

# HS2 boss denies cost inaccuracies despite 'whistle-blower' claims

10 MAR, 2022 BY CATHERINE KENNEDY

Claims from whistle-blowers that HS2 Ltd is hiding the true cost of the project from the Department for Transport (DfT) have been rejected by the project's civils delivery director for Phase One Mike Lyons.

Independent consultant Michael Byng told an All-Party Parliamentary Rail Group (APPRG) meeting yesterday that whistle-blowers have said that there are "two sets" of High Speed 2 (HS2) accounts – one "internal" and one that is shared with the DfT.

Byng claims that important cost trends are being withheld in the accounts shared with the DfT.

However, Lyons refuted these claims in the APPRG meeting.

"I don't recognise that statement," he said. "I absolutely don't recognise it. There's one set of accounts and we're working very hard to spend public money in the way we should do in terms of reducing that actual cost and we are within our funding envelope on Phase One."

Official costs for completion of HS2 Phase One and 2a, [set out in the Integrated Rail Plan](#), currently sit at £42.5bn. But according to the Byng's whistle-blowers, the Anticipated Final Cost (AFC) is actually much higher: £92.02bn. This allegedly breaks down into £78.05bn for Phase One and £13.97bn for Phase 2a.

According to the whistle-blowers' alleged figures, the £92.02bn figure includes the results of detailed pricing and shows the pricing trends, but it is the £42.5bn figure that is used for advising DfT and Treasury of the AFC of the project.

As such, Byng believes that the cost trends are being withheld from the DfT and therefore the emerging true cost of the project for Phases One and 2a - and the trends driving it - are not being accurately reported.

Byng claims that whistle-blowers inside HS2 have also said that the funding envelope is already breached for Phase 2a with an overspend of £6.77bn at Q4 2019 prices and HS2 Ltd is again withholding the details from the DfT and Treasury.

The DfT has previously dismissed claims that HS2's cost could rise to £170bn as "baseless" and "false", sticking by its own revised budget of £98bn set following the Oakervee review.

Claims of a dramatic cost increase have also been made by Lord Tony Berkeley who served as the deputy chair of the government-ordered review into HS2 which concluded earlier this year. Berkeley's claims are based on cost projections made by Byng.

The bill for the western leg of Phase 2b was submitted to Parliament in January, and work is well underway on Phase One.

In addition to the £42.5bn for the completion of HS2 Phase One and Phase 2a, the IRP allocated £17bn for HS2 Phase 2b Western Leg and £12.8bn for the HS2 East Core Network - the replacement for the original eastern leg of HS2.

In October additional cost pressures on the first phase of HS2 and delays to some construction work around Old Oak Common station were revealed in a DfT update on the project's progress.

In his six-monthly report, transport minister Andrew Stephenson reveals that HS2 Ltd is currently reporting future potential cost pressures of around £1.3bn in relation to the first phase of the project between London and the Midlands.

That figured is up by £500M, compared to Stephenson's previous update which reported potential cost pressures of of £0.8bn, however is still within the allocated funding envelope.

Copied from New Civil Engineer