

Memorandum to all MPs participating in the HS2 Cancellation debate - Monday 13th September 2021

Cancellation costs for the HS2 Project - Summary

The summary is prepared from information available and in the public domain at 31st August 2021

Item	Description	Sub total £/bn	Cost £/bn
1	HS2 Project Cost incurred to date; "Evening Standard" January 2020¹		12.25
2	Claims arising from supply chain contract cancellations²		2.01
3	Capital Cost incurred on HS2 Cancellation		14.26
4	Reuse of land created on the Down Side at London Euston Station reused for new platforms for Chiltern line Electrification	2.05	
4a	Reuse of tunnelling preparatory work and design work London Euston to Old Oak Common	0.57	
5	Capital Cost of HS2 Works at London Euston reused	2.62	-2.62
6	Reuse of land created at Birmingham Curzon Station site	0.88	
6a	Reuse of design work for Birmingham Curzon Station for conventional rail	0.75	
7	Capital Cost of HS2 Works at Birmingham Curzon reused	1.63	-1.63
8	Land acquired by Compulsory Purchase for HS2 Limited; returned to the market by the "Crichel Down" principles or sold off at "Open Market" Value ³	2.25	-2.25
9	Capital Cost Nett Loss to the Exchequer due to HS2 Cancellation		7.76

The costs above as those ruling at 31st August 2021

This assessment should be read in conjunction with the estimates presented to the HS2 Costs Roundtable Meeting held by the Oakervee Review on 2nd October 2019 at the Institution of Civil Engineers.

¹ The HS2 Project Cost to date includes an allowance for the demobilisation of the contractors and consultants affected by its cancellation

² This cost is net after allowance for making good works that cannot be reused by Network Rail to return the land, on which they have been started to its original condition

³ No allowance made in the value of this land for betterment since it was acquired by HS2 Limited/DfT

Summary

The cost of cancellation, as assessed, should be compared with the current estimated cost of the entire project at 2nd Quarter 2021 prices of £160.06 bn

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