will drive new skills and capability, underpinning what will in effect be an industrial renaissance in the Midlands and the North, boosting regional connectivity and offering jobs, skills and opportunities for thousands of people and businesses across the region. As well as passengers, it will also free up freight capacity on the rail system, removing 2.5 million lorries worth of cargo off our road network. And it will help the UK further strengthen its economy post-Brexit. Indeed, it has already led to record levels of Foreign Direct Investment into the West Midlands.

Perhaps most importantly, these people will be trained to use the new skills the construction and infrastructure industry needs as it comes to increasingly rely on modern methods of construction such as offsite manufacturing. This will enable us as a sector to further develop our exportable skills base and boost the UK’s industrial capacity. It will also mean that the skills honed during Phase 1 will be invaluable as the route is extended up to Manchester and Leeds – and beyond.

The other side of the coin is that the skills and capabilities needed to design, construct and maintain key infrastructure are built over decades and when not used and advanced effectively, die. This important capability – the engineering and construction excellence which Britain has been famed for, for generations - is not a tap which we can turn on and off without causing irreparable damage.

**Small and medium sized enterprises (SMEs)**

HS2 is already delivering significant benefits across the country. Indeed, the sheer scale of social value that will be added into the community has not, we believe, been fully understood. A key element of that is the huge boost it will provide to the UK’s vital small business economy. It is well-known that small business is an engine of economic growth. The steady flow of work from HS2 will be a catalyst for thousands of small businesses across the North and Midlands to turbo-charge their own businesses as their services are increasingly called upon.

Our suppliers have invested, and are ready to work with us, to deliver between £2 billion and £3 billion of HS2 works a year over the next 15 years. On top of this, these firms will deliver further projects that have been unlocked as a result of HS2 going ahead. Our businesses have already engaged 2,000 firms in the supply chain right across the country, 70% of which are SMEs, in order to help us deliver our combined HS2 contracts, and we know from those relationships how much the supply chain across the UK stand to benefit from the work they will deliver on HS2. This supports SMEs to bring dynamism, innovation and expertise into the project, and can be a blueprint for future public procurements.

**Transforming the construction and infrastructure industry**

HS2 will also redefine the construction and infrastructure industry itself, as it promotes modern methods of construction, helping to strengthen the sector and make British engineering even more exportable. It will build on our existing expertise and make the UK a world-leader in high-speed rail. And it will not only reduce transport emissions, but assist in the development of new, green engineering and construction skills.

In the Midlands, it will drive a new generation of infrastructure manufacture. This will provide both a platform for other infrastructure schemes, and a catalyst for the next generation of logistics solutions, products and technology, which will spin-off from HS2.

To meet this opportunity, the industry has been investing and gearing up, based on the certainty of the scale and flow of work from HS2 in order to deliver this modernisation. HS2 is thus central to driving – and now maintaining – the industry’s bright future on a larger, global stage.

We recognise that some of those who oppose HS2 have suggested that any decline in sector activity could be addressed through investment in alternative infrastructure works. We want to be clear - as experts on the forward pipeline of UK infrastructure opportunities – that no substantive ‘shovel-ready’ projects exist. It would take many years to get an equivalent pipeline of work in place, by which time the damage would already be done to the supply chain.

Just as the original railways built by the Victorians are still in use today, HS2 is not just a “once in a generation” project, but a multi-century investment. A decision to commit to HS2 now will demonstrate this country’s ambition to remain at the forefront of global engineering, infrastructure and construction delivery. It will benefit the entirety of the UK economy, by ensuring that we are able to continue to invest in developing the next generation of construction and engineering skills, by ensuring that we remain an attractive proposition for future infrastructure investment – and that we and our supply chain can continue to innovate to transform our sector.

We hope that you take these points into account while considering your response to the Oakervee Report and your Government’s proposed next steps with HS2.

Yours sincerely,

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Cc. Chancellor of the Exchequer, The Rt Hon Sajid Javid MP

Cc. Secretary of State for Transport, The Rt Hon Grant Shapps MP