

# Purpose

The Prime Minister has stated his wish to review “whether and how we proceed” with HS2 ahead of the ‘Notice to Proceed’ decision for Phase 1 (London-West Midlands) due by the end of 2019. The review will assemble and test all the existing evidence in order to allow the Prime Minister, the Secretary of State for Transport and the government to make properly-informed decisions on the future of Phases 1 and 2 of the project, including the estimated cost and schedule position.

For the whole HS2 project, the review should rigorously examine and state its view on:

- whether HS2 Ltd is in a position to deliver the project effectively, taking account of its performance to date and any other relevant information
- the full range of benefits from the project, including but not limited to:
  - capacity changes both for services to cities and towns on HS2 and which will not be on HS2
  - connectivity
  - economic transformation including whether the scheme will promote inclusive growth and regional rebalancing
  - environmental benefits, in particular for carbon reduction in line with net zero commitments
  - the risk of delivery of these and other benefits, and whether there are alternative strategic transport schemes which could achieve comparable benefits in similar timescales
- the full range of costs of the project, including but not limited to:
  - whether HS2 Ltd.’s latest estimates of costs and schedule are realistic and are comparable to other UK infrastructure
  - why any cost estimates or schedules have changed since the most recent previous baselines
  - whether there are opportunities for efficiencies
  - the cost of disruption to rail users during construction
  - whether there are trade-offs between cost and schedule; and whether there are opportunities for additional commercial returns for the taxpayer through, for example, developments around stations, to offset costs
  - what proceeding with Phase 1 means in terms of overall affordability, and what this means in terms of what would be required to deliver the project within the current funding envelope for the project as a whole
- whether the assumptions behind the business case, for instance on passenger numbers and train frequencies, are realistic, including the location and interconnectivity of the stations with other transport systems, and the implications of potential changes in services to cities and towns which are on the existing main lines but will not be on HS2
- for the project as a whole, how much realistic potential there is for cost reductions in the scheme as currently planned through changes to its scope, planned phasing or specification, including but not limited to:
  - reductions in speed
  - making Old Oak Common the London terminus, at least for a period
  - building only Phase 1
  - combining Phases 1 and 2a
  - different choices or phasing of Phase 2b, taking account of the interfaces with Northern Powerhouse Rail
- the direct cost of reprioritising, cancelling or de-scoping the project, including but not limited to: contractual penalties; the risk of legal action; sunk costs; remediation costs; supply chain impact; and an estimate of how much of the money already spent, for instance on the purchase of land and property, could be recouped
- whether and how the project could be reprioritised; in particular, whether and, if so how, Northern Powerhouse Rail (NPR) (including the common sections with HS2 Phase 2b) could be prioritised over delivering the southern sections of HS2
- whether any improvements would benefit the integration of HS2, NPR and other rail projects in the north of England or Midlands

- any lessons from the project for other major projects

## **Review team and support**

The review will be chaired by Doug Oakervee. The deputy chair will be Lord Berkeley. There will also be a panel consisting of Michele Dix, Stephen Glaister, Patrick Harley, Sir Peter Hendy, Andrew Sentance, Andy Street, John Cridland and Tony Travers. Each will focus on a specific area of interest; they will feed in to and be consulted on the report's conclusions, without having a right of veto in the event that consensus cannot be reached.

Support will be provided by the Department for Transport. Sufficient support will be needed to allow a searching and rigorous review in a relatively short time. The review team will be provided with any papers and persons they request. Undertakings of confidentiality will be entered into with the Chair, Deputy Chair, panel, and others as necessary.

## **Reporting and publication**

The review

report to the Secretary of State for Transport with oversight from the Prime Minister and the Chancellor of the Exchequer. It should produce a written report suitable for publication.

## **Timing**

The review should submit its final report in autumn 2019.